



DÍOSPÓIREACHTAÍ PARLAIMINTE  
PARLIAMENTARY DEBATES

**DÁIL ÉIREANN**

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

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# DÁIL ÉIREANN

*Déardaoin, 27 Deireadh Fómhair 2016*

*Thursday, 27 October 2016*

Chuaigh an Leas-Cheann Comhairle i gceannas ar 10 a.m.

*Paidir.*

*Prayer.*

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## **UN Paris Agreement on Climate Change: Motion**

**Minister for Communications, Climate Action and Environment (Deputy Denis Naughten):** I move:

That Dáil Éireann approves the terms of the Paris Agreement, done at Paris on 12th December 2015, a copy of which was laid before Dáil Éireann on 18th October 2016.

Today has the potential to be a turning point which, in hindsight, will be seen as the advent of major cultural, political and technological change in our country. I use the word “potential” purposely. Agreements may be the prelude to actions, but they are not deeds in themselves. The Paris Agreement on the United Nations Framework Convention on Climate Change has the potential to build on progress. It is the basis for doing more and allowing communities here, in concert with countries around the world, to take decisive actions which ultimately will safeguard our shared future on this planet.

The word “global” in the term “global warming” accurately summarises the incontrovertible science underlying the threat facing the planet. It is also, in its vastness, potentially daunting, even discouraging. How can any one country, especially a small one, make a difference? How can any one of us meaningfully contribute? It is the task of politics, one to which I intend to apply myself in order to bridge the chasm between global challenge and national responsibility and Ireland’s obligation and the responsibilities of every citizen. The saying “one cannot change the world” may be tired. On climate change, it is a pressing fact that the world will not change without you. On the international stage, the response is evident within the European Union and the United Nations. Ireland has been and pledges to remain a highly active participant within both arenas. The Paris Agreement was adopted last December. It was the result of unprecedented engagement by governments around the world. It sets out a global action plan to put the planet on track to avoid dangerous climate change by limiting global warming to well below 2° Celsius. It is not just a blueprint for the future; it is also the best hope for any future. If that sounds apocalyptic, it is a fact.

Climate change is decades-old. Its causes are deeply embedded in our way of life. Sustaining what we know is familiar against the detrimental change that has begun and that is wreaking a cost in Ireland already requires that we change before climate change changes everything irrevocably. As the first Minister for Communications, Climate Action and Environment, although not the first to be deeply concerned about the issue, I acknowledge the drive and political will in the run-up to the Paris summit in 2015 that enabled 195 countries to reach the first ever legally binding global climate agreement. Given the complexities and challenges, the agreement is a significant step forward. The fact that I am here today, less than one year after the agreement was negotiated, to present it for ratification by Dáil Éireann in accordance with the Constitution, is evidence of the Government's ambition. It is evidence, too, of my determination as Minister to drive the process forward at home. The world cannot meaningfully address climate change without leadership and the participation of the European Union and the European Union cannot lead or deliver without the full participation of its member states. Ireland, as a member state, cannot meet its obligations without the participation and commitment of all its people and every sector of society. They will not be forthcoming, nor can they be organised, without effective political leadership. That leadership must begin with the Government and me, as Minister. The leadership required in a task as life-changing and life-enhancing as this is broader. On climate change, it is a fact that the world will not change without you and neither will Ireland.

The ambition and commitment of the Paris Agreement is, I hope, soon to be affirmed by its formal ratification in Dáil Éireann. We will then have irrevocably embraced commitments in principle to act in concert with our fellow members of the European Union to deliver on specific targets to be agreed in detail. The European Union has agreed to reduce greenhouse gas emissions by at least 40% by 2030. Our contribution, yet to be agreed, will, undoubtedly, present significant challenges. For Ireland, however, I stress that, despite such challenges, we are committed to playing our role. This is the turning point of which I spoke. Major cultural, political and technological advances are required to tackle climate change. A Programme for a Partnership Government recognises the importance of meeting these challenges. As Minister for Communications, Climate Action and Environment, I am fully committed to prioritising climate change as a policy area in which radical and ambitious action is required. In budget 2017 a significant start has been made and more than €100 million will be invested in energy projects that will save over 116,000 tonnes in carbon emissions every year. This will support around 3,000 jobs and reduce our overall dependence on imported fossil fuels. A total of €7 million is being allocated to kick start a renewable heat incentive and the biomass industry. More energy efficient homes mean people spend less money on energy, enjoy a more comfortable lifestyle in their own homes and gain improved health benefits which, in turn, takes pressure off health services.

A national dialogue on climate change will be the basis for concerted action and, I hope, consensus on the major cultural, political and technological advances required to tackle climate change. Nothing already in train provides a simple answer, but what is planned will underpin the political commitment about which I spoke. Now, our challenge is to do more. In Ireland we might be inclined to think we are immune, but make no mistake, Ireland's climate is changing, too. Winters will become wetter and summers, drier. We may see milder winter temperatures which may benefit some sections of the community, but this will be offset by the potential for heatwaves during the summer. Rising seas will also increase the risk of coastal inundation. Storm surge events may increase in frequency and there are likely to be increased flows to river catchments, with obvious consequences in terms of flooding. I know that no one in this House requires reminding of the consequences. Let us be clear that the potential impacts for Ireland

are serious and have partially arrived.

Energy and climate action are inextricably linked. Using less energy and using it more efficiently are the most cost effective and accessible ways for us all to take action on climate change. In Ireland people in Cork are leading the way. According to the last census, there are nearly 200,000 households across Cork city and county, almost one in four of which has received the benefit of a Government-supported energy efficiency upgrade. Global issues almost too huge to grasp can be distributed as opportunities and as obligations - one household, one business, one country at a time - across the world. That is the political action required. This is the obligation to which the Paris Agreement will bind us when brought into force on 4 November. The agreement reflects our prioritisation in tackling the negative effects of climate change through our national policy position adopted in 2014 and the Climate Action and Low Carbon Development Act 2015. These policy and legislative structures are driving the significant increases in expenditure on the climate change measures I have outlined and which extend to health, energy management in the public sector and low carbon measures in the agriculture sector.

The scale of global activity to bring the Paris Agreement into force has been hugely impressive. The United States, China and India have all ratified the agreement. The European Union and ten of its member states are also across the line, with others soon to follow. I will travel to Marrakesh shortly as head of the Irish delegation. With the goodwill of the House, I hope to be in a position to add one more country to that list. What is happening today is not a conclusion; it is the beginning. It is the beginning of new obligations and new opportunities.

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

**Deputy Denis Naughten:** On climate change, we must collaborate with each other, while Ireland must collaborate with the world. I commend the agreement to the House.

**Deputy Timmy Dooley:** I very much welcome the opportunity, on behalf of Fianna Fáil, to support the position advanced by the Minister and the Government. We will be supporting the passage of the motion before the House. I take on board the Minister's assertion that this is an important agreement. We have seen agreements reached between member states, especially to achieve stability in economic matters, and it is often the case that when a particular point is reached and one of the larger countries has failed to achieve its targets, the targets are changed. I hope the commitment shown by the Minister to ensuring Ireland will be in a position to reach its targets will be accepted by other countries, particularly the larger ones and those that have a much more negative impact on the environment. It will be incumbent on Ireland, as a nation and through each Department, to begin a process of identifying the strategies needed to achieve the targets set. Action plans will have to be put in place, of which timelines will have to be part. There is no point in allowing matters to drift towards 2030; there will have to be yearly targets. While this does not form part of the overall agreement, it will fall to the Minister to set the yearly targets in order that they will be clear to everybody, rather than attempting to do it closer to the end, which has very much been the way governments around the world have dealt with the issue.

Formal ratification of the Paris Agreement on the United Nations Framework Convention on Climate Change is very important and to be welcomed. The emissions reduction targets agreed at the landmark COP21 Paris climate conference present huge opportunities, as well as huge challenges, for Ireland. Ireland's targets should be consistent with those of the European

Union. We have consistently supported the international process under the United Nations Framework Convention on Climate Change, but a new national priority in respect of carbon emissions represents a major shift in approach to climate change policy. While they are important indicators of progress, we must also have a longer term and wider vision for creating a prosperous and sustainable Ireland.

Fianna Fáil has a strong record in introducing progressive measures to tackle climate change which is perhaps the single greatest threat to our children's and grandchildren's future. We are committed to an ambitious environmental programme that will include tackling climate change. We previously published the Climate Change Response Bill 2010 on 23 December 2010 which passed First Stage in the Seanad before the Dáil was dissolved. By contrast, the previous Government repeatedly ducked and dived in tackling climate change. Its policies lacked strategic vision and fundamentally failed to progress the decarbonisation of the economy. I hope the new Government will not follow this path. It is clear from what the Minister, Deputy Denis Naughten, has said and discussions I have had with him that he is absolutely committed to making this change. We all have a responsibility, including those of us who represent rural or agricultural communities, to address the serious issues facing us, to which there are solutions. Solutions can be found to address them.

Fine Gael's and the Labour Party's Climate Action and Low Carbon Development Act 2015 in the last Dáil marked a serious retreat from the 2010 legislation published by the previous Fianna Fáil-led Government. Instead of setting clear targets, it had vague aspirations. Climate change poses a serious threat to this island nation across a broad range of areas, from agriculture to infrastructure and massive coastal erosion. Alarmingly, under the Government, this will be the second last EU country to ratify the hugely significant COP21 agreement that was brokered in Paris in December 2015 and under which 195 countries agreed to restrict the increase in global average temperatures to less than two degrees above pre-industrial levels. The agreement will enter into force on 4 November, ahead of the next conference of the parties, or COP22, which is to be held in Marrakesh.

In July the European Commission published draft emission targets to match the ambitions of COP21 with legally binding emissions reduction targets for non-emissions trading scheme, ETS, sectors which include agriculture and transport and encompass waste and residential emissions. The EU aims to reduce greenhouse gas emissions by at least 40% on 1990 levels by 2030. Government has said that the analysis is ongoing to assess the full implications of these for Ireland. That analysis needs to come to a speedy conclusion and, from that analysis, we then need to see the plans in place with yearly milestones clearly identified so that we do not allow a situation to evolve and develop where we are working towards targets without really knowing where we are at until it is too late and then find ourselves having to move the targets to avoid penalties. Ireland has had much work to do considering the EU 2020 target for Ireland was to reduce emissions by 20%. The EPA has estimated that Ireland will reduce its non-ETS emissions by between 9% and 14% below 2005 levels by 2020, which is significantly below our 2020 reduction target of 20%.

It is imperative that the Government negotiates a deal for Ireland that maintains a high level of ambition, is fair and cost-effective and can be implemented from a technical perspective in attaining overall EU 2030 emission targets. The final text regarding such will have to be agreed with the European Parliament and the European Council of Ministers, while binding EU 2030 emission targets to be distributed within the Union will have, as I stated, serious implications for Ireland.

Under the Commission's proposals, Ireland would have to reduce greenhouse gas emissions by 30% below 2005 levels by 2030. This draft target allocated to Ireland, including those flexibilities, represents a significant challenge to all sectors of the economy. The sooner we have a plan in place the sooner we can address these challenges and the better the outcome. The proposal also includes flexibilities related to the transfer of ETS allowances and the inclusion of land use, land use change and forestry credits. The inclusion of these flexibilities in the draft proposal may ultimately reduce Ireland's non-ETS 2030 target to just a little over 20%.

The Government must outline to the Dáil as soon as possible all the costs and requirements for energy, transport and agriculture, which are the three main sectors outside the emissions trading system. Ireland's greenhouse gas emissions profile is unique within Europe, being heavily weighted towards agriculture due to the lack of heavy industry within our overall economy. It is important to stress that, since 1990, agricultural emissions have reduced by close to 10%, while other areas such as transport have increased emissions by over 120%.

During the EU negotiations, it is essential that Ireland gets a fair deal in negotiations over the technical details associated with greenhouse gas, GHG, reduction targets and their measurement. Ireland needs to push for land use, land use change and forestry to be recognised as a major contribution to GHG target measurement. The inclusion of land use, land use change and forestry within the scope of the draft EU proposals are a welcome development and represent a sensible approach, which broadens the tools available for Ireland to reduce GHG emissions.

There are also huge opportunities for Ireland to achieve what can be considered a win-win outcome in meeting our reduction targets. For example, only 11% of our land is forested compared to 33% across the EU and afforestation has a high potential for helping us meet our emission targets. This places a responsibility on the Government to encourage to a greater extent the use of land that is currently not being actively farmed. Some of it is difficult to farm because it is commonage. There needs to be a proactive approach by the State in attempting to get much of that land under forestry. It will have an economic benefit to the State at a later stage anyway, as well as helping us meet our targets. Even the forests planted since 1990 absorb a massive 18% of Irish agriculture's annual greenhouse gas emissions. At the same time, economic returns from forestry are strongly competitive compared to other land uses and could pay a high dividend in terms of regional development and employment.

Ireland's target under the EU renewable energy supply directive is to ensure that 10% of its transport energy comes from renewable sources by 2020. Reducing the carbon emissions associated with transport is also key to meeting Ireland's GHG reduction targets. Transport will likely account for 30% of Ireland's non-ETS emissions in 2020. The target allows the inclusion of transport energy supplied from liquid biofuels, biogas and renewable electricity resources. I would argue, however, that some of the targets set by the previous Government, which pursued a grant model to encourage electric vehicle usage, have not worked. The Minister has spoken about the proposals himself. We really have to get real about incentivising the use of electric vehicles as a way of assisting in the reduction of the emissions from the transport sector. We will have to be brave and bold and will have to deploy the State's resources in a manner that will encourage people to use these vehicles. The battery life will not be a problem for those who will just do 20 or 30 miles a day. There is absolutely no reason for them to be stuck in traffic burning fuel and emitting the pollutants we need to address.

**Deputy Brian Stanley:** I welcome the opportunity to speak on the motion to ratify the UN Paris Agreement on Climate Change. Sinn Féin welcomes the motion as it is essential that the

Government takes the issue of climate change seriously. We broadly welcome the COP21 Paris Agreement. However, there are a number of concerns that need to be addressed, both nationally and internationally, if the aspirations of this agreement are to be realised. There has been inaction by successive Governments and this country has been slow to deal with the issue of greenhouse gas emissions. There is a carbon cliff in front of us, so we must play catch-up to meet our obligations and to avoid fines of hundreds of millions of euro.

The Minister stated that Ireland's national policy position is underpinned by the Climate Action and Low Carbon Development Act 2015. We supported this Act, which was a positive step, but it is fair to say that a number of us, particularly in our party, recognised that it had some shortcomings as it alone is not adequate to ensure Ireland meets its obligations. The Act does not include firm sectoral targets that we tried to have included during its passage through the Dáil. The Act is not adequate in terms of following on from the action plan on climate change which ended in 2012, which had targets based on the Kyoto protocol. Public consultation on the legislation attracted some 600 submissions, most of which recommended setting definite targets in legislation, but that recommendation was left to one side and ignored. There is no definition in the Act of what a low-carbon economy actually means. Further, an expert panel has been put in place, which is welcome, but it is not completely independent of Government.

Will the Minister take on board that further work could be carried by local authorities? I am raising this in a positive way to try to see if we can use the local authorities more to deal with the issue of climate change. There was some reform of the local authorities a couple of years ago, but city and county councils could be given a more significant role with regard to mitigation plans, the reduction of greenhouse gas emissions and sustainable development generally. From speaking to councillors throughout the country, I know they are willing to take on that role and there is no reason not to do it. We have to devolve this responsibility. It will not be dealt with by this House, Government Buildings or any Department alone. They will do some of it, but this has to be driven at grassroots level as well.

Comparing the report from the Joint Committee on Environment, Culture and the Gaeltacht with the Act shows that there is a number of deficiencies. The report indicated that Ireland's existing annual emission limits, as agreed in March 2013 under the European Union effort-sharing decision or any further modification of these, should have been written into the Act as a target for the 2013 to 2020 period. It is now important to get the positive aspects of the Bill implemented and that we ensure we meet our EU and international obligations. We also submit that we should be a little more ambitious and not allow any slippage. We should get up and get ahead of our game on this issue.

It is telling that the biggest influencing factor on Ireland's reduction in emissions over the past decade has been the economic crash. We have a carbon cliff in front of us, but it would be much worse only for the economic recession. We are gradually ramping up emissions again through economic growth and other factors and it is not certain we will meet our 2020 targets.

At COP21 in Paris, the Taoiseach stated Ireland was "driving economic and environmental efficiency in agriculture and achieving results". The agrifood sector is very important and Ireland produces food for many other countries. However, if we are to achieve the results the Taoiseach spoke about, we need to develop other more sustainable farming practices. While the beef and dairy sectors, on which Ireland is heavily reliant, are very important, we must encourage diversification in tillage, particularly by restarting the sugar industry, which was closed down under a previous Government. I have spoken previously about the reasons diversification

is needed and highlighted the carbon sink value of the sugar beet crop.

A major influence on how we tackle climate change will be the approach we take to the issue of energy. Ireland is still heavily reliant on fossil fuels for its energy supply, with 88% of total supply currently being imported. To tackle climate change, we must produce more energy from renewable sources. The best way to develop renewable energy is in conjunction with communities and the semi-State sector. The Government must provide supports for community energy projects. Templederry community wind farm in County Tipperary is a good example of a successful community energy project. State companies such as Bord na Móna, Coillte and the ESB can play a bigger role in renewable energy production. However, we should not rely solely on wind energy as a renewable source of energy. I have outlined previously the difficulties caused by putting all our eggs into the wind basket, as it were, and I do not propose to rehearse my arguments on this issue.

As matters stand, Ireland will not meet its energy targets for 2020. The Government must take the initiative to accelerate the development of renewable energy and save on energy emissions as a key part of Ireland's infrastructural development. There is untapped potential to develop the green economy. Projects such as solar installation and energy efficiency upgrades on homes have the potential to create thousands of jobs and reduce our dependency on fossil fuels. A large number of pre-1961 homes will be more difficult to insulate than those that have already been insulated because they do not have cavity walls. While considerable progress has been made on houses built between 1960 and 2007, we must start insulating houses built before 1961.

There is significant potential for the development of renewable energy projects, both large and small. Renewable energy development is a vital element in the fight to reduce our CO<sub>2</sub> emissions. It is also central to securing energy security because our dependence on imported fuel is unsustainable economically and environmentally.

While Sinn Féin is committed to renewable energy, we believe the Government's approach is over-reliant on wind energy. A mix of renewable energy sources must be brought on stream. As the Minister will be aware, projects involving other renewable sources are experiencing difficulty in securing connections. Solar, biomass, wave and hydro energy are potentially rich sources of renewable energy and semi-State bodies must be facilitated in taking the lead in these areas.

Diversification in transport is also required. A recent report to the Joint Committee on Transport, Tourism and Sport showed that emissions from transport have more than doubled. This matter must be addressed, including by increasing the number of electric vehicles on the roads. Petrol and diesel vehicles must be replaced and public transport also needs to be improved. Notwithstanding ambitious targets for alternative powered vehicles, sales of electric cars have been lacklustre. At the beginning of October, just 371 new electric cars had been registered in the market. Petrol electric plug-in hybrid sales so far this year have totalled 267, while sales of diesel plug-in hybrid vehicles had reached a grand total of 11. Clearly, we are lagging behind other countries in this area. Accelerating the switch to electric vehicles will require incentives and direct State involvement in rolling out the required infrastructure. In Norway, electric car sales account for 22.4% of new sales. This was achieved through a range of measures over the past 25 years, including direct government intervention. Micro-generation is another area that must be taken seriously.

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Global temperatures are rocketing. Yesterday, I noted a reading of 16° Celsius on an outdoors thermometer. It is nearing the end of October and we have not yet had frost. I remember frosts in September. The effects of climate change are before our eyes and we must take them seriously. As a developed country, we must address the issue of climate justice.

Ireland is good in areas such as recycling and food production. We should also become a world leader in reaching greenhouse gas reductions.

**An Leas-Cheann Comhairle:** I call Deputy Richard Boyd Barrett.

**Deputy Richard Boyd Barrett:** I did not realise I would be called so early. Is there no speaker from the Labour Party?

**An Leas-Cheann Comhairle:** Does the Deputy not wish to take the slot?

**Deputy Richard Boyd Barrett:** I could have done with ten more minutes to prepare.

**An Leas-Cheann Comhairle:** The clock has started.

**Deputy Richard Boyd Barrett:** The striking thing about the regular pronouncements on the urgency of dealing with climate change and big summits at which commitments are made to take action is that they start to unravel almost immediately afterwards. We hear grand and noble aspirations and much public relations work is done on what action will be taken to address climate change. We then quickly discover that individual players who are happy to trumpet their commitment on this matter quickly begin to back away from taking any real action on it. The facts surrounding climate change have emerged and they suggest the position is worsening, despite all the promises to take serious and urgent action. This has certainly been the scenario that best describes what has taken place in the year since the Paris summit, both in terms of this State and the wider global picture.

The Taoiseach took a script with him to Paris which stated Ireland was serious about climate change and would play its part in addressing it. However, as Oisín Coughlan, director of Friends of the Earth Ireland, pointed out in his blog on the Paris summit, the Taoiseach then gave a wink to the Irish media to the effect that we would not do any of this because to do so could, as the Government sees it, infringe on our national strategic economic interests, in particular, the Government's commitment to the beef sector. Rhetorically, therefore, Ireland will play its part but in reality, we immediately started to engage in special pleading to get us off the hook and back away from any serious commitment to reduce CO2 emissions. This was done because we did not want to upset the ranchers and big farmers. That is pretty much the size of it.

As I was about to leave my office for the Chamber, somebody joked that Deputy Danny Healy-Rae might as well be the Minister with responsibility for climate action. I do not mean any disrespect to the Minister by saying this. According to Deputy Healy-Rae, climate change is an act of God and we should just pray. While that is not quite the Government's stance-----

**Deputy Timmy Dooley:** How has that worked out for the Deputy?

**Deputy Richard Boyd Barrett:** I do not think it has worked out very well for any of us.

**Deputy Denis Naughten:** It is not even the Pope's stance.

**Deputy Richard Boyd Barrett:** In all seriousness, while it is not quite praying, it is the Government getting down on its knees and beseeching Europe to give us special opt-outs for the beef sector. That is not acceptable when we have the UN Meteorological Organization stating in the last week we have passed another serious, worrying and dangerous milestone in terms of climate change in that, as was well trumpeted in the media, the level of carbon dioxide in the atmosphere has now gone 44% above the levels of the industrial revolution and is the highest concentration of carbon dioxide in the atmosphere ever. Of course, carbon dioxide is the most guilty greenhouse gas in regard to climate change.

It is a very serious matter and our stance is essentially to push the narrow, short-term interests of a particular sector of the Irish economy. I want to elaborate this point. By that, I do not mean ordinary farmers or rural Ireland; I mean the big ranchers. These are the people who contribute to the stunning fact outlined in the CSO report on the distribution of wealth and assets, which showed that the top 10% of the Irish population own 90% of the land. This is incredible concentration. I have not made the comparison, although I intend to at some point, as to whether that is a higher concentration of land ownership than we had under the British landlords and the aristocracy. I suspect it might be. It is an incredible fact.

We are not going to deal with climate change while that remains the case. There is no doubt the big ranchers, big beef exporters and so on account for a fairly heavy proportion of that quite obscene concentration in land ownership. Successive Governments have essentially been hostage to these interests and consequently do not want to do anything that might infringe on those interests. The Taoiseach was very explicit about that and about where his priorities and allegiances lie, and to hell with the environment and the rest of it because of those allegiances.

In the first instance, there has to be a radical break from that sort of thinking or we are going to suffer. It is not just the planet but also future generations, who are the most important group. To sell out future generations, to sell out our children and grandchildren, because of narrow, short-term interests and the profits of a small minority, is unacceptable and retrograde. Even as we speak, this is impacting on us. The serious flooding has done immense damage to small farmers and others primarily in rural Ireland, although it has affected urban areas as well. It has cost us a fortune. It has been a disaster and is almost certainly going to recur. This is the real impact of climate change and Ireland, according to some reports which I have quoted before, is the most susceptible country in all of Europe to this sort of environmental catastrophe and the damage flooding can potentially do. It is already affecting us and costing us a fortune, and it will cost us a fortune into the future. We have to act urgently but we are not doing so.

As my speaking time is running out, I wish to deal quickly with what has to happen. I did not hear the Minister's comments on the money. Oisín Coghlan makes the point that the €175 million mentioned by the Taoiseach at the end of last year was just recycled money and there was no serious commitment to extra money for climate change action. Perhaps the Minister can tell us whether there is any serious increase in investment in a number of areas where serious investment is needed to deal with climate change. Let me flag a few of the key issues. We need a huge increase in investment in public transport. That means cheaper fares and more subsidies for public transport, yet we are moving in the opposite direction by cutting subsidies and increasing fares. There has to be dramatic and radical action on this issue.

In the area of forestry, which is potentially a win-win in terms of employment, jobs and climate change, we are failing disastrously, even *vis-à-vis* our European partners. We have the best conditions for growing trees in all of Europe but the lowest level of forest cover. While

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I do not have time to elaborate, the Woodland League tells me that due to the market-led approach to forestry, farmers who were growing trees are cutting them down too early because the grants run out too early and because their approach to forestry is dictated by the market. They sell when the price is high rather than leaving the forests for a long time, which means deforestation is taking place. Incredibly, due to state aid rules, Coillte, the State forest company, is prohibited from engaging in afforestation. In addition, we continue to stick with the monocultural model, which is the least effective in terms of climate change, flood mitigation and so on.

With regard to insulation, we need a huge, State-led investment in the whole area of retrofitting and insulation, which would have a major impact. There are other areas I do not have time to deal with. Overall, are we getting serious or we just doing the special pleading and the rhetoric?

**Deputy Timmy Dooley:** The Deputy's prayers have been answered.

**Deputy Richard Boyd Barrett:** Let us get down on our knees, Danny.

**Deputy Maureen O'Sullivan:** We had very passionate speeches at the Paris conference. I think we can all agree climate change is extremely dangerous for our generation and also for future generations, which are facing a grim reality. The Intergovernmental Panel on Climate Change tells us that, if we continue as we are, 50 million more people will be at risk of hunger by 2050. The World Bank tells us that, in 15 years' time, if we keep going as we are, 100 million more people will join those who are already in extreme poverty.

The Paris Agreement is about multilateral action on climate change. We are now approaching the first anniversary of the agreement so we ask what can be achieved. One example brought to my attention is Ethiopia, where today there are 10 million people dependent on food aid due to persistent drought that has been worsened by the impacts of El Niño. We know the figure for carbon dioxide emissions in metric tonnes *per capita* in Uganda is 0.1 and in Ireland it is 10.5. Those countries which contribute least to greenhouse gases are the countries most impacted by climate change, and these countries are already suffering conflict, hunger and desperate poverty, as the Minister will know at first hand from his involvement with AWEPA.

The main causes of global warming, as we know, are burning fossil fuels and emissions. The fossil fuels account for two thirds of the emissions causing climate change yet, in 2015, some 70% of new energy investment was in fossil fuels. We are told that 80% of existing fossil fuel reserves must remain unburned if the Paris goals are to be met. It is vital that we do more to phase out fossil fuels. Some countries are having success and are using more wind and solar power than fossil fuels. Given the fossil fuel divestment movement, analysts are seeing that it is risky to invest in fossil fuels.

With regard to the Ireland Strategic Investment Fund, will the Government divest public money away from fossil fuel industries and, instead, adopt a 100% renewable energy investment policy for the fund? The Minister, Deputy Noonan, replied to a parliamentary question by stating the issue of fossil fuel divestment "may" be considered as part of the process of the autumn review of the Ireland Strategic Investment Fund strategy. While he used the word "may", I hope that becomes "will". That would be an affirmation of the Paris Agreement.

Prevention of further climate change is better than reaction to climate change. Various reports tell us that it is up to 20 times cheaper to prevent further climate change as opposed to dealing with the effects and the costs of not being active. I acknowledge the work of Trócaire

and other NGOs that are in the countries of the Global South and other countries. They see at first hand the effects of the policies of the developed world. These effects include drought, food insecurity, malnutrition, starvation, ill health, early death and infant mortality, not to mention the effect on the animals that farmers and others need. So much is caused by what we are doing in our world.

The climatic events are exposing the vulnerability of the plans in place to fight poverty. It is believed they are putting the sustainable development goals under threat. It is not just an environmental issue: it is also an ethical and moral one.

**Deputy Catherine Connolly:** I welcome the opportunity to speak on this. I fully support the ratification of the agreement. It is an urgent call to action. I am afraid the debate is over. With the greatest of respect to Deputy Danny Healy-Rae, the Sarah Palin type of politics is over. That debate is gone. The debate is no longer on whether our emissions are having an effect: it is on the severity of the impact and the window of opportunity we may still have as we learn to take responsibility for our rates of emission, which are contributing to global warming. In this regard, I welcome the Minister's statement that he intends to apply himself to bridging the chasm between global challenge and national responsibility. We have no choice at all in this matter.

The EPA has pointed out that we are not going to meet our targets. The advisory council has pointed out that the fiscal space will shrink by €3 billion to €6 billion because of our failure to meet targets. The Minister has not addressed this at all in his speech. The cost of not addressing our failure to curtail our emissions was not addressed, but the Stern report, among many others, has pointed out, along with my colleague, that it will cost up to 20 times more if we do not reduce our emissions. At some stage, sense must prevail. While I welcome the Minister's speech today, I am disappointed with the details. He referred to the national mitigation plan that must be produced by the end of this year. There is no sign of that or the draft. There is an action plan to be produced by June of next year. Will it be issued? What are our plans?

Under the Paris conference we must commit to a five-year plan, with each year having more ambitious targets. How are we going to do that? Such is the seriousness of this that we should receive an update every six months in the Dáil.

I sit on the Committee of Public Accounts, as Members know. Representatives of the National Treasury Management Agency appeared before us. The chief executive, Mr. Kelly, whose honesty surprised me, put up his hand and said the agency had not given any consideration to the risk of climate change in its investment policy. Second, he committed to returning to tell us how the agency will change its policy. We require a Government investment in changing from fossil fuels. Some 80% of fossil fuels must remain in the ground; we have no choice about that. We must consider renewable energy.

Climate justice comes into play because, as we sit here, 10 million Ethiopians are facing starvation. Not all of them are starving but they are all on the breadline. The carbon emissions of one Irish person equal those of 80 Ethiopians. How can we stand here and say that is fair or just and not say we have to change that?

I despair over our transport policy. One arm of the Government, represented by the Minister present, is considering positive measures while the other is considering an increasing number of roads. Some 96,000 vehicles enter Galway city daily. Vehicles are producing an increasing

amount of emissions but the only solution in town that the local authority and Government are talking about is another road. I despair.

**Deputy Clare Daly:** It is quite bizarre that we are here. I find it really appalling that we are ratifying an agreement that, in reality, we have no intention of abiding by. Even as the agreement was signed, the Government knew it did not attempt to meet our targets. That has not changed. The figures show this.

Irish agriculture is due to increase its emissions by 6% to 7% by 2020 while transport emissions are set to climb between 10% and 16% over the levels for 2014. In reality, as I am sure other Deputies have said, we will fall short on our emissions target by 70%. In some ways, we are just pretending to ratify the agreement because there is no agreed plan in place. There are always excuses made and there is always something else that gets in the way. In the past few weeks, the Government, through the EPA, opposed stronger air pollution standards for coal- and peat-fired power stations. Our so-called transitional national plan is really just another dodging of our obligations, a kicking of the can down the road. First, we are told we are too poor and in recession and that we cannot do what is required. Then we are told that the economy is only turning a corner and that we may be able to do what is required. There is always something put in the way of making the tackling of climate change a key priority.

We must compare the approach taken in this State with that of a similar jurisdiction, Scotland. We must keep repeating these points *ad nauseam* because Scotland's greenhouse gas emissions fell by 8.6% in 2014 to almost 40% below the 1990 levels. Scotland is ahead of its 2020 target by 42%. We will fall short of our target by about 70%. We actually engage in behaviour that makes circumstances worse. We are furthering our agricultural policy and subsidising fossil fuels rather than solar panels. We are creating a new competent authority for addressing aircraft noise that facilitates the development of Dublin Airport as a major hub, with all the consequential environmental and climate change impediments. We will keep doing this because our policies are heading in that direction. If we do not heed the moral obligation and life-and-death obligation to the planet, the cost should be considered, given that the Government always loves to consider the cost. Some sources claim we will lose between €3 billion and €6 billion up to 2030 if we do not deal with this issue. I really do not believe we are dealing with it. I am not blaming the Minister personally but the Government policies are sending us in a different direction. We are really just engaged in a bit of a stunt today to pretend we are ratifying something when, in reality, we are not doing so.

**Deputy Danny Healy-Rae:** My views on climate change are already well known. There were changes in the climate way back in times when there was no industrialisation and when there were far fewer animals on farms in our country. There was no intensification of farming in the centuries gone by, yet we had intense heat and long periods of very cold, wet weather, which culminated in the loss of many lives in the famine in the 1740s. This was caused by two years of incessant rain and extremely cold winters.

El Niño and the Gulf Stream have played a significant part in changing the climate over the centuries. Many untruths have been bandied about for many years. They told us about the ozone layer, greenhouse gases and cans of hairspray or whatever but they never told us that it was nuclear testing-----

**Deputy Denis Naughten:** I do not worry about hairspray.

**Deputy Danny Healy-Rae:** The Minister and I are the same in that we have nothing on our heads to spray. Anyway, we are managing.

They never told us that nuclear testing in the Pacific Ocean 50 years ago actually caused the serious damage to the ozone layer. I am thankful it is now mending and curing. It has nothing to do with policies in any country in recent times.

I am very worried about this agreement because it will have a severe negative impact on farmers. Farmers must be protected because of the consequences if the farming industry goes down. Farming is facing a serious crisis currently. If it is impacted negatively any further, it will hurt the whole country. When farming is doing badly, the whole country will not be doing well.

*11 o'clock*

It is rumoured that the national herd may have to be reduced. I will not support any policy that will impinge negatively on our agricultural production. It is said that if Ireland misses its 2020 targets, the likelihood is that this country will be fined. Three years is too short a period to achieve whatever targets the Minister is talking about. The honest truth is that they will not be achieved in that time. As I said to the Minister, farmers are at the crossroads. Many young farmers are declining to take over the family farm. They are refusing to take it from the parents and are going different directions because they see that they will be doing very well if they have one good year out of every five. Only two or three years ago, farmers were told to increase milk production. What is the story now? There is no fair price for milk, and many of the farmers who went into production for the first time or increased their production have serious financial problems at present. The Government is doing very little to help them. The last Government told them that the Chinese would drink milk but, as I understand it, they are not interested in drinking milk at all.

Forestry was referred to. It was said it will help to reduce carbon emissions. However, the grant for planting on marginal land, which is not agriculturally productive in many ways but would create an income for farmers, has been set up in such a way that one must have 80% green ground and 20% marginal ground. On any farm or landholding in south Kerry and many other parts of Kerry it is the other way around: 20% green ground and 80% marginal ground. I ask the Minister to reintroduce the grant for planting forestry. If the Government is saying this will help to reduce emissions, it needs to get its show together and give farmers a proper grant for planting marginal ground because at present it is not there and no planting is taking place.

The Government blames climate change for flooding. The fact is that every river is blocked. The Shannon has not been cleared out since the English cleared it out in the 1800s. Why is that? In the past 20 years, we have seen the introduction of cross-compliance, whereby if the farmer breaks any rule or cleans out a river, the Inland Fisheries has farmers and landowners insistent that they will not go near the river. This has meant that all the rivers have been clogged because farmers cannot afford to lose their payments. That is their bread and butter. That is what they feed their families from, and if they were to lose their payments, that would be the end of them. They could not feed their families, send their children to school or keep going at all, so cross-compliance has ensured that nobody has gone near a river. Take the Flesk river in Kerry which goes down through the parish of Glenflesk. A total of 22 houses and the community hall in the area were recently flooded, and the church was almost flooded. The national primary road we need to get emergency services in and out of our county flooded. The road and the houses did

not sink, but the level of water has increased because the water cannot flow freely through our Flesk river and into the lakes of Killarney. That is what is happening. The Government should address these issues and call the Inland Fisheries aside to get it to listen to reason because what it is at is not reasonable. It is depriving the rivers of fish because the bushes are closing in over the rivers and the fish need sunlight to reproduce and exist in our rivers. Inland Fisheries is hurting what it is supposed to favour.

Regarding diesel and electric vehicles, why talk about electric cars when we have nowhere to plug them in to charge them up? It is only pure waffle to say that people should diversify and buy electric cars when there are no facilities to plug them in. They can only travel 100 km at a time. If the Minister were travelling around Sneem tonight in an electric car and going as far as Caherdaniel and wanted to come back to Sneem, he would not get there. It is ridiculous. What is the Government talking about? The farming community is the easiest target. I can see that farmers will be hit so I do not support this agreement. A few years ago, the Government incentivised people to go down the road of getting diesel cars, which was grand, and many people have done that. However, diesel is now almost as dear as petrol. There was talk that the Government would raise excise duty and VAT on diesel. Gladly, it did not, but sadly, the cost of diesel has increased anyway. It is now nearly on a par with petrol. I ask the Minister and the entire Government how it is that when barrels of oil have never been cheaper, oil is getting as dear as it was when a barrel of oil was at its most expensive.

We could do a lot to have cheaper energy. I refer to wind energy and solar panels. There is no policy on solar panels in this country, as far as I can see. People ask me about solar energy. There is no such thing as applying for planning permission for them, yet people are hurt when they hear that solar panels are to be put near them. There needs to be defined policy on solar panels. I fully support wind energy projects. I do ask that they not be put near homes, particularly family homes. They need to be kept a distance away. Some say 700 or 800 m is a fair distance. We need to support the wind energy industry more because it is impossible to get planning permission for a wind turbine project at present. Hydro-energy is an impossibility. Inland Fisheries will not let us clean out the rivers so that people do not get flooded. The Minister knows that installing hydro projects in rivers will not work unless the Government talks to Inland Fisheries and gets its act together in that regard.

**An Leas-Cheann Comhairle:** I have been very lenient.

**Deputy Danny Healy-Rae:** I know. The last thing I will say to the Minister is that wave energy is not being explored at all. We have a massive distance of coastline all around us. Wave energy should be supported to ensure that it gets off the ground.

**Deputy Eamon Ryan:** The signing of the Paris climate agreement was an historic and momentous occasion. The fact that it is being ratified at speeds never seen before with any international agreement is a signal of how significant, important and urgent the task before us is. I was in Paris during the talks and I remember the day before the final agreement was reached I asked one of our officials what she thought. She said the devil was in the detail and in the extent of the detail. The agreement does not tell us exactly how we will cut our emissions.

Good day, Danny. We will talk to you later in the corridor.

**Deputy Danny Healy-Rae:** All right. Thank you very much.

**Deputy Denis Naughten:** That will be an interesting conversation.

**Deputy Eamon Ryan:** We share a corridor.

**Deputy Richard Boyd Barrett:** He actually made a few good points, in fairness.

**Deputy Eamon Ryan:** There are many exchanges of views in this place other than in this Chamber.

The devil, as I said, is in the detail. The agreement does not tell us how we will reduce our emissions, but the extent and the length of the agreement and the legal detail as to how we will have to monitor, account for and increase our ambition make it a significant agreement. The fact that we were able to get consensus among 190 countries shows remarkable strength. Through consensus comes strength. With terrorism, wars in different countries and the breakdown of international agreement, it was hugely important that we were able to make such a significant international agreement. It gives us hope that the sustainable development goals agreed in New York a few months before the Paris Agreement might also be brought into real life and action.

I wanted to talk to Deputy Danny Healy-Rae because I wanted to tell him the science is absolutely clear. He keeps saying that there have always been changes in nature and refers to a flood in 1752 or whatever. While that is true, I want to put the following point back to him and I will do so later. If such a small variation in the last period of historical record had such effects on our country, what will happen when we move out of any historical precedent or indeed out of one geological period, the Holocene, into a new geological era where we are responsible for changes that are bigger in scale and of a greater magnitude than anything we have ever seen in our historical record or lifetime? The scientists are absolutely clear and certain about what is happening and what we need to do to respond to it.

The thinking has changed with the Paris Agreement. First, the science is clear. What was holding us back for so long was that people, when asked why we do not do something about climate change, would ask why we should do anything when the Americans are not doing it or when the Chinese are building coal-fired power stations every week and so on.

The second reality is that it is now clear that everyone has a chance as well as a responsibility to take part in the transformation we need to make. Every village has the same opportunity to be part of what is the biggest and most important project facing us. It is an inclusive project now, rather than an exclusive project.

The third change in the thinking is that addressing this incredible challenge of reversing the increasing emissions, which are causing the problem, and starting to store carbon rather than emitting carbon will lead to a better economy. This is not a hardship or something that will make our country poor or a worse country in which to live; it will make it a better country. By addressing this challenge we connect with the fundamental changes that are already taking place in the world today. There is a digital revolution on the back of the increasing data processing capacity we have. A clean-energy revolution is taking place: that is for real and irreversible. It is clear that renewables and efficiency are winning. That is an area where we have particular comparative and competitive advantage as a country.

We are starting to see changes - a revolution - in the transport system that will come with those two other digital and clean-energy revolutions. Combined together what we are talking about here is not marginal change or change to the existing system, it is changing the entire economic system. It is a chance to move to a fairer, more socially just, stable, healthier economy in every way. It is not a marginal change or an additional little clip on the budget here. It is not

sticking to the existing system and preserving it: it is changing the system for the better.

Let us consider what that means. We need to do four fundamental things. We need to eat better, travel lighter, waste less and be energy clever. I am afraid that on all four measures we are fundamentally going in the wrong direction. Nothing that the Government is doing is bringing us back and changing our direction so that we get in touch with those revolutions that are taking place. Let me take each in turn.

In terms of how we eat, Mary Robinson was right. She was correct to say that the scale of change we need to make is such that we have to start to change our diet and eat less meat, which is better for us anyway. None of these changes is negative change: they are better for our health as well as for the environment. If we ignore that as the Government is doing and suggest we can just press ahead by pushing the beef industry and pushing as much infant formula as we can to the Chinese to try to compete with the New Zealanders, we are not being honest in signing this ratification. If we are serious, we need to make the changes to our diet and our food system.

Deputy Danny Healy-Rae thinks he has a scheme that can protect farmers. I disagree with him. By starting to adapt to climate, it will protect farming better. It will not just avert the flooding which is certain because a warmer atmosphere carries more moisture - that is the fundamental reason for having so much more flooding - but it also gives farmers a role. They are the key people on the front line who need to take on this challenge and will benefit from this challenge because the work they have to do is important. That work includes growing fuels as well as food, tending the land to store carbon as well as preventing flooding, catching the wind and managing our land-use system because that is what we need to do. It is a better use of our nature and leads to a better country to live in.

We have a big advantage. Ireland will not be among the countries worst affected. We will not be like large sections of India, the Middle East and parts of the Americas which will be uninhabitable on our current course. We will maintain an environment that is very habitable, but we need to tend it and manage it to cut out the carbon. That gives farmers a role and protects their lifestyle, rather than trying to go the other way and shift as much as food as we can around the world and keep going with an unsustainable system. That is not a clever way to go.

In transport, we need to travel lighter. We need to change fundamentally our unsustainable transport policies. At the moment we have a 4:1 ratio in favour of road transport over public transport. The alternative of the creation of urban space that is really attractive to live in is the real challenge of our time. It is not a minor shift in the budget here or there. We need a fundamental shift in the whole policy. There is no understanding of this. Why is the Minister for Transport, Tourism and Sport, Deputy Ross, not in the Chamber to give his view given his central role? I do not get any indication that he has the slightest interest in the issue.

The Minister for Communications, Climate Action and Environment, Deputy Naughten, is responsible for energy. The first thing we need to do is to throw out the energy White Paper published last year because it does not have the ambition we are signing up to in the Paris climate accord. It proposes making the change by 2100, which is too late. We need to recognise that this is a better alternative; it creates jobs. We should not be ratifying this if the Minister is saying, as he said yesterday, we can continue to burn our peat turf. If as he said, we have to preserve the jobs, I can guarantee we will preserve far more jobs - better jobs - and really bring life to the midlands by going the clean energy way. However, we cannot sign the accord and keep burning peat. It is hypocrisy and shows we are not serious. It means we are not leading

in the alternative clean-energy future.

In industry, we need to switch to a new circular economy where we waste nothing. We do not do that when we are building a massive incinerator in Poolbeg to burn 600,000 tonnes of valuable resource material every year. We do not do that when we cannot get agreement here in the Parliament just to monitor, measure and put a price on our water, which is one of the materials that will be so valuable in a climate-affected world. If we are serious, we need to start monitoring, measuring, putting a price on and respecting our natural systems. Nothing here indicates we are serious even though we are signing the Paris accord.

We in the environmental movement have to raise this issue higher. It is too important now to be seen as a pigeonhole. It is too important to have an empty press Gallery and empty seats here, indicating not the slightest interest in this subject. It reflects how this House views this issue and I fear it reflects how we view it in the country. We, as the environmental movement, need to change the whole story and open up people's eyes that we can have a future we can be proud of, a future we can be good at and a future that will create jobs and a socially just economy for all our people.

Let us sign this accord, but let us change our ways to show we really mean it.

**Minister for Communications, Climate Action and Environment (Deputy Denis Naughten):** I thank everyone who contributed to the debate. Bar one contribution, I agree with the vast majority of what has been said. Even in respect of that contribution, we need to address many issues there in the context of where we are going. The Deputies' contributions are useful in informing a wider-ranging debate on the issue of climate change. Recognition of the challenge of global warming has received broad support across the political spectrum. The Paris Agreement represents the first international commitment of its kind. For such a global agreement to enter into force less than one year after it was agreed sends out a message of global commitment to address the challenges of climate change. I understand some of the concerns raised and appreciate the queries surrounding our obligations once the agreement is ratified. The agreement is built on commitments made by all states parties. The nationally determined commitments outline the steps everyone will take to reduce their own impact on the environment and increase their ability to adapt to the inevitable negative effects of climate change. There is a commitment that the nationally determined commitments will display progression towards increasing ambitions over time.

I will try to deal with some of the questions raised. Deputy Timmy Dooley made the point that this was the second last country in the world to commence the ratification process. This is not, by any manner of means, the second last country to ratify the agreement. Ten EU member states have ratified it and Ireland will be the 11th to ratify it if we get the approval of the House today. While we may have been slow to start, we will be to the fore in completing the ratification process. I understand the frustration of many Members at the timelines. The draft first national mitigation plan, as Deputy Catherine Connolly mentioned, will be published for public consultation in the next few weeks. I would have loved to have been able to publish it before we had this debate in the House. However, I am determined to make sure it will be in place by the deadline of June next year. That places responsibility, as Deputy Eamon Ryan said, not just on me, as energy Minister, but also on the Minister for Agriculture, Food and the Marine, Deputy Michael Creed, and the Minister from Transport, Tourism and Sport, Deputy Shane Ross.

Deputy Brian Stanley said he would like to see stronger legislation. Legislation is now in

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place and sets a structure in place. It sets a benchmark to be reached by every Department. Deputy Eamon Ryan is right in that there has to be radical change in the way we think about things. This is the first step in that regard.

On the targets sets in the national mitigation plan, we will have to look at adaptation measures to ensure change in every sector of society. The Department is working closely with local authorities in their contributing to both the national mitigation plan and the national adaptation framework. They are seen as key players in achieving our transition to having a low carbon resilient climate. Guidelines have been published and seminars and workshops held. In fact, in my county of Roscommon a seminar is taking place today with local authorities at the regional assembly in Ballaghaderreen. Before the end of the year I will be providing a statement for the House on the annual transition which will outline our progress, future aims and objectives to 2030.

I had to smile when Deputy Brian Stanley mentioned the re-establishment of the sugar industry in this country. I remember being one of the very few voices on the Opposition benches at the time who opposed the abolition of the sugar industry and being criticised for it by the Government side of the House and also by others on the Opposition side. There were public meetings organised against me in some parts of the country by various national organisations, but I was not prepared to bow because it was the wrong thing to do at the time. Sadly, I have been proved right.

Deputy Clare Daly made the point that changes to Government policy were needed. Yes, we do need to make changes. All other speakers spoke about that issue, including Deputy Eamon Ryan. There is a need for radical changes to the way we approach and deliver on Government policy and it will require a completely different outlook and attitude. I say to Deputy Eamon Ryan that I am probably one of the first representatives from the midlands to come out publicly and say we need to move away from the use of peat and I am prepared to work with Bord na Móna to make sure that will happen as quickly as possible. However, we cannot ignore the fact that there are 1400 families dependent on the industry. Therefore, we need to provide for a structured transition rather than close it down today and leave nothing in its wake. That is the approach I want to take, not just on this but also on many other issues with which we have to deal.

The entry into force of the Paris Agreement will send an unequivocal message to business, stakeholders, citizens and the Government. All governments are committed to playing their part in tackling climate change. Global motivation to accomplish our common goals is steadfast. That resolve must be mirrored in Ireland if we are to transform our ambitions and international commitments into meaningful actions. I know that most speakers have made that point. It is essential that Ireland continue to play a full and active role in the global efforts to combat climate change. We need to change the way we run the economy. Many Members spoke about the huge opportunities presented. There are massive opportunities and because of this we need to change our thinking. Let us all reaffirm our commitment to achieving our targets and changing the way we run the economy and our society, not just to deal with the challenges we are facing.

Deputy Danny Healy-Rae made a point about the flooding experienced in the 1700s. The isolated incidents in the 1700s, 1800s and 1900s are remembered because they were so infrequent. The difficulty is that in my part of the country we have experienced record floods in two out of the last seven years. We have witnessed devastation in communities I represent. Instead of being one in 100-year events, they are becoming one in five-year events. We cannot continue

to ignore the scientific facts. Let us all start to pull together and, from an environmental and an economic perspective, work towards the common goal of not only delivering on the objectives to 2030 but overachieving on them. Let us work together to be one of the world leaders in delivering on the commitments set out in the Paris Agreement.

Question put and agreed to.

*Sitting suspended at 11.30 a.m. and resumed at 12 noon.*

### **Leaders' Questions**

**An Ceann Comhairle:** I ask Members to have regard to the time allowed.

**Deputy Dara Calleary:** Today, 507 secondary schools throughout the country are closed, which represent 70% of secondary schools in the country, as 17,500 secondary school teachers are on strike and approximately 250,000 pupils are being told to stay at home, with the inconvenience added to their families. This is all because the Government has sleepwalked us into a situation with the ASTI and it is on strike. Pupils are being denied an education and they are the victims in what is another industrial relations shambles under the watch of the Government. We have been saying for weeks the Government should seize the initiative and prevent this strike by teachers.

At the beginning of the week, the ASTI asked for reassurance from the Government on teachers receiving equality of treatment in their pay. This is a relatively reasonable request, one would imagine, and it would have reassured the ASTI that the Government has an interest in resolving the dispute so that schools could open today. My colleague, Deputy Thomas Byrne, has called consistently on the Minister, Deputy Bruton, to confirm a pathway on how teachers will have equality of pay treatment, now and after 2018. This would not have to be outside the Lansdowne Road agreement and may have created the conditions to avoid today's strike and, more importantly, to avoid what is coming.

What is coming is even more serious and detrimental to the country. The Joint Managerial Body has issued a warning that next Monday week, after the mid-term break, many schools may not be able to reopen. The country is facing complete and utter shut down of the secondary education system unless a resolution is found. Instead of creating the conditions to resolve this and seeking to build trust to resolve and avoid it, the Government has chosen a provocative and aggressive strategy by issuing a circular that ASTI members will not be paid if they withdraw from supervision and substitution. This circular has inflamed an already serious situation. To add confusion to the already chaotic situation, a spokesperson on behalf of the Minister stated that pay will only be deducted from ASTI members where schools cannot open. I understand the staff of 375 schools are comprised entirely of ASTI members and 150 schools are dual union. Will the Tánaiste clarify which of the schools will open on Monday week? How many students will be inconvenienced on Monday week because of the Government's inability to come up with a contingency plan or to create the conditions where a resolution could be found?

The Tánaiste is the deputy head of the Government. Is it not time for the Government to commit to pay equality for newly qualified teachers? Look at the seriousness of the situation. Today the *Irish Independent* states that depending on whether teachers were recruited in 2013, 2014 or 2015 they could be on three different pay scales. Is it not time to commit to proper

equality?

**The Tánaiste:** Like the Deputy and other Members of the House, we are all extremely concerned at even one day's interruption to the schooling of our young students, and of course we want to do absolutely everything to avoid this interruption and to avoid any further days of interruption. This is what the Minister, Deputy Bruton, and the Department have been working towards. As the Deputy knows, there has been a huge amount of discussion and talks between the ASTI and the Department, which continued right up to yesterday. The parties agreed that contact will be made tomorrow, with a view to arranging further talks after today's one day strike.

I remind the House that a deal is on offer to the ASTI, which would see pay increases of 15% and 22% for new entrant teachers with further benefits in working conditions and a route to further possible improvements after this through the public pay commission. The INTO and the TUI have been able to accept this. I urge the ASTI to re-engage and look at the deal on the table so these interruptions to our young people's lives as far as their schooling is concerned can be avoided.

With regard to a number of the other points made by the Deputy, equality is at the heart of everything we do and we want to create a new equality for all our people. We have just come from a situation of national bankruptcy, which the previous Government had to deal with. This Government is dealing with the aftermath of this. What we want to be is fair to everyone. We want to be fair to our teachers, An Garda Síochána and other public servants and public sector workers. We want to be fair to the taxpayer and the community. We have put forward a way of doing this, in terms of the current negotiations under way and the unwinding of the emergency legislation that was brought in and which was so necessary. Many people made sacrifices. Our gardaí made sacrifices as did our teachers.

With regard to the equality issue, I ask the Deputy to take a broad view of it. As I said, equality and fairness are at the heart of everything the Government is trying to do, particularly in the area of education where the Minister, Deputy Bruton, is particularly focused on creating better opportunities for people from disadvantaged areas in our school system and in higher education. The recent budget contained measures to deliver on this. Let me go back to the new entrant teachers mentioned by the Deputy. They will see pay rises of between 15% and 22%, between €4,600 and €6,700, for new entrant teachers. Let me conclude by saying negotiations, I hope, will be ongoing tomorrow, and every effort will be made by the Government to ensure the outcome of the negotiations are successful.

**Deputy Dara Calleary:** For all the Tánaiste's talk of negotiations and effort, schools are closed today, with 250,000 children at home and 17,500 teachers on strike. The Tánaiste said a deal is on the table, but the reason the deal will not be accepted is because the ASTI does not trust the Government. In the Tánaiste's Department, the GRA and the AGSI do not trust the Government. The Government's attempt at creating trust is to issue a circular that has added further confusion to the chaos already in our education system. The Government needs to build trust with these unions to build a deal and a resolution to resolve the situation. The Joint Managerial Body, which controls most of the secondary schools in the country, states it may not be able to reopen them next Monday week. What guarantees can the Tánaiste give today that efforts will be made to get to a situation where schools will open on Monday week and not sleep-walk back to where we are today? How will the Government build the trust that is lacking? We support the Lansdowne Road agreement, but the actions of the Government undermine it at

every turn and undermine the trust of public service unions. The Tánaiste must understand this.

**The Tánaiste:** Let me put this in the broader context. The Deputy spoke about trust. Of course trust is important. The Government has managed to negotiate successfully with 23 unions and 300,000 public sector workers who have already come in under the Lansdowne Road agreement. It has managed to reach agreements with the INTO and the TUI. Of course we want to continue to have these negotiations successfully concluded with the ASTI.

With regard to the Deputy's point on the circular, it is a matter of planning and needed to be done. This is the reality. It is normal industrial relations practice that where workers in industrial action withdraw from core elements of their work resulting in the closure of the workplace those workers are not paid for those days.

**Deputy Dara Calleary:** It is not normal industrial relations to throw grenades into an already-----

**The Tánaiste:** There is no doubt but that supervision and substitution are a core part of teachers' work and this has been clearly set out in circulars also. I reiterate the focus of the entire Government has been on finding a pathway, which we have managed to do successfully, as I outlined, with many other unions and which we also want to do with the unions that are currently outside the Lansdowne Road agreement. That is our goal and all our efforts, determination and focus are on achieving that.

**Deputy Mary Lou McDonald:** I too wish to raise the fact that this morning 507 secondary schools, representing 70% of schools, are closed throughout the State. That is hardly to be chalked down as a success on the part of this Administration. Tens of thousands of pupils and their families are profoundly affected by this action, my own family included. The schedules and routines of parents and children are up in the air and, of course, our students are missing a valuable day's classwork. This also affects thousands of teachers who, I have no doubt, would prefer to be in their classrooms than on a picket line today. However, they are undertaking this action as a matter of last resort and because of legitimate concerns about their pay and conditions. These concerns are justifiably shared throughout the public sector following seven years of pay cuts but the teaching profession is particularly impacted because it is one of the areas in which a large number of new recruits had to be employed over the past number of years to cater for demographics.

Today is just the first of seven planned days of strike action and there are concerns that schools will be unable to open at all following the mid-term break because of withdrawal by the ASTI from supervision and substitution duties. Such a prospect is a sign that the Government is failing to address the increasing number of industrial disputes. In fact, it raises a question about its very capacity to deal with these issues. What those in the public sector want, and what they deserve, is the fair and timely unwinding of FEMPI cuts and pay restoration. All of us know that cannot be achieved overnight but, clearly, it can be timelined through a new pay agreement that offers a road map to full pay restoration. Meaningful dialogue is required now, which lays out a clear, sensible path to full pay restoration. The demands of teachers, and, indeed, of An Garda Síochána for that matter, are not insurmountable. The restoration of allowances for all post-2011 entrants would go a long way to satisfying their concerns and this issue of pay equality is crucial - equal pay for work of equal value. In other words, equal pay for post-2011 recruits needs to be put in place. I am increasingly concerned and bewildered at the fact that the Government cannot make a simple commitment to equal pay for work of equal value. I invite

the Tánaiste to do so.

**The Tánaiste:** Everybody in the House is conscious of the impact of this closure on young students and parents and all that goes with that, and the impact of such interruptions on students' educational lives. I agree with the Deputy that a pathway forward is necessary but we have that pathway. There are ongoing negotiations and there are possible solutions on the table in respect of ASTI and, indeed, An Garda Síochána.

The Deputy made a point about equality. She would be probably be the first to say that we must bear in mind a range of issues relating to equality, including equality between public servants in different parts of the public service and between public servants and people who work elsewhere, such as the self-employed or those who do not work at all. As IMPACT said during the week, it would not be equal or fair for us to do sectoral deals with particular public servants that leave other public servants who have signed up to the Lansdowne Road agreement disadvantaged and it would also not be equal or fair for us to do unaffordable deals with particular groups of public servants that mean we do not have the money left in the public purse to do the things the Deputy would call for such as developing public services, improving social welfare payments and so forth.

It is clear that the Government has laid out a road map that has been accepted by the vast majority of unions and public servants. We have laid a road map in respect of the work of the public sector pay commission, which will then feed into the replacement of the Lansdowne Road agreement. All of that has been laid out by the Minister for Public Expenditure and Reform and the Government is committed to that. In the meantime, we want to continue the negotiations that will resolve the particular issues of concern to ASTI, GRA and AGSI and the Government is open to that. Hopefully, there will be further discussions tomorrow with ASTI and the Garda representative associations.

**Deputy Mary Lou McDonald:** I mean no disrespect but the Tánaiste sounds like a broken record. We are hearing the repetition of the same mantra from her and her colleague, the Minister for Education and Skills, who seems to find this matter amusing. Rather than setting out a road map, the Government parties have walked us into quite a cul-de-sac and not content with that, they have sabre rattled and, at a time of great sensitivity, seem to wish to ratchet up what they see as pressure on teachers, but, in fact, they have made a difficult situation all the more difficult.

I asked the Tánaiste a simple question and she just needs to answer that. Is it the position of Government that there will be pay parity for all teachers within the system? The post-2011 teaching entrants call themselves LPTs, lower paid teachers.

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

**Deputy Mary Lou McDonald:** They need to hear from Government that there will be pay equalisation, not tomorrow, not next week, but a firm and solid commitment that is Government policy and that it will happen. The Tánaiste has so far refused to make that commitment and I invite her again in the midst of this dispute and its disruption to tell members of the ASTI and the teaching profession-----

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

**Deputy Mary Lou McDonald:** -----that there will be equalisation of pay for teachers. That

is all I want her to do. That might get the Government out of the cul-de-sac and on to some sort of road map.

**The Tánaiste:** We all care about these disputes and we want them resolved-----

**Deputy Dara Calleary:** Why did the Government let them out on the streets?

**The Tánaiste:** -----but it is worth repeating to highlight to public sector workers and all who care about this that there are offers on the table and-----

**Deputy Mary Lou McDonald:** I did not ask that.

**The Tánaiste:** -----that we are open to negotiations. The Deputy talked about culs-de-sac.

**Deputy Peadar Tóibín:** Pay equalisation.

**The Tánaiste:** There are offers on the table. We want to continue with that discussion.

With regard to Deputy McDonald's point about equality, of course the Government is committed to equality. We want to create a new equality that was not possible when the country was bankrupt

**Deputy Mary Lou McDonald:** Pay equalisation.

**Deputy Peadar Tóibín:** Some are more equal than others.

**An Ceann Comhairle:** One voice please.

**The Tánaiste:** I reiterate that we have laid out a route forward for that. There is a pathway that guarantees as far as is possible that the economic recovery will continue and, indeed, that we will be in a position to pay for what everyone in this House wants to see, which is good wages in the public sector and money available to invest in public services. The route we have outlined in respect of the unwinding of FEMPI and the public pay commission----

**Deputy Peadar Tóibín:** No answer again.

**The Tánaiste:** -----in order that we can have a success to the Lansdowne Road agreement is the way forward to achieve what the Deputy was speaking about.

**Deputy Maureen O'Sullivan:** The issue I wish to raise is what is being called "the silent addiction", which is governed by what the Tánaiste called "entirely outdated and not fit-for-purpose regulation and legislation". That silent addiction is gambling, which is divided into gaming, governed by the Gaming and Lotteries Act 1956, and betting, which is primarily regulated by the Betting Act 1931. These Acts are outdated and virtually unenforceable, and, in particular, they do not take account of the massive shift in gambling to online and mobile-based forms. The industry has licensed bookmakers and online betting licences but there are private members clubs and casinos, some regulated and some not, gaming arcades, some licensed and some not, and gaming and amusement machines, some licensed and some not, in a wide variety of venues. However, being licensed is not the same as being regulated and does not mean that any of those organisations or any part of the industry is bound by a code of conduct. With no appropriate statutory powers of enforcement, there is no ensuring that gambling is conducted crime free, the machines and software are operated fairly and the gambling services are provided in a socially responsible manner.

According to surveys in the UK and America, 30% to 35% of the industry's revenue comes from problem gamblers, but there is an information gap in Ireland. We are told that this is an addiction about which Ireland does not know enough. The perception is that gambling is just an odd flutter on the grand national, but we have some 40,000 problem gamblers and there has been a significant increase in adolescent gambling. As with other addictions, there is a human cost. People with a gambling addiction speak of psychiatric difficulties, relationship breakdowns and the loss of incomes, jobs, homes and vast sums of money. There is anecdotal evidence of an increase in the incidence of suicide among those who have a gambling addiction. People with this addiction speak about the uncontrollable urge to gamble and the gambler's fallacy that, no matter how many the losses, there will be a win.

Gambling can be accessed everywhere. It is reckoned that some €5 billion is gambled yearly in Ireland. As to private members' clubs, 1% of the industry is regulated for money laundering, which means that 99% that is not. A few months ago, a €38,000 betting slip was seized during a raid on a prominent criminal gang.

The gambling control Bill is long overdue. The general scheme was published in July 2013 and pre-legislative scrutiny was conducted in November 2013, but there has been nothing since. I ask that the Bill be seen as a matter of urgency for the gambling industry and those affected by gambling.

**The Tánaiste:** I thank the Deputy, who has highlighted an area that is of huge concern in terms of the impact on individuals and families and the addiction that is often central to involvement in it. As the Deputy stated, the Bill's scheme was published some years ago. The Minister of State, Deputy Stanton, has taken responsibility for dealing with this issue and is prioritising it in his work. The scheme that was published suggested that there was a need for further research to support those who were impacted in the way that the Deputy says. There is a public information deficit. The Deputy mentioned adolescents, who are getting addicted at a very early age to gambling, and the huge impact that has on their early adolescent years and, indeed, their adult lives.

There is also a need, as the Deputy says, to regulate the sector and the many new emerging forms of gambling. That will be part of the new legislation as well. I will ask the Minister of State, Deputy Stanton, to liaise directly with the Deputy in respect of it.

The Deputy also made a point about possible criminal elements that may be involved. Of course, that would be of concern as well. There is also revenue being lost to the State that should not be.

I can only agree with what the Deputy is saying, that this is an important area for legislation and regulation and also needs the development of greater awareness and more services to be made available to those more vulnerable people who are being very adversely affected by this addiction.

**Deputy Maureen O'Sullivan:** Unfortunately, there has been no movement on this matter in the past three years. I understand that the Financial Action Task Force, FATF, is undertaking an evaluation of Ireland. Criticism is expected for our lack of appropriate legislation to prevent money laundering through the gambling industry.

There is no fundamental protection of the consumer and even basic responsible practices are being ignored by many operators. Companies will stop people if they are winning too much,

but we do not see the same being done if customers are losing significantly. Best practice entails self-exclusion facilities, gambler ID cards that must be used when betting and enforced time-outs. There must be a legal distinction between betting and gaming. All forms of gambling should have appropriate licences and there should be a prohibition on free alcohol in private members' clubs. Advertising must be examined, as it glamorises gambling. The industry should contribute to a social responsibility tax that would go towards research, treatment and awareness campaigns. There is almost no access to treatment in this country. Many private insurers will not cover gambling addiction and there is no public funding. The legislation exists, but it needs movement.

**The Tánaiste:** The gambling control Bill's published scheme will have consumer protection at its centre. Its measures will include, as the Deputy rightly says, controls on advertising, promotions and sponsorship. The Government delegated powers to the Minister of State, Deputy Stanton, under the Gaming and Lotteries Acts. He has asked the Department to examine whether there are particular issues that could be brought forward more quickly that might deal with some of the issues that the Deputy has identified. He has had consultations with the stakeholders in the area and is continuing those at present. I just want to repeat to the Deputy that this is an area of priority for him. He has been working on it quite intensively and intends to move forward as quickly as possible with the appropriate legislation.

**Deputy Stephen S. Donnelly:** Businesses all over Dublin are coming under significant pressure because of spiralling commercial rents. Dublin has the second highest rents in the eurozone. Not only are they high, they are rising quickly. In the past two to three years, commercial rent in Dublin has nearly doubled. Obviously, that is bad for businesses, but it is also bad for consumers, who must pay too much money for what they buy, and for people who are trying to buy or rent a home, given that the returns on developing commercial property are so much higher than those on residential property that developers want to build offices and not homes.

Why is this happening? It costs approximately the same amount to build in Dublin as it does everywhere else. People earn approximately the same amount in Dublin as they do everywhere else. Hence, the cost of commercial rents should be the same, but they are not.

One of the reasons for this is tax breaks. In recent years, the Government introduced generous tax deferral mechanisms for landlords, including large foreign landlords, namely, real estate investment trusts, REITs, and Irish collective asset management vehicles, ICAVs. These tax deferral mechanisms have led to large foreign landlords pouring money into Ireland and, specifically, Dublin, which is jacking up rents on commercial property as well as the cost of commercial and residential property.

We were told that these mechanisms were going to be shut down in the Finance Bill. That was the clearly stated intention of the Minister for Finance, Deputy Noonan. He stated that economic activity carried on in Ireland must be taxed properly in Ireland. This obviously includes property. However, not only has the Finance Bill not shut down REITs and ICAVs, but it has turned tax deferral mechanisms into complete tax breaks. We have gone from landlords being able to defer tax to them having to pay no tax whatsoever.

The Finance Bill will make the entire commercial property sector tax free. This will tax a large chunk of assets out of the tax net. It will drive up the cost of doing business, which will drive up the cost of living and lead to Irish banks lending into a property bubble again less than ten years after the last property bubble collapsed.

In the middle of a housing crisis and a commercial property bubble and at a time when we need more public money to invest in services and infrastructure and we need to be reducing the costs of business and living, why is the Government about to make the entire commercial property sector completely tax free?

**The Tánaiste:** We are not intending to do that, which is the first thing I want to say. Obviously, the Finance Bill is before the House at present. I know Deputy Donnelly has been in consultation with the Department on a number of the issues he has raised here in recent weeks, including section 110 and other issues. Committee Stage of the Finance Bill 2016 will be taken in the House shortly, with Second Stage due to conclude today. That is the place to tease out the particular issues raised this morning in terms of the tax treatment of commercial properties. There are several initiatives under way to deal with the differential as it is now and to reduce the differential between residential and commercial property. For obvious reasons, in particular the bankruptcy which the country faced, there has been a shortage in this area in recent times. The position changed very quickly from one in which there was a lot of availability to the current shortage now being experienced. This is a reflection of the economic growth that has occurred in the country. There is a huge amount of building currently going on, much of which is to increase commercial supply. This is necessary for the continued growth that we are seeing and will, hopefully, continue to see in the economy.

The Deputy will have an opportunity on Committee Stage of the Finance Bill to tease out the various issues he has raised this morning in regard to the tax treatment of this particular issue.

**Deputy Stephen S. Donnelly:** I will be seeking to meet the Minister, Deputy Noonan, privately and I will obviously be tabling amendments. The problem is that this is not a technicality in the Finance Bill. The Finance Bill provides for the establishment of a new vehicle called an Irish real estate fund, IREF. It explicitly states that once a commercial property is held for five years there will be no capital gains tax liability. That is an absolutely extraordinary tax break that nobody saw coming. The Bill also explicitly states that commercial property investors, foreign landlords, will pay 20% dividend withholding tax unless they are a pension fund, a life insurance fund or what is known as a collective investment undertaking. Almost 100% of the foreign landlords coming here are either pension funds, life assurance funds or collective investment undertakings. As I said, this is not a technicality in the Finance Bill. The Bill explicitly states that in respect of a property held for five years no capital gains tax will apply and that if landlords are one of a particular class of investors, which all of them are, they will also pay no dividend withholding tax.

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

**Deputy Stephen S. Donnelly:** This is a policy position: it is not a technicality in the Finance Bill.

**An Ceann Comhairle:** The Deputy must conclude.

**Deputy Stephen S. Donnelly:** I will conclude on this point. Does the Tánaiste believe that the Irish commercial property sector should not become tax-free? I am asking that she take up this matter with the Cabinet and, in particular, the Minister, Deputy Noonan, and find out what is going on because I doubt that any Deputy will be able to bring about serious policy change on Committee Stage.

**The Tánaiste:** I take the Deputy's point in regard to policy but we do need supply drivers.

As I said, we were in a situation where there was no office space available. We have seen a huge improvement in terms of the commercial property that is now being built and is absolutely essential. This measure is one of the drivers to increase supply. It is a policy issue, which no doubt will be raised on Committee Stage of the Finance Bill. I will bring the points made by the Deputy to the attention of the Minister. I reiterate that there was a total deficit in this area and that situation is now changing. As I said, this measure is clearly a supply driver in terms of the need to ensure we have sufficient commercial office space available across the country.

### **Questions on Promised Legislation**

**Deputy Dara Calleary:** This morning there are reports that Eir, the biggest telecommunications company in the State, is about to be taken over by its largest shareholder, Anchorage Capital, which is a US private equity firm. Was the Minister for Communications, Climate Action and Environment, Deputy Naughten, made aware of this and will there be any legislative issues surrounding the universal service obligation whereby Eir has to provide telecommunications services around the country?

**Minister for Communications, Climate Action and Environment (Deputy Denis Naughten):** I have not personally been made aware of the situation. On the universal service obligation, USO, any company taking over the ownership of Eir would also be taking over responsibility for any obligations in place. The universal services obligation has been hugely successful in ensuring that people have access to voice telephony services across the State and this will continue. The Deputy will be aware that we are in discussions with the European Commission on the development of universal service obligations in the broadband area such that if after the national broadband plan has been rolled-out, there are people in this city or in other parts of the State without access to high speed broadband the universal service obligation will kick-in.

**Deputy Mary Lou McDonald:** Yesterday, I raised the issue of the refugee camp at Calais, known as the Jungle. I wish to raise it again this morning. I welcome that time is being provided next week for a debate on this matter. The Tánaiste will be aware of the crisis across Europe in terms of child refugees, some 10,000 of whom it is estimated have gone missing. Meanwhile we are seeing distressing scenes from Calais as the refugee camp is dismantled. As late as last night dozens of unaccompanied minors, child refugees, were left in the camp. Aid workers report that approximately 100 of them slept rough, many of whom were disorientated and wandering around on their own. I am appealing today to the Tánaiste and the Dáil as a whole to act collectively on this matter, by way of a common motion, specifically in respect of child refugees in Calais and that we resolve as an Oireachtas to move speedily to bring to safety 200 of those child refugees.

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

**Deputy Mary Lou McDonald:** I thank the Ceann Comhairle for his forbearance. I will conclude on this point. On the last occasion that there was movement from the camp in Calais-----

**An Ceann Comhairle:** This is not the time for speeches. I must ask the Deputy to resume her seat.

**Deputy Mary Lou McDonald:** I will make this point. I am an elected parliamentarian and

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I will make my point and then I will resume my seat.

**An Ceann Comhairle:** Excuse me, Deputy: resume your seat.

**Deputy Mary Lou McDonald:** No, I will not resume my seat.

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

**Deputy Mary Lou McDonald:** Do not speak to me like that, a Cheann Comhairle.

**An Ceann Comhairle:** Please, Deputy, I am asking you to resume your seat.

**Deputy Mary Lou McDonald:** I am about to finish.

**An Ceann Comhairle:** Will you resume your seat?

**Deputy Mary Lou McDonald:** No. I want to make an important point.

**An Ceann Comhairle:** This is not the place to make points.

**Deputy Mary Lou McDonald:** This is not the place to make points. In the name of goodness-----

**An Ceann Comhairle:** The Deputy must ask a question.

**Deputy Mary Lou McDonald:** All the Ceann Comhairle is doing is delaying the proceedings.

**An Ceann Comhairle:** Excuse me, please. When the Chair is on its feet, will you please resume your seat?

**Deputy Mary Lou McDonald:** I will not resume my seat.

**Deputy Mattie McGrath:** That is disgraceful.

**Deputy Mary Lou McDonald:** I will absolutely not resume my seat.

**An Ceann Comhairle:** The Deputy has some history in this regard. Would you please-----

**Deputy Mary Lou McDonald:** Yes, I do and I will have future history if the Ceann Comhairle persists in speaking to me like that. I was making the point-----

**An Ceann Comhairle:** Let me explain.

**Deputy Mary Lou McDonald:** -----on the issue of 200 children-----

**An Ceann Comhairle:** Let me explain. Excuse me, Deputy. There is no special provision made in this House for you. The rules of the House apply equally to everyone.

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

**Deputy Dara Calleary:** Hear, hear.

**An Ceann Comhairle:** The rules of the House have been decided by the House. Those rules provide one minute to each Deputy for one question on promised legislation. That one minute was provided to you and you have had considerably more time.

**Deputy Mary Lou McDonald:** I require time to utter approximately four more words to finish and sit down.

**An Ceann Comhairle:** I am asking you to resume your seat.

**Deputy Mary Lou McDonald:** I am asking to finish my sentence and then I will happily resume my seat.

**An Ceann Comhairle:** Please resume your seat. Do not cause the House to be adjourned. I ask you to resume your seat.

**Deputy Mary Lou McDonald:** I am sure the Tánaiste takes my point notwithstanding the Ceann Comhairle's extremely rude approach.

**An Ceann Comhairle:** I am asking you to resume your seat. I will suspend the House if you do not.

**The Tánaiste:** The Business Committee decided that there would be discussions and statements on this topic next week, with a view to discussing the possibility of an all-party motion the following week. Like Deputy McDonald, I am appalled at the scenes from Calais. From our own point of view in terms of our commitment to refugees, a further 40 Syrian refugees will be arriving in Dublin Airport today. We will meet in full the obligations we have made in the programme to which we have committed to take 4,000 primarily Syrian refugees. That work is continuing. We have officers who have just returned from the refugee camps and Greece and we are identifying young people in need of care and protection here. At European and international level, the programme has been delayed by various problems, primarily the fact that most refugees have moved onward to Sweden and other countries. We are now in a position, however, in which refugees are being identified who are coming to this State. By the end of the year, the number brought to Ireland will be close to 1,000 under both the relocation and resettlement programmes. I look forward to the debate in the House next week on this very important issue.

**Deputy Michael Healy-Rae:** In the programme for Government, there is a great deal of emphasis on rural Ireland and that is rightly so. What I want to raise, however, is the matter of serial objectors to planning applications. There is no good reason in the world why any individual in his or her right mind would have 20 or 30 objections going at any given time.

**An Ceann Comhairle:** Is this on promised legislation?

**Deputy Michael Healy-Rae:** Yes, it is in the programme for Government. I am asking whether the Government intends to bring in legislation. While we appreciate the genuine objection from a person who has a problem with a development in his or her local area, there is no place for serial objectors. If a project is going on in one county, why would somebody in another county want to object to it? It does not make sense. Could the Government look at the situation and see? There is no proper reason for a normal person to want to have 20 objections going at a time, yet we have such people.

**Minister for Housing, Planning, Community and Local Government (Deputy Simon Coveney):** To be helpful on that, there are a number of Bills coming forward on planning, one of which is already before the House on Second Stage and concerns the establishment of a planning regulator. Another Bill will be brought to Cabinet next week with the purpose of streamlining planning decisions and putting statutory timelines around those decisions for

larger planning applications. There will be a further planning Bill which is about a review of the overall planning system. That review process has already begun within my Department and it is considering a whole series of issues. We will have an opportunity to tease through a lot of these questions which are often linked with planning issues and frustration. My only objective is to maintain the integrity of planning decisions while at the same time providing for more streamlined decision-making so that we can get developments happening in the right place and in a more timely fashion. There will be numerous legislative initiatives which will provide Deputy Healy-Rae with the opportunity to tease through some of the issues he has.

**Deputy Mick Barry:** I raise the issue of legislation relating to public services. What does the world see this morning as it looks through the window and into the Irish State? It sees young teachers having to strike to achieve the basic right to equal pay for equal work.

**An Ceann Comhairle:** To what promised legislation is the Deputy referring?

**Deputy Mick Barry:** The Government should hang its head in shame in that regard.

**An Ceann Comhairle:** What is the promised legislation?

**Deputy Mick Barry:** Does the Government plan to amend legislation on the public service pay commission to extend its remit to include making definite the restoration of equal pay for equal work?

**The Tánaiste:** No one wants to see the restoration of pay more than the Government. That is why we are managing the economy as we are and ensuring that we have a process in place to ensure that we move towards full pay restoration. That is the goal. I have already laid out this morning the way in which we intend to achieve that. We have been through a difficult time in this country and public sector workers, the self-employed and many others have suffered a great deal. We recognise the efforts everybody has made to arrive at a point where we are thankfully in a position to begin and to have begun pay restoration. We have laid out how we can further ensure that there is ongoing pay restoration. Clearly, however, the economy must be managed carefully if we are to continue to be able to do that. That is why the Minister for Public Expenditure and Reform, Deputy Paschal Donohoe, has laid out very clearly the role of a public service pay commission as a very important part of ensuring we have an appropriate successor to the Lansdowne Road agreement.

**Deputy Jan O'Sullivan:** One of the welcome announcements in the action plan on housing and homelessness was that transportation would be provided for families and children who are currently in hotels or other emergency accommodation. I have put down a number of parliamentary questions to the three possible Ministers involved in this issue. The Minister for Housing, Planning, Community and Local Government, Deputy Simon Coveney, has come back to me to say that work is ongoing in relation to family leap cards. I have raised in committee with the Minister for Children and Youth Affairs, Deputy Katherine Zappone, my concern that school journey cards are to be distributed after the leap cards. I understood they were to be ready for the end of the month so that children would have the cards when they go back after the half-term holiday. In the reply to one of my parliamentary questions, it states that distribution will take place as early as possible following the distribution of family leap cards. I am concerned at this delay and wonder if either the Tánaiste or Deputy Coveney can assure me that the cards will be available for these families so that they can afford to send their children back to the schools they have been attending until now.

**Deputy Simon Coveney:** A great deal is happening in regard to families staying in commercial hotels on a temporary basis as emergency accommodation to improve the conditions under which those families are surviving. One of those is to improve the ease of transportation between schools and that temporary accommodation. I do not have an exact date, but the plan is to get this done within weeks. I will come back to the Deputy with an exact date after I speak to the Minister, Deputy Zappone.

**An Ceann Comhairle:** I call Deputy Stephen Donnelly on behalf of the Social Democrats and Green Party group.

**Deputy Stephen S. Donnelly:** I am on behalf of myself now.

**Deputy Simon Coveney:** The Deputy is still a social democrat.

**Deputy Stephen S. Donnelly:** The programme for Government contains some very welcome measures for mortgage resolution. They are some of things myself and many others advocated in the last Dáil. Some of this is legislative and some just requires the provision of resources. I asked the Minister for Finance for an update about two months ago but he did not have one. The ambitions are good and what is in there is very welcome but we have not been able to find any timelines on legislative changes and other things. Does the Tánaiste have an update or can she come back to me with one on what is happening in terms of the commitment in the programme for Government around helping those in mortgage arrears?

**The Tánaiste:** I will certainly do that. We launched the Abhaile scheme just a couple of weeks ago. It makes provision for supports for people in that situation by ensuring that a voucher scheme is available so that there is no barrier to them accessing solicitors' advice or financial advice. A number of changes are also envisaged in relation to the courts and I can revert to the Deputy on that.

**Deputy Catherine Connolly:** This morning, the Minister for Communications, Climate Action and Environment, Deputy Denis Naughten, confirmed that we would ratify the Paris Agreement, COP 21, on 4 November. He also committed to producing the mitigation plan before the end of the year. We have serious obligations in that context on public transport. In Galway city, 55 families are going to be left without a bus. I have written to the Minister for Transport, Tourism and Sport, Deputy Ross, in regard to this matter.

**An Ceann Comhairle:** What is the promised legislation?

**Deputy Catherine Connolly:** It comes under public transport in regard to emissions. Given that Bus Éireann has unilaterally said it cannot afford to provide a service, 55 families whose children attend a DEIS school are going to be left without public transport. That is after 25 years of calling it an interim measure. I would like action on the matter.

**The Tánaiste:** I ask the Deputy to send me details on that and I will ensure the Minister responds to her.

**Deputy Catherine Connolly:** Certainly.

**Deputy Niall Collins:** The programme for Government contains a commitment to address the staffing requirements of small schools within the first 100 days of the new Administration. This was followed up during the recent budget announcement that more teachers would be hired. It came as a great disappointment to two schools in my constituency, Carrigkerry

national school and Ballybrown national school, to receive negative determinations from the primary staffing appeals board in circumstances where they are losing teachers. When will the Government address pupil-teacher ratios and staffing issues in small schools and other national schools in my constituency and across the country given its promises in the programme for Government and the recent Budget Statement?

**Minister for Education and Skills (Deputy Richard Bruton):** From September, there is an improvement in the pupil-teacher ratio in primary schools that was provided for in the 2016 budget. Decisions on the new schedule are taken independently by the appeals board. It is an independent decision and the board makes its decisions independent of the Minister.

On small schools, we were able to make a start this year for some island schools. We will continue to examine this issue as part of the programme for Government as resources become available.

**An Ceann Comhairle:** For the information of Members, I should make it clear that I am obliged to call representatives of the various groups represented in the House before I call other Deputies.

**Deputy Jack Chambers:** On a point of order, we should not allow Deputies like Deputy Mary Lou McDonald to dominate questions on proposed legislation when there are many Deputies who want to speak. Additional time should be allocated if Deputies seek to undermine the procedures of the House.

**An Ceann Comhairle:** That is not a point of order.

### **Local Government Reform (Amendment) (Directly Elected Mayor of Dublin) Bill 2016: First Stage**

**Deputy John Lahart:** I move:

That leave be granted to introduce a Bill entitled an Act to enable the holding of a plebiscite for the election of a directly elected mayor of Dublin and to provide for related matters.

The Bill is clear and concise in its intention. It provides for the holding of a plebiscite, a vote of all eligible voters in the four administrative areas of Dublin, to decide whether legislation should be brought forward to provide for an office of directly elected mayor, to be chairperson and leader of an authority or other body for the Dublin metropolitan area and, for such other matters relating to local government in the Dublin area as the Minister considers appropriate.

The timeline for implementation of the proposal is clear. The proposed plebiscite is to be held no later than May 2018 and no less than six months prior to this date. Following a period of public consultation of no less than 12 weeks, the Minister will cause a copy of the proposals setting out the powers and responsibilities of the directly elected mayor to be laid before both Houses of the Oireachtas and such proposals must be approved by both Houses of the Oireachtas before being put to the people of Dublin for approval. If the plebiscite is passed, elections for a directly elected mayor will be held in conjunction with the local and European elections in 2019.

This proposal will enable and empower the people of Dublin to decide for themselves

whether they want to elect a mayor for the capital. It will be the first such opportunity for the people of Dublin to decide this question in such a way. Once the process is approved, the Dáil and all of the people of Dublin, including stakeholders and citizens, will be empowered, through the public consultation process embedded in the proposal, to shape and influence the powers a directly elected mayor would be entitled to exercise. The Bill provides for the provision of any other legislation that might be required to improve local government in Dublin, as the Minister and the Dáil considers appropriate.

Embedded in the Bill is a public consultation process of at least 12 weeks, enabling all stakeholders and citizens with an interest in the future of the capital a substantial say in the design and shape of the functions, responsibilities and powers of a directly elected Dublin mayor. The Bill allows for increased powers and functions for the four Dublin local authorities. I know that I speak for all my Dublin colleagues on both sides of the House when I say that in moving any measure to address the lack of leadership in the Dublin region we want to consolidate and enhance the vital role and functions of our councillor colleagues in Fingal, South Dublin, Dún Laoghaire and Dublin city.

Dublin is in trouble across a wide range of key areas, from housing and homelessness to transportation, tourism, crime, drugs and more. The cultural and artistic life of the capital lacks co-ordination and leadership. The population of the capital is to increase by at least 500,000 people by 2050, yet we have no plans to deal with such dramatic change. Dublin is crying out for real political leadership to help to improve the lives of all Dubliners and, at the very least, co-ordinate some of the functions of the four separate local authorities, a function that simply is not provided for. Of equal importance is for stakeholders in Dublin to have one person or champion working in partnership with all those with a stake in Dublin to help to build a better future for the capital and to help all Dubliners to achieve their full potential. Dublin needs to position itself to compete as an international city region against other international cities to ensure it grows its considerable tourism potential, creates jobs and attracts investment. The context of Brexit increases the urgency of this task. The Bill, following the efforts of others dating back over 15 years, is an important first step in opening up to everyone in Dublin an urgent, overdue and critically important conversation on Dublin's future.

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

**Tánaiste and Minister for Justice and Equality (Deputy Frances Fitzgerald):** No.

Question put and agreed to.

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

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

Question put and agreed to.

**An Bille um an gCúigiú Leasú is Tríocha ar an mBunreacht (An tOchtú Leasú a Aisghairm) 2016: An Dara Céim (Atógáil) [Comhaltaí Príobháideacha]**

27 October 2016

**Thirty-fifth Amendment of the Constitution (Repeal of the Eighth Amendment) Bill  
2016: Second Stage (Resumed) [Private Members]**

Thairg an Teachta Ruth Coppinger an tairiscint seo ar an Máirt, 25 Deireadh Fómhair 2016:

Go léifear an Bille an Dara hUair anois.

The following motion was moved by Deputy Ruth Coppinger on Tuesday, 25 October 2016:

That the Bill be now read a Second Time.

Atógadh an díospóireacht ar leasú 1:

Debate resumed on amendment No. 1:

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

Dáil Éireann declines to give the Bill a second reading in order that the Citizens’ Assembly, established by Resolutions of Dáil Éireann and Seanad Éireann, can conclude its deliberations on the Eighth Amendment which is the subject matter of this Bill, and report to the Oireachtas in the first half of 2017.

- (Minister for Health).

1 o’clock

Cuireadh an leasú

Amendment put:

<i>The Dáil divided: Tá, 96; Staon, 2; Níl, 47.</i>		
<i>Tá</i>	<i>Stáon</i>	<i>Níl</i>
<i>Aylward, Bobby.</i>	<i>Moynihan, Michael.</i>	<i>Adams, Gerry.</i>
<i>Bailey, Maria.</i>	<i>O’Sullivan, Maureen.</i>	<i>Barry, Mick.</i>
<i>Barrett, Seán.</i>		<i>Boyd Barrett, Richard.</i>
<i>Brassil, John.</i>		<i>Brady, John.</i>
<i>Breathnach, Declan.</i>		<i>Broughan, Thomas P.</i>
<i>Breen, Pat.</i>		<i>Buckley, Pat.</i>
<i>Brophy, Colm.</i>		<i>Burton, Joan.</i>
<i>Browne, James.</i>		<i>Chambers, Lisa.</i>
<i>Bruton, Richard.</i>		<i>Collins, Niall.</i>
<i>Burke, Peter.</i>		<i>Connolly, Catherine.</i>
<i>Butler, Mary.</i>		<i>Coppinger, Ruth.</i>
<i>Byrne, Catherine.</i>		<i>Crowe, Seán.</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>Dooley, Timmy.</i>

<i>Carey, Joe.</i>		<i>Ellis, Dessie.</i>
<i>Casey, Pat.</i>		<i>Ferris, Martin.</i>
<i>Cassells, Shane.</i>		<i>Healy, Seamus.</i>
<i>Chambers, Jack.</i>		<i>Kelleher, Billy.</i>
<i>Collins, Michael.</i>		<i>Kenny, Gino.</i>
<i>Corcoran Kennedy, Marcella.</i>		<i>Kenny, Martin.</i>
<i>Coveney, Simon.</i>		<i>MacSharry, Marc.</i>
<i>Cowen, Barry.</i>		<i>McDonald, Mary Lou.</i>
<i>Creed, Michael.</i>		<i>Martin, Catherine.</i>
<i>Curran, John.</i>		<i>Mitchell, Denise.</i>
<i>D'Arcy, Michael.</i>		<i>Munster, Imelda.</i>
<i>Daly, Jim.</i>		<i>Murphy, Catherine.</i>
<i>Deasy, John.</i>		<i>Murphy, Paul.</i>
<i>Deering, Pat.</i>		<i>Nolan, Carol.</i>
<i>Doherty, Regina.</i>		<i>Ó Caoláin, Caoimhghín.</i>
<i>Donohoe, Paschal.</i>		<i>Ó Snodaigh, Aengus.</i>
<i>Doyle, Andrew.</i>		<i>O'Brien, Jonathan.</i>
<i>Durkan, Bernard J.</i>		<i>O'Loughlin, Fiona.</i>
<i>English, Damien.</i>		<i>O'Reilly, Louise.</i>
<i>Farrell, Alan.</i>		<i>O'Sullivan, Jan.</i>
<i>Fitzgerald, Frances.</i>		<i>Penrose, Willie.</i>
<i>Fitzmaurice, Michael.</i>		<i>Quinlivan, Maurice.</i>
<i>Fitzpatrick, Peter.</i>		<i>Ryan, Brendan.</i>
<i>Flanagan, Charles.</i>		<i>Ryan, Eamon.</i>
<i>Fleming, Sean.</i>		<i>Sherlock, Sean.</i>
<i>Gallagher, Pat The Cope.</i>		<i>Shortall, Róisín.</i>
<i>Grealish, Noel.</i>		<i>Smith, Bríd.</i>
<i>Griffin, Brendan.</i>		<i>Stanley, Brian.</i>
<i>Halligan, John.</i>		<i>Tóibín, Peadar.</i>
<i>Harris, Simon.</i>		<i>Wallace, Mick.</i>
<i>Haughey, Seán.</i>		
<i>Healy-Rae, Danny.</i>		
<i>Healy-Rae, Michael.</i>		
<i>Heydon, Martin.</i>		
<i>Humphreys, Heather.</i>		
<i>Kehoe, Paul.</i>		
<i>Kenny, Enda.</i>		
<i>Kyne, Seán.</i>		
<i>Lahart, John.</i>		
<i>Lawless, James.</i>		
<i>Lowry, Michael.</i>		
<i>Madigan, Josepha.</i>		

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<i>McConalogue, Charlie.</i>		
<i>McGrath, Finian.</i>		
<i>McGrath, Mattie.</i>		
<i>McGrath, Michael.</i>		
<i>McGuinness, John.</i>		
<i>McHugh, Joe.</i>		
<i>McLoughlin, Tony.</i>		
<i>Martin, Micheál.</i>		
<i>Mitchell O'Connor, Mary.</i>		
<i>Moran, Kevin Boxer.</i>		
<i>Moynihan, Aindrias.</i>		
<i>Murphy O'Mahony, Margaret.</i>		
<i>Murphy, Dara.</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'Rourke, Frank.</i>		
<i>Phelan, John Paul.</i>		
<i>Rabbitte, Anne.</i>		
<i>Ring, Michael.</i>		
<i>Rock, Noel.</i>		
<i>Ross, Shane.</i>		
<i>Scanlon, Eamon.</i>		
<i>Smith, Brendan.</i>		
<i>Stanton, David.</i>		
<i>Varadkar, Leo.</i>		
<i>Zappone, Katherine.</i>		

Tellers: Tá, Deputies Regina Doherty and Tony McLoughlin; Níl, Deputies Ruth Coppinger and Richard Boyd Barrett.

Amendment declared.

Faisnéiseadh go rabhthas tar éis glacadh leis an leasú

Cuireadh an cheist: “Go nglactar leis an rún mar a leasfíodh í.”

Question put: “That the motion, as amended, be agreed to.”

<i>The Dáil divided: Tá, 97; Staon, 2; Níl, 47.</i>		
<i>Tá</i>	<i>Stáon</i>	<i>Níl</i>
<i>Aylward, Bobby.</i>	<i>Moynihan, Michael.</i>	<i>Adams, Gerry.</i>
<i>Bailey, Maria.</i>	<i>O’Sullivan, Maureen.</i>	<i>Barry, Mick.</i>
<i>Barrett, Seán.</i>		<i>Boyd Barrett, Richard.</i>
<i>Brassil, John.</i>		<i>Brady, John.</i>
<i>Breathnach, Declan.</i>		<i>Broughan, Thomas P.</i>
<i>Breen, Pat.</i>		<i>Buckley, Pat.</i>
<i>Brophy, Colm.</i>		<i>Burton, Joan.</i>
<i>Browne, James.</i>		<i>Chambers, Lisa.</i>
<i>Bruton, Richard.</i>		<i>Collins, Niall.</i>
<i>Burke, Peter.</i>		<i>Connolly, Catherine.</i>
<i>Butler, Mary.</i>		<i>Coppinger, Ruth.</i>
<i>Byrne, Catherine.</i>		<i>Crowe, Seán.</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>Dooley, Timmy.</i>
<i>Carey, Joe.</i>		<i>Ellis, Dessie.</i>
<i>Casey, Pat.</i>		<i>Ferris, Martin.</i>
<i>Cassells, Shane.</i>		<i>Healy, Seamus.</i>
<i>Chambers, Jack.</i>		<i>Kelleher, Billy.</i>
<i>Collins, Michael.</i>		<i>Kenny, Gino.</i>
<i>Corcoran Kennedy, Marcella.</i>		<i>Kenny, Martin.</i>
<i>Coveney, Simon.</i>		<i>MacSharry, Marc.</i>
<i>Cowen, Barry.</i>		<i>McDonald, Mary Lou.</i>
<i>Creed, Michael.</i>		<i>Martin, Catherine.</i>
<i>Curran, John.</i>		<i>Mitchell, Denise.</i>
<i>D’Arcy, Michael.</i>		<i>Munster, Imelda.</i>
<i>Daly, Jim.</i>		<i>Murphy, Catherine.</i>
<i>Deasy, John.</i>		<i>Murphy, Paul.</i>
<i>Deering, Pat.</i>		<i>Nolan, Carol.</i>
<i>Doherty, Regina.</i>		<i>Ó Caoláin, Caoimhghín.</i>

<i>Donohoe, Paschal.</i>		<i>Ó Snodaigh, Aengus.</i>
<i>Doyle, Andrew.</i>		<i>O'Brien, Jonathan.</i>
<i>Durkan, Bernard J.</i>		<i>O'Loughlin, Fiona.</i>
<i>English, Damien.</i>		<i>O'Reilly, Louise.</i>
<i>Farrell, Alan.</i>		<i>O'Sullivan, Jan.</i>
<i>Fitzgerald, Frances.</i>		<i>Penrose, Willie.</i>
<i>Fitzmaurice, Michael.</i>		<i>Quinlivan, Maurice.</i>
<i>Fitzpatrick, Peter.</i>		<i>Ryan, Brendan.</i>
<i>Flanagan, Charles.</i>		<i>Ryan, Eamon.</i>
<i>Fleming, Sean.</i>		<i>Sherlock, Sean.</i>
<i>Gallagher, Pat The Cope.</i>		<i>Shortall, Róisín.</i>
<i>Grealish, Noel.</i>		<i>Smith, Bríd.</i>
<i>Griffin, Brendan.</i>		<i>Stanley, Brian.</i>
<i>Halligan, John.</i>		<i>Tóibín, Peadar.</i>
<i>Harris, Simon.</i>		<i>Wallace, Mick.</i>
<i>Haughey, Seán.</i>		
<i>Healy-Rae, Danny.</i>		
<i>Healy-Rae, Michael.</i>		
<i>Heydon, Martin.</i>		
<i>Humphreys, Heather.</i>		
<i>Kehoe, Paul.</i>		
<i>Kenny, Enda.</i>		
<i>Kyne, Seán.</i>		
<i>Lahart, John.</i>		
<i>Lawless, James.</i>		
<i>Lowry, Michael.</i>		
<i>McConalogue, Charlie.</i>		
<i>McGrath, Finian.</i>		
<i>McGrath, Mattie.</i>		
<i>McGrath, Michael.</i>		
<i>McGuinness, John.</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>Murphy O'Mahony, Margaret.</i>		
<i>Murphy, Dara.</i>		
<i>Murphy, Eoghan.</i>		
<i>Murphy, Eugene.</i>		

<i>Naughten, Denis.</i>		
<i>Naughton, Hildegard.</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'Rourke, Frank.</i>		
<i>Phelan, John Paul.</i>		
<i>Rabbitte, Anne.</i>		
<i>Ring, Michael.</i>		
<i>Rock, Noel.</i>		
<i>Ross, Shane.</i>		
<i>Scanlon, Eamon.</i>		
<i>Smith, Brendan.</i>		
<i>Stanton, David.</i>		
<i>Varadkar, Leo.</i>		
<i>Zappone, Katherine.</i>		

Tellers: Tá, Deputies Regina Doherty and Tony McLoughlin; Níl, Deputies Ruth Coppinger and Bríd Smith.

Question declared carried.

### **Finance Bill 2016: Second Stage (Resumed)**

Question again proposed: "That the Bill be now read a Second Time."

**Deputy Maureen O'Sullivan:** Before the debate adjourned last night, I was discussing the budgetary measures on tax avoidance and evasion, offshore income and assets as well as offshore tax defaulters who have been given ample opportunity to sort out their affairs. These people continue to break the law and I have no doubt that work and research are being done as we speak to find innovative and creative ways to facilitate continued tax avoidance and evasion. Substantial sums are being lost through these practices and illicit tax flows. Figures from the Revenue Commissioners show they recovered €3 billion in penalties, interest and additional tax, which begs the question as to how much more is out there?

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On the increase in the price of a packet of cigarettes by 37 cents, it is unfortunate the views of Retailers Against Smuggling were not considered. This group pointed out that the illicit trade in tobacco was worth €1.2 billion in the past five years. In the first six months of 2016 alone, tobacco products seized by Revenue would have resulted in a loss to the Exchequer of €15.8 million, which is higher than the figure for the previous six-month period.

The black market in tobacco products is thriving in the centre of Dublin and the increase in the price of cigarettes will result in it growing further. Retailers Against Smuggling asked for a moratorium on price increases until more research had been done on the issue. A packet of cigarettes costs €11 in retail outlets and €4 or €5 on the black market. Current anti-smuggling regulations need to be strengthened because rather than deterring smokers, the price increase will result in more of them turning to the black market.

It is good the Bill introduces some financial relief for small breweries. Deputies addressed some of the aspects of the Bill relating to climate change in this morning's debate. While the increase in social welfare benefits for most recipients for the first time in seven years is welcome, it does not go even halfway to retrieving the value that was lost through inflation in recent years.

While economic and taxation policies create poverty, they can also deliver a better and more equitable spread of wealth. All of us want to live in a fair and just society. Ireland is a world player which has assumed a role in the global community and the budget is not only about Ireland but the world of which we are part. In its pre-budget submission, Oxfam Ireland asked the Government to decide what type of a global community it wanted to foster. Budget 2017, it noted, provided an opportunity to reach a world where there is decent work for all, women and men are equal, tax havens are something people read about in history books and the richest pay their fair share to support a society that benefits everyone. That is the yardstick by which we should measure the budget and Finance Bill.

**Deputy Peter Fitzpatrick:** I welcome the opportunity to speak in this debate. As I stated in my contribution to the budget debate, while I generally welcome the 2017 budget, I also have some reservations. There is no doubt the Government must manage the public finances in a fair and prudent manner. We can never return to the Fianna Fáil boom and bust policies and we must not forget that these policies wrecked the economy, brought the troika to the State and caused us to lose a generation of our youngest and brightest citizens to emigration. Every citizen has paid a heavy price for the reckless policies of the last Fianna Fáil Government.

Since the Fine Gael Party entered Government in 2011, we have had to make some very difficult decisions, the results of which are plain to see. We have restored the public finances and the jobs lost during the crisis, stopped the flow of our youngest and brightest citizens leaving our shores and returned the economy to growth. The Irish economy is now the envy of our European colleagues.

As I stated, I welcomed budget 2017 and the commitment in the programme for Government to focus more on investment in public services than tax cuts. As the Minister stated, we must manage our public finances effectively and fairly for the benefit of all. I recognise that we cannot make all the changes we want in a single budget. The recent budget is only the start and as more resources become available, I expect more progress will be made in future budgets.

Speaking as a Deputy from a Border county, the decision of the United Kingdom to leave the European Union poses many challenges while also offering many opportunities. The deci-

sion to retain the reduced VAT rate for the tourism and hospitality sector is particularly welcome and will help negate some of the effects of the UK's decision. North County Louth has a thriving tourism industry and from speaking to many of the key stakeholders since the budget, it is clear they are particularly pleased with the retention of the reduced VAT rate.

The changes to the USC are also welcome. It is welcome that the rates have been reduced as this will benefit a large number of taxpayers. It must be noted that the squeezed middle did a lot of the heavy lifting during the years of austerity and this fact should be recognised in all future budgets.

I welcome a number of other measures in the budget, including the extension of the mortgage interest relief scheme to 2020; the increase of €2,000 in the amount that can be earned under the rent-a-room scheme; the introduction of the low-cost flexible loan fund for the farming sector; and the provision of €319 million for the local and regional roads fund.

The introduction of the help-to-buy scheme for first-time buyers is an initiative that will be of great benefit. I thank the Minister for addressing my concerns about the minimum mortgage required. Following my representations, the limit for the minimum mortgage required to avail of the scheme was reduced to 70% from 80%. This amendment will make the scheme more readily available to a wider number of applicants. I ask the Minister to consider further amendments, particularly to the upper limit. I strongly believe the amount of relief should be capped at 5% of €400,000. I urge the Minister to leave the cap at €400,000 and not have the scheme open to houses valued up to €600,000. I argue that capping the relief at €400,000 would have the effect of keeping prices for first-time buyers at or below €400,000. Builders would not build houses in excess of this figure for first-time buyers because, simply, there would no demand for them. Another point is that a first-time buyer who is in a position to purchase a house for €600,000 does not require help from the taxpayer to do so.

Prior to the budget, I made numerous representations to the Minister that Dundalk should be included in the living city initiative. I am extremely disappointed that it was not included in the scheme and urge the Minister to reconsider his decision. The United Kingdom's decision to leave the European Union will affect Dundalk more than most as it is a Border town. We must support the Border region and including Dundalk in the scheme would have been a great start. I note that the Minister, in his written response to my queries, explained that he wanted to make changes to the living city initiative before including Dundalk in the scheme. I disagree with this approach and again urge the Minister to include Dundalk as a matter of urgency. The initiatives included in the scheme would be of great benefit to the town centre of Dundalk and help to regenerate the area. What we must realise is that Border towns like Dundalk will be in direct competition with towns on the other side of the Border, including Newry, for retail trade. We must support towns such as Dundalk in every way possible.

In the main, I fully support the efforts of the Minister in the budget. As I stated, I support the vast majority of the measures included in it. I urge the Minister to consider my suggestions in regard to the help-to-buy scheme and the living city initiative.

**Deputy Michael D'Arcy:** I am grateful to have the opportunity to speak to the Bill and want to touch on a number of issues. We have heard a lot of talk today about equal pay and the full restoration of pay in the public sector. I do not know many people who would have an issue with this. The only difficulty, as with everything, is the cost. The figure we have been given for full restoration of pay in the public sector is €1.4 billion. That is the full amount available

in the budget for social protection measures and everything else, including modest tax breaks. That €1.4 billion cannot possibly go to just one sector, nor should it. It is important that it also be understood this is a cost that would apply every year.

I support the reduction in the universal social charge. It was supposed to be a temporary tax, as was income tax when it was first brought in in the United Kingdom. While Fine Gael has a proposal to phase out the USC, I do not know how realistic it is, given that it brings in an amount equal to 25% of the income tax budget. It is a huge amount of money.

Everything we have tried to do in the budget and the budgets since taking office in 2011 has been aimed at getting people back to work. We cannot ignore this. Those on the Opposition benches, particularly those on the left and the hard left, castigate us for supporting jobs and trying to make the environment better and more conducive to the production and facilitation of jobs, without which we would have nothing - no income tax and no one to provide services. The USC and VAT would not be paid and expenditure, reduced. Members on the Opposition benches do not seem to grasp this. All they want to do is throw mud that we are pro-business and pro those who provide jobs. We certainly are. When the crash occurred and jobs were lost, the tax take went down.

One area which is not getting sufficient attention is local government. The local authorities have an important role to play in economic development. Each local authority, whether it be in Wexford, Tipperary, Dublin or elsewhere, has a role, but, at the same time, it does not have the funding base to impact sufficiently on economic development. While local authorities may know that there is a space that could be filled and thus encourage job creation, they have to try to find a funding stream to fund a capital project. There is an example in New Ross, County Wexford, where a superb tourism project, the Dunbrody project, requires money. Those involved have to go to Fáilte Ireland, the Minister for Transport, Tourism and Sport and similar bodies to seek funding. The local authority should have an amount from a national pot of money broken up into equivalent amounts for authorities of different size. That money should be made available outside normal local authority resources and local property tax proceeds. Each local authority would spend the money wisely and well. It is an issue at which we will need to look in future budgets.

I welcome the additional social protection payments, given that there are groups who were impacted on and who have had not received a raise in years. I make the point that it is those in the squeezed middle who pay for almost everything. The income tax take in 2011 was a little over €12 billion, whereas in this budget the figure is over €20 billion, an increase of more than €7 billion, or 55%, in the moneys coming in directly in income tax. As we have said all along, we are not satisfied that this is the best way of doing it, given that increased income tax is a tax on jobs.

I welcome the allocation of €150 million for the farming sector, given that cash flow has been hugely impacted on. It is important, when the banks sit down with officials of the Department of Agriculture, Food and the Marine and the Strategic Banking Corporation of Ireland, that the criteria be such that the money will go to those who require it.

I support the Minister for Housing, Planning, Community and Local Government, Deputy Simon Coveney's plan for the housing sector, Rebuilding Ireland. I also support the first-time buyer's grant. Of course, it is important that it go towards the right areas and I believe it will be.

I have spoken to a teacher in the community school in Gorey who is striking today, although they do not want to strike. I explained some things that are very important. We are closer to the next recession than we are to the last one of eight years ago. There will be another recession before the next eight years are out. In 2007 the national debt was €40 billion; it currently stands at over €200 billion. We have to deal with the facts. Everybody thinks most or all of that €200 billion is due to the banking sector, but it is not. It accounts for some €30 billion of it; the remainder represents the moneys we have borrowed for day-to-day spending. Therefore, we did not have a Greek-style recession, with people living in real poverty. The reason we did not have it is we were allowed to borrow our way of the last recession. The difficulty for this and future Governments is that we will not be allowed to do that in the next recession because of the fiscal compact rules and the treaty agreed in 2012 on foot of the referendum. The reality is that, in the next recession, adjustments will be in the form of tax increases and reductions in services. When I explained it to the teacher in question, they were unaware of it. We are failing in getting our message across that these are the confines within which the current and subsequent Governments must operate. It is important to get across the message that if we act prudently today, we may not have to cut as deeply and widely as anticipated. In this way, we may ensure cuts and reductions of the type we experienced before will not occur again.

**Deputy John Paul Phelan:** I welcome the chance to make a few points on the Finance Bill. I commend the Minister on his efforts over the past five and a half years. At the height of the recession, the budget deficit was well in excess of €20 billion. This year, with favourable economic winds, I hope it will be virtually wiped out completely. This is through the stewardship of the Minister and the efforts of the people. It represents a phenomenal turnaround in the economic underpinning of our society. It is a by-product of the fact that the unemployment rate continues to fall. The rate has fallen to well below 8%, having peaked at well over 15%. Many people who had to leave Ireland in the height of the recession are now considering the possibility of returning. All of these are positive indicators. Some of the economic difficulties experienced now, particularly in respect of housing, are associated with our having had some success in recent years.

I, too, welcome the changes in the budget regarding taxation, particularly the reduction the Minister announced to DIRT, albeit small and staged. To my mind, our capital taxes remain largely too high. It is possibly time to consider offering people an opportunity to save for the future a little more, and that is why I believe the DIRT reduction is important. With regard to the universal social charge, whether temporary or not, our income tax system has too many moving parts. The universal social charge did replace a number of levies that brought in substantial amounts of money, even in advance of the crash. Some consideration is being given to changing our PRSI system because our contributions, both from employees and employers, are lower than in most other comparable European countries. Perhaps if changes are ultimately to be made involving the complete phasing out of the universal social charge, they might be on the PRSI side also.

Deputy D'Arcy mentioned social protection increases. Changes affecting child care deserve a special mention. They do not apply to me but perhaps they will in the future. This is the first time a Government has made a serious effort to address the significant child care costs faced by families with two working parents. While many people might not qualify initially because the thresholds are high, at least a path has been laid out for proper provision for meeting the cost of child care in the future.

I am a little tired of many members of the Opposition and some of the previous speakers

quoting statements to the effect that the wealthiest should pay the most. Any comparative analysis of the Irish income tax system shows overwhelmingly that the people who earn more pay significantly more, as it should be. It is as if some people who view politics through a different economic prism than me just ignore the facts in the belief that the wealthy do not pay anything. The vast majority of our income tax revenue is from the highest earners. That is borne out in any analysis by the OECD and others, including the budget scrutiny committee. Professor Barrett of the ESRI and others stated quite clearly that the Irish taxation and welfare systems are the most progressive in the European Union. One of the witnesses said they are the most “redistributive”. This is a fact that is often not mentioned.

I wish to make a case for a particular group whose plight has been brought to my attention. I have had some discussions with the Minister over the years on mortgage interest relief and the changes that were announced to commence at the end of 2012. I refer to a category of people who were building their own homes and who had been gifted sites prior to 2012. They might have drawn down some of their loans prior to the end of that year and subsequently drew down the remainder in 2013 and perhaps later. They have not benefited from the maximum impact of mortgage interest relief. It was an anomaly, particularly for those in receipt of gifts of sites, usually family members of people involved in the agriculture business. I suspect a very small number of people were affected but I do not have the overall figure. I hope that, on Committee and Report Stages, the Minister will be in a position to ensure the difficulty faced by this small group, which is very severely disadvantaged by what has occurred, will be addressed.

What has occurred goes against the spirit of what the Minister was trying to do at the time but it is one of those things that can happen when finance Bills and taxation changes are introduced. The pitch should be levelled. The money foregone by many of the individuals, couples and families affected is very significant. I urge the Minister to address this. I will be submitting an amendment so the rules may be adjusted to ensure those people building their own houses on having received the gift of a site will be catered for in the same way as people who purchased a site. As I understand it, that is the difference between the two categories and it gave rise to this anomaly. I hope that, before the Finance Bill is completed, the anomaly will be corrected.

**Deputy Sean Fleming:** I am sharing my time with Deputy Michael Moynihan.

As we all know, the Finance Bill is to give legislative effect to the budget measures for 2017, announced on 11 October. I wish to deal with a few specifics in the Bill and various sections. There was quite a lot of talk about some of the bigger issues that have attracted a lot of attention.

I will deal briefly with section 8, which covers the help-to-buy scheme. More houses need to be built but the scheme does not deal with this issue at all. It serves only to provide more money to chase the limited number of houses that are being built. It is designed to increase prices. I can see no other function and, to that extent, it is a bad scheme in general. That said, the Minister is proceeding with the scheme. It is the Government’s budget and we have agreed that once the general parameters of the budget conform with the agreement we reached with the Government during the summer on the split between expenditure and taxation, we would not oppose it. This does not mean we agree with or accept every detail. The help-to-buy scheme is one of the issues we are not happy about. The measure will do harm but my only real concern is that it will not do too much harm.

On 12 October, in the first opportunity I had to speak on the budget after its announcement the day before, I made the following precise point, which I was probably one of the first to

make: “The Government has been telling people to save but a condition of the plan is that a person will have to take out a mortgage of at least 80%”. I also stated:

That means those who have been prudent and tried to save up 30% of the price of the house will now be penalised. They will not qualify unless they take on additional borrowings. I do not know where that condition came from. The conditions for the scheme require one to be well-off and to have paid a lot of tax over the last four years and force one to take on an excessive mortgage even if one does not need to do so. A slight mistake has been made there and the Minister needs to revisit it.

In that context, I am pleased that he made an amendment to this issue. Perhaps the matter was a little rushed, but he indicated that the Central Bank had approved what he announced here on budget day whereas it is clear that was not the full picture. I am pleased that the point I made that day has resulted in one of the significant changes in the Finance Bill compared to what was announced on budget day.

Another issue I ask the Minister to address regarding this scheme is that of people building their own houses possibly to allow entry into this new scheme based on the date of the final drawdown of their mortgage. Some people commence building and might only have a bit of the work done and they should not be excluded if a lot of the mortgage has yet to be drawn down. I also believe that rental history should be taken into account for deposit or mortgage eligibility purposes in some way or other.

Section 2 deals with the universal social charge. The changes in their own right are welcome, but I want to raise two issues not germane specifically to the Bill, but to the Government, as a result of the USC changes. The changes to the USC are welcome and will increase people’s net take-home pay, which is the purpose of the changes. We want to ensure that increase in take-home pay does not result in some people losing a medical card when they come up for their annual reviews. The medical card criteria are based on gross pay less PAYE, PRSI and USC, so somebody’s income could go up a few hundred euro a year, even if he or she is on a low basic income, as a result of this, and he or she could lose a medical card when his or her review comes up. The same principle applies to family income supplement. Family income supplement is based on net income, and if the net income increases, due to a welcome improvement to the USC, that should not be used as a measure to make people worse off through loss of family income supplement, as the case may be.

Another issue I want to raise is section 55, which concerns the publication of the names of tax defaulters. I will quote from the explanatory memorandum. It states:

The section clarifies the amount to be published in these cases. [Clarity is good.] The change puts beyond doubt that the portion of the settlement in respect of which a qualifying disclosure is made will be excluded from publication, and only that portion relating to other matters will be publishable.

I will also read from the next paragraph: “The section also provides that, in the case of defaulters who are to be published in the list and who have failed to pay the settlement sum, the fact of non-payment may be included in the published particulars”. I surmise the members of the public think - obviously they are wrong - that when settlements are published, they cover the full amount of the settlement, but that if somebody has an issue and he or she fesses up at the beginning of the audit, admits to having made a mistake and owing €100,000 and is then

ordered to find another €50,000, only the €50,000 is published and not the total sum. Maybe there is a rationale for this, but I believe people think that when they see these figures published in the papers, they represent the full tax settlement. However, they do not and I wanted to put that on the record. What I find most interesting is that when people read “settlements”, they presume the amount was settled. When people see a list published by the Revenue Commissioners at the end of a quarter, they believe the amount was settled, that is, paid, but it is clear from this amendment that people can agree to a settlement but never have any intention of paying it. They should not get the benefit of that fact not being known. Now there is a recommendation that if the amount has not been paid, that will be asterisked or mentioned somewhere in the publication. That is only right, but I question whether that person should be considered as having made a proper settlement if he or she has no intention to pay at all. People might be interested in that.

I ask the Minister to provide for the last few years or quarters the total number of settlements published and the total amounts actually paid in respect of those settlements. I am sure Revenue has this data because it must have looked at the issue. I will be surprised and disappointed if there is a big difference between the two. This appears to be so, otherwise the issue would not be addressed here by the Department of Finance. It would be good to see that.

Another issue I want to raise is section 23, which deals with country-by-country reporting on corporation tax and - I risk losing my audience - base erosion and profit shifting, BEPS. During the formation of the Government during the summer, the Oireachtas had to set up a special sub-committee, of which I was a member, chaired by a member of the Fine Gael Party. It dealt with a recommendation of the European Commission on country-by-country reporting. This issue came to the committee, which was an *ad hoc* committee because the full committees had not been set up. We considered the issue and we got Dáil Éireann to express reservations about what was proposed. I want the Minister, by Committee Stage, to announce the outcome of the Dáil’s reservation because we were not the only country whose parliament expressed reservation. It was also noted that the recommendation came from the Commissioner with responsibility for jobs, enterprise and innovation and not from the Commissioner with responsibility for tax. It sounds a little like the Apple ruling. Commissioners not involved in tax seem quite happy to start making recommendations that have taxation impacts. We seem to be seeing a little of that again. Officials from the Department of Jobs, Enterprise and Innovation attended that meeting, and we asked them how this would impact on traditional Irish large multinationals, such as Glanbia, Kerry Group and so on. They could not tell us then how many companies might be involved. They said there was no mechanism. I note that the turnover mentioned here only applies to companies that have turnover in excess of €750 million and the report will have to give a breakdown of the amount of revenue, profits, taxes and other indicators of economic activity. There is probably nothing wrong with that, but it is wrong for us to pass legislation without knowing the impact of this or at least how many Irish companies could be so affected. It was extraordinary that when this was going through the Dáil early in the year that question could not be answered, so it is important that it be answered before we complete the Finance Bill.

The last section I will mention is another one on which some commentators comment quite a bit, namely, section 21, which deals with companies availing of section 110 tax status. The reason I mention this is that I submitted a parliamentary question to the Minister on this issue on 13 October. I had presumed people claimed this as a taxation expenditure and I wanted to know how it is accounted for and how much it is worth. I was surprised to get the reply I got

from the Minister, Deputy Noonan, but pleased to get the information. He stated:

The rationale for not deeming section 110 a tax expenditure is due to the fact that it is part of our normal tax structure. It is the legal framework for Ireland's securitisation industry [and] is a key feature of tax regimes internationally.

Many people thought this was a loophole. In fact, it was specifically designed for the purpose for which it is being used. As the Minister said, "it is part of our normal tax structure". I say to people who thought maybe something was slipping through in this regard that it is actually worse than that. It was designed to achieve the fact that some of these huge companies with billions in assets were paying €1,000 in corporation tax in Ireland. It is good to see that was brought to an end. I do not know the intention of the Finance Bill in this regard, but I ask the Minister to clarify on Committee Stage - I will not be there myself but he can clarify it for the record - to make sure that there is no grandfather clause. Companies have availed of this until now. That is one thing. Maybe we cannot look back, and that might be the way taxation works, but from next year and in subsequent years, if companies make profits in Ireland, they must pay profits. They cannot say that because they were here before the change happened, they should not be affected by it. When hundreds of thousands of citizens took out mortgages over the years, they took them out based on the mortgage interest tax relief regime that was in place. It changed during the course of the mortgage, but they could not say that because they took out their mortgages before the changes were made, they should not be affected by the changes. None of that should be allowed in this situation. The Minister will come under pressure from the industry, but companies cannot continue this practice into the future.

**Deputy Michael Moynihan:** I welcome the opportunity to speak on the Bill. The Finance Bill every year gives Deputies an opportunity to reflect on various issues. I will raise three or four.

One of the initiatives in the budget and in the Bill which I welcome is the incoming averaging for farmers. It is clear that the Government acknowledges that there has been a huge crisis in agriculture during 2015 and 2016.

*2 o'clock*

It was the perfect storm in 2016 in many ways. Nearly every sector, including beef, tillage, sheep and dairy, has been under tremendous pressure. All of that will have a knock-on effect on people working in agriculture or related services trying to collect money. There is a huge issue with income and cashflow in the entire farming fraternity. While there have been some initiatives, including lower-cost finance for agriculture, we need a fundamental review of the product prices at the farm gate. While I welcome the initiative, which signals an acknowledgement of the crisis by the Government, more needs to be done. We have had the beef forum and other talking shops that have made no real progress and a lot of work needs to be done on it.

Nearly all commentators have talked about homelessness, the housing crisis and whether the bar is too low or too high for the Government's buyer initiative and when the contracts have to be signed. However, there is a fundamental issue with housing. There is a major housing issue in Dublin, Cork and some of the other cities. At the other side of it we have rural depopulation. Many people have spoken here over the decades about the movement of population from the west coast to the east coast and the various initiatives that have been put in place.

There is a draconian system of planning affecting in particular, once-off houses in rural

communities. Owing to the advent of Irish Water, an extraordinary cost for connecting to public water supply or public sewers is heaped on young couples buying houses. Some of the regulations introduced in recent years are making it nearly impossible for people to build their own houses and encouraging them to live in these communities where there is infrastructure such as schools and sporting facilities. Huge numbers of people are living on the east coast and there are huge issues with getting more accommodation. It is not just about getting more houses built in urban areas; there is an issue in rural areas.

When it comes to planning regulations, whether they come from the Department of Housing, Planning, Community and Local Government or the local authorities, it is almost as if someone decided that no one needed to live west of a line drawn from north to south through Mallow. If that is the policy of the Department of Housing, Planning, Community and Local Government or anyone else, they should come out clearly and say so. We could then work from that premise and try to reverse the policy because there is a major issue in that regard.

Many people talk about the costs associated with running small businesses that employ three, four or five people and on up from that. Business owners, whose business ran into difficulty and ceased operating, have difficulty getting social welfare. We need to look at the S-class stamp versus the A-class stamp.

There is another issue with banks that sold products to self-employed people. For example a plumber or builder, who bought a van for his business, may have taken out a payment-protection policy along with the loan. When he lost his business it turned out the payment-protection policy was not worth the paper it was written on; it was mis-sold by the banks.

We are dealing with a number of cases before the Financial Ombudsman Service to try to get money back for people who paid their payment-protection policy either to return the entire premium those people paid for the loan they took out or for the payment-protection policy. They are refusing point blank to move it forward. We have had it with the various Departments, with the banks in the first instance and then on to the Financial Ombudsman Service, which has taken a ruling. The insurers have initially accepted the claim and then on some technicality are refusing to pay out. There is a major residual issue there from previous years and we are working with them. It is time for the banks that mis-sold these products to pony up and either give back the money paid for premiums or pay up on the policy.

Some businesses have had issues with the Revenue Commissioners regarding moneys owed. In some instances we have had a very good experience with the Revenue Commissioners in resolving issues or agreeing gradual payment over the long term to address various tax bills that accrued over time. In other instances they have been very fast to send that bill to the sheriff, which frightens the living daylights out of the people involved. We need to look at how the Revenue Commissioners deal with people in that regard.

The Bill provides for tax incentives to allow people to buy a house for the first time. I wonder if this will drive the prices higher. There is a raft of reasons for us not having enough houses. First, we stopped building for five or six years. Then the population started growing and we suddenly realised we had a crisis. The issue needs far greater thought. We are spreading around the cities while the commuter belts are growing with all the infrastructure that is needed. There is no joined-up thinking. It is happening in London and Dublin where the population is being pulled in, sucking the life out of other towns. In time to come, people will look at the policies pursued leading to vast lands where nobody is living and will conclude that the policies

were wrong.

We need to be careful with any provisions in the Finance Bill encouraging entrepreneurs and small businesspeople to employ people. There is a huge crisis in farming. It is a generational issue with the farming community. Ten or 15 years ago we were looking at the destocking of the hills and so forth and farmers were saying they would be the last generation to farm there. Many people are looking at that. There is a huge crisis in the farming, which is our most important indigenous industry. Our planning regulations are off the wall in terms of how they are being policed.

**Deputy John Deasy:** I want to discuss the Finance Bill provisions to deal with corporation tax and multinationals, and how we deal with these issues as the implications of Brexit manifest themselves. The question for me is what affirmative steps we can take now when it comes to our tax code that would insulate Ireland from the negative effects of Brexit. I believe there is some confusion as to what direction to take, understandably, because of the enormous number of unknowns that exist, particularly as it applies to the UK. For example, yesterday it became clear that we are in the dark regarding the UK's intentions on immigration controls and that is not the only area. We are in a similar situation when it comes to corporation tax and how it will structure its tax regime to remain competitive outside the EU. If, for example the UK leaves the Single Market and reduces its corporation to 10%, as has been mooted, how do we deal with that when it comes to our competitiveness? In the meantime, how do we deal with the uncertainty that could be just as damaging? I believe there is one immediate step that has not been taken and needs to happen now. The UK had and has our tax regime in its sights and is trying to figure out how to eat into a share of foreign direct investment coming to Ireland, as it has been for some time. That began in earnest about six or seven years ago. It picked up pace when George Osborne MP, the former Chancellor of the Exchequer, announced that there would be an incremental lowering of the corporate tax rate in the UK to 15% or so. That was before Brexit.

While all of this has been going on, our corporate tax regime has come under a continual and sustained attack from the European Commission. It started a couple of years ago with the closure of the double Irish. That involved the OECD as well. It allowed companies to shift profits, transfer pricing, etc., as we all know. That corporate taxation facility, which did make Ireland attractive to multi-nationals, was wound up for new entrants from the start of 2015 and will disappear altogether at the end of 2020 for multinationals with schemes existing before January 2020. I was probably one of the only Members in this House who cautioned against ending the double Irish. Would the same decision be made today in light of Brexit and the increased threat to our competitiveness? I do not know, but I do not think we would be as quick to dispense with the double Irish facility if we had that choice presented to us again. Should we reconsider the phasing out of the double Irish in 2020 for those pre-existing entrants in the scheme? In view of Brexit I believe everything is on the table.

Since then, we have received the European Commission's decision concerning Apple. Commissioner Vestager found that Apple received billions of euro in illegal state aid, according to her, and ordered the corporation to repay €13 billion in back taxes to the Irish Exchequer. To put it simply, it amounted to an attack on our corporate tax regime and a threat to Irish sovereignty. As we know now, it has not stopped there. Commissioner Vestager has turned her attention to every other multinational here to see whether or not they similarly received illegal state aid. We are appealing the decision because we are aware of how much damage this could potentially do to our competitiveness and our ability to attract foreign direct investment. The expectation is that Ireland will lose the appeal.

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Two days ago, the Commissioner for economics, Mr. Pierre Moscovici, relaunched the common consolidated corporate tax base, CCCTB. In a nutshell, it would create a common tax base for corporations around Europe and would mandate that taxes are paid in the locations in which goods and services are sold, which is most likely in the larger EU markets. If implemented, the reality is that it would eat into our corporate tax revenues. It amounts to another attack on our sovereignty. The EU Commission and Commissioners Vestager and Moscovici are operating as if our largest trading partner, Britain, voted to remain in the EU. They are proceeding with grand tax policy initiatives that take absolutely no account of what we may be facing in three of four years' time when it comes to the UK's tax regime and how it positions itself to attract a larger percentage of foreign direct investment to this State's potential detriment.

What are we looking at when it comes to the UK's corporate tax regime? We do not know, but various scenarios have been drawn up. We could see a complete unilateral break if the UK loses its EU passport rights, for example, in which case it will have to improve its tax offering access across the board. What does that mean? It potentially means a lower rate of corporate tax, VAT recovery for financial institutions, exemptions for financial service businesses and tax incentives that are presently contrary to EU state aid rules. If that happens, what do we do? There may not be a great deal we can do because of the EU constraints when it comes to corporate tax and VAT. We may be confined to making improvements to our personal tax regime. What is happening in Government now? Understandably, we are considering our position based on every potential eventuality. We are dealing with issues such as the knowledge box and introducing incentives for CEOs and business people who are potentially coming to locate in Ireland.

When it comes to Ireland, the European Commission is operating as if Brexit did not happen. Two commissioners in particular are chipping away at our competitiveness and our tax sovereignty as if nothing has changed. This is my point: we cannot afford to fight a war on two fronts. As I said earlier, the British have had our corporate tax rate in their sights for years. We are potentially about to enter a war with the UK on the basis of competitiveness and attracting inward investment and we are the minnow. I was struck by the comments of the Minister, Deputy Noonan, around the time of the Apple case when he said that there was a declaration of war on our sovereignty and our corporate tax rate. We are looking at that happening on two fronts if somebody does not impress upon the European Commission the implications for Ireland as a result of Brexit.

At the same time, the EU seems intent on changing those corporate tax structures, even if that means diminishing our attractiveness to multi-nationals. What do we need to do? We need to immediately make terms with the European Commission until we know whether or not the UK retains access to the Single Market and how it plans to construct its tax code. I am obviously directing my comments to the Minister for Finance, Deputy Noonan. I am also directing my comments to whom I believe is the important person in this case, and that is the President of the European Commission, Mr. Jean-Claude Juncker. He is the only senior person when it comes to those two Commissioners that I have mentioned. It needs to be impressed upon him immediately that his Commissioners need to deal with the bigger picture and desist from making any further attacks on our competitiveness until we understand how the UK intends to proceed post-Brexit.

We are scrambling to find direction when it comes to Brexit. I believe that is where we need to start. Understandably, perhaps, we are struggling to find direction when it comes to dealing with Brexit. Unfortunately, I also think there is an attitude that there is very little we can do

until we know what the British want and how they intend to proceed. I disagree with that sentiment and I believe that our first and immediate port of call needs to be to Mr. Juncker to express the case I have just made. I do not believe that there is a leader in the EU who would not grasp the political and economic realities of the argument I have just made. I do not believe there is one. They understand that this entire process is a crapshoot. Nobody knows what is going to happen.

The answer may come back that the EU cannot stop the European project in its tracks and that it cannot put on hold reasonable and good EU policy measures because of Brexit, but we cannot give the British a chit or the opportunity to bargain before we start negotiating with them. I am afraid there needs to be balance here and that needs to be impressed upon EU leaders. If, on one hand, our corporate tax base continues to be undermined by the European Commission and, on the other hand, we find ourselves competing with a highly-attractive UK tax code framed to attract inward investment at all costs, our economy will be set back again very badly. If those two dynamics are not in some way addressed and one of them halted, this economy could be looking at a potentially perfect storm when it comes tax, inward investment and our competitiveness.

**An Leas-Cheann Comhairle:** I call Deputy Mick Wallace. Is the Deputy sharing time?

**Deputy Mick Wallace:** God no, I would not be into that at all. I will take the 20 minutes.

Following the crash, Ireland has become a tax haven for property investment funds which like multinationals pay very little tax but unlike multinationals supply very few jobs. There is not a lot of logic to the generous tax exemptions afforded to these funds. To put it in perspective, our taxation rules for investment funds are almost identical to those of the Cayman Islands, Luxembourg and the Channel Islands, which is not a great list to be on.

In the Finance Bill published last week, it was announced that a withholding tax of 20% will apply from next year on certain property distributions from Irish funds to non-resident investors. Investment funds with at least 25% of their assets made up of Irish commercial property will be subject to this tax, but the levy will not apply to pension funds, life assurance companies and other collective investment vehicles such as undertakings for collective investment in transferable securities. I would be interested to hear the Minister explain why these were kept away from the tax and left exempt.

The 20% withholding tax is not a panacea to the billions in tax revenue the Exchequer is losing out on, and it looks doubtful the rate of 20% can even be applied to the majority of these non-resident investors. The Department of Finance has confirmed to me that non-resident investors may seek relief from the newly enacted 20% withholding tax if they are resident in a country with which Ireland has a double tax agreement. At present, Ireland has double tax agreements with 72 countries, including the US. This will certainly limit our capacity to raise funding in this area.

I have yet to hear the Minister address the favourable tax treatment afforded to real estate investment trusts, REITs, at the expense of the traditional landlord. REITs are subject to an entirely different tax regime to individual landlords. They are not subject to any tax on their rental incomes nor are they subject to tax on their gains. To achieve these exemptions, REITs must distribute 85% of all property income profits annually to shareholders. The Finance Bill's newly established 20% withholding tax for funds already applies to REITs, but again foreign

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investors from treaty resident countries are able to reclaim part of this tax if the relevant tax treaty allows for it.

I have written to the EU Commission regarding these exemptions for non-resident investors in Irish REITs and whether they breach EU state aid rules. I note the Taoiseach said last week that, “No other state aid cases have been opened against Ireland arising from the information submitted to the Commission, nor have we any indication that there are any other cases under consideration.” To the best of my knowledge this is not true because following my complaint to the EU Commission, it confirmed to me last Friday that the Irish tax regime for REITs is under assessment by the services of the Directorate-General for Competition. Will it take another EU ruling before we address the issue or might the Government take another look at it?

We now know that two years of lobbying took place between WK Nowlan and the Department of Finance on the establishment of REITs, and the Department of Finance eventually ceded to this lobbying in 2013 by establishing the REITs model. To give a little background, WK Nowlan is run by Kevin and Bill Nowlan. Kevin Nowlan was a senior portfolio manager with NAMA. Before he moved to NAMA he transferred his 30% shareholding in WK Nowlan to a trust offshore. Kevin Nowlan, having left NAMA, is now the CEO of Hibernia REIT. He is on the record as saying some extraordinary things about the property market in Ireland. With regard to funds and how REITs operate, he said Ireland became an extraordinary place for a moment because virtually everything was for sale. He also said a lot of property for sale, by receiver or whatever, ends up in *The Irish Times* and *Irish Independent*, but they know enough people in Dublin to be able to go buy properties in Dublin without having to go to auction or onto the market. He stated they had done 18 deals, 16 of which were done off-market. These are the type of guys who now control much of the property market in Dublin, and it raises serious concerns about how we do big business in Ireland. It is neoliberalism gone mad, from my point of view, while the majority of the population has been fed a diet of austerity.

One of the main reasons apartments in areas such as Dominic Street which cost €900 a month three and a half years ago now cost more than €1,500 per month is down to the decision by NAMA and others to sell properties in large bundles, excluding smaller Irish buyers, to tax exempt investment funds and REITs, and it has distorted the market dramatically. I had 27 apartments in Dominic Street which were sold to an investment fund for €100,000 each. The day they were sold I could not have put them back there for less than €220,000 if I got the land for nothing and the money for nothing. I did my sums on it at the time. They were sold for €100,000 each and nobody seemed to give a damn.

Units bought by REITs and other investment funds at fire sale prices with powerful tax incentives are one of the main reasons we have a homelessness crisis and a housing emergency crisis in Ireland. Investment funds and REITs now control a very important chunk of the rental market. Figures released by the CSO at the end of September showed just how much property these investment funds have bought over the past three years. Investment funds and REITs were responsible for almost one fifth of new house purchases in Dublin over the past two years. Non-household buyers, which generally include foreign investment companies and REITs, managed to acquire 4,500 units in 2014 and 4,800 units in 2015. They have reaped the rewards of NAMA doing exactly the opposite of what it was set up to do and what we were originally told that it would do and what we were told it would not do which was fire sale properties, which is what it went ahead and did. Investment funds played no role in the property market in 2010 and 2011, with the CSO figures then showing they purchased just 144 units in 2010 and 182 units in 2011. The impetus to enter the market was a direct result of NAMA beginning to sell properties for

next to nothing from 2012 onwards.

The Minister and I had a discussion on REITs here in January 2014. At the time, I warned him the establishment of REITs would distort the rental market in Dublin. He told me only two REITs had been established and both were capitalised at approximately €400 million. I was told that two REITs with a total investment of approximately €400 million would not distort any market or give anybody control. The Minister said the REITs system would raise standards and if something went wrong he would move to correct it but that so far it was moving in the right direction as intended. This is what the Minister said in January 2014. The figure has moved to approximately €2.2 billion and it will continue to rise. Rents will also continue to rise so long as this goes on, and the number of people homeless on our streets is likely to continue to rise. In 2014, the Minister stated if something went wrong he would move to correct it, but something has gone wrong. Investment funds and REITs have established a cartel in the rental market. The Finance Bill offered the Minister an opportunity to help correct the problem but he did not do anything about it. I wonder how he can rationalise not doing anything about it given the impact it has on our housing crisis and rental crisis.

The other day I spoke to someone who is moving out of a good two-bed apartment in the city centre for which he was paying €1,700 a month. His lease is up and he must move out. He told me he is looking around for something similar in the city centre, but the cheapest he has found so far is for €2,400 per month. My God, where are we going with the rental situation in Dublin? Will the Government get a handle on it because the measures brought in so far have only been sticking plasters and they have not worked? I am sorry if I am interrupting the Minister's conversation, but I am astounded that the Government has failed to address the underlying problems in the housing industry and how construction projects are undertaken. There are glaring problems and, for the life of me, I do not understand why the Government does not want to address them. I do not know why Ministers are not talking to the people at the coalface in the industry who understand what is wrong. We will be in the same place in a couple of years and it is frustrating because everything could be different.

I received an e-mail from a guy called Mel Reynolds who runs a blog called the BRegsForum earlier. He made a few points:

In May 2016 the Housing Agency submitted an informative report to the Oireachtas Housing and Homelessness Committee, an overview of vacant housing in Ireland and possible actions. The report said:

“There are 230,056 unoccupied residential properties (excluding holiday homes) across the state (Census 2011); almost three-quarters (73%) are houses and the remainder are flats-apartments (27%). There are 7,995 vacant houses and 16,321 vacant apartments in Dublin city centre [alone]...”

Dublin, with an acute housing need, has a vacancy rate of 8.2% at present: studies in the UK suggest a 2.5% vacancy rate would be a ‘natural level’ of vacancy. A number of policy interventions were suggested.

One area not highlighted in the Housing Agency document is the significant regulatory barriers that exist to SME projects and smaller residential change of use/vacant building projects at present. This is not a planning delay issue and recently announced changes will do nothing to address this problem.

Complying with antiquated official rules and applying for multiple paper-based permits cost citizens and enterprises a lot of time and money. To reduce the regulatory burden, the government should look to abolishing or simplify rules and improving its electronic services. Lk Shields “Red Tape Survey 2015” noted that 1 in 3 Irish businesses say the administrative burden of red tape is an obstacle to recruitment, growth and innovation.

Sluggish residential output has been compounded by complex and ineffective building regulation procedures. BCAR SI.9 was introduced in 2014 and aimed at the speculative residential sector but now applies to all building types.

“...a private householder might have to bring a 500 sq. foot house extension through 27 statutory steps before occupying it.”...

It is estimated that SI 9 adds north of €20,000 to the cost of a unit. If the Government had re-introduced the clerk of works system through local authorities to inspect all buildings, not 15% of them or less, it would cost less than €1,000 per unit. The inspections would be independent. The system worked before it was done away with by Fianna Fáil years ago to placate builders who did not want to have their work inspected. It was proven long ago that it was a negative position for the then Government to take and I cannot believe that no Government has corrected it.

Earlier, on Leaders’ Questions, Deputy Donnelly said that it costs the same to build in Ireland as anywhere else and he wondered why buildings cost so much. That is not true. It costs more to build here than in many other places. It costs way too much to build here but this issue has not been examined. The Minister proposes to introduce a 5% subsidy for people buying houses but the dogs on the street know that this will be a subsidy for the developer rather than the builder. People are confused. There is a difference between builders and developers. The notion that a builder wants to make a €35,000 profit before building a unit in the State is nonsense. The developer might do so but if a builder made €5,000 profit on a house, he would be delighted. The developer plays in a bigger pool and he plays a different game because he has bigger things to do with this money than invest in housing here if the profit margin is not big enough. A local authority can supply a unit for approximately €200,000 but the Minister has told us it is a good idea to allow NAMA to supply 20,000 units at €330,000 each, which is absolute nonsense. Who will build them? NAMA is doing deals with builders it protected through the crisis and who did well out of the agency and they are doing business with investment funds. I do not understand why the State will not invest in local authorities again. If the Minister says they are not fit or equipped to build these houses or to even organise the building of them, he should make them fit for purpose because it makes financial sense. The private sector cannot be forced to deliver for the Minister. Private developers will deliver if it suits them and at the price that suits them.

Small builders cannot access money because the banks are still closed to them. The developer has access to money because more often than not, he is accessing it from an investment fund and he is not even getting it in this country. That is great but we should not be dependent on him. If he wants to build, let him at it but we should not depend on him. The market should be stimulated through our local authorities, which could provide much cheaper housing.

With regard to the rule on investment in infrastructure and the fact that it goes on the State’s balance sheet and interferes with the 3% deficit target if the Government overspends, has anybody put it to the Europeans that given we have a housing emergency all over the country, especially in the larger cities, we need a little help and we should be able to invest in infrastructure

by borrowing money at an interest rate of less than 1% without it going on the balance sheet? Investing in infrastructure is one of the best business practices any state can engage in. People boast that we can borrow money at less than 1%, which is brilliant. How sad it is that the Government is not able to avail of the opportunity to borrow this money and invest it in housing through local authorities. It is not rocket science. The local authority has the capacity to cut out costs that emerge when the private sector becomes involved. More people will be at work as a result because there will be more activity. Local authorities hire contractors to build the houses at reasonable rates. Builders are not looking to win the jackpot on every housing development they construct; they are looking to run their business and make a small profit. It would be great if they made a larger profit but it is competitive in the marketplace. I know many small builders who would love to be working but they cannot get funding to do the work. The State can organise that.

The Government should take another look at this. It is not rocket science and it would make so much sense. It would have a much quicker impact on the supply of housing. Everybody says the issue is supply. Supply is a huge factor and it should be addressed by building houses through local authorities and not being dependent on the private sector. The Government has proposed the supply of social housing through the private sector. The State can build affordable homes and sell them through the private system, not just social housing to be rented out to people and retained in State ownership. If we build affordable homes we will be able to sell them for approximately €200,000. People will not go broke trying to save for a house because they will be able to get a mortgage for a €200,000 house. Many people in need of housing will not be able to get mortgages for the type of house NAMA wants to provide at over €300,000 each.

**An Leas-Cheann Comhairle:** As there are no other Deputies offering, I call the Minister for Finance, Deputy Noonan, to conclude the debate.

**Minister for Finance (Deputy Michael Noonan):** My reply will attempt to address points raised by Deputies in the debate but they will appreciate that time will not permit me to respond to everything.

Deputy Michael McGrath suggests that there is no evidence yet of a coherent response by Government to the threat of a hard Brexit. This point was made also by both Deputies Doherty and Burton, but I would advise them that our planning ahead of the negotiations is currently intensifying at both political and official level. This work is still challenging as it is still not known what kind of relationship the United Kingdom wants to have with the European Union.

I have recently responded to Deputy Michael McGrath on the issue of financial services and Brexit but I would reiterate that Ireland is in a strong position to build on its successful track record and to compete for future mobile investments in the international financial services, IFS, sector. Ireland is now recognised internationally as a leading global centre for internationally traded financial services. In March last year the Government launched the IFS2020 strategy, a whole-of-government approach to driving the growth and development of the IFS sector in Ireland.

Specifically in the context of the Finance Bill, Deputy Michael McGrath referred to the retention of the SARP and FED programmes as being dressed up responses to Brexit. However, a fundamental issue that needs to be addressed regarding Brexit is uncertainty. The early announcement of the extension of these schemes was intended to address uncertainty, as it relates to them.

A number of Deputies have criticised the extension of SARP and cast it as purely a tax relief for high income earners. Selective figures were quoted by Deputy Doherty. However, he failed to take account of the jobs retained as a result of the measure, which if added into the equation, brings the cost per job to about €7,000 each. If such jobs were lost, in the absence of SARP, the Exchequer would incur much more significant costs.

The Deputy also raised the issue of funding for small and medium sized enterprises, SMEs, as did Deputy Burton. This Government has already been supporting increases in SME credit to viable businesses through the entry of new SME credit providers, particularly non-bank finance providers. The success of this policy can be seen in the number of new credit providers active in the market, the increase in credit provision and the reduction in average interest rates for SMEs.

Moving on to the budgetary process itself, Deputy Michael McGrath stated that the budgetary process is not fit for purpose, notwithstanding the work of the Committee on Budgetary Oversight. However, significant reforms have been made. Of course, the budgetary process for 2017 still has a long way to go. Scrutiny and consideration of the Finance Bill, the Social Welfare Bill and the Estimates are a key part of the budgetary process.

A number of differing views regarding the universal social charge, USC, emerged during the debate. Budget 2017 is the third step in a long-term process of unwinding the USC. It is my intention to continue the process of reducing the USC in future budgets, and Deputy Michael McGrath and Deputy Michael Healy-Rae will be aware that this is not a measure I have considered in isolation, but as part of a wider medium-term income tax reform plan.

Deputy Cullinane referred to the changes to the USC as base narrowing, but that is not the case. While the lower rates of USC have been reduced in this budget, easing the tax burden on low and middle income earners, the entry threshold of €13,000 has been maintained.

I would like to clarify a number of points regarding the help-to-buy scheme that many Deputies have raised. First, in regard to the completion of an economic impact assessment, independent or otherwise, such an impact assessment was considered, but it would be difficult to isolate the impact of a help-to-buy scheme without taking on board other structural factors affecting the housing market. A straightforward analysis of the help to buy scheme in isolation might suggest that it would increase prices, but this does not take on board the other impacts on the housing market that will arise as the many additional measures that the Government has announced with regard to housing take effect. I would point out that the help-to-buy scheme is just one of 84 measures included in the Action Plan on Housing and Homelessness. While there may be a short-term price impact in certain segments of the market, this assumes an absence of a supply-side response.

As regards consultation with the Central Bank, I personally discussed the scheme with the Governor in order to confirm that any rebate of tax under the scheme would be reckoned in full in the calculation of the deposit required to be eligible for a mortgage under the Central Bank's macro-prudential rules. It was only ever in this context that I had approached the Central Bank. Deputies will be aware that I have reduced the minimum loan-to-value ratio for the scheme from 80% to 70%, following concerns raised by the Central Bank after the scheme was announced in the budget.

Several Deputies asked for clarification on the position of individuals who may have bought

properties earlier this year. To be eligible, a first-time buyer must have signed a contract on or after 19 July. In the case of an individual who is building their own home, they must have drawn down the first tranche of the relevant mortgage on or after 19 July 2016.

A number of Deputies called for the extension of the living city initiative to towns. Changes were announced to the initiative in the budget which aim to get the design of the initiative right so that it can be more effective. Once this is achieved and evidenced, it will then be possible to consider how, or if, the initiative could be extended to other locations. A number of Deputies also criticised its extension to landlords but this measure has to be seen in the context of increasing housing supply and rental accommodation.

Deputy Louise O'Reilly raised the issue of certain homes in her constituency that are affected by pyrite. The issue is not a matter that is proper to the Finance Bill but I will relay her concerns to my colleague, the Minister for Housing, Planning, Community and Local Government, Deputy Coveney.

In response to Deputy Calleary, I can say that the Department of Finance received social housing proposals from both the Irish League of Credit Unions and the Credit Union Development Association. While the Department of Housing, Planning, Community and Local Government is the Department primarily responsible for the formulation and implementation of policy and for the preparation of legislation on housing, Department of Finance officials are working closely with them. A number of meetings have taken place to examine how credit unions can assist in the area of social housing. Ultimately, however, any funding mechanisms required will have to be put in place in the first instance by credit unions themselves, with the support of their members and with agreement of the Central Bank. Both Departments will continue to contribute to this process.

A number of Deputies have referred to the phased reinstatement of full interest deductibility for residential landlords as being part of a budget for landlords. It must be remembered that landlords are an essential feature of a functioning housing market. The rental sector in Ireland is not dominated by large institutional investors. Statistics from the Private Residential Tenancies Board, PRTB, show that over 68% of landlords have a single tenancy.

I welcome the comments made by Deputies Michael McGrath and Peter Burke on the importance of the 12.5% corporation tax rate and the recognition of the measures that Ireland has taken to implement the OECD BEPS project. I can also assure the Deputies that we will constructively engage with the Commission's new CCCTB proposal while assessing whether it is in Ireland's best interests. Deputy McGrath also notes the importance of our financial services sector. It is for that reason that I have moved to ensure that certain financial services vehicles are being returned for use in the areas that they were originally envisioned. By moving to tax profits on Irish property transactions in section 110 companies and Irish real estate funds, I have achieved a balance between protecting the Irish tax base and providing certainty to the international financial services sector.

I appreciate Deputy Donnelly's acknowledgement that section 21 of the Bill has addressed some of the issues that have arisen with these companies. It is important to recognise that the amendment was carefully drafted to guarantee that it achieved the policy objective of ensuring that the section 110 regime could not be used to erode the Irish tax base in regard to Irish property transactions while maintaining the regime for the wider securitisation industry. It is for that reason that certain types of bona fide securitisation transaction have been excluded from the

amendment. They have not been excluded to provide a tax avoidance mechanism and will not be able to be used for any tax avoidance opportunity whatsoever. In eliminating the section 110 regime for all use in the domestic economy it is important to note that Ireland, both in its domestic legislation and double tax treaties, maintains the right to tax land in the State. As is the international norm, we do not maintain the same taxing rights over loans that derive their value from other sources, for example, a business in the State. It would, therefore, be inconsistent to exclude other classes of domestic assets from the section 110 regime.

Deputies Richard Boyd Barrett and Paul Murphy claimed that Ireland was a tax haven. The OECD, the European Union and our tax treaty partners do not regard Ireland as a tax haven and have said so on a number of occasions. That Ireland is a tax haven is a baseless and fundamentally incorrect claim. I welcome the approval expressed by a number of Deputies for the proposal relating to the imposition of a 20% withholding tax on Irish real estate funds where they make property distributions to non-resident investors. The exemption from capital gains rate has been legislated for to encourage sustainable investment focused on the long-term holding and management of income-producing rental property.

Deputy Richard Boyd Barrett referred to the proposal at EU level for a financial transaction tax. The international financial services sector in Ireland generates direct employment for approximately 38,000 people in over 400 companies. The focus of the Government is on job creation. We are not in the business of attracting brass plate entities to Ireland which already has a tax on financial transactions and a stamp duty on transfers of shares in Irish incorporated companies which currently stands at 1%. The yield from this charge in 2015 was €424.13 million. The Bill also includes provisions to extend the bank levy to 2021, a move which will see the State collect a further €750 million from the financial sector during the period.

Deputy Joan Burton noted the use of losses in the Irish corporation tax system and, in particular, the build-up of losses in certain sectors. The availability of relief on losses incurred in a business is a well established feature of corporation tax systems worldwide. On the effective rates, an analysis conducted by my Department has shown that our headline 12.5% rate is very close to the effective rates paid. Any calculation of effective tax levels must only consider profits legally taxable in the relevant country.

In response to Deputy Michael McGrath, the reduction in the rate of capital gains tax applicable under the entrepreneur relief scheme from 20% to 10% will be of great benefit to many business people disposing of their business. I intend to extend the scope of this relief in future budgets from €1 million upwards. I am aware of the situation in the United Kingdom. In response to Deputy Paul Murphy, I add that the reduction in the rate of capital gains tax chargeable under the entrepreneur relief scheme to 10% is intended to support and encourage those considering starting or growing businesses in Ireland and will make Ireland more competitive internationally.

Deputy Paul Murphy mentioned the standard fund threshold for pensions. At the end of the day, the level at which the standard fund threshold is set is a matter of judgment. It is currently pitched at the right amount.

In response to Deputy Michael McGrath, the cost of reducing exit tax in line with the reductions being made to DIRT would be considerably more than the cost of changing DIRT alone.

I can advise Deputies Thomas P. Broughan and David Cullinane that the new group A tax-

free threshold should result in those inheriting comparatively modest family homes in more expensive areas facing a reduced capital acquisitions tax liability.

Several Deputies raised concerns about the measure aimed at those with tax liabilities on their offshore assets. Let me stress that the legislation proposed will essentially provide for less favourable rather than more favourable terms.

As I said in my opening statement, there are still a small number of matters under consideration for inclusion on Committee Stage. I thank colleagues who contributed to the debate, including Deputies Peter Fitzpatrick, Michael D'Arcy, John Paul Phelan, Sean Fleming, Mick Wallace and all of the others who have contributed today. They have raised certain issues with which I might be able to deal on Committee Stage, which is the reason they are not included in my pre-prepared remarks. I thank all colleagues for their participation in the debate on Second Stage. I will be open to their advice as we go through Committee and Report Stages.

3 o'clock

Question put:

<i>The Dáil divided: Tá, 59; Staon, 37; Níl, 41.</i>		
<i>Tá</i>	<i>Staon</i>	<i>Níl</i>
<i>Bailey, Maria.</i>	<i>Aylward, Bobby.</i>	<i>Adams, Gerry.</i>
<i>Barrett, Seán.</i>	<i>Brassil, John.</i>	<i>Barry, Mick.</i>
<i>Breen, Pat.</i>	<i>Breathnach, Declan.</i>	<i>Boyd Barrett, Richard.</i>
<i>Brophy, Colm.</i>	<i>Browne, James.</i>	<i>Brady, John.</i>
<i>Bruton, Richard.</i>	<i>Butler, Mary.</i>	<i>Broughan, Thomas P.</i>
<i>Burke, Peter.</i>	<i>Byrne, Thomas.</i>	<i>Buckley, Pat.</i>
<i>Byrne, Catherine.</i>	<i>Cahill, Jackie.</i>	<i>Burton, Joan.</i>
<i>Canney, Seán.</i>	<i>Calleary, Dara.</i>	<i>Collins, Michael.</i>
<i>Cannon, Ciarán.</i>	<i>Casey, Pat.</i>	<i>Connolly, Catherine.</i>
<i>Carey, Joe.</i>	<i>Cassells, Shane.</i>	<i>Coppinger, Ruth.</i>
<i>Corcoran Kennedy, Marcella.</i>	<i>Chambers, Jack.</i>	<i>Crowe, Seán.</i>
<i>Creed, Michael.</i>	<i>Cowen, Barry.</i>	<i>Cullinane, David.</i>
<i>D'Arcy, Michael.</i>	<i>Curran, John.</i>	<i>Daly, Clare.</i>
<i>Daly, Jim.</i>	<i>Donnelly, Stephen S.</i>	<i>Doherty, Pearse.</i>
<i>Deasy, John.</i>	<i>Dooley, Timmy.</i>	<i>Ellis, Dessie.</i>
<i>Deering, Pat.</i>	<i>Fitzmaurice, Michael.</i>	<i>Ferris, Martin.</i>
<i>Doherty, Regina.</i>	<i>Fleming, Sean.</i>	<i>Healy-Rae, Danny.</i>
<i>Donohoe, Paschal.</i>	<i>Haughey, Seán.</i>	<i>Kenny, Gino.</i>
<i>Doyle, Andrew.</i>	<i>Kelleher, Billy.</i>	<i>Kenny, Martin.</i>
<i>Durkan, Bernard J.</i>	<i>Lahart, John.</i>	<i>McDonald, Mary Lou.</i>
<i>English, Damien.</i>	<i>Lawless, James.</i>	<i>Martin, Catherine.</i>
<i>Farrell, Alan.</i>	<i>McConalogue, Charlie.</i>	<i>Mitchell, Denise.</i>
<i>Fitzgerald, Frances.</i>	<i>McGrath, Michael.</i>	<i>Munster, Imelda.</i>
<i>Fitzpatrick, Peter.</i>	<i>Martin, Micheál.</i>	<i>Murphy, Catherine.</i>

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<i>Grealish, Noel.</i>	<i>Moynihan, Aindrias.</i>	<i>Murphy, Paul.</i>
<i>Griffin, Brendan.</i>	<i>Moynihan, Michael.</i>	<i>Nolan, Carol.</i>
<i>Halligan, John.</i>	<i>Murphy O'Mahony, Margaret.</i>	<i>Ó Caoláin, Caoimhghín.</i>
<i>Harris, Simon.</i>	<i>Murphy, Eugene.</i>	<i>Ó Snodaigh, Aengus.</i>
<i>Harty, Michael.</i>	<i>Ó Cuív, Éamon.</i>	<i>O'Reilly, Louise.</i>
<i>Heydon, Martin.</i>	<i>O'Brien, Darragh.</i>	<i>O'Sullivan, Jan.</i>
<i>Humphreys, Heather.</i>	<i>O'Callaghan, Jim.</i>	<i>O'Sullivan, Maureen.</i>
<i>Kehoe, Paul.</i>	<i>O'Keeffe, Kevin.</i>	<i>Penrose, Willie.</i>
<i>Kenny, Enda.</i>	<i>O'Rourke, Frank.</i>	<i>Pringle, Thomas.</i>
<i>Kyne, Seán.</i>	<i>Rabbitte, Anne.</i>	<i>Quinlivan, Maurice.</i>
<i>Lowry, Michael.</i>	<i>Scanlon, Eamon.</i>	<i>Ryan, Brendan.</i>
<i>McEntee, Helen.</i>	<i>Smith, Brendan.</i>	<i>Ryan, Eamon.</i>
<i>McGrath, Finian.</i>	<i>Troy, Robert.</i>	<i>Shortall, Róisín.</i>
<i>McGrath, Mattie.</i>		<i>Smith, Bríd.</i>
<i>McHugh, Joe.</i>		<i>Stanley, Brian.</i>
<i>McLoughlin, Tony.</i>		<i>Tóibín, Peadar.</i>
<i>Madigan, Josepha.</i>		<i>Wallace, Mick.</i>
<i>Mitchell O'Connor, Mary.</i>		
<i>Moran, Kevin Boxer.</i>		
<i>Murphy, Dara.</i>		
<i>Murphy, Eoghan.</i>		
<i>Naughten, Denis.</i>		
<i>Naughton, Hildegarde.</i>		
<i>Neville, Tom.</i>		
<i>Noonan, Michael.</i>		
<i>O'Connell, Kate.</i>		
<i>O'Donovan, Patrick.</i>		
<i>O'Dowd, Fergus.</i>		
<i>Phelan, John Paul.</i>		
<i>Ring, Michael.</i>		
<i>Rock, Noel.</i>		
<i>Ross, Shane.</i>		
<i>Stanton, David.</i>		
<i>Varadkar, Leo.</i>		
<i>Zappone, Katherine.</i>		

Tellers: Tá, Deputies Regina Doherty and Tony McLoughlin; Níl, Deputies Aengus Ó Snodaigh and Pearse Doherty.

Question declared carried.

## **Finance Bill 2016: Referral to Select Committee**

**Minister for Finance (Deputy Michael Noonan):** I move:

That the Bill be referred to the Select Committee on Finance, Public Expenditure, Reform, and Taoiseach pursuant to Standing Orders 84A(3)(a) and 149(1) of the Standing Orders relative to Public Business.

Question put and agreed to.

## **Ceisteanna - Questions**

### **Priority Questions**

#### **Agrifood Sector**

1. **Deputy Charlie McConalogue** asked the Minister for Agriculture, Food and the Marine the immediate contingency steps he is taking to safeguard the interests of the Irish agrifood sector and CAP payments following the decision by UK voters to leave the European Union; and if he will make a statement on the matter. [32461/16]

**Minister for Agriculture, Food and the Marine (Deputy Michael Creed):** The United Kingdom's decision to leave the European Union presents significant challenges for the Irish agrifood sector. My Department, together with its agencies and stakeholders, has been carefully considering the potential impacts of a UK exit, looking at the areas in which the greatest risks may arise and on which we will need to focus when negotiations begin. The main areas in which impacts are foreseen are currency fluctuations, tariffs and trade, the EU budget, regulations and standards, and customs controls and certification. The United Kingdom's exit vote raises complex issues for the fisheries sector. Significant challenges are also foreseen from a North-South perspective.

My Department is engaged in detailed contingency planning and has published a summary of the key actions we are taking by way of an immediate response to the United Kingdom's decision, as well as feeding into the central contingency framework being co-ordinated by the Department of the Taoiseach. We are also continuing to deepen our analysis of the likely impacts.

A number of steps have been taken to ensure a sensible and coherent approach will be adopted. They include the establishment of a dedicated Brexit unit, the convening of a consultative committee of stakeholders and the establishment of a contact group under the auspices of the Food Wise 2025 high level implementation committee. The Department is also participating fully in the new sectoral work groups established by the Department of the Taoiseach under the auspices of the interdepartmental group on Brexit which, in turn, feeds into the new Cabinet sub-committee on Brexit. The Department has also chaired the first meeting of a special agrifood subgroup which took place on 19 October.

The most immediate impact for agrifood exporters has arisen from changes to the euro-sterling exchange rate and a number of actions are being taken to mitigate it. Bord Bia and Enterprise Ireland have been providing practical guidance for small and medium-sized enterprises, SMEs. Recently, Bord Bia announced a number of measures covering areas such as managing volatility impacts, providing a consumer and market insight, deepening customer engagement and extending market reach, which are aimed at helping companies to maintain their competitiveness. Similar support is being provided by Enterprise Ireland.

Budget 2017 financially underpins the Department's Brexit mitigation efforts through strategic investment in key areas of my Department, its agencies and the agrifood sector. They include access to an innovative low-interest agriculture cashflow fund of €150 million, agriculture taxation measures designed to address income fluctuations, increased funding for Bord Bia and Bord Iascaigh Mhara, BIM, investment in research and development and innovation, and increased expenditure on the rural development programme and the seafood development programme.

I continue to support efforts to diversify market outlets in order to reduce our dependence on the UK market, including through participation in trade missions such as the one recently to South-East Asia and the planned mission to north Africa and the Gulf region.

As regards CAP payments, there are potential implications for the EU budget. It is expected that the UK exit will result in the loss of the United Kingdom's contribution to the EU budget of between 5% and 10%, or approximately €10 billion. This will likely have implications for future spending decisions in what is already a tight budgetary framework. CAP funding accounts for some 37% of the EU budget and we can expect additional pressure for further contraction in CAP funding in the years ahead. I am aware of the potential issues in this regard and assure the Deputy that my departmental officials and I will be focusing on this aspect during the exit negotiations.

**Deputy Charlie McConalogue:** The importance of the UK market to the agrifood sector has been well rehearsed. Some €4.5 billion in agrifood exports, including more than 50% of our beef and one third of our dairy exports, go to the United Kingdom. Of concern is a recent report that indicated that almost 80% of employment in the food and beverages sector was based outside Dublin. As well as the need for as strong a response to Brexit as possible, this serves to emphasise the importance of the UK market to job creation in the regions where it is more difficult to create employment and which have suffered, in particular. The Minister indicated that a consultative committee on Brexit had been established in his Department. However, it has only met twice. Given the importance of the issue, that there have only been two meetings is inexplicable. Why has it not met more? The Minister indicated in his response today that the €150 million loan and the tax changes in the budget were related to the Brexit response but that fund was primarily driven at European level because of the pressures already being experienced in relation to a livestock crisis. As such, it is not directly related to Brexit.

We have not, unfortunately, had the immediate response required from Government to aid the sectors, particularly the mushroom sector, that are under intense pressure. In regard to the mushroom sector and the other sectors that are particularly exposed, what are the immediate supports the Minister is planning to put in place to ensure they are not put out of business?

**Deputy Michael Creed:** I thank the Deputy for his question. It is true that on the agrifood side the impact will be most adversely reflected in the rural economies. The Deputy's reference

to the study which refers to 80% of employment being outside of the greater Dublin region is relevant in this regard. This is the reason for all the serious initiatives we have taken.

The stakeholders forum has met on two occasions. The list of representative groups with which I have met bilaterally to discuss their concerns is quite lengthy. Brexit is a standing item on the agenda of the high level implementation group, HLIIG, on Food Wise 2025. It is an issue that consumes every waking moment. Every policy is Brexit-proofed in terms of how we can assist a sector. The €150 million loan fund was not driven by Europe. We got €11 million from Europe for the livestock sector. We thought it was strategically far more important to put €14 million of Exchequer funding alongside that €11 million and thereby leverage a loan fund of €150 million rather than spread the €11 million across 100,000 family farms. The €150 million fund is not an EU-led scheme.

On the mushroom sector, we have specific initiatives in place. We already make significant funding available to producer organisations. There is a €5 million capital investment scheme available in my Department for the mushroom sector in particular. That sector also has access to the €150 million loan fund. My colleague, the Minister of State, Deputy Andrew Doyle, has met with some of the substantial players in the mushroom sector. That engagement continues. In what is a fluid situation, appropriate policy instruments are being developed not only in my Department but across the whole of Government.

**Deputy Charlie McConalogue:** As proposals are being discussed and developed, jobs are being lost in the mushroom industry. The Minister will be aware that 700 jobs have been already lost in this sector. What we need are responses now and not discussions on what might happen in the future. There is an immediate crisis in this sector. The mushroom sector is at the cliff face of that crisis. It is not good enough for the Minister to talk about things that may happen in the future. This sector needs to be rescued now. Supports must be put in place to ensure that more companies do not go out of business.

On this sector in general, why did the Minister, Deputy Creed, and other Ministers not ensure that a fund was put in place to specifically support those companies that are most exposed to the fall in sterling, most of which are in the agrifood sector? The Minister indicated that he has been meeting with the partners on Food Wise 2025. Food Wise 2025, which is the strategic plan for the agrifood sector, was developed prior to the referendum on Brexit. It is important that Food Wise 2025 is reviewed in light of the implications of Brexit on this sector. It must be Brexit-proofed and updated so that it is a plan that ensures the sector can move forward taking into account the new challenges posed by Brexit.

**Deputy Michael Creed:** On the latter point, Food Wise 2025 is an industry-document that my Department facilitated in terms of development. We have previously had challenging issues in this sector, including BSE, foot and mouth disease and the pork dioxin crisis, all of which, at the time, were enormous challenges to this sector. Brexit is not sufficient to derail the ambition, which is a long-term ambition for this sector. While we must react and take account of the challenges we face this is not a time to wilt in the context of the ambition for the industry over the longer term. Most of the industry commentators would accept that.

On the specific issues which the Deputy raised in regard to the agrifood sector and the need for Government to do more to bail out the sector in the context of Brexit, there are limitations on what the State can do under EU state aid rules. It is for this reason the access to low interest loan finance is a tailored initiative. An Bord Bia, Enterprise Ireland and BIM have all been in

contact with their individual client companies and are bringing them through in so far as they can without breaching state aid rules. They are assisting them in terms of new market development and deeper engagement with their client base in the UK given the current difficulties they are experiencing in that regard. They are also helping them to navigate the waters in terms of renegotiating contracts. It is inevitable that there will be food inflation in the UK arising from Brexit and a weaker sterling. Over a period of time this will deliver some comfort to the Irish food industries exporting into that market. What we need is assistance in the interim to help them to navigate the current difficulties. That is what my Department is focused on. It is also what the whole of Government approach is focused on.

## **Horse Racing Ireland**

2. **Deputy Martin Kenny** asked the Minister for Agriculture, Food and the Marine if, considering the statements of the chairman of Horse Racing Ireland to the Joint Oireachtas Committee on Agriculture, Food and the Marine, admitting that proper procedure was not followed in the appointment of its CEO and calling into question the legality of that appointment and considering his approval of that appointment in those circumstances and the statement by the HRI chairman that he would make the same appointment in the same manner if given the opportunity, he plans to reconsider Government funding of €64 million to this semi-state body. [32348/16]

**Deputy Martin Kenny:** This question relates to Horse Racing Ireland, HRI, and the appointment of Mr. Kavanagh as chief executive officer of the board of HRI and whether that appointment was in breach of Government guidelines and also whether the proposed salary was in breach of Government guidelines. Representatives of Horse Racing Ireland recently appeared before the Joint Oireachtas Committee on Agriculture, Food and the Marine, arising out of which it became clear that there are many issues in regard to this organisation, including the level of funding it receives and accountability in that regard. I would welcome a statement from the Minister on those issues.

**Deputy Michael Creed:** Horse Racing Ireland is a commercial State body established under the Horse and Greyhound Racing Act 2001 and is responsible for the overall administration, promotion and development of the horse racing industry. The appointment of the chief executive officer is a matter for the board of HRI subject to the consent of the relevant Ministers. In this instance, the Minister for Public Expenditure and Reform and I accepted the case made by the chairman and provided the necessary consents for an appointment by the board. This was an exception to the guidelines for the appointment of CEOs to State agencies based on the proposition advanced by the chairman that the reappointment of the CEO in this instance was in the best interests of HRI and the sector generally given the significant challenges it faces in the coming years. I have already indicated that it would have been more appropriate for the board to have had a full discussion on the case made by the chairman prior to its submission. I understand that the chairman accepts this. I further understand that the board has issued a statement confirming that the chairman's actions and intentions reflected its views regarding the CEO's contract but recognising that a more collegiate approach would have improved the process. The board's statement also indicated that the best result was achieved for HRI and the industry with the completion of a new contract. I am particularly cognisant of the fact that appointment of a CEO can only be made by the board. This was done.

On the question of funding, the Deputy will be aware of the very significant contribution that the horse racing industry makes to the Irish economy, most particularly in rural areas. Successive Governments have considered it appropriate to support the sector on that basis. I do not believe that the issues of sequencing around the appointment of the chief executive have a bearing on the funding of this very important sector but as with all such bodies I expect such funding to be carefully managed and fully accounted for in accordance with Government accounting rules.

**Deputy Martin Kenny:** The horse racing industry receives funding of €64 million per annum, with no expectation in terms of accountability. Every other sector that receives funding, be it the sheep sector in terms of the new sheep grant system and so on, is required to adhere to a particular set of conditions. For example, farmers are required to keep records and to meet particular outturns in terms of husbandry and so on. None of this regulation exists in the horse racing industry. Most of the funding provided by the State to Horse Racing Ireland is used as prize money in big races. We are speaking in this regard about taxpayers' money being transferred into the hands of the wealthy elite. People have a problem with that. I am not suggesting that this industry does not deserve to be funded: it does. I accept it requires development, particularly in terms of small breeders, new markets for horses and so on but to hand over this level of funding to the industry and not require any accountability in that regard is totally inappropriate. On the appointment of Mr. Kavanagh, the truth is that there was no business plan and nothing was put in place that could convince anyone that he was the best person for the job. It was simply an inside deal done by a handful of people and a question of pulling it over the line and getting it through. It has not worked. This shines a very bright light on an inappropriate way of doing business.

**Acting Chairman (Deputy Maria Bailey):** I thank the Deputy.

**Deputy Martin Kenny:** The Standards in Public Office Commission has guidelines for everyone in all sectors, but it has no guidelines in place after 12 years for people on public bodies as to what they do and how they co-operate. That is a final aspect of this that needs to be dealt with.

**Deputy Michael Creed:** It is entirely wide of the mark to say that the board of HSI gets a sum of money from the Exchequer and that there is no further accountability. The board publishes an audited set of accounts annually and clearly shows what it does with the money. I invite the Deputy to look at HSI's capital infrastructure programme to improve racecourses in Tralee, Killarney, Mallow and the new flagship redevelopment at the Curragh. There is scarcely a racing venue which has not received funding that comes from this. This is not a pot of money given to a collective board to spend without a plan. Importantly, it is not a fund that is going to an elite. The backbone of the industry is in rural Ireland in breeding establishments on small farms that have a number of mares. That is the bedrock on which the edifice that has positioned us as global leaders in the equine industry is built. We should remember that this industry is hugely internationally mobile. This industry could up and relocate. There are 14,000 jobs across every corner and rural county in Ireland. As such, it is very wide of the mark to say this is something going to an elite handful of people. That is far from being the case.

**Deputy Martin Kenny:** I dispute that, in particular when one looks at the Indecon report which was published a number of years ago. Practically nothing in that report has been implemented. On the notion that there is a plan in place, the reality is that Indecon was that plan and it has not been implemented in any sense. In truth, the vast majority of small breeders and guys

out there who have a few horses and are struggling to get by get little or nothing out of this. I have spoken to them. It all goes to an elite at the top in the hope that it will trickle down. We all know what trickle-down economics has done in this country. It has simply not worked because everything spirals to the top. It is continuing to do so in this industry. We need to look at alternative ways to fund the industry, one of which is the betting tax. The betting tax must be increased to try to bring in more money and help the people at the bottom. It is inappropriate that so much taxpayers' money is going into this sector with so little return.

**Deputy Michael Creed:** The Deputy will be aware that there is a betting tax now and that it is contributing significantly in this area. The question as to whether it can do more is one that could usefully have been asked in the debate we have just had on the Finance Bill. It is a new development and it is raising significant funds.

I re-emphasise the point that there is an accountability structure in place and that a set of audited accounts is provided on an annual basis. There is an investment that is being made in racing infrastructure. I have met the people in rural Ireland to whom the Deputy has referred and I acknowledge that they would like a better slice of the cake. That is a legitimate point but it is not a reason to decimate the industry by pulling the public funding it gets. There is a case for looking at the foundations of the industry in terms of its reach and the small farmers who have a number of mares and the crisis in terms of the cost of running point-to-point races. It is the conveyor belt at the lower level on which the industry is built. It is a legitimate point and one I urge the Deputy to make to the appropriate authorities. It is a concern I have myself. However, it is not a basis on which to dismantle HRI in a fit of pique over a single issue which could have been handled better. The board, however, is entirely satisfied that the outcome achieved, albeit in a manner that was not entirely satisfactory in terms of sequences, is one of which it entirely approves.

**Acting Chairman (Deputy Maria Bailey):** Before moving to Question No. 3, I remind Members that if we do not adhere to the time limits, we will not get through the Priority Questions. I ask them to bear that in mind.

### **Strategic Banking Corporation of Ireland Funding**

3. **Deputy Charlie McConalogue** asked the Minister for Agriculture, Food and the Marine if he will provide operational details on the new SBCI agrifund; if he will provide a breakdown of funding sources and financial providers that will loan moneys to farmers; and if he will make a statement on the matter. [32462/16]

**Deputy Charlie McConalogue:** I ask the Minister to provide the operational details of the new Strategic Banking Corporation of Ireland agrifund, including a breakdown of funding sources and also the financial providers who will lend money to farmers.

**Deputy Michael Creed:** In view of the sustained period of lower commodity prices and the cashflow difficulties this has caused for farmers in several sectors, I have committed to working with all stakeholders at national and EU level to address the issues involved and to ensure that we continue to have a sustainable and resilient sector. One of my priorities is to support the provision of lower-cost flexible finance. Therefore, I was pleased to announce on budget day plans for a €150 million agriculture cashflow support fund. The fund will support highly flexible loans of up to six years in duration for amounts up to €150,000 at an interest rate of 2.95%. It

will be available to livestock, tillage and horticulture farmers. The proposed interest rate will represent a significant saving to farmers when compared with other forms of finance currently available. The loan fund is part of the three-pillar strategy to respond to income volatility that I announced in the recent budget along with additional tax measures and farm payments.

Further details of the loan fund will be provided shortly, but it is expected that it will be operational as soon as possible in early 2017. The Strategic Banking Corporation of Ireland, SBCI, will make an open call for lending institutions to participate and I have spoken to the main banks to encourage them to make this facility available to their customers. Normal lending assessment criteria will apply although the loans will be unsecured in nature thereby facilitating a more straightforward application process. My Department and SBCI are breaking new ground with this innovative approach to delivering support to farmers. It is designed to maximise the leverage achieved on the funding available. The provision of €11.1 million in EU funding and €14 million in national funding by my Department will enable the SBCI to leverage the total fund of €150 million. I encourage farmers to consider their cashflow and borrowings situation now and, if it is appropriate to their circumstances, to be prepared to apply for these loans when they become available.

**Deputy Charlie McConalogue:** There is a real dearth of detail in the Minister's reply on the start date and the criteria which will be in place for farmers who apply. I note the extent of the income pressure on farmers in the past week. We see it in beef and tillage at the moment and have seen it in the past year in the dairy sector and the mushroom sector.

**Deputy Michael Creed:** What is the specific information the Deputy seeks?

**Deputy Charlie McConalogue:** When exactly will it start?

**Deputy Michael Creed:** In early January.

**Deputy Charlie McConalogue:** The Minister said early 2017. We will hold the Minister to the early January 2017 date. It is much too late, however, because action is needed now. There is a real crisis in incomes across the farming sector and the support is not there for it as we speak. The Minister has also failed to provide detail today on the exact criteria to be met in order to apply for these loans. Will people be able to refinance existing loans? Will it specifically target merchant credit, which is due now, not next January? How are those farmers going to fare? Many tillage farmers were not able to salvage their crops or harvested crops which were not worth salvaging. When I brought this up with the Minister a few weeks ago seeking a specific fund, he said he would revisit the question once the harvest was in.

**Acting Chairman (Deputy Maria Bailey):** I call the Minister.

**Deputy Charlie McConalogue:** Will a specific fund be put in place for tillage farmers now? In fairness, they need a crisis fund, not more loans.

**Acting Chairman (Deputy Maria Bailey):** I remind Deputy McConalogue of the time. To be fair to other colleagues, we will run out of time if Members continue to go over their allotted time.

**Deputy Michael Creed:** Let it be clear that I am not encouraging farmers to borrow money. I am inviting them to avail of this option if it is appropriate. Whether the answer is to refinance existing loans will have to be looked at on a case-by-case basis. If there is a penalty for early

payment of a loan, this may not be appropriate. If a farmer is making investments under TAMS next year, it might be appropriate. If a farmer has merchant credit, it might be more appropriate. Certainly, that may be so if a farmer has overdraft facilities at high interest rates. It is designed to be working capital. There will be a very simple credit application for an unsecured loan. A farmer will not have to put up the deeds to the farm to secure this loan. It is six-year finance at 2.95% and has an interest-only option for the first three years. It will be developed at the earliest possible date. My ambition is to have it in place in early January and the public call will go out from the SBCI shortly. What more information can I give? The interest rate is 2.95% and there is nothing like it in the market. It would be nice if the Deputy acknowledged the widespread welcome for this funding scheme. It is a new departure in terms of access to finance for the sector. It is available to the mushroom and tillage sectors.

**Deputy Charlie McConalogue:** A tender will be issued to commercial banks, such as AIB and Bank of Ireland, to apply for the scheme. It will be Fianna Fáil's position that the Strategic Banking Corporation of Ireland should instead be licensed to provide funding directly to farmers and small businesses, in cases where they apply for separate funds.

The dearth of information continues. There is a total lack of clarity. In the Minister's first response to me he said it is hoped the scheme will be up and running in early 2017. When I pressed him on the matter, he gave a date of January, and he has now said it is his ambition that will be operational in early January. It is all very loose and does not give me any confidence that the fund will be in place for farmers at that point in time. It is very clear it is not in place for farmers now, when they actually need it.

I ask the Minister to respond specifically on the issue of tillage farmers. The Minister said he would reconsider the matter once the harvest was in because he did not want to interfere with the salvage operation and cause people to cease the salvage of crops. That time has now passed. It is clear that many farmers are in exceptional distress. They do not have the cashflow to pay merchant bills, other bills or even conacre bills because they have not harvested or stored crops or do not have tonnage to sell. Will the Minister put in place a crisis fund specifically for them?

**Deputy Michael Creed:** The SPCI does not have the necessary network to deliver this loan product. It operates out of an office in Dublin and does not have a branch network. Those in Letterkenny, west Kerry or west Cork who want to access the loan product need access through a local financial institution. The SBCI will put out a call for partners to deliver the scheme. I have spoken to Bank of Ireland, AIB, and Ulster Bank. It is open to others. I was recently asked whether the scheme is open to credit unions - I suspect it is, if they can demonstrate a capacity to deliver the product in a manner that is acceptable to the SPCI. We want these institutions to be involved because they have the required network and existing exposure to and understanding of the agricultural lending sector. Let us get the scheme up and running as quickly as possible.

Many tillage farmers have had a very difficult year. Since we last spoke, they have salvaged a lot of crops. Some of it was low yield and there was high moisture. I acknowledge it has been a very difficult year. I have met representatives from the sector and engaged with them in my Department this week. They are quite welcoming of the fact they will have access to this fund, in particular in the context of the TAMS tillage applications that will be available early in the new year. The schemes will work side-by-side in terms of access to finance to enable farmers to invest in projects in the tillage sector.

The Deputy has asked for a specific fund to bail out the sector. That is not permitted under

state aid rules. What we are availing of *de minimus* is to extend the loan facility to the tillage sector.

**Deputy Charlie McConalogue:** The Minister could have asked for an exemption.

### **Agriculture Industry**

4. **Deputy Mattie McGrath** asked the Minister for Agriculture, Food and the Marine the steps being taken to support and safeguard the agri-industry from the huge risks and fallout associated with Brexit; the efforts being taken to support the beef industry which has experienced a massive drop in prices due to the fall in sterling; the steps his Department is taking to seek out alternative markets for exports of Irish agricultural products; and if he will make a statement on the matter. [32509/16]

**Deputy Mattie McGrath:** I wish to ask the Minister what steps have been taken to support and safeguard our vital agricultural industry from the significant and unknown risks and fallout associated with Brexit. What efforts are being made to support the various sectors of the industry, such as beef, tillage, sheep, cattle, mushroom and manufacturing sectors? What steps is the Department taking to seek alternative markets for exports of Irish agricultural products? Will the Minister make a statement on the matter?

**Deputy Michael Creed:** As I have said, the UK's decision to leave the EU presents enormous challenges for the entire Irish agrifood sector, including beef where the UK accounts for some 50% of our exports. I, together with my Department, our agencies and stakeholders, have been carefully considering the potential impacts of the UK vote, looking at the areas in which the greatest risks may arise and on which we will need to focus when negotiations begin.

The uncertainty generated by the vote has had an immediate impact on sterling, even though the UK remains a full member state of the EU. The exit process will have implications for tariffs and trade, regulations and standards, customs controls and certification and, of course, the EU budget. The exit vote also raises complex issues for the fisheries sector.

Earlier this year, my Department published a summary of the key actions we are taking by way of immediate response to the UK's decision. As I already outlined, a number of steps have been taken to ensure that a sensible and coherent approach is adopted. These include the establishment of a Brexit unit within the Department, the convening of a consultative committee of stakeholders and the establishment of a contact group under the auspices of the Food Wise 2025 high level implementation committee. The Department is also participating fully in the new sectoral work groups established by the Department of the Taoiseach, under the auspices of the interdepartmental group on Brexit, which in turn feeds into the new Cabinet committee on Brexit. The Department has chaired the first meeting of a special agrifood sub-group, which took place on 19 October.

As to the changes to euro-sterling exchange rates, a number of actions have been taken to try to mitigate these impacts. These include the provision of practical guidance to SMEs by Bord Bia and Enterprise Ireland. The guidance covers areas such as managing volatility impacts, providing consumer and market insight, deepening customer engagement and extending market reach.

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In addition, I announced a number of measures in budget 2017 that will financially underpin my Department's Brexit mitigation efforts through strategic investment in key areas of the Department, its agencies and the agrifood sector. This includes the €150 million loan we have just discussed.

The UK's decision to leave the EU also reinforces the need to develop as many outlets for our agrifood products as possible, in order to minimise our dependence on any one market. As the Deputy knows, 40% of our total exports go to the United Kingdom. Therefore, we are considering new market opportunities. That is why in Food Wise 2025 we identified south-east Asia as a key market. The Minister of State, Deputy Doyle, and I visited the region.

I am going to north Africa next week to look at new market opportunities, in particular live exports which might be beneficial to the current difficult trading situation in the sector, for example. These activities will continue into the future, as they play a key role in our efforts to provide as many markets as possible for Irish agrifood products.

**Deputy Mattie McGrath:** I am extremely concerned, as are all rural Deputies. Every day we meet farmers and those with small businesses who are involved in the agricultural sector. They are bewildered as to what is happening. On top of the poor harvest and the price of milk for over the past two years, there are issues with beef and there is devastation in the mushroom industry. The Minister used phrases like "managing the volatility". That is not much good if people do not have money to pay their bills. I have worked in the industry, and I know there are people in it who have always paid their bills and have a proud record of doing so. We need more than platitudes and fancy words.

I mean no disrespect to the Minister, but we need a Minister for Brexit because as he knows 75% of the jobs outside of Dublin are associated with agriculture. The Minister referred to the fact that 43% of exports go to the UK. What are we going to do? The UK is looking for a hard Border. There are major issues. We need more action. I am not asking the Minister to try to manage the volatility of the situation. People cannot manage volatility if they do not have money in their pockets but have bills to pay, a family to rear and everything else to do. We need the Minister to do a lot more than that.

**Deputy Michael Creed:** I am on the record as having said there is no upside to Brexit for the agricultural sector. That continues to be the case, and the more anybody analyses it, the more apparent it becomes. There is a naive simplicity to the suggestion that a Minister for Brexit would solve all of the problems. Indeed, some of those who shouted loudest for that have not made an appointment with the spokesperson for Brexit.

Leaving aside my Department, if one had relations who worked in the UK for a time under the current regulations they can combine their social insurance contributions. Brexit impacts on social welfare, health and education. It is far too big for any one Minister. It is a whole-of-Government issue. That is the level at which it is being dealt with given its significance and importance.

The most difficult job anybody in the Government has is working on a cross-departmental basis and trying to co-ordinate a specific issue. This issue is so big it embraces all sectors of the Irish economy. That why it is being dealt with by the Government and the Department of the Taoiseach.

Agencies are doing good work, in particular in helping smaller food companies. Large

companies can hedge and manage better than small companies. It is the job of bodies such as Bord Bia and Enterprise Ireland to hold their clients hands and assist them in innovative ways in order to mitigate the worst excesses. It is a very challenging situation and we are providing more resources to the agencies for next year.

**Deputy Mattie McGrath:** The Minister has but I am not the one who is shouting the loudest for a Minister for Brexit. I am looking for a full Government response and a full acceptance and understanding of how serious the situation is. In the limited amount of time I have to speak, I will ask specifically about Tipperary where the mushroom industry is the largest, outside of Monaghan. The producers there are being wiped out. They were struggling with the competition from Poland and other countries. Those mushroom producers could not make ends meet or make any reasonable modicum of profit. Some have been completely wiped out. We have lost two already quite close to me in south Tipperary and many more are unable to hold on. Reference was made to recruiting extra staff in the agencies. That will not solve this because when would they be recruited and with what expertise? We need swift and dedicated action to save the very valuable mushroom industry that was built up over the last 25 years, along with the other industries in the agriculture sector. I am not saying that we need just one Minister to deal with it but we need a full, holistic Government response to pay attention to this across many sectors. The budget paid scant regard to Brexit and what might come down the line when and if the UK decides to press the button. The uncertainty is very hard for all sectors, the people who are dealing with farmers in the agri-industry, the machinery producers and other producers. They are all being affected by the negativity, they are threatened with unemployment and above all it is creating stress and trauma in an already very difficult situation. I am very concerned that the Government is not getting it and does not understand how serious the impact will be.

**Deputy Michael Creed:** A whole-of-Government approach is being taken to the matter and if the Deputy parses and analyses the budget in detail, he will find that is the case. I was in the UK last Tuesday and I met with the chief executive of one of the big multiples there who does in excess of €155 million worth of trade with Irish agrifood sectors. I impressed on him that Ireland is still open for business and that although these are difficult times, we are anxious to deepen and forge stronger relationships with the UK multiples in the teeth of this very difficult crisis. I appreciate the difficulties being experienced by the mushroom sector and I know of the cases in Tipperary, which the Deputy spoke of. I know that the Minister of State with responsibility for food, forestry and horticulture, Deputy Andrew Doyle, has been involved in this. The quest for new markets is relevant. The UK is the most convenient and cost effective market we have had but we have to explore new market opportunities. While different circumstances apply, our biggest competitor in the UK is Polish imports. If they can bring mushrooms - with their short shelf life - all the way from Poland, then we can also go to continental Europe. We have to be open to all options in trying to ensure this industry, at which we are very good, has a future. That is what we are about and why we have the capital grant scheme so the mushroom producer organisations can get financial support. That is why they have access to the low cost finance and why the agencies will assist them in every way to access new markets. It requires a whole-of-Government approach and that is the approach of this Government.

**Acting Chairman (Deputy Maria Bailey):** I thank the Minister. We will move on to the final Priority Question from Deputy Eamon Ryan. I remind Members to please be cognisant of time. The more they speak the fewer questions we will get through. Out of respect for their colleagues, I ask Members to adhere to their time.

## Environmental Regulations

5. **Deputy Eamon Ryan** asked the Minister for Agriculture, Food and the Marine the reason the Government opposed a proposed ban on the use of pesticides in ecological focus areas which was discussed at the recent European Council Agriculture Ministers' meeting. [32510/16]

**Deputy Eamon Ryan:** On a day when the Zoological Society in London has estimated that we have lost 58% of global wildlife since 1970, why did the Minister oppose the Commission proposal at the recent European Council meeting for the introduction on restrictions on the use of herbicides and pesticides within ecological focus areas on large arable farms? Surely that runs completely contrary to our whole positioning of Ireland as an Origin Green country and weakens and damages Irish wildlife, which is an important part of the whole natural and agricultural system.

**(Deputy Michael Creed):** The EU Commission is currently engaged in a review of certain regulations pertaining to the basic payment and greening schemes. This process was commenced to try to reduce the complexity of regulations for farmers and to make schemes less bureaucratic and more streamlined to administer.

As part of this process the Commission has introduced a proposal to ban the use of plant protection products on ecological focus areas, EFAs. In Ireland this proposed ban would relate to land lying fallow, catch crops and nitrogen-fixing crops. This ban was opposed by Ireland along with 17 other member states.

For my Department, the main concern relates to nitrogen-fixing crops and specifically beans. In effect, the proposed ban would make it more difficult for growers to produce an economically viable crop of beans. In addition, a situation would arise where farmers growing beans but not using beans as part of their EFA would not be subject to this proposed ban. Potentially we would therefore have two standards for growing the crop within the State, with attendant issues relating to scheme controls.

Fundamentally, the simplification process is not intended to place an increased burden on farmers and administrators. My Department's view is that this proposal would lead to such an increased burden.

It is important to clarify that the current cross compliance rules that relate to the use of plant protection products ensure that such products are used correctly on all crops. My Department ensures compliance with these regulations by means of regular notifications to farmers, such as the recently published Cross Compliance booklet, and by means of on-farm inspection.

**Deputy Eamon Ryan:** As well as being concerned about the standardisation with regard to bean crops, we should also show concern about the loss of bird life, the loss of invertebrates and the loss of insect life in the State which has been happening continually over a long period of time. We should be concerned that we have one of the lowest levels of organic agriculture despite it being a very lucrative and growing market across the European Union. We should also concern ourselves with looking at the options for saving money, as this scheme does. It proposes setting aside 5% of areas where one would not have to provide so much input and the farmer would actually be able to save money. Instead of doing that, we are positioning Ireland, I admit, with other countries. Other countries, however, at least have large organic areas and large areas where they are not applying any of these pesticides and herbicides. For Ireland to

continue with that is doing greater damage than any kind of variation that might exist between one bean grower and another. Not applying the measure in areas of other catch crops, other nitrogen fixing crops or other fallow lands is a missed opportunity. Here was an opportunity to be truly green in our agriculture process and we have missed it again. As a country, we need to restore our green reality and not just use it as a branding tool.

**Deputy Michael Creed:** To put it into context, we are talking about approximately 1,000 tillage farmers, 700 of whom have their ecological focus areas and the hedgerows on their land. Within the specific area of concern and the issue we are discussing here, the numbers involve about 300 tillage farmers. It is a question of balance. I accept Deputy Ryan's points, up to a point, but if we are to force those 300 tillage farmers, by virtue of these regulations, out of bean growing, or pea growing as the alternative protein crop, we will be forcing them back into a straitjacket in the type of crops they would then be harvesting. We would lose the diversity of crops that we currently have. Beans and peas have a nitrogen fixing element to them so they are environmentally beneficial as well. In looking at the proposal in the round, it must be taken into account that beans and peas are probably the only protein crops that are grown in the Republic of Ireland. We are substantially dependent on imported protein sources for animal ruminant feed. If we make it so difficult for those farmers to continue to grow protein crops we would be more dependent, with a heavier carbon footprint, on imported protein sources. It is not that I do not recognise some merit in the Deputy's argument - seven out of ten tillage farmers are actually compliant with ecological focus areas - it is a question of where is the best ecological gain. We believe there is some ecological gain in having a diversity of planted crops, in having the nitrogen fixing associated with these protein crops and thereby minimising our dependence on imported protein which is essential for a balanced ruminant feed.

**Deputy Eamon Ryan:** It is not just about the whole agricultural and food system, it is also about the consumer. I believe that the Irish consumer will start to say "Please, Minister can we have our peas without pesticide on top?", even if it is a fodder crop. My point is that we need to actually start preserving areas of Irish countryside and even if this is about 300 farms they are large farms that are very heavy users of pesticide and herbicides. It is not unimportant for us to start managing our rural system. It is not as if the whole farm would be disadvantaged since it is only 5% of the overall land area. In those key areas, it would be right and proper for us to be truly Origin Green, to live up to the €364 million that we are providing in green subsidy supports and to say we will not be one of the blocking countries, that we will be one of the promoting countries with regard to this simplified green measure.

*4 o'clock*

Why is it that it always seems, when it comes to the European Commission and better green solutions, that we are seen to oppose them? That is what happened in this instance. Even if it is only for 300 farms, it is not an insignificant statement that we are not restricting the use of pesticides and herbicides in the way we could have done had we gone with the Commission's advice.

**Deputy Michael Creed:** It is a question of finding a balance. I do not dismiss the points made by the Deputy, but it is important to say that, for it to be worthwhile, both economically and agronomically, for him or her to plant a protein crop, a farmer has to have the possibility that he or she will harvest a decent yield from the crop. Without access to herbicide and pesticide control, that may not be possible. The consumer of the crop is the bovine industry. If we do not have a crop, we will import more protein sources. There is also a cyclical element that

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we need to consider in the bigger picture. It is also true to say we have very restrictive controls in the application of herbicides and pesticides. All one need do is ask any tillage farmer. The controls are onerous, rightly so, because ultimately it is about the protection of consumer health. There is, however, a bigger picture. I will reflect on the points made by the Deputy, but he should also reflect on the fact that if we do not commercially grow protein crops here - this is in danger of putting 30% of protein crops growers out of business - the consequence will be greater reliance on imported proteins.

**Deputy Eamon Ryan:** I do not disagree with the Minister, but I call to his mind the bigger picture, to which I referred at the very start, that we have seen something like a 60% reduction in wildlife. At some point, the bigger picture, the ecological truth, has to come in. If we keep killing nature it will come back and bite us.

## Other Questions

### Horse Racing Ireland

6. **Deputy Clare Daly** asked the Minister for Agriculture, Food and the Marine his views on corporate governance at Horse Racing Ireland; his plans to institute an inquiry into corporate governance at the organisation in the past five years; and if he will make a statement on the matter. [32195/16]

**Deputy Clare Daly:** This question also relates to Horse Racing Ireland. I heard the Minister's reply to Deputy Martin Kenny. It suggested that, because the horse racing industry employed a lot of people and produced accounts, we should almost not be asking questions, which I found shocking. As a result of the process involved in the appointment of the CEO, as well as other allegations about staff and other matters, is it not time to have an inquiry into corporate governance in the organisation in the past five years? What has the Minister done to investigate the matter further?

**Deputy Michael Creed:** Horse Racing Ireland, HRI, is a commercial State body established under the Horse and Greyhound Racing Act 2001 and responsible for the overall administration, promotion and development of the horse racing industry. The Deputy will be aware that the board of HRI has its own obligations in relation to compliance with corporate governance standards. In this context, I understand HRI operates a formal internal audit function which is outsourced to an external third party firm. I understand that, in its most recent corporate governance internal audit review in September 2015, HRI received a satisfactory assurance rating and that internal auditors did not raise any matter of significant concern. It is also the case that HRI publishes annual accounts which are laid before the Houses of the Oireachtas each year. These accounts are subject to external audit by the Comptroller and Auditor General and I expect HRI to engage constructively in that process.

I also understand HRI has arranged, through its legal advisers, for a detailed briefing and training on the new code of practice for the governance of State bodies which was recently published by the Minister for Public Expenditure and Reform. The Indecon report commissioned by my predecessor in 2012 reviewed certain aspects of governance and financing of the horse racing sector. Many of its recommendations in relation to governance have been taken

on board in the Horse Racing Ireland (Amendment) Act 2016 which was finalised by my predecessor earlier this year. My Department has arrangements in place to monitor the activities of State agencies. In this context, it is also working on the development of a new formal written framework to formalise performance and compliance monitoring to reflect the provisions of the new code of practice.

HRI is a public body which is and will continue to be subject to significant levels of internal and external scrutiny, which is as it should be. I am aware that there have been issues relating to the sequencing of events in the recent appointment of the CEO. These have been acknowledged by the chairman and I have received written assurances that arrangements will be put in place to ensure the development by the board of a robust succession plan before the expiry of the current contract.

**Deputy Clare Daly:** At the committee we heard members of the board state they were going to initiate the provision of training on corporate governance, the implication being it had not been provided before. Anyone who attended the meeting and watched the performance of board members could see that, while they were certainly interested in horse racing, their level of professionalism or, rather, lack of, was utterly shocking. There are huge amounts of public money at stake in this organisation. The figure is almost €250 million since 2011. The point has been made that, while the people on the board are clearly committed to the development of horse racing, it is a very small community. Opportunities may arise for many of the people concerned or their projects to benefit from some of the moneys that come through Horse Racing Ireland. I am not suggesting that is the case, but we need to be assured that it is not. To my mind, the only way to receive that assurance is through having a proper inquiry into corporate governance at HRI in the past five years. We would learn a lot and receive more than the assurance that has been provided, given the nature of the horse racing community.

There are other issues about staffing that were not aired at the committee. There were allegations about payments being made by the CEO, probably without the knowledge of the board, to settle workplace claims. There are the concerns about the high turnover of staff in HRI, bullying and so on. All of these matters have to be investigated.

**Deputy Michael Creed:** On the amount of money at stake, it is substantial for a substantial industry which is estimated to be worth €1 billion and has approximately 14,000 employees. There is an accountability structure in place, with its audited accounts being subject to verification by the Comptroller and Auditor General. As I said to Deputy Martin Kenny, it is not a case of handing over funds without there being any accountability on the part of the board. In the context of the debate on the appointment of the CEO, at the committee the chairman of the board did acknowledge that the process was not as it should have been. That is the view of my Department and it is also mine. The board expressed the view that the outcome, albeit achieved in a rather circuitous manner, was the one it had desired and wished for.

I also made the point to Deputy Martin Kenny that the industry was very mobile. If one looks at the reports on the horse racing industry, it is to be found in every county in the country. It is important that we support it. It is not simply about handing over money that will find its way into the pockets of the big players. I acknowledge - this point was also raised by Deputy Martin Kenny - that there are issues around the viability of the industry at lower levels for those involved in point-to-point fixtures and breeding horses, etc. Many of them live for the dream, but to make it a reality, perhaps more resources must be provided at that level. The board could reflect on this issue. Collectively, we could make a contribution to its deliberations on it by

expressing our concerns about that side of the industry. It is a great industry that provides great employment. It is a global leader owing to the people, the human capital, involved in it. The board has taken the lead in that respect, but it did not have its finest hour in dealing with this issue.

**Deputy Clare Daly:** I have not seen any evidence to suggest the public moneys have not been used for horse racing projects and I am not suggesting it. However, given that the board is made up of people who have a stake in the industry and do not have professional expertise in corporate governance, what assurances do we have that some interests are not being promoted over others? That is the issue. Some projects, sweetheart deals or pet causes - we can call them what we like - are being pushed, while the greater good of the horse racing industry, in its broadest sense, is not being promoted. I am not the only one who has raised that question or concern. Many people with a real commitment to horse racing and who are involved at various levels are also raising it. There is also the high turnover of staff. A huge number of people are being lost and there are serious workplace claims and so on. Something is not right in the organisation. To me, the best way to protect all jobs and all of the good people who want to be involved for the right reasons is to have an independent inquiry into corporate governance at HRI in the past five years. That would give us a good picture of what is really going on.

**Deputy Michael Creed:** In respect of all of the accusations the Deputy raises, it is interesting to note that the members of the board represent the various interest groups in the industry, including owners, breeders and staff. The full range of sectoral interests in the industry is reflected in the board. In theory, this should give rise to an appropriate consideration of all of the competing interests for scarce resources. I referred to the geographical spread of the resources provided to improve racing facilities for punters. This is manifestly broad in horse racing. Every industry with the significance of horse racing needs a flagship. The IRFU and the FAI have the Aviva stadium, the GAA has Croke Park and the horse racing industry also needs a flagship venue which will be the redeveloped Curragh racetrack. However, investment is spread across the country.

The various constituent members of the board are best positioned to articulate the competing demands for funding, of which there are many. We discussed the local issues of concern raised by Deputy Martin Kenny, on all of which the board, in its wisdom, is obliged to reflect. In terms of the decisions it makes in the allocation of funds, the audited accounts are available for public scrutiny and subject to commentary by the Comptroller and Auditor General. There are appropriate checks and balances. The alternative, that the Department micro-manage the industry, would not be appropriate. The composition of the board reflects the various elements of the horse racing industry. Horse Racing Ireland has, by and large, maintained Ireland's international standing as a leading player in the horse racing industry.

**Acting Chairman (Deputy Maria Bailey):** Question No. 7 is in the name of Deputy Jim Daly who is not present. Question No. 8 is in the name of Deputy Thomas Pringle who is also not present.

*Questions Nos. 7 and 8 replied to with Written Answers.*

*Dáil Éireann*  
**GLAS Expenditure**

9. **Deputy Charlie McConalogue** asked the Minister for Agriculture, Food and the Marine his views on payment levels for farmers under the green low-carbon agri-environment scheme; and if he will make a statement on the matter. [32323/16]

**Deputy Charlie McConalogue:** The question seeks to ascertain the Minister's views on payment levels to farmers under the green low-carbon agri-environment scheme.

**Deputy Michael Creed:** GLAS is an agri-environment climate measure under the Rural Development Programme 2014 to 2020. Its aim is to deliver environmental benefits which will protect and enhance our biodiversity and water quality and raise awareness of and encourage actions which mitigate the effects of climate change. The scheme contains actions which will deliver the expected environmental dividends and is the result of widespread consultation with stakeholders and protracted negotiations with the European Commission.

GLAS is a voluntary scheme in which participants elect to carry out specific environmental commitments. In order for a verifiable benefit to be achieved, the governing regulations require that these commitments must be delivered for a minimum of five years. There is a wide range of actions to choose from in GLAS, providing scope for farmers across all types of farming system to submit applications and maximise their payment under the scheme. Some 25,800 farmers are actively participating in tranche 1 of GLAS, of whom 22,300 were eligible for a part year payment for three months in 2015. A further 11,500 farmers have been approved in tranche 2.

GLAS is structured along three distinct tiers, with priority entry for farmers in tier 1, namely, those with priority environmental assets such as farmland bird habitats, commonages and high status water areas, followed by tier 2, with tier 3 farmers being allocated places last. While the unprecedented level of applications under the scheme is in line with forecasts made by my Department, it has meant that for GLAS 2, priority had to be given to tier 1 and tier 2 candidates, namely, those who either manage key environmental assets such as endangered birds, protected habitats or high quality watercourses, or who have committed to undertake particularly valuable environmental actions such as growing feed crops for wild birds, adopting low impact tillage techniques or using low emission slurry spreading methods. Farmers had been urged to present the highest standard environmental plans under GLAS 2 and adopt actions that would promote them from tier 3 to a higher tier, thereby significantly increasing the chance of selection. More than 80% of applicants in the second tranche of GLAS opted to do so and, with the funding available, they were approved.

Under the general scheme, a maximum payment ceiling of €5,000 per annum applies, but in the case of exceptional environmental commitments a participant may qualify for payment up to €7,000 under GLAS plus. Applicants do not select distinct actions to qualify for GLAS plus. The increased payments available under this measure are automatically applied where the annual cost for a farmer of addressing a combination of tier 1 priority environmental assets, PEAs, exceeds €5,000. Farmers managing bird priority environmental assets can qualify for GLAS plus on the strength of their bird PEA alone, without the need for any other PEA, provided they manage an area of habitat sufficient to draw the additional payment. The number of GLAS plus applicants will only become apparent when applications are finalised and have been fully costed.

This is the first full payment year for GLAS 1 and GLAS 2 and the first instalment of the

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2016 payments to the 38,000 approved GLAS 1 and GLAS 2 farmers are due to start issuing towards the end of the year when all validation checks have been completed. While the current average payment per participant is €4,600, no definitive information on the average payment will be available until all payments are made.

**Deputy Charlie McConalogue:** In February 2015, when the Minister's predecessor, the current Minister for Housing, Planning, Community and Local Government, Deputy Simon Coveney, first announced the green low-carbon agri-environment scheme, he indicated that €1.45 billion would be allocated specifically to it until the current Common Agriculture Policy programme expires at the end of 2020. As the Minister pointed out, the maximum standard GLAS payment will be €5,000. However, the average payment made thus far is €4,600 and total payments last year amounted to only €11 million. There are 38,000 farmers in the scheme, much fewer than the projected total of 50,000. The scheme will reopen at the end of 2016. If the full complement of 50,000 participants is reached by January 2017, farmers starting the scheme at the beginning of next year will only complete four years in GLAS under the current rural development programme because that programme expires at the end of 2020. As such, the maximum amount that could be spent by the end of 2020 is slightly more than €1 billion, giving a shortfall of €376 million on the projected expenditure of €1.45 billion, on which the previous Minister gave a commitment. I ask the Minister to ensure €1.45 billion is spent by the end of 2020 when the current rural development programme will expire. Farming incomes are in crisis. This money cannot be kicked out to the 2020s because it would result in farm incomes being hit this year and next year.

**Deputy Michael Creed:** I want to nail this issue because the assertion that we will not deliver on the rural development programme and GLAS commitments is false. This year the Department is paying €40 million under the agri-environment options scheme, AEOS, a rural development programme that ran from 2007 until 2013. People joined this five-year programme in 2006 and 2007. The Deputy will recall that a previous Fianna Fáil-led Government suspended access to the rural environmental protection scheme. This year we will pay out €2 million under the REPS which operated under a previous rural development programme. These programmes of investment are constantly rolling over.

I hope the Deputy is not suggesting that when I reopen GLAS and people have the benefit of it in January 2017, they will only participate for three years, as that is not the case. The programme will be of five years' duration. The programmes roll over and the level of funding will remain the same. Despite the suggestion in the title of the rural development programme that it will operate from 2014 until 2020, the Irish rural development programme did not receive Commission approval until May 2015. For this reason, GLAS was opened in October 2015.

These are rolling programmes of investment and we will not leave behind a single penny. The Deputy should realise this because the Department is still paying out under the REP scheme that a Fianna Fáil-led Government suspended in 2008. In addition, we are still paying out under the agri-environment options scheme which featured in the 2007 to 2013 programme. The Deputy's statement was wildly wrong and misleading, but I congratulate him nevertheless as it will garner a good headline.

**Deputy Charlie McConalogue:** As I stated, when the Minister's predecessor announced the green low-carbon agri-environmental scheme in February 2015, he specifically stated €1.45 billion would be allocated to GLAS by the end of 2020.

**Deputy Michael Creed:** It was to be allocated by the end of the rural development programme.

**Deputy Charlie McConalogue:** No, if the Minister checks, he will find that his predecessor stated €1.45 billion would be allocated by the end of 2020. That commitment garnered big headlines for the previous Minister. The Minister is now telling me that this was a bluff, that the then Minister, Deputy Simon Coveney, was engaged in headline grabbing and that the money will not now reach farmers until some time in the 2020s.

**Acting Chairman (Deputy Maria Bailey):** Thank you, Deputy.

**Deputy Charlie McConalogue:** If I told the Minister I would employ him for six years at a salary of €145,000 up to the end of 2020, and I then came along and told him two or three years later he would still get the €145,000 but not until 2022 or 2023, he would not be very happy. That is what he is saying to farmers.

**Acting Chairman (Deputy Maria Bailey):** I would appreciate it if the Deputy did not abuse my leniency with regard to time. I call the Minister.

**Deputy Charlie McConalogue:** Farmers are losing income because of the failure of the Government to follow through on its commitment under the rural development programme up to the end of 2020.

**Deputy Michael Creed:** Deputy McConalogue is persisting with misinformation.

**Deputy Charlie McConalogue:** It is the Department that has the misinformation.

**Deputy Michael Creed:** His own pre-budget submission made no provision whatever for re-opening GLAS.

**Deputy Charlie McConalogue:** The Minister, Deputy Coveney, made a provision. The Minister, Deputy Creed, is saying that is not accurate.

**Deputy Michael Creed:** Anybody who joins the scheme gets a five-year cut at it. The Deputy is suggesting I should have a cut-off point in 2020 whereas those who get their payments in 2017 will have five years. The State is paying the AEOS and REPS grants because these payments roll over. They are not so cleanly defined, cut and packaged as to be for exactly five years. Every penny provided under the rural development programme for the period 2014-20 may not be drawn down within that calendar period but it will be available. Therefore, somebody who goes into the scheme in January of next year will get a five-year payment, so payments will run until at least 2021.

**Deputy Charlie McConalogue:** The Minister is bluffing farmers.

**Deputy Michael Creed:** The Deputy's budget proposal did not have a penny for GLAS.

**Acting Chairman (Deputy Maria Bailey):** Before we move to Question No. 10, I point out to Deputy McConalogue I have been very lenient with the time and I ask him not to abuse my leniency. I will cut the question after six minutes, whether the Deputy has come back in or not.

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## Sheepmeat Sector

10. **Deputy Charlie McConalogue** asked the Minister for Agriculture, Food and the Marine if he will provide details on the new sheep scheme to be introduced in 2017; and if he will make a statement on the matter. [32321/16]

**Deputy Charlie McConalogue:** I ask the Minister to give details of the new sheep scheme and when in 2017 it is due to start.

**Deputy Michael Creed:** A Programme for a Partnership Government commits to the introduction of a scheme for sheep farmers under the rural development programme with a budget of some €25 million to be provided in budget 2017. The commitment is a clear acknowledgement of the contribution the sheepmeat sector makes to the Irish agri-food sector, generating an output value of €320 million in 2015 and supporting some 35,000 farm families directly as well as providing several thousand jobs indirectly in rural areas.

The new sheep scheme proposed for 2017 will be additional to existing supports available to sheep farmers under the basic payment scheme, GLAS, the areas of natural constraint scheme and TAMS, and will make a vital contribution to ensuring the continuing viability of the sheep sector in Ireland. In designing the scheme, I am aware of the different challenges facing sheep farmers in the different areas of sheep farming carried out in Ireland. I believe this scheme will provide a lasting benefit to sheep farming and demonstrates and acknowledges the contribution sheep farming makes to the agri-food sector in this country.

As regards the specifics of the scheme design and operation, my Department has engaged in extensive consultation with farm organisations and has met with officials of the European Commission to discuss the proposed new scheme in the context of the specific requirements of the rural development programme. The scheme is being proposed as an animal welfare scheme under Article 33 of the rural development regulation and all actions will have to improve animal welfare conditions for flocks within the scheme. The proposed scheme has been submitted as part of Ireland's second amendment to its rural development programme and is currently being considered by the European Commission, along with other proposed amendments to the rural development programme. Subject to a successful outcome to these negotiations, I am hopeful we will be in a position to launch the scheme in early 2017.

The shape of the scheme will ultimately depend on the terms of the Commission approval and I do not want to prejudge the outcome of that process. However, I can indicate that the proposal presented comes under the animal welfare heading in the rural development regulation, and includes activities that can assist farmers in areas such as lameness control, flystrike control, scanning of pregnant ewes, meal feeding of lambs post weaning, mineral supplementation for lambs and ewes and faecal egg counting for detection of worms and other parasites. I will provide other scheme details as soon as my Department has received Commission clearance.

Scheme payments may be made only on the basis of costs incurred or income foregone as a result of the required actions. Those actions must be verifiable and controllable and go beyond normal standards of husbandry practice before they can be considered as an eligible cost incurred by a farmer and must demonstrate a clear benefit to animal welfare.

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

I am also anxious that such a scheme takes into account the different production systems

in the Irish national sheep flock and recognises the different challenges facing both lowland flocks and hill flocks. It is my intention that the scheme's design will maximise the number of participants and deliver tangible benefits to the sheep sector in terms of its impact on on-farm practices.

**Deputy Charlie McConalogue:** We very much welcome the €10 per sheep scheme, which will be important for the sector. There are just under 13,000 sheep farmers, with an average income of just under €16,000 per year. It is a sector where incomes are particularly challenged and where we have to ensure there is support so that flock numbers are kept up. It is important the scheme begins early in 2017 so we can ensure it gets up and running and that the funding actually comes to farmers. The Minister might clarify how early in 2017 he hopes the scheme will be up and running. The other key point is that the costs of administration of the scheme are kept as low and as manageable as possible in order to facilitate farmers.

With regard to the issue of the menus available to farmers, will there be one menu for all types of farms to choose from? For particularly challenged sectors such as the hill farm sector, is it possible they will be able to choose additional options and, therefore, be paid more than the €10 to try to protect sheep numbers in those areas?

**Deputy Michael Creed:** To clarify, there are over 35,000 farm families involved in sheep production. Interestingly, they are predominantly but not exclusively concentrated on the western seaboard, with Donegal, Galway and Mayo having the highest concentration of sheep farmers. It is a welcome investment in the western seaboard counties in particular.

There will be a different menu of options reflecting the different management practices of hill sheep farmers and lowland sheep farmers, which is important. When it gets up and running is contingent on when approval comes from the EU. I would like to have the applications issued in early 2017. I acknowledge the highest costs incurred by sheep farmers are in the late spring and early summer, so in an ideal world that is when we would like payments to issue. However, that is subject to receiving applications, cross-compliance checks and so on. I cannot be definitive about that and it may well be later than that when payments are made.

This reflects a significant investment in the industry, which has stood in line long enough. There are other related matters the industry will have to grapple with in regard to electronic tagging which, although not contingent on this scheme, is becoming an issue in respect of market access for our exports. We opened a new export opportunity in Iran recently. I am committed to publishing a consultation paper in that area in order to get the maximum possible consensus on how we might address traceability issues in the sheepmeat sector.

**Deputy Charlie McConalogue:** The Minister might elaborate on the menus and whether it will be the one menu for all farmers. There is also the issue of additional payment to hill farmers. Is this something the Minister can consider?

**Deputy Michael Creed:** I had previously answered on the latter issue. There is no proposed variation of payments and it will be a flat rate payment for all sheep farmers.

In my reply, I listed the menu of options, which will include activities in areas such as lameness control, flystrike control, scanning of pregnant ewes, meal feeding of lambs post-weaning, mineral supplementation for lambs and ewes and faecal egg counting for detection of worms and other parasites. Some of these will be more practical for hill sheep farmers and some will be more practical for lowland sheep farmers, but that is the menu of options they will have the

choice of buying into.

### **Harness Racing Industry**

11. **Deputy Martin Kenny** asked the Minister for Agriculture, Food and the Marine his plans to provide funding to the Irish Harness Racing Association following its provision of a training course to encourage participants in the sport to come off-road and use safer regulated facilities. [32186/16]

**Deputy Martin Kenny:** I understand the Irish Harness Racing Association has done great work in this regard and it is looking for a very small amount of money compared to other areas of the equine industry.

**Deputy Michael Creed:** The Irish Harness Racing Association, IHRA, is a beneficiary, for the first time, of an equine infrastructure grant scheme operated by my Department. The IHRA has been approved for grants totalling €21,704 under this scheme, with a view to supporting this sector in a targeted way.

The tender for an independent evaluator to complete an economic evaluation of the potential of the harness racing sector in Ireland is now well advanced and it is hoped that an evaluator will have been appointed by early December. As I stated previously, on publication of this economic evaluation, I will consider the request for funding for this sector. Until that time, no further funding requests can be considered.

**Deputy Martin Kenny:** That is disappointing considering that in other countries, particularly France, the industry is huge and generates considerable income. It has great potential here so it would be appropriate to try to put a small amount of money towards it at this time. Those concerned are not looking for much; they have applied for under €60,000. If this could be allocated to them until they get the industry established, it is quite likely they will be able to develop a self-financing industry in the near future, as in other sectors. The industry needs to be kick-started. We are talking about priming the pump. It would be appropriate to try to do that. Harness racing provides a great social service, as the Minister is aware. People who have engaged in harness racing on the roads in the past, including those from the Traveller community, are trying to regulate the industry, get it indoors and make it something everyone can enjoy and in which everyone can participate. It is an industry that requires a very small amount of money compared to many others. It would be very appropriate to fund it at this time.

**Deputy Michael Creed:** I have received quite a lot of representations on this matter. We have discussed it previously also. I acknowledge there is significant interest and that the industry is part of the overall horse racing industry that we discussed previously. The Deputy seems to be able to cherry-pick the elements of the horse racing sector that he likes and dislikes. Harness racing is part of the horse racing family, however.

I am open to paying additional money in principle but the Deputy will appreciate that I would be hauled in here if I did not have a sound economic rationale for doing so. That is why we are appointing somebody to assess the economic contribution, how the industry might develop, how it should be structured and how we should invest in it strategically. This approach is lacking somewhat in the proposals we have received to date.

It would be a dangerous precedent to start getting involved in subventing retrospectively costs incurred without providing any underlying economic rationale. Therefore, we await the evaluators' report. If this sector has potential — I have no reason to doubt the Deputy in this regard — I am sure it will be reflected in the report and that we will have a sound economic rationale on which to consider how best to assist the industry in the future. The Deputy will appreciate that I cannot dispense taxpayers' funding willy-nilly without the rationale. If I did, I might find myself before the agriculture committee.

**Deputy Martin Kenny:** The Minister would be very welcome at any time before that committee.

The industry sits in a different place from where we spoke about earlier. I refer to the way the money is being spent in the horse racing industry, benefiting those who are very long established and very well established. We have an opportunity to do something that would reflect that the Government is prepared to fund not only those at the very top of the industry but also those at the bottom starting off. It would be appropriate to put some money towards it. Those concerned do not require very much. While I understand a report will be commissioned, could the Minister commit to putting a substantial plan in place for the industry as soon as it is prepared?

**Deputy Michael Creed:** I do not want to prejudge the report. Based on the premise of the picture the Deputy painted, it should give us a roadmap as to how best to assist the industry to develop. I await the report and I will have no difficulty publishing it in due course.

### **Agriculture Scheme Payments**

12. **Deputy Martin Kenny** asked the Minister for Agriculture, Food and the Marine the measures he will take to include the group of farmers known as “old young farmers” who are excluded from entitlements due to their having been farming before 2009 but who are still under 40 years of age. [32185/16]

**Deputy Martin Kenny:** What measures will the Minister take to include the group of farmers, known as “old young farmers”, who were excluded from entitlements due to their having been engaged in farming before 2009 but who are still under 40 years of age? They comprise a small group who feel very neglected and left out of the whole system just because they happened to start farming before 2009. Many got into the industry and rented land at a young age only to find they are now being excluded and cannot get the same entitlements and supports as other farmers. The number involved is small enough so this could be sorted out relatively easily if the Government had the will to do so.

**Deputy Michael Creed:** In accordance with the EU regulations governing the national reserve and the young farmer scheme, a “young farmer” is defined as a farmer aged no more than 40 years in the year when she or he first submits an application under the basic payment scheme and who commenced farming activity no more than five years prior to submitting that application. The regulation also provides that priority under the national reserve is given to “young farmers” and to “new entrants to farming”. A new entrant is defined as a farmer who commenced agricultural activity during the previous two years. The regulations governing the operation of the national reserve also include an optional provision whereby member states may use the national reserve to allocate new entitlements or give a top-up on the value of existing

entitlements for persons who suffer from a “specific disadvantage”.

Following my Department’s consultation with the EU Commission, the then Minister announced in March 2015 that the group commonly known as “old young farmers”, who established their holding between 1 January 2008 and 31 December 2009 and who, due to the time-frame of setting up their holding, did not benefit from either the installation aid or the young farmer category of the national reserve, can be considered a group suffering from specific disadvantage. The result is that this group was eligible to apply under the national reserve measure of the 2015 basic payment scheme. Some 280 applicants were successful under the old young farmer category of the 2015 national reserve.

The Deputy may also be referring to the group of farmers commonly known as the “forgotten farmer” group. This group comprises farmers aged under 40 who established their holdings prior to 2008 and who hold low-value entitlements. Preliminary analysis carried out by my Department shows there are some 3,900 farmers in this category. An estimation of the cost of increasing the value of existing entitlements to the national average for these 3,900 farmers stands at over €12 million.

There was no national reserve in 2016 as all available funding, €24 million, had been utilised under the 2015 scheme. In order to provide for a national reserve in 2017, funding is required to replenish the reserve. EU regulations governing the scheme provide that funding for the replenishment of the national reserve may be obtained by means of surrender of entitlements that remain unused by farmers for two consecutive years and by claw-back derived following the sale of entitlements without land. It is envisaged that funding derived from these two sources in 2017 will be very limited. The regulations also provide for the application of a linear cut to the value of all farmers’ entitlements to replenish the national reserve.

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

Under the national reserve, priority access must be given to the two mandatory categories of “young farmer” and “new entrant to farming”. Support for other categories, such as those that may be regarded as suffering from “specific disadvantage”, can only be considered once the two mandatory categories have been catered for. EU Commission approval would be required to have the forgotten farmer group included under the specific disadvantage category of the national reserve. Information submitted to the Department on behalf of this group of farmers indicates that many have established holdings as far back as the 1990s.

In order to qualify for the national reserve, all applicants must have achieved the required level of agricultural education at FETAC level-6 standard and comply with the off-farm income limits pertaining to the national reserve. Decisions in regard to the national reserve for 2017 will be considered once the position on potential funding has been established.

**Deputy Martin Kenny:** There is a programme for Government commitment to trying to resolve this. This is clear and something needs to be done about it.

With regard to European regulations, my understanding is that Europe is open to finding a solution to this. I have heard this from people in Europe who met representatives of the Commission and believe a scheme could be put forward that would resolve this problem.

With regard to the national reserve, I understand the cap will be lowered next year such that no farmer will be able to claim more than €100,000. This should leave room to do what I

propose regarding the national reserve.

The Minister said nearly 4,000 farmers are affected. I understand the number is considerably smaller. At this point in time, they will be seeking to have the supports in place. The budget was an opportunity for that. Sometimes issues that do not cost a lot of money can be resolved. It is a missed opportunity not to try to resolve this matter for the farmers. They are left with nothing.

**Deputy Michael Creed:** This is an issue that requires European Commission approval. That is not easily available based on my conversations with the Commission. There is a mid-term review of the CAP coming up, however, and we will continue to explore the possibility of resolving the matter for the farmers affected.

Even if we were permitted to do as proposed, it would then be a question of what is in the reserve. If I do not use my entitlements for two years, they are lost by me and enter the reserve. If I lease my entitlements to the Deputy, there is a claw-back into the reserve from the lease of some entitlements. The problem with that approach is that if I make an allocation, I have no choice but to make an allocation to every individual applicant that is the equivalent of the national average. That process, of clawing back or entitlement surrender, would not nearly be sufficient to deal with the 3,900 individuals. The alternative would be to make a linear cut across every farmer's entitlements. To ensure I could deal with the 3,900 through entitlements, I would have to cut every payment by the required percentage to bring the value up to the required level. The Deputy might have a different view if this were to happen. It is a complicated area but we are committed to exploring it as far as we can with the Commission.

**Deputy Martin Kenny:** Can I take it that the Minister is making a commitment that in the mid-term CAP review he will seek a solution from the Commission? I understand that maybe Ministers are doing their best in this situation but, in fairness, it is a small enough number of farmers, and I do not think enough effort has been put in to try to resolve this issue to date.

**Deputy Michael Creed:** To be fair, the Department did succeed in addressing the entitlement to treatment from the national reserve for the group referred to as "old young farmers". This is a less clearly defined group. They are the forgotten farmers. They are not a homogenous group; their circumstances vary. Some of them may not even have the fundamental prerequisite of the green certification. It is a challenging issue. We have had discussions with the Commission about it. We did not get a lot of traction on it but we will re-engage with the Commission in the context of the mid-term review. It is challenging. However, even if we get permission in principle to deal with it, how we get entitlements into the national reserve for them is then an issue that must be grappled with. There is not much appetite, particularly in the current climate, to make a linear cut across every single farmer's payment to ensure that these people are looked after, so it is not as simple as the Deputy thinks it is.

## **Brexit Issues**

13. **Deputy Bernard J. Durkan** asked the Minister for Agriculture, Food and the Marine the extent to which he continues to interact with his colleagues in Northern Ireland and in the UK in the context of making the necessary preparations to safeguard the interest of the agrifood industry here in the aftermath of Brexit; if he has identified specific issues deemed to be fundamental in this regard; if he expects to make progress on any such issues in the near future; and

if he will make a statement on the matter. [32282/16]

**Deputy Bernard J. Durkan:** This is an attempt to identify the initial soundings that may have taken place or may be taking place regarding the situation that will arise after Brexit and the extent to which soundings have been made with the UK authorities, the authorities in Brussels and perhaps our colleagues in Northern Ireland.

**Deputy Michael Creed:** The UK remains by far Ireland's most important trading partner as far as the agrifood sector is concerned, with a trade surplus of €1.3 billion last year. There are also significant levels of trade in agri-sector products between North and South. In 2015, we exported almost €750 million of agrifood sector products to the North, of which beef represented €133 million; live animals represented €99.8 million; beverages came to €89 million; cereals and cereal preparation, €84.4 million; dairy products, €68.5 million; fruit and vegetables, €53.3 million; and forestry, €48.7 million. By contrast, we imported almost €569 million worth of agri-products from the North for the same period, of which dairy produce came to €171 million; animal foodstuffs, €90.7 million; cereal and cereal preparation, €71 million; fruit and vegetables, €43.9 million; poultry, €35.8 million; and forestry, €22.7 million.

It is of course vital, therefore, that we maintain the very closest contact with our counterparts in Northern Ireland and in the UK, at both political and official levels, and this work is well under way. A number of meetings have taken place to date, with further meetings anticipated in the coming months.

From a North-South perspective, at the North-South Ministerial Council plenary meeting held in Dublin Castle in early July, I agreed with my Northern counterpart, Michelle McIlveen, that officials from both jurisdictions would meet as soon as possible to work through some of the potential issues involved. The first meeting of officials took place on 22 July 2016. The Department of Agriculture, Food and the Marine followed this up with the preparation of an "audit" of Brexit implications from a North-South perspective.

A further meeting between my Department's Secretary General and the Permanent Secretary of Northern Ireland's Department of Agriculture, Environment and Rural Affairs took place in Dublin on 4 October. It was agreed at that meeting that officials from both jurisdictions would co-operate closely on areas of specific concern, including the potential agrifood implications of a hard or soft Border, trade and tariff issues and animal health and fisheries. Brexit was also discussed at yesterday's North-South Ministerial Council agriculture sectoral meeting in Armagh.

As regards UK contacts, my Department's Secretary General has had a number of meetings with his UK counterpart. Both parties agreed to monitor the situation closely over the coming months. In the meantime, I have made arrangements to meet my UK counterpart, Andrea Leadsom, in London on 1 December.

**Deputy Bernard J. Durkan:** I thank the Minister for his comprehensive reply. Arising from the contacts made so far, and having regard to the likely attitude of Brussels, has he been reassured that it will be possible to continue inasmuch as possible the relationship that has existed heretofore not only regarding this jurisdiction's association with the European Union, but also with Northern Ireland?

**Acting Chairman (Deputy Eugene Murphy):** We only have time for a brief reply because the time is up, so I would appreciate if the Minister could keep his reply as brief as possible.

**Deputy Michael Creed:** Very briefly, reassurances are difficult to find because there are so many moving parts to the Brexit scenario, and until the UK puts its cards on the table in terms of what its ask will be, one would be wise to take with a grain of salt any reassurances given. However, in respect of my meetings at the North-South Ministerial Council and other meetings I have had with my Northern Ireland counterpart, I think there is an acknowledgement that we have areas of mutual concern and interest in respect of that trade North and South, which I have identified in value terms, and the complexities that arise post-Brexit in facilitating the continued existence and growth of that trade. We must continue to work on these matters. As I said, yesterday we had that meeting at which we made progress.

**Acting Chairman (Deputy Eugene Murphy):** I appreciate the co-operation of Deputies. Our time is up. I thank the Minister for coming in and answering those questions and all the Members who participated as well. Buíochas do gach éinne.

*Written Answers are published on the Oireachtas website.*

### **Topical Issue Matters**

**Acting Chairman (Deputy Eugene Murphy):** 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 Éamon Ó Cuív - stádas na seirbhíse farantóireachta chuig Árann, Inis Mór, ó Ros an Mhíl a chinntiú i bhfianaise an fhógra go bhfuil an tseirbhís atá á cur ar fáil le stopadh; (2) Deputy Martin Kenny - arrangements for the spreading of slurry in areas where the deadline could not be adhered to due to bad weather; (3) Deputy Thomas P. Broughan - supports needed for St. Joseph's national school, Marino, Dublin 3, on its application for DEIS 1 status; (4) Deputy Catherine Murphy - the disparity between sterling and euro in retail prices; (5) Deputy Eamon Scanlon - the impact of changes to the State pension in 2012; (6) Deputy Brian Stanley - retention of services at Portlaoise Regional Hospital, including maternity and emergency services; (7) Deputy Catherine Connolly - the withdrawal of a bus service in Galway; (8) Deputy Timmy Dooley - changes to the out-of-hours Shannon Doc general practitioner service; (9) Deputy Jackie Cahill - competition concerns in the beef industry; (10) Deputy Maurice Quinlivan - concern over delays with the new accident and emergency department at Limerick University Hospital; (11) Deputy John Brassil - the future of Tarbert power plant; (12) Deputies Thomas Byrne, Ruth Coppinger and Mick Barry - the ASTI strike action; (13) Deputy Martin Heydon - the need for improved youth services in County Kildare, including a dedicated youth officer; (14) Deputy Anne Rabbitte - the staffing of maternity services in University Hospital Galway; (15) Deputy Barry Cowen - the withdrawal and relocation of ambulance services from Edenderry to Tullamore; (16) Deputy Kevin O'Keeffe - allegations of inappropriate behaviour in University College Cork; (17) Deputy Mick Wallace - the NAMA commission of investigation; (18) Deputy Clare Daly - the terms of reference of the O'Neill investigation and the undermining allegations; (19) Deputy Maureen O'Sullivan - the impact of puppy farms and the need for stricter enforcement; and (20) Deputy Mary Butler - the latest audit of stroke services.

The matters raised by Deputies Éamon Ó Cuív, Catherine Murphy and Kevin O'Keeffe have been selected for discussion.

27 October 2016

## Topical Issue Debate

### Seirbhísí Farantóireachta

**Deputy Éamon Ó Cuív:** Gabhaim mo bhuíochas leis an gCeann Comhairle as ucht an deis an cheist seo a thógáil maidir leis an mbád farantóireachta go hInis Mór. Rinne an Rialtas deireadh ciseach den cheist seo ar fad. D'fhág sé praiseach idir na seirbhísí aeir agus na seirbhísí báid go hÁrainn. Is í fírinne an scéil ná go raibh seirbhís faoi chonradh ag gach oileán nuair a d'fhág mise an Roinn agus bhí socrúithe maithe déanta maidir leis an tseirbhís aeir. Go mormhór, an t-oileán is mó a bhfuil daonra air, fágadh i ndroch-chaoi iad. Tá siad ag dul ó mhí go mí agus ó bhliain go bliain agus gan barúil ar bith acu an mbeidh seirbhís aeir nó seirbhís báid acu. Cúis inní é an tionchar atá aige sin ó thaobh bhuaineacht phobal an oileáin nuair nach féidir leo planáil go mbeidh seirbhís ann.

Mar is eol don Aire Stáit, ainneoin go bhfuil an daonra is mó oileánda ar Inis Mór, thar aon oileán ar fad an chósta, tá an táille is airde ar thicéad fillte go dtí an t-oileán sin. Sílim go bhfuil sé chomh hard le €17 ar oileánach ticéad fillte a fháil go dtí an t-oileán. Níl ach €10 ar an méid is mó ag aon oileán eile. Mar is eol don Aire Stáit, tá bagairt ann ach tá sé curtha siar. Mhol mise go gcuirfí siar an dáta go dtarraingeofaí siar an tseirbhís. Ach ar an 22 lá den chéad mhí eile, deir an comhlacht atá ag cur seirbhís ar fáil go hÁrainn - nach bhfuil faoi chonradh, ar ndóigh - nach bhfuil i gceist aige leanacht leis an tseirbhís i rith an gheimhridh. Dá dtarlódh sé sin agus mura ndéanann an tAire Stáit socrú cuí, beidh na hoileánaigh ar Inis Mór fágtha le seirbhís Aer Árainn. Tá Aer Árainn thar cionn ach, mar is eol don Aire Stáit, níl sé in ann ach ochtar a iompar ag aon amháin.

An féidir leis an Aire Stáit dearbhú a thabhairt anseo sa Dáil inniu go mbeidh seirbhís ag muintir Árainn théis lár na míosa seo chugainn? An bhféadfadh an tAire Stáit a leagadh amach don Teach céard atá i gceist aige a dhéanamh le cinntiú go mbeidh seirbhís ann? Mar is eol don Aire Stáit, beidh comhoibriú aige uaimse má dhéanann sé gníomh. Ach ní féidir liomsa seasamh siar mura ndéantar gníomh, agus é go sciobtha, le teacht ar réiteach na faidhbe seo le déanamh cinnte go bhfuil socrú buan in áit agus ní socrú sealadach mar a rinne anuraidh, socrú nár chuir an fhadhb ach siar.

Tá socrú buan de dhíth le cinntiú go mbeidh seirbhís iomlán cheart chríochnúil ar an bpraghas céanna leis na hoileáin eile ar a mhéid ag muintir Árainn le cinntiú gur féidir leo dul ar aghaidh lena saoil agus gan a bheith buartha ó mhí go mí nach mbeidh seirbhís báid ann ar lámh amháin nó seirbhís aeir ann ar an lámh eile. Tá a fhios agam nach bhfuil an milleán ar fad ar an Aire Stáit. Fágadh le huacht é ag an mbeirt a bhí roimhe agus ag an Rialtas a bhí ann chun deiridh, ach ní haon mhaith é sin a rá le na hoileánaigh. Tá siadsan ag rá linne, agus leis an Aire Stáit go mormhór, an fhadhb a réiteach go gearrthéarmach agus go buan agus nach chóir go dtarlódh sé seo riamh go deo arís.

**Minister of State at the Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs (Deputy Seán Kyne):** Ar dtús báire, ba mhaith liom buíochas a ghabháil leis an Teachta as ucht an t-ábhar tábhachtach seo a ardú liom. Caithfidh mé a rá go bhfuil a fhios agam cé chomh tábhachtach is atá an tseirbhís seo d'Árainn. Tá a fhios agam go bhfuil Island Ferries faoi láthair ag cur seirbhíse maith ann, go bhfuil báid mhaithe acu agus go bhfuil daoine sásta leis an tseirbhís. Mar atá a fhios ag an Teachta, cuireann mo Roinn cúnaimh ar fáil chun seirbhísí iompair a chur ar fáil chuig na hoileánaigh a bhfuil cónaí orthu thart timpeall an chósta. Tá

na seirbhísí seo comhdhéanta de sheirbhísí farantóireachta paisinéara agus lastais. Chomh maith leis sin, tugann mo Roinn fóirdheontas chun seirbhís aeir a chur ar fáil chuig na trí Oileáin Árann, Árainn nó Inis Mór san áireamh, faoi chonradh oibleagáide seirbhíse poiblí, nó PSO.

Mar chuid de seo, cuireann mo Roinn cúnaimh ar fáil don tseirbhís bainistíochta do na haeradróim atá lonnaithe ar na hoileáin. Bhí buiséad iomlán de €6.631 milliún ar fáil do mo Roinn in 2016 le caitheamh ar chúrsaí reatha a bhaineann leis na hoileáin. Faoi dheireadh na bliana, beidh suas le 60% den bhuiséad sin caite ar sheirbhísí iompair do na hOileáin Árann. Maidir le hÁrainn, nó Inis Mór, tháinig deireadh leis an gconradh farantóireachta paisinéara don oileán sin ar 31 Eanáir 2013. Chuaigh mo Roinn i mbun phróiseas tairisceana poiblí sa ghnáth-shlí chun conradh nua cúig bliana a aontú. Ní bhfuair mo Roinn aon tairiscint, áfach, i leith na seirbhíse laistigh den sprioc-am ach lean an farantóir ar aghaidh ag cur an tseirbhís ar fáil ag an am. In 2014, bhí sé ráite ag an bhfarantóir céanna nach mbeadh aon rogha aige ach éirí as ag cur an tseirbhís ar fáil ó Shamhain 2014 mar go raibh cailleanas á dhéanamh ag an gcomhlacht agus ní fhéadfaí leanúint ar aghaidh. Chinn an Roinn gurb fhearr tairiscintí poiblí a lorg sa ghnáth bhealach le haghaidh chonradh níos faide a thiocthadh chun críche ar 31 Deireadh Fómhair 2017, an t-am céanna a chríochnóidh an conradh do sheirbhís Inis Meáin agus Inis Oírr. Fuarthas tairiscint amháin. Cuireadh coiste le chéile chun measúnú a dhéanamh ar an tairiscint sin. Bhí cruinniú idir an Roinn agus an comhlacht a rinne an tairiscint ar 22 Deireadh Fómhair 2014 mar chuid den idirbheartaíocht agus tar éis go leor plé, rinne siad féin cinneadh go bhfágfaí rudaí mar a bhí, gan aon chonradh leis an Roinn agus go leanfadh an comhlacht ag cur an tseirbhís ar fáil tríd an gheimhridh chomh maith leis an samhradh ar bhonn eacnamaíoch. Arís in , chinn an comhlacht a bhí ag cur an tseirbhís ar fáil nach leanfaidís leis an tseirbhís tar éis 31 Eanáir 2016 suas go dtí mhí Aibreáin. Dúradh gur éirigh an cinneadh an uair sin as cás cuairte in aghaidh Chomhairle Contae na Gaillimhe nach raibh aon bhaint ag mo Roinn leis agus a chaill an comhlacht farantóireachta. D'fhágfadh seo nach mbeadh seirbhís iompair farraige do phobal Árann ón dáta sin a chruthódh deacracht ollmhór don saol laethúil ar an oileán. Chuaigh an Roinn i mbun plé le geallshealbhóirí ábhartha chun feiceáil an bhféadfaí teacht ar réiteach. Tar éis an plé seo, d'aontaigh an comhlacht farantóireachta seirbhís éigeandála a chur ar fáil ar feadh tréimhse trí mhí ó 1 Feabhra go dtí 30 Aibreán 2016 ach suim €50,000 a íoc leo. Tá an figiúr seo bunaithe ar chuid den chailleanas a bheadh i gceist don tréimhse trí mhí agus go leanfaidís ag cur an tseirbhís ar fáil ina dhiaidh sin sa séasúr ard gan chúnamh airgid ón Stát. Níor tarraingíodh an deontas seo fós. Tuigim anois go bhfuil an deacracht atá ann faoi láthair de bharr fo-dhlíthe Chomhairle Contae na Gaillimhe. Bhí cruinniú agam féin agus ag ionadaithe na Roinne leis an gcomhlacht farantóireachta agus le Comhairle Contae na Gaillimhe le cúpla mí anuas ach is léir nach bhfuil an farantóir sasta fós glacadh leis na fo-dhlíthe mar atá siad aontaithe ag Comhairle Contae na Gaillimhe. Go deimhin, bhí cruinniú agam leis na Teachtaí Dála ón dáilcheantar, le Seanadóirí agus leis an gcomhairle contae Dé Luain seo caite. Bhuail mé le hionadaithe an oileáin ina dhiaidh sin.

Ba mhaith liom a shoiléiriú don Teachta go bhfuil mé oscailte d'aon chéim réasúnta a thógáil a chuideoidh le réiteach a fháil ar an gceist seo. Tuigim go mbaineann an cheist áirithe atá faoi chaibidil ag an Teachta le Comhairle Contae na Gaillimhe agus leis an bhfarantóir go príomha. É sin ráite, is féidir liom a rá go leanfar le gach iarracht lena chinntiú go mbeidh seirbhís farantóireachta rialta do phaisinéirí chuig an oileán i rith na bliana agus go bhfuil mo Roinn ar fáil i gcónaí le haghaidh comhráite. Chuige sin, bhí mo Roinn i dteagmháil leis an bhfarantóir agus leis an gcomhairle contae inné le súil gur féidir teacht ar réiteach.

**Deputy Éamon Ó Cuív:** Tá go leor staire sa chás seo agus ní fhéadfaí a rá gur stair an-

mhaith é le cúpla bliain anuas. Réiteach gan réiteach, leath-réiteach, réiteach nár oibrigh, bagairtí agus, ag deireadh an lae, éaginnteacht do phobal an oileáin. Mar is eol don Aire Stáit, mar Theachta Dála do Ghaillimh Thiar cosúil liom féin, is é an bád agus an t-eitleán an bóthar do phobal an oileáin. Tá sé chomh simplí le sin. Táim an-díomách leis an bhfreagra mar ní léir go bhfuil aon phlean an-chinnté ag an Aire Stáit. Tá sé ag rá go mbaineann sé leis an bhfarantóir agus leis an gcomhairle contae. Ní aontaím leis. Nuair a bhí mise mar Aire, bhraith mé go raibh freagracht ar an Rialtas agus ar an Stát déanamh cinnte go raibh seirbhís bhuan farantóireachta d'ardchaighdeán chuig gach oileán amach ón gcósta. An cheist atá agamsa ar an Aire Stáit trathnóna ná, an bhfuil sé chun suí ansin ag fanacht go dtiocfaidh an chomhairle contae agus an farantóir ar réiteach nó an bhfuil sé chun déanamh cinnte de go mbeidh duine éigin i mbun seirbhíse ar chonradh don Stát ó lár na míosa seo chugainn ar aghaidh agus nach bhféadfar muintir Árann sáinnithe idir an dá thaobh.

Tá go leor go bhféadfainn a rá faoin méid atá tarlaite, faoi iompar na comhairle contae agus faoi iompar an fharantóra, ach ní dóigh liom gurb é seo an áit. Ach ag deireadh an lae, titeann an dualgas ar an Rialtas déanamh cinnte go mbeidh seirbhís iompair cheart go dtí na hoileáin ag na hoileánaigh. Mura bhfuil an farantóir sásta comhoibriú, caithfear dul agus farantóir eile a fháil. Sílim féin go bhfuil dualgas ar an gcomhairle contae comhoibriú go hiomlán leis an Rialtas sa gcás seo le teacht ar réiteach, go mórmhór ó tharla gur chuir an Stát €52 milliún isteach in acmhainní de chuid na comhairle contae i bhfoirm deontais agus gur chuir siad acmhainn an-láidir agus an-luachmhar ar fáil don chomhairle contae. Mar sin, b'fhéidir go n-inseoidh an tAire Stáit dom sa dara chuid den fhreagra céard atá ar bun le cinntiú go mbeidh seirbhís ann do mhuintir Árann ar an 22 den chéad mhí eile. Is í sin an cheist atá ag na hoileánaigh iad féin.

**Deputy Seán Kyne:** Tá an ceart ag an Teachta go bhfuil a lán staire i gceist. Bhí a lán stair sa bhfeagra uaimse agus ó mo Roinn toisc go bhfuil an-stair ann. Tá sé sórt casta mar gheall nár chuir aon chomhlacht tairiscint isteach do chonradh ar aon cheann den trí huairé a raibh mo Roinn ag iarraidh conradh a chur le chéile chun an tseirbhís thabhachtach seo a chur ar fáil. Níl an milleán ar an Roinn mar gheall ar sin. Ní raibh aon iomaíocht ó haon áit don tseirbhís thabhachtach seo. Dúirt mé tar éis na gcrúinnithe Dé Luain go raibh mé ag iarraidh seirbhísí éigeandála a chur ar fáil ar an gcéad dul síos. Labhair an tArd-Rúnaí ó mo Roinn leis an Ard-Rúnaí sa Roinn Cosanta má theastaíonn seirbhísí éigeandála tar éis 20 Samhain. Cuirim fáilte roimh an tréimhse ama bhreise a chur Island Ferries ar fáil roimh dheireadh a chur leis an tseirbhís. Dúirt mé freisin go raibh mé ag iarraidh léiriú spéise a fháil sa Roinn ó chomhlachtaí báid trasna na tíre nó an domhain, má theastaíonn, chun seirbhís a chur ar fáil i rith an gheimhridh agus go mbeidh mé ag dul ar aghaigh in 2017 chun próiseas comhairliúcháin a thosú idir na hoileánaigh, mo Roinn, an chomhairle contae agus an farantóir chun conradh nua PSO a chruthú don trí oileán. Ba mhaith liom an trí oileán a chur le chéile i ndiaidh 2017 agus conradh nua a chur a fáil don trí oileán go léir. Táim ag déanamh chuile rud a chaithfidh mé a dhéanamh chun a chinntiú go mbeidh seirbhís againn i ndiaidh 20 Samhain.

*5 o'clock*

## **Consumer Prices Data**

**Deputy Catherine Murphy:** Brexit and its potential implications here have elicited much debate in recent months. Very understandably much of the focus of attention has been on ex-

ports from Ireland to the UK. However, there is another side to the depreciation of sterling which is one of the immediate effects of Brexit. Every day I hear that there does not seem to be any change in prices of ordinary things that people buy here as a result of the depreciation of sterling, particularly from UK multiples.

With that in mind I did a price comparison in Liffey Valley last Saturday. I picked some toys, home ware, children's clothes and shoes, a bag, women's clothes, non-prescribed pharmacy items, magazines and also an electronic item. There are very significant differences between the prices in the UK and what they sell for in Ireland. It is not a case that people really have a choice to shop around.

Ironically magazines benefit from the 9% VAT rate because they fall under the hospitality area. That reduced rate applies to things other than restaurants and hotels in that category. In that area I found the most significant difference. With barcodes on certain items it may not be possible to see the price, but it may be possible to see the UK price. In one of my local shops I saw an item showing a price of 89 pence and it cost €2.80 at the checkout, which is an outrageous rip-off. It is part of the reason that people feel our money does not stretch any distance and it will lead to a big exodus to the North, ironically to go to exactly the same shops to buy exactly the same things as they would in the South. That is what will happen because people will not be taken for fools.

On 14 items, including a television which would be one of the big items one would travel to buy, there is €463 of a difference in price. When buying more expensive items, obviously the price difference is even higher. There is an irony about some of it. For example, something that is £3.99 in Boots in the UK is €5.99 here. Something that is €35 here is £25 there. They are nice, neat, round figures. I picked out very ordinary things across a range of goods. However, there appears a minimum 20% mark-up to start with.

With two outlets, Marks & Spencer and Next, I was able to do a comparison with the Netherlands, France and Germany. Marks & Spencer here was more expensive, but the Netherlands varied. In all cases the UK was cheaper. One would have to say there may be a reduction in price in the UK relative to other countries. The problem is that people cannot shop around because it is the same shops and all the shops are using this 20% differential.

**Acting Chairman (Deputy Eugene Murphy):** I remind Members not to mention specific shops when we are in a discussion like this.

**Minister of State at the Department of Finance (Deputy Eoghan Murphy):** I thank the Deputy for raising the issue and also for providing me with a copy of the table she produced. I commend her on taking the time to put it together. It is an interesting piece of work.

I should note at the outset that this is primarily a consumer issue, and as such is primarily a matter for my colleague, the Minister for Jobs, Enterprise and Innovation. It would be a cause for concern if sterling's depreciation against the euro were ultimately not reflected in prices here.

I will consider this issue from a macroeconomic perspective. There are numerous sources of uncertainty at present which pose risks to the Irish economy. These risks are primarily external in nature and, as highlighted in budget 2017, include the potential impacts from the UK's recent vote to leave the European Union.

Over the course of 2016 and in particular since the Brexit vote, the euro-sterling rate has appreciated significantly. Since the UK's vote on 23 June the euro has appreciated by over 15% against sterling and is currently trading at a rate of around €1 to 89p sterling. In addition, further appreciation remains a distinct possibility with adverse implications for the Irish economy in general, most notably for Irish exports to the UK, especially in the more traditional sectors and also for areas sensitive to cross-Border trade.

While the appreciation of the euro-sterling rate is certainly one factor that can influence retail prices and consumer prices more generally, there are other significant and mostly external factors driving price developments. From an Irish perspective, the decline in the price of transport and energy products over the past two years arising from the fall in the wholesale price of oil has offset price increases in other areas, notably for services.

Annual inflation, as measured by the harmonised index of consumer prices, averaged minus 0.2% in the year to date and is expected to be slightly negative on average for 2016 as a whole. This recent easing in consumer prices has been broad based with food and non-alcoholic beverages, clothing and footwear, furniture and household equipment all recording significant annual price declines this year. This low and even negative rate of consumer price inflation has helped to protect real incomes and has supported consumer spending. This is the context in which we are discussing prices in high street retailers.

All else being equal, the appreciation of the euro against sterling should pass through into lower consumer prices, in particular for the range of goods that are priced in sterling. However, there are a number of factors which may delay this process. In general, consumer prices tend to respond to exchange-rate movements with a lag as firms delay price changes until there is greater certainty around future exchange rates. Also, many Irish firms importing from the UK will have purchased stocks prior to the UK referendum when sterling was at a significantly higher rate than that prevailing today.

It is also important to point out that the depreciation of sterling over the course of this year has increased the cost base for UK-based suppliers which could result in pressure on them to increase their sterling prices. However, the appreciation of the euro would be expected to offset partly, or wholly, such sterling denominated increases, depending on the extent of the appreciation.

This notwithstanding, there are some signs that consumer prices are benefitting from recent exchange-rate developments. For example, overall consumer prices have fallen by 0.2% year-on-year in the three months since the Brexit vote. Similarly, consumer prices of non-energy industrial goods, a large proportion of which we import from the UK, have fallen by an average of nearly 4% over the same period.

To the extent that I or my Department become aware of concerns regarding unwarranted price pressures arising from sterling's depreciation, they will be brought to the attention of the Minister for Jobs, Enterprise and Innovation and her Department which, as I have already noted, has primary responsibility for this consumer issue.

**Deputy Catherine Murphy:** I appreciate the issue goes across a number of different Departments. If there is a large-scale exodus of people to do Christmas shopping in the North, essentially there will be a loss to the Exchequer and to the domestic economy, which obviously puts pressure on jobs here.

The HSBC analyst, David Bloom, predicted an interest rate cut by the Bank of England, which could further weaken sterling possibly leading to parity with the euro. I imagine that people who are purchasing will be watching those kinds of things and will want to time their purchases. Even if the full exchange rate difference were passed on here, it still would not account for the price differential. That price differential is a minimum of 20% in most cases and up to 45% depending on the type of item. While the market in the Republic of Ireland is small, it is even smaller in Northern Ireland and therefore one would imagine there would be a cost differential there, but that does not seem to be the case.

There is a serious issue at play here. People do not really have a choice to shop around because all of the multiples appear to start out with a 20% differential. If that is the case, we must ask whether it is warranted, whether it has been organised and what can be done about it.

**Deputy Eoghan Murphy:** I thank the Deputy and I note that point. The Department of Finance is looking at the sterling-to-euro exchange rate from a macroeconomic point of view. The point the Deputy raises is very interesting and relates to the extent to which, if any, changes in sterling that should be to the advantage of an Irish consumer are actually being felt by the Irish consumer. I have already outlined some of the issues that arise, such as a lag in changes being felt, hedging - or when the stock was purchased - and other factors that might delay this type of change. Given the work the Deputy has done and the basket of goods she has looked at, I can see merit in developing the basket and some of the various price indicators, for example, other markets where UK goods might be exported and what the changes have been there.

I encourage the Deputy to sit down with the Minister for Jobs, Enterprise and Innovation to examine this issue. I am sure the Minister is across it, particularly as it warrants further attention. However, we must be sensitive to the timing involved and realise that it may take a bit more time. There are no controls on prices in Ireland in order to allow competition among businesses but it is also the case that if businesses or traders are suspected of coming together to agree the prices they will charge, they can be investigated by the CCPC and could potentially face legal sanction, including fines and imprisonment. If there are suspicions or if the Deputy has any evidence to bring to light on this matter, I recommend that she does so. As already stated, to the extent that I or the Department become aware of them, any concerns regarding unwarranted price pressures arising from sterling's depreciation will be brought to the attention of the Minister, Deputy Mitchell O'Connor, and her Department, where responsibility for this issue lies.

### **Higher Education Institutions**

**Acting Chairman (Deputy Eugene Murphy):** Deputy O'Keeffe is raising a very serious question. He is quite entitled to make his case but I do not want him to mention any names.

**Deputy Kevin O'Keeffe:** I thank the Acting Chairman. I also thank the Ceann Comhairle for affording me the opportunity to raise this matter. I further thank the Minister for Education and Skills for taking the time to be here. In light of the current situation, plenty of people want to meet him on Kildare Street.

This issue I want to address has been in the doldrums for a number of years. My reasons for addressing it arise on foot of a number of newspaper articles published in recent months and as a result of concerns that have been brought to my attention by constituents. As a Cork Deputy, I have a vested interest in the biggest educational institution not only in Cork but in Munster.

I refer, of course, to University College Cork. This matter was addressed recently in an article published in *The Irish Times* on 11 October under the headline “Fear and loathing on campus: bullying at Irish universities”.

There are significant levels of dissatisfaction among staff at University College Cork regarding gender issues and the promotion process relating to staff within the college. Despite being the very first university to appoint a female professor in Ireland and Great Britain - Professor Mary Ryan in 1909 - the college now has the second lowest number of female professors in the country. A report by Barry Roche in *The Irish Times* on 11 July last gave an insight into unpublished research by management at UCC. The latter showed that 36% of the 375 respondents, comprising 265 females and 110 males, believed the culture and atmosphere were not female friendly and inclusive. Half felt the promotion process in UCC was not transparent and fair and one in four felt that academic promotions were not free of gender bias. One quarter felt they were not treated fairly on merit, without regard to characteristics such as gender, civil or family status or, most strikingly, sexual orientation.

The fact that this report was suppressed and shelved and no attempt was made to deal with its findings is a damning indictment of senior officials at the college. As a result of what I have mentioned, many cases have been brought by staff of UCC against the institution. We saw recently where a Member tabled a parliamentary question seeking information on the amount that UCC and other universities have spent on legal fees over the past number of years. The results were startling. Figures reveal that UCC has spent almost €1.5 million in the past five years on legal cases involving staff. These cases are on range of issues. In the report I mentioned, 55% of staff said that they would not feel comfortable reporting an issue if they felt they were treated unfairly, while 43% said they would not feel comfortable reporting an incident where they witnessed another staff member being treated unfairly. This is a culture of fear within - a fear to defend oneself, a fear to act and a fear to help others. Who are those who create a culture of fear? They can only be classed as bullies.

It can be argued that the fact UCC hired six full-time solicitors also creates a fear of taking on the establishment. When compared, for example, to Trinity College, the number of complaints made by staff is much higher than in UCC yet the legal costs are much lower. Staff in Trinity College have the confidence to bring any concerns they may have to the appropriate bodies within the college and have confidence in the internal processes that are in place. This is not the case in UCC. The latter uses the power of taxpayers’ money to contest the outcomes of internal and external cases, such as the Jordan, Tyndall and Bushin cases. There have been scenarios whereby UCC has failed to implement the outcome of internal appeals cases, despite them having been chaired by a High Court judge. Staff at UCC do not want to appeal or question any grievances they have because they cannot rely on the internal processes at the college.

**Acting Chairman (Deputy Eugene Murphy):** The Deputy will have a further two minutes. I know he is addressing a very serious issue. I will allow the Minister four minutes to reply and I will then give the Deputy another two minutes.

**Minister for Education and Skills (Deputy Richard Bruton):** I thank the Deputy for raising this issue. I am not privy to some of the content of the claims he has of cases where he suggests unnecessary appeals may have been made to contest findings or to some of the other concerns he raised. The Higher Education Authority is very concerned about gender equality and has initiated a system-wide review of higher education institutions’ gender profiles and gender-equality policies encompassing all higher education institutions under its remit in 2015.

The review process formally began in September 2015 with the development of the terms of reference and the appointment of the expert group. With the support of the HEA, the review was conducted by a five-member independent expert group chaired by Máire Geoghegan-Quinn, former European Commissioner for Research, Innovation and Science. The report of the expert group regarding the HEA national review of gender equality in higher education institutions was published in June 2016 and I welcomed its publication. The expert group's 61 recommendations provide an informed and considered basis for a collective and participatory national approach to attaining gender equality in Irish higher education. The report includes objectives, recommendations, proposed timings and key performance indicators for all relevant stakeholders in the higher education sector. It also contains an in-depth analysis of the gender balance of higher education staff across all grades of employment, as well as management teams, academic councils and governing boards. As the chair of the group, Máire Geoghegan-Quinn said at the launch, "This report clearly demonstrates that significant gender inequality remains in higher education, and this must be addressed - for equality, social and economic reasons."

With regard to the next steps, the expert group's recommendations provide an informed and considered basis for a collective approach to this, in attaining gender equality, but the achievement of true gender equality in Irish higher education institutions requires systematic positive action from all stakeholders. The review proposes that the next step should see the development of a detailed implementation plan, which will include a robust system of follow-up evaluation and performance monitoring linked to funding through the HEA's strategic dialogue process. It is important that we now ensure this detailed implementation plan is developed, to build on the work of this expert group, and I welcome the fact that officials from the Department of Education and Skills will now liaise with the HEA, the institutes of higher education, research funding agencies and other key stakeholders in the development of such a detailed implementation plan. Higher education institutions will risk funding penalties if they fail to address gender inequality following the development of the detailed implementation plan.

It is also important to remember that Irish girls and young women continue to outperform their male counterparts in educational attainment. Ireland currently occupies the top position for female graduates across the European Union as measured in the keynote statistics for the European Union's economic growth policy. What is clearly outlined is all institutions will have to develop an implementation plan to address weaknesses that have been exposed. Under the recommendations, it is intended a number of practical measures will be put in place, for example, a vice president for equality, a key decision-making body with a balanced membership, and a gender equality sub-committee of the governing authority. Each higher education institution will have an academically-led gender equality forum and so on. There are many recommendations which if acted on will hopefully address some of the Deputy's concerns.

**Deputy Kevin O'Keeffe:** I thank the Minister for his response which was more general and dealt with the gender equality issue. I was talking about more than just gender balance in the college.

Following on a number of articles that were published recently, the revelation of legal expenditure at UCC, and concerns that have been brought to my attention, it is clear that the institution is mirroring a culture of bullying and imprudent use of public funds on legal costs. The misuse of these funds diverts administrators away from core functions at a time Irish universities are failing in the international rankings. The time for hiding behind the sectoral autonomy of the universities and the HEA needs to end. Who is holding them to account? There is no

transparency or accountability in the university system anymore when it comes to appointments many of which can be described as “casual”. There is no accountability with regards staff complaints or issues and no questions are asked as to why millions of euro are spent by universities every year on legal fees.

It is clear that universities are going to great lengths to cover up issues that staff may have with them through intimidation to the point where the victims will drop their case. The Department needs to act now because down the line there will be another inquiry involving yet another High Court judge. The Minister and his Department have four nominees on the governing body of UCC. There is an onus on him to investigate the concerns I have raised, which have been in the public domain. The Minister may not have been informed officially but the press usually carry the true story. While I have focused on this issue, I acknowledge the good work being done in UCC. This year, for the second year in a row, it has been recognised as the No. 1 college in Ireland, given its focus on education and higher grades for students. I ask the Minister to come with a more positive reply. I will probably be back to him again.

**Deputy Richard Bruton:** In general, the Equality Tribunal is the forum for hearing extreme cases of bullying. Every college must have an anti-bullying policy. The relationship with the HEA involves setting out performance areas under which colleges must show they are addressing concerns. I will bring the Deputy’s concerns to the attention of the authority. I cannot substantiate the cases in respect of any college or whether one college is better or worse than another. Cases have been brought to the Equality Tribunal, which have resulted in a broad programme of action being taken by colleges to address bullying or prejudice in selection procedures and so on.

The idea behind Ms Máire Geoghegan-Quinn’s approach is that there would be respect across the system and people’s rights and opportunities would be respected. While the expert group concerned itself with gender equality and there is evidence that many women are not advancing as they ought to, there are wider principles, which if they were brought to bear in all the colleges, would address these concerns.

I will bring the Deputy’s concerns about one institution to the attention of the HEA. I have no basis for confirming or indicating otherwise that there is a problem. I have read the articles but as they have indicated, the research was undertaken in order that an action plan could be taken on board by the college concerned. As I understand it, there has been some action within the college. I will seek to establish more information for the Deputy in light of the reports he has tabled and ascertain whether I can give him a more satisfactory response.

### **Prohibition of the Exploration and Extraction of Onshore Petroleum Bill 2016: Second Stage [Private Members]**

**Deputy Tony McLoughlin:** I move: “That the Bill be now read a Second Time”.

I thank the Ceann Comhairle for the opportunity to bring this Bill before the House. I am very much aware that many Members have Private Members’ Bills and are awaiting an opportunity to move them to Second Stage and on this basis I am privileged and honoured to have the opportunity to do so with my Bill. The Bill, which I have drafted with the aid of a number of local and national organisations, aims to prohibit in domestic law the extraction and exploration of onshore petroleum in this country.

The legislation, if enacted will make it illegal to look for and to extract oil and gas from Ireland's many different types of rock which are currently deep underground, where oil and gas would usually be extracted by using techniques commonly referred to as fracking. Before I discuss the key contents of the legislation and the reasons I believe it needs to be enacted, I want to highlight briefly the context for it.

Since I was first elected to Dáil Éireann in February 2011, this particular issue has consistently come to my attention as a Member for the Sligo-Leitrim constituency. However, I must remind the House that the process for granting option licences for fracking had begun prior to the election of the Fine Gael-Labour Government in February 2011. The process began back in 2009 and 2010 when the Department of Communications, Energy and Natural Resources sought applications for onshore licensing options for the Northwest Carboniferous Basin and the Clare Basin. Licensing options give the holders of licences the first right to an exploration licence over all or part of the area covered by the option. Subsequently, in 2011, during his final days in office, the Minister for Communications, Energy and Natural Resources awarded licensing options to two companies. They covered an area of approximately 1,500 sq. km in counties Cavan, Donegal, Leitrim, Mayo, Monaghan, Roscommon and Sligo. As these developments occurred before I was elected, my knowledge of them originally was limited. However, local activist groups such as Love Leitrim and Good Energies Alliance Ireland have to their credit consistently raised the issue of fracking with me over the past six years and they have kept me up to date on developments. Over the years, I have assisted these local organisations to the best of my ability as a Deputy, often tabling parliamentary questions and arranging various meetings with relevant Ministers when requested to do so. During the build up to the last general election, I, like every other candidate seeking election in the Sligo-Leitrim constituency, signed a pledge to support legislation which would seek to ban fracking in Ireland. Following the election, when "new politics" emerged, and with a minority Government in place, I believed that there was a great opportunity to develop my own Private Members' Bill on the issue and this has led to this debate.

There is no Government policy on fracking or onshore extraction of oil and gas. The Petroleum and Other Minerals Development Act 1960, Energy (Miscellaneous Provisions) Act 1995 and other similar legislation contain no details about fracking. The former Minister, Mr. Pat Rabbitte, decided that no new licenses would be granted until the completion of an all-Ireland scientific study of the process by the EPA. That study was halted in 2016 by my colleague, the Minister of State, Deputy McHugh, when he ordered the EPA to report the findings after phase 1. This meant that, until such time as we had scientific research available that would help the Government to form a policy on fracking, no further action would be approved by the Government.

On this basis, the purpose of this simple Bill is to provide for a clear and unequivocal position on the exploration and extraction of petroleum from shale rock, tight sands and coal seams onshore and in Ireland's inland waterways. The Bill aims to prohibit the issuing of permits to facilitate the extraction of petroleum from shale rock, tight sands and coal seams and the use of any process to increase the permeability of shale rock, tight sands and coal seams for the purpose of extracting petroleum. It prohibits any Minister, agency of the State or body acting on behalf of the State to engage in prospecting or exploration for petroleum from shale rock, tight sands and coal seams, the development of any infrastructure or facility required for such extraction within the State, and the processing or disposal of any fluid or waste used in extraction processes within the State.

The act of extracting petroleum from shale rock, tight sands and coal seams requires a process commonly referred to as unconventional petroleum extraction or unconventional oil and gas extraction. This method involves drilling a well to reach the targeted geological deposit and requires the use of additional processes to increase the permeability of the rock for the purpose of stimulating natural gas or oil well production. This can include, but is not limited to, the process of fracturing rock by man-made, high-pressure, fluid-driven fracturing techniques, including hydraulic fracturing. Fluids used in this process may include water or a fluid combined with chemicals and-or sand that is pumped into the well. A percentage of the fluid, and any petroleum, is then drawn out of the well through the overlying geological deposits and groundwater. Therefore, the Bill does not seek simply to ban the process of fracking, but to ban the act of taking oil and gas out of the ground where usually fracking would be needed.

This is the key point of the Bill and is where my Bill differs from other similar Bills offered by other Deputies on the issue. It takes this approach because I am advised by experts, such as Ms Kate Ruddock from Friends of the Earth, that the technologies associated with the fracking industry are constantly changing and advancing as more research is conducted. Therefore, any legislation aimed only at the technology would become out-dated in a short period. It would also be open to abuse by companies that could simply change their processes of extraction.

The House might be wondering why the legislation that I am proposing is necessary or why I am advocating for the banning of fracking. The Department granted licences for shale gas exploration. If the companies are permitted to go ahead with gas production, fracking could occur in counties Sligo, Leitrim, Roscommon, Donegal, Cavan, Monaghan and Clare. This makes it a serious public health and environmental concern for tens of thousands of people in the Republic, people who may not even know that these licenses are currently in place. Therefore, I must highlight the fact that there are a number of serious risks associated with these unconventional methods of exploration and extraction. They include the risks of environmental pollution and damage, risks to our public health and the greater effects that fracking could have on our climate.

On this basis, the Bill is proposed in the context of Ireland's ongoing and significant failures in respect of the EU's Water Framework Directive, Article 4.1 of which requires that member states shall "implement the necessary measures to prevent deterioration of the status of all bodies of surface water" and "protect, enhance and restore all bodies of surface water [and groundwater] ... with the aim of achieving good surface water [and groundwater] status at the latest 15 years after the date of entry into force of this Directive". With 47% of Irish rivers and 57% of Irish lakes failing to meet good ecological status, Ireland failed to comply with this directive by the deadline of 22 December 2015.

The process of extracting petroleum from shale rock risks contaminating groundwater with polluting fluids that, when pumped into the ground, are uncontained and free to flow. This risks contaminating overlying groundwater with petroleum that, once released, may travel unconstrained to overlying geological layers. Further contamination of water and land can occur through leaks or accidents associated with the well or the storage and disposal of waste fluids. There are additional chemical contamination risks posed by the transportation of chemicals to drilling sites and the storage of high volumes of fluids that are produced through the drilling process.

These points are further supported in the recently published Sustainable Water Network, SWAN, Ireland report, which found that there was a substantial risk to our lakes and rivers from

fracking, there was limited capacity to regulate this risk, and fracking for shale gas was incompatible with good water quality. It recommended prohibition of fracking in Ireland.

This Bill is proposed in the context of the December 2015 UN Framework Convention on Climate Change, UNFCCC, which established an ambition to reduce global warming and hold the increase in the global average temperature to well below 2o Celsius above pre-industrial levels. The Bill is also proposed in the context of the Climate Action and Low Carbon Development Act 2015, which I supported and contributed to on Second Stage in this Chamber. It aims to achieve a low-carbon climate and environmentally sustainable economy.

The use of hydrocarbons for heating or electrical purposes contributes greenhouse gases to the atmosphere, which leads to increased global warming and will increase Ireland's carbon emissions. Analysis by the EPA suggests that Ireland will not reach its EU 2020 emissions reductions targets. The continued use of hydrocarbons obtained via fracking would make it even more difficult to reduce emissions in the energy sector. Extracting gas or oil from Ireland's onshore unconventional reserves is directly in conflict with this position.

I welcome the recent action by the Minister, Deputy Naughten, in the Oireachtas that has begun the process of Ireland's ratification of the UN Paris Agreement on Climate Change. Among its many measures aimed at combating climate change, the agreement requires Ireland to produce a plan to reduce emissions by at least 40% by 2030 compared with 1990 levels. It would run contrary to the goals of the Paris Agreement were this Bill not allowed to pass and, as such, would call into question Ireland's commitment to tackling climate change.

My final concern is the potential damage of fracking to public health. Research is continually proving that significant long-term human health impacts are associated with this process. In an interview in *The Irish Times* in May 2016, Dr. Paula Gilvarry of the organisation Concerned Health Professionals of Ireland stated that the evidence was "extremely strong" that fracking affected human health. She has stated that rashes, sore ears and runny noses, along with respiratory illnesses in children with asthma, have been proven to have been caused by fracking. She has also stated that chemicals in water can cause leukaemia. I am further advised that there are more than 500 peer reviewed studies that suggest a link between the gas extraction process and poor human health. This scientific and academic knowledge with regard to public health must be taken on board and considered by the Government. It is disappointing that no public health element was considered in the Environmental Protection Agency, EPA, research study.

This is my Bill. I have set out the reasons for my bringing it before the House. Like many others, I am very concerned about the damage and harm this process could cause in Ireland. I want to see action taken to stop it occurring. I look forward to hearing the contributions of Members to this debate.

**Acting Chairman (Deputy Eugene Murphy):** I thank Deputy McLoughlin for his contribution on what is a serious issue in our part of the country. I understand the Minister, Deputy Naughten, is sharing time with the Minister of State, Deputy Kyne. Is that agreed? Agreed.

**Minister for Communications, Climate Action and Environment (Deputy Denis Naughten):** I am pleased to have the opportunity to speak on Deputy McLoughlin's Bill concerning the prohibition of petroleum exploration and extraction in the Irish onshore. It is right that we debate this matter and properly examine the issues and concerns surrounding potential use of unconventional gas exploration and extraction technology in Ireland, also known as

fracking. As a Deputy, I made known my concerns on this issue to the Oireachtas joint committee in June 2015. It has always been my view that our understanding surrounding the use of fracking technologies can be enhanced by scientific examination and peer review. For this reason, I have defended the need for scientific evidence to support our actions. The EPA-led joint research programme into the environmental impacts of unconventional gas exploration and extraction seeks to do precisely this.

I am on record as having raised concerns with regard to such matters as long-term well integrity, the potential release of toxic chemicals from the ground as a result of fracking and the significant and considerable potential implications that the use of this technology may have on people in rural communities as a consequence of the spatially dispersed pattern of housing in rural areas. That other jurisdictions, such as Scotland, have moved to exploration licensing and then paused to carry out similar research, as is being undertaken in Ireland, emphasises the need for such research and the requirement for decisions in matters such as this to be taken in a properly informed scientific manner.

It is my understanding that the joint research programme is looking specifically at the geology of Roscommon, Leitrim, Clare and Fermanagh, which is unique and complex in terms of hydrology and geology. For this reason, the EPA indicated that it is very much focused on trying to get as much information as possible to capture the complexity of the geology and hydrology, including seismicity or the potential for earthquakes, which are issues that I have highlighted in the past. All of these issues are addressed as part of this study.

I would like at this point to refer to my commentary to the Oireachtas joint committee on 10 June 2015 in which I said that the results of this particular research programme will be very significant because not only will it have implications in respect of fracking in Ireland but also it will have major implications for fracking throughout the world into the future. I went on to say that this report by the EPA will be extensively quoted, probably for generations, because it will be the litmus test with regard to whether fracking should take place or the conditions under which it should take place not only in Ireland but in Europe and across the world.

I appreciate that there has been some concern with regard to the timeframe involved in finalising the joint research programme and that Deputies would have preferred that it had reported earlier. Since becoming Minister, I have been pressing my officials on the urgency of this report. I have made my views known to Deputies in Fine Gael, Sinn Féin and on the Independent benches who have tabled Bills to legislate on this issue. They are all well aware of my position which is that I would not and will not oppose the passage of legislation in this area. Deputy McLoughlin's Bill, as currently drafted, proposes to prohibit exploration and extraction of petroleum from three different geological strata, namely, shale rock, tight sands and coal seams. Without going into the complexities of geology or legal definitions, if the current wording of the Bill were to become law, the spirit and intention of the Deputy's objective may not in fact be definitively reflected in law. The debate for me as Minister was never whether to ban or not to ban fracking but to ensure we legislate in order that the law does what we want it to do. As such, it is my strong view that the work of the Joint Committee on Communications, Climate Action and Environment would be considerably aided and advanced by being able to consider the outcome of the shortly to be published integrated synthesis report on the environmental impacts of fracking. Earlier in the week I made the point to the Chairman of that committee, Deputy Naughton, that this approach would allow for an appropriate level of scrutiny and consultation to provide the fullest possible basis and understanding for clear and effective legislative proposals.

As I have already said, Deputy McLoughlin has provided an important opportunity today for debate on this subject. There is clearly cross-party concern regarding the potential use of fracking in Ireland. There is no great strategic imperative or agenda on the part of Government to pursue the use of fracking. The primary aim, as legislators, is to ensure we give proper consideration to the issues and evidence, avoid unintended consequences and provide legal clarity. Earlier, in the context of our discussion on the Paris Agreement, I said that today has the potential to be a turning point. I used the word “potential” purposely. I pointed out that agreements may be the prelude to actions but they are not in themselves deeds. Today, along with the Minister of State, Deputy Kyne, I am accepting this Bill as another step towards protecting the environment and our future, thus showing that our deeds are our actions.

I commend the Bill.

**Minister of State at the Department of Communications, Climate Action and Environment (Deputy Seán Kyne):** I support the thrust and intention of Deputy McLoughlin’s Prohibition of the Exploration and Extraction of Onshore Petroleum Bill 2016 as it provides an opportunity for debate on the issue of unconventional gas exploration and extraction, UGEE, in Ireland, more commonly referred to as fracking. I commend Deputy McLoughlin on his production of this Bill. Over recent months since I became Minister of State no one more than he has raised with me the issue of fracking. I also acknowledge the number of questions that have been raised on this issue in the Chamber over recent months from Deputy Clare Daly, Deputy Martin Kenny, Deputy Stanley and Deputy Paul Murphy and the Bills produced by Deputies Paul Murphy and Boyd Barrett.

Deputy McLoughlin has outlined the genuine public concern about the potential use of this technology in Ireland. These concerns are shared by many of us in this House and by many in our constituencies. In terms of how we address this issue and concerns in this regard, the most common approach is to gather information, conduct research, ask questions, explore options and consider possible consequences. These are the motivations behind the EPA-led joint research programme into the environmental impacts of unconventional gas exploration and extraction. It has always been a guiding principle that natural resources in Ireland would be developed in a manner that protects human health and the natural environment.

In taking account of the ever-increasing scrutiny and changing statutory requirements to which licensing and development applications are subject, in recent years my Department has undertaken wide-ranging and innovative environmental programmes, including the review of all existing environmental processes and practices. Such initiatives include our integrated approach to the most recent strategic environmental assessment of the Irish offshore which was overseen by a steering group comprising not only the relevant State authorities but NGOs and industry. This collective approach has resulted in a clear set of environmental compliance requirements which must be met in advance of any statutory permissions for petroleum activity. In this same vein, my Department, in partnership with the National Parks and Wildlife Service and the Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs, has devised a twin programme of acoustic and aerial surveys of whales, dolphins and porpoises and seabirds in the Irish offshore. The programme, which costs €2.7 million, has been given the title “Observe” and is designed to support the environmentally sustainable development of the Irish offshore oil and gas industry. The core purpose of the survey is to collect data on the occurrence, distribution, density and abundance of these protected species within the prescribed offshore area. The data will serve to better inform both regulators and industry so that in making the most of our marine environment, the protection of rare and threatened species may be assured. It is impor-

tant to note that this is the first time in the EU that the authority responsible for oil and gas exploration and the authority responsible for nature conservation have teamed up to find answers to these complex issues of mutual concern. The UGEE joint research programme comprises five interlinked projects and it is intended that an integrated synthesis report, which summarises and reaches conclusions on the research programme to date will be completed and published in the coming weeks. It is my full intention to publish that document once received. Hopefully, as the Minister said, that will be in the coming weeks.

As legislators, it is important that we ensure that decisions made with regard to the potential use of this technology are fully informed by the best scientific research and that the most appropriate solutions to issues of concern are formulated and implemented. Our primary aim as a Government is to ensure that we give proper consideration to the issues and the evidence, avoid unintended consequences and provide legal clarity. Throughout this process, no application to engage in unconventional gas exploration has been received in the Department of Communications, Climate Action and Environment nor would any such application if submitted be considered until this process has concluded and there has been time to consider its findings.

As the Minister, Deputy Naughten, has already said, Deputy Tony McLoughlin has provided a forum for debate on this important subject. It is clear that there is cross-party concern regarding the potential use of unconventional gas exploration in Ireland. To reiterate the position outlined by the Minister, the Government has no particular wish to pursue the use of unconventional gas exploration and extraction. It will benefit the work of the Joint Committee on Communications, Climate Action and Environment to scrutinise the proposals in order to consider submissions and hold hearings on an issue of great concern to many. That would allow the joint committee the opportunity to fully discuss and explore the proposals on a matter of public concern. I commend Deputy McLoughlin for the Bill. It will undergo legislative scrutiny in the joint committee like any other Bill. As the Minister of State whose responsibilities include inland fisheries, I am conscious of the concerns raised by Deputy McLoughlin on the possible impacts of fracking on our rivers and lakes. It is important, therefore, that the Bill is supported by Government and scrutinised in the committee and that a decision is made in the very near future in light of the synthesis report which is due for publication in the coming weeks.

**Deputy Eamon Scanlon:** I am delighted to have the opportunity to speak on the Prohibition of the Exploration and Extraction of Onshore Petroleum Bill 2016. The Bill seeks to provide for the prohibition of hydraulic fracking. This is particularly relevant on the day that the House approved the ratification of the Paris Agreement. I am pleased that the Government withdrew its amendment today. If the amendment had been pushed, Fianna Fáil would certainly have voted against it because the only thing it would have done was kick the can down the road for another 12 or 18 months. It is very important that we deal with this issue now. This is a conversation we need desperately to have immediately.

Fianna Fáil opposes the use of fracking as outlined in our energy policy paper published in April 2015. We demand a ban on any fracking activity in Ireland. The risks to our natural environment posed by the pumping technique and the fate of the fluids used in the drilling and fracturing process cannot be stressed enough. A simple question we have to ask is how many of us have actually been involved in or lived in an area with a high level of gas or oil development. Fracking would completely change the agricultural, rural and tourism character of our landscape to one that is industrialised. People are genuinely concerned about public health, drinking water, air quality, climate change, social harmony and the social fabric of our communities and so am I.

The concerns of the people have been validated. On Tuesday, the Sustainable Water Network published an independent research report on the impact of fracking for shale gas on water resources. The report concluded that the carrying out of fracking and other shale gas activities in Ireland is not consistent with achieving and maintaining good water quality and a healthy water environment and should not, therefore, be permitted. The potential massive risks to our drinking water from fracking are simply not acceptable, nor is the possibility of serious damage to our reputation as a high quality food producing nation. That is not worth risking. It is not in our interest to tramp on people's rights and values. France, Bulgaria, Scotland and Germany have all banned fracking in response to these risks. Fianna Fáil is not willing to subject communities to any potential risk which might undermine the integrity of the water supply or the natural environment in which we live.

In the UK, it appears the Government intends to allow large-scale fracking operations across the country, which will end a previous moratorium on shale gas production put in place after fracking caused two small earthquakes near Blackpool in 2011. They seem to have forgotten about all that. Our Government is awaiting the outcome of the EPA study before deciding on a definite policy. We have serious concerns about the independence of the study into fracking because of the involvement of the consultancy firm CDM Smith. CDM Smith is avidly pro-fracking and has advised on exploratory gas extraction projects in the USA and Europe. This study does not have the makings of an objective, independent analysis of the environmental risks and impact of hydraulic fracturing. It fails to address the fundamental issues attached to whether Ireland should extract shale gas, but is rather concerned about how to get it out of the ground.

Fracking is a massive issue in my constituency. It is a rural issue. Sligo, Leitrim, south Donegal and east and west Cavan are regarded as constituting one of the most promising locations for fracking because of the region's geology. Supporters of the technology say it is safe and could bring jobs to parts of Ireland like my constituency rather than emigration and economic difficulties. They say it would have a direct economic impact on the region. However, Dr. Anthony Ingraffea, who pioneered hydraulic fracturing, has serious concerns himself about where the technology is going and as to its economic merits. In an interview with *The Anglo-Celt* in 2011, Dr. Ingraffea said with reference to the Lough Allen basin which spans counties Cavan, Fermanagh and Leitrim that it was highly unlikely that there could be an economically productive shale gas well of the scale commonly being used in the USA that used only water and sand. In the USA, fracturing has been lauded as the promising gateway fuel producer, but fracking is a short-term, limited industry whose potential impact has been vastly overstated, in some cases by 96%. It cannot be undone and will permanently damage agriculture and tourism, the two pillars of the Irish economy. With reference to the rhetoric that the majority of fracturing fluids remain underground in the fracking process, I again quote Dr. Ingraffea who said the industry is fond of saying that most of what they pump down, stays down. However, all shale gas wells continue to produce fracturing fluid and brine containing heavy metals for their entire lives.

One has to be very careful about this. There are serious questions we need to ask ourselves. How are we going to address climate change if we take fossil fuels out of the ground, combust them and release CO<sub>2</sub> into the atmosphere? Can we afford to remove billions of litres of water from our water cycle forever? If we do not look at the way industry developments are projected, there is a real chance that irreparable harm will be done to water resources and the environment. In New York state, there is a common saying which I recently came across to the

effect that fracking fractures communities also. The mounting scientific evidence overwhelmingly shows that permitting fracking poses significant threats to the air, water and health and safety of individuals and communities. It poses the risk of intractable and irreversible problems and exacerbates climate change. What we get out of all of this is nothing. We lose what we have and the reason we live here. Given the lack of any evidence that fracking can be done safely and the wealth of evidence to the contrary, I consider a complete and outright ban the only responsible decision to take.

*6 o'clock*

**Deputy Joe Carey:** I welcome the opportunity to speak in support of Deputy McLoughlin's Bill, which will lead to a ban on fracking in Ireland. He has been to the fore in this debate and I want to congratulate him on drawing up the Bill and securing the support of the Government to ensure its successful passage through the Houses of the Oireachtas.

The Minister for Communications, Climate Action and Environment, Deputy Denis Naughten, said recently that climate change is the defining challenge of our time and it is during our time that the obligation exists for us as a nation to take action. Fracking is a highly carbon-intensive industry and obligations to reduce our carbon emissions have been placed upon us by national, EU and global agreements. We must remember that Deputy McLoughlin's Bill is introduced in the context of the Paris Agreement 2016, which commits us to keeping global warming to below 2° Celsius. In order to do the latter, it is estimated that 60% to 80 % of known reserves of fossil fuels must remain in the ground. Fracking and the extraction of fossil fuels from Ireland have no place in a low-carbon energy future and it would be irresponsible if we were to try to open this industry now.

This Bill does not seek to simply ban the process of fracking, rather it seeks to ban the act of taking oil and gas out of the ground where usually fracking would take place. This is because of the ever-changing and ever-advancing nature of the technologies used in the fracking industry and the recognition that legislation relating to specific technologies would likely be out of date in very short time.

In recent weeks, I have received a large number of representations from constituents right across County Clare. Significant local and global impacts are associated with the fracking industry. Fracking threatens public health, the environment, tourism and farming and contributes to climate change. County Clare depends very much on the agriculture and tourism industries. If fracking is not banned, there would be a detrimental impact on these industries in County Clare and other counties such that in which Deputy McLoughlin lives, Sligo, and also Roscommon and Leitrim.

Fracking is damaging to people, communities, the land and groundwater. There has been a surge in the exploitation of shale gas by fracking. This is due, in part, to the fact that fracking, in combination with advanced directional drilling techniques, has made it economically possible to extract oil and gas from unconventional sources, such as shale, tight formations and coal beds. However, this method poses risks. According to a report published by David Healy in 2012, concerns raised in the media and, to a much lesser extent, in scientific literature relate to potential environmental impacts resulting from fracking. These include earthquakes - for example, there was a mini earthquake in the UK near Blackpool as a direct result of fracking - the pollution of groundwater and, subsequently, the potential pollution of drinking water; emissions of greenhouse gases, including methane, and leakage of contaminated drilling waste fluid

from storage ponds. The Sustainable Water Network, SWAN, is an umbrella network of 26 of Ireland's leading environmental NGOs. On 25 October it published a report which found that fracking for shale gas is incompatible with good water quality and recommended its prohibition in Ireland.

I compliment Deputy McLoughlin on introducing the Bill. I congratulate him on securing the support of Government and look forward to cross-party support for the Bill as it passes through the Houses of the Oireachtas.

**Deputy Maureen O'Sullivan:** I wish to share time with Deputy Catherine Connolly.

**An Ceann Comhairle:** Is that agreed? Agreed.

**Deputy Maureen O'Sullivan:** There is absolutely no doubt that this is a controversial issue because one side sees it as environmentally unsustainable, with very negative effects, and the other will tell us about the money that can be made. I understand that €120 billion was quoted as being the potential value of fracking in the north west. It is great that we are having this debate and that reports and surveys are being carried out. The area represented by Deputy McLoughlin is being targeted as one of great potential.

It was interesting to read about the UK because successive Governments there voted in favour of fracking and then suspended it five years ago when drilling near Blackpool caused earthquakes. Even though the moratorium was lifted four years ago, many fracking applications have been turned down. A recent survey shows that there has been a significant drop in public support for fracking. Only 70% of those surveyed support the process. It is reckoned that the drop in support coincides with the increasing awareness of the process, the dangers involved and the damage that could potentially be caused. However, the UK Government is pushing ahead and claims it will boost jobs, the economy and energy security. The relevant Minister has overturned a decision of a county council so that a fracking site in Lancashire can go ahead. I hope this will not be the case in Ireland.

We know what the Bill involves. It will prohibit hydraulic fracturing to obtain shale oil and gas. We know it is a method that relies on high-pressure water to fracture rocks which contain deposits of ore. Despite a number of countries having banned fracking, elsewhere there has been an increase because, as the research tells us, it is claimed that advanced directional drilling techniques make it possible to extract oil economically. We know the risks and concerns. I do not think we can separate the fracking debate from that on climate change because there is no doubt that fracking damages the natural environment. Many studies and research have shown the impact on water bodies. Leaks from the machinery used also lead to water being contaminated. There is enough contaminated and polluted water in the country without adding to it.

Fracking has other potential environmental impacts. These include earthquakes, the leakage of contaminated waste fluid and air and noise pollution, not to mention, as Deputy McLoughlin said, health. SWAN, which comprises 26 of Ireland's leading environmental NGOs, reports that fracking for shale gas is incompatible with good water quality and recommended its prohibition.

The supporters of fracking tend to be big businesses with powerful lobbies. Of course, they are advocating the economic benefits. I have read about some cases in America. There are significant levels of protest but extraction companies are targeting small rural townships. Some of the techniques that they are using are very alarming. They include coercion, economic in-

centives, pre-buying houses and land through shell companies, sponsoring local businesses and contributing to schools and infrastructure, all of which activities raise serious concerns.

When we debated the ratification of the UN Paris Agreement on Climate Change, much of the debate involved fossil fuels. We know fossil fuels and emissions are the main cause of global warming. I referred to CO<sub>2</sub> emissions in metric tonnes *per capita*. The figure for Uganda is 0.1, but in Ireland it is 10.5. Fossil fuels account for two-thirds of the emissions that are causing climate change. We know that the Bill is very important in the context of that debate.

Using hydrocarbons will make it more difficult to reduce emissions in the energy sector and will lead to an increase in Ireland's greenhouse gas emissions. We know 80% of existing fossil fuel reserves must remain underground if the Paris Agreement goals are to be met. Based on the greenhouse gas emissions projections released by the EPA last March, we are unlikely to meet our 2020 greenhouse gas emission targets for the non-emissions trading scheme sectors like agriculture, transport and waste. Fracking will further exacerbate that and undermine our ratification of the agreement.

We know that the White Paper states the decision will be made in the context of the aim of reaching zero carbon emissions by 2050. My final point relates to fracking, CETA and TTIP, the investor state dispute settlement. The ISDS lets foreign companies sue entire countries for alleged loss of future profits. A \$250 million damage suit is being pursued as a result of Québec's moratorium on fracking. Québec has yet to decide whether fracking can be conducted safely under the St. Lawrence River but it cannot even have time to study the impact of fracking without having to compensate a corporation. We have to be very careful with trade agreements and our engagement with companies. The bottom line is that we should have nothing to do with fracking because the negatives far outweigh any possible positives.

**Deputy Catherine Connolly:** I never thought that I would reach the stage where my inspiration and renewed faith in the political process would come from a Fine Gael Deputy. I have to place on the record that it does. I hope to be continuously surprised. I thank Deputy McLoughlin for giving me that hope.

I listened to and participated in the earlier debate on climate change and will not repeat what I said then. Notwithstanding the sweet words from the Minister, Deputy Naughten, I was worried that Ireland was not going to comply with our obligations under climate change legislation. Deputy McLoughlin has given me new hope. I do not know how he has succeeded in getting his colleagues on board so that the Bill should move on to the next stage, but well done to him. If we are serious in complying then without a doubt they are inextricably linked. Deputy McLoughlin's Bill, which seeks to ban fracking, and our obligations and objectives which must be met under climate change legislation are inextricably linked together. I believe he accepts this. We are not meeting our objectives. Earlier today I pointed out that the Environmental Protection Agency, EPA, has stated Ireland is not meeting its objectives, that we are going to face fines as a result and that the cost of dealing with the failure - and in cleaning up - is even more significant. If we are to meet our objectives it is quite clear that 80% of fossil fuels must remain under the ground so it makes no sense to go looking for more fossil fuels. In that context, I cannot understand how licences were given in the first place. I understand that three licences have been given. When the Minister comes back to the House to respond I would like to know the status of that. It is extraordinary how the licences could have been given in the absence of legislation, the absence of regulation and the overwhelming scientific evidence that this practice is extremely dangerous for the environment, for groundwater and for our health. I will keep my

contribution short and simply thank the Deputy. I hope the Bill passes through with the speed it needs. I hope we come back here every six months - not for more general debate and not for more Sarah Palin-type of debate - regarding the progress we must make in complying with our objectives under the climate change legislation.

**Deputy Richard Boyd Barrett:** I commend Deputy McLoughlin on bringing this Bill forward. It cannot come a moment too soon. We need to make a definitive decision to ban hydraulic fracking, any prospect thereof and any other form of unconventional gas and oil extraction. I am pleased Members are now debating this Bill. It appears the Bill will pass through this Second Stage and will move on to Committee Stage. Deputy Catherine Connolly and another Deputy alluded to the fact that this seems to be quite a considerable achievement, given there were efforts to bring forward an amendment to delay the Bill for what would have been one year or 18 months. That it sought to delay the decision which this Bill aims to achieve, to ban fracking, is a worrying indication of the Government's reflex when it comes to this matter. It has been a strongly-felt concern of mine and others for quite some time. It moved me, it prompted Deputy McLoughlin, and importantly the people on the ground - in the Deputy's case the people in his constituency - who are concerned about the impact there. It also concerned the environmental movement in the State. I am pretty certain the people who helped me to draft the Bill I brought forward last December were the same people who drafted Deputy McLoughlin's Bill. The wording is pretty much the same with the exception that he has, rightly, updated the Bill to refer not just to fracking specifically but to any other form of unconventional efforts to extract shale, gas or oil from the different geological layers. That is an important update which I believe may have been prompted by events in Antrim. A company operating there, InfraStrata, was discovered to be engaged in pursuing shale gas in the region but claimed it was not fracking. I and others raised this issue in the House a while ago. What InfraStrata was doing represents the same threat as fracking does to the quality and safety of our water supplies. It is a good move to update our legislative effort to prohibit anything that could damage our environment or our water. Our concerns increased strongly with the whole question and nature of the EPA report. A few of us raised this at the environment committee in December of last year. It was highlighted to me by some environmental groups that two of the consultants who were drawing up many parts of the report on the health and environmental impact for the EPA were, incredibly, CDM Smith and AMEC, both of which were either existing or previous members of the Marcellus Shale Coalition and were major consultants to the fracking companies. In my opinion and that of many others, there was direct conflict of interest. These people, with a history of being pro-fracking and who were up to their necks in promoting the interests of the gas and oil companies, were, incredibly, doing the assessment for the EPA on the water requirements for fracking, the effects in terms of faults and fractures, the possible effects of earthquakes, the air monitoring, the effects on ground and surface water, regulations and best practice for fracking projects, environmental impacts and so forth. It was absolutely preposterous. That level of conflict of interest renders the EPA report completely worthless and completely corrupted. It could not do anything other than raise serious hackles of suspicion as to what was the actual purpose of the report.

At the environment committee, again prompted by some of the environmental activists, I asked the EPA if we would know at the end of the report whether fracking represented a danger to health. Incredibly, the EPA said no. At which point I asked what the point of the report was if at the end of it we will not even know if fracking affects our health. This came at just the same time when the New York State Department of Health had concluded - on the sound basis of the precautionary principle and the evidence available to it - that fracking was not safe for

the people of New York. The evidence suggested that fracking could have a serious impact on the health of New Yorkers. It decided that the minimum requirement was that the precautionary principle had to apply and that no fracking should be allowed if there was any possibility that it could represent a danger to human health. Incredibly, when the New York State Department of Health can make a decision like that, our EPA is preparing a report that will not even tell us, at the end of a long and protracted process, if it might affect our health. What was the point? One suspects the point was the agency was not looking to see if fracking should be banned. It was looking to construct a report, with the assistance of two companies up to their necks in oil and gas, to show how we can make way for fracking and how it can be done in a safe way, rather than assessing whether it is safe from an environmental point of view of water safety and quality. It is certainly my suspicion that this was the case. It is fantastic that we have got this far. It is a tribute to the campaigners from Deputy McLoughlin's area and from the Border areas North and South and to environmental campaigners around here. On the day we ratify the Paris Agreement on climate change, the idea that we would do anything other than ban the further extraction of gas and oil, with all of the attendant dangers, is bonkers. There would be no justification for it. It would fly completely in the face of any commitment to deal with climate change. If we were to do anything other than bring forward this Bill to impose the ban through the Houses as fast as we possibly can, the commitment would be exposed as a total sham. Let that be the end of it. We must protect the precious environment of the people in those areas, as well as, more generally, water and so on.

Like Deputy Tony McLoughlin and with the assistance of the same people, I was working on another Bill to update the law in this area. The additional element to my draft Bill which I could table as an amendment to this Bill on Committee Stage is that we would do the same to ban fracking offshore. If onshore fracking and unconventional exploration for gas and oil pose potential unknown health hazards, as well as seriously damaging environmental hazards, it has to be true offshore also. The same ban should be imposed on fracking and unconventional exploration offshore. I will argue this point on Committee Stage of this Bill or in proposing a separate Bill to include it in the law.

The Oireachtas has jurisdiction over only 26 of the counties on the island. The ban also needs to be imposed north of the Border. If fracking can go ahead north of the Border, it will adversely affect not just those in the North but also those in Deputy Tony McLoughlin's county, as well as others. On the next Stage we should include a provision in the Bill to the effect that it will be the policy of the Government and the State in negotiations or discussions with our Northern counterparts or Britain that there should be a prohibition on fracking and unconventional extraction north and south of the Border and that Ministers and the Taoiseach or anyone else will have to raise and campaign for it when negotiating with our Northern counterparts.

**An Ceann Comhairle:** Is Deputy Marc MacSharry sharing time with Deputy Aindrias Moynihan?

**Deputy Marc MacSharry:** Yes. I will be sharing no less than three minutes with him. If I get that far, the Ceann Comhairle might, as the man says, cut me off.

I welcome the opportunity to speak to the Bill and commend Deputy Tony McLoughlin from Sligo, without whose work it would not have got this far. It is important that the praise from all round the House for him is given. Often we are pitched on opposite sides of debates and issues that cause division, but that is not so in this case for those throughout the north west. Some of the campaigners are in the Visitors Gallery and I welcome them. It is a victory for the

campaigners that we see the Bill which was proposed by Deputy Tony McLoughlin before us. It is with great pride that we on this side of the House support it. I also pay tribute to former Deputy Michael Colreavy of County Leitrim. He scarcely spoke in the House or to the media without mentioning fracking. I know that his successor, Deputy Martin Kenny, will be no different in his time in the House. It is important that this be acknowledged as Mr. Colreavy certainly played his role in getting us to this point.

Many of the points have been made about the science behind this issue by Deputy Tony McLoughlin, in particular, in his extensive address. Other points were made by Deputy Eamon Scanlon and others. I have some concerns. First, I am pleased that the Government withdrew its amendment. We would have voted against it and it is important that it was withdrawn. Notwithstanding the fact that it was withdrawn, I am mildly concerned about some of the language used by the two Ministers. Deputy Tony McLoughlin is not providing us with a forum for debate or a forum to talk. He has proposed legislation for which we intend to vote. The Bill is unequivocal and unambiguous: in seeking to ban fracking. That is what we want to achieve.

While the Minister for Communications, Climate Action and Environment, Deputy Denis Naughten, has left the House for now, perhaps on his return, either he or the Minister of State, Deputy Seán Kyne, if replying on his behalf, might clarify why he mentioned pre-legislative scrutiny. My understanding is that when we vote on the Bill next Thursday, we will be voting to send it directly to a select committee. It will proceed to Committee Stage, to be followed by Report and Final Stages in the House, and it will be the law of the land.

Like Deputy Eamon Scanlon, I, too, have huge concerns about the EPA investigation into these matters. That it is using CDM Smith to advise or inform its deliberations is a little like getting the fox to advise on the security of the henhouse. It does not inspire much confidence. In advance of publication of its report, I have serious doubts about its credibility. One wonders how many reports from all over the world we need to read on this issue. We do not know enough about fracking. In 300 years time there might be a safe extracting method, but for now there is far too much doubt. There is far too much evidence that clearly shows us that there are health and environmental concerns. This is of concern in the north west of the country, in particular, where farming, tourism and people's lifestyles are very much under threat.

We will not be able to return in 100 years time and say we are sorry, that we got it a little wrong and will go back and reverse the effects of climate change. We will not be able to say sorry about the earthquakes in the north west or that we will clean the water table. We will not be able to do that because it will be too late. To those who say here is a bunch of loonies from the north west who do not want to see development, we do. The potential of our tourism and agritourism resources can be realised. Renewable energy sources off the coast are another example. I would love to see the focus of speculators on them rather than on something that is fundamentally unsafe. Countries throughout the world have already banned it, while others are thinking of doing so. The obligation is on us to ensure we ban it.

The foundation of the Bill is that the community in that part of the country does not want fracking to take place and they are entitled to be consulted. In the past seven to ten years, since it was first mooted, we have heard time and again from the community in the area. It has stated it does not want to see it happen, that it is afraid of it and that its fears are absolutely justified, based on research available throughout the world.

**An Ceann Comhairle:** Is the Deputy giving five minutes to Deputy Aindrias Moynihan?

**Deputy Marc MacSharry:** I proposed giving him three minutes. I am nearly finished.

A forum for debate is not what Deputy Tony McLoughlin is providing. He has proposed legislation. Deputy Eamon Scanlon has said it also, but from the Ministers' contributions, it appears that the Government's position is to wait and see what the EPA has to state and that perhaps there is a way. I do not care what the EPA concludes. It is using a company that is a strong advocate of fracking in other parts of the world. I used the analogy of the fox and the henhouse. It is an appropriate one to use. I hope that following the vote next Thursday we will move quickly to refer the Bill to the select committee and that if there are improvements that can be made such as those suggested by Deputy Richard Boyd Barrett, we will deal with them on Committee Stage. I will not, however, celebrate or commend the Government, notwithstanding my absolute commendation for Deputy Tony McLoughlin on the leadership he has shown on this issue, until such time as the Bill is passed. That is what the people want and deserve and it is the only logical, reasonable and prudent approach a nation such as this can take when we are shown so much research from all over the world that indicates that we really do not know the outcome when it comes to these processes. When in doubt, leave it out. I commend the Bill and Deputy Tony McLoughlin for introducing it.

**An Ceann Comhairle:** We will stop the clock for one second. To clarify, on the question of referral for pre-legislative scrutiny, Standing Order 141 addresses the particular matter. It states:

(1) Should a private member's Bill pass its second reading, it shall be referred to the relevant Select Committee appointed pursuant to Standing Order 84A.

(2) Select committees to which private members' Bills are referred shall undertake detailed scrutiny of the provisions of such Bills, having regard to guidelines agreed by the Working Group of Committee Chairmen, and shall report thereon to the Dáil prior to Committee Stage consideration: Provided that the Committee may decide in relation to a particular Bill that detailed scrutiny is not necessary.

**Deputy Aindrias Moynihan:** As my colleagues indicated, the Fianna Fáil Party supports this Private Members' Bill, the Prohibition of the Exploration and Extraction of Onshore Petroleum Bill 2016, which proposes to prohibit the practice of hydraulic fracturing or fracking. I thank Deputy McLoughlin for bringing the Bill before the Dáil.

Fracking is controversial for many reasons. The practice can be unsafe and not properly regulated. It is also a dirty process that produces a dirty energy. Numerous countries are moving away from fracking and we should learn from them. We should not be willing to subject our communities to any potential risk which could undermine the integrity of the water supply or the natural environment in which we live.

Various reports have been published which indicate that the pumping technique and the fate of the fluids used in the process of drilling 1.5 km into the ground pose potentially significant risks to the natural environment. The risks fracking poses to drinking water are simply not acceptable. Our high quality food industry is very important and the risk that serious damage could be done to our reputation as a quality food producing nation is not worth taking.

While I understand exploration has taken place, no commercial licences for fracking have been issued in Ireland and the Government is awaiting the outcome of an EPA study, expected later this year, before deciding on a definitive policy. As my colleagues outlined, Fianna Fáil

has concerns about the independence of the two-year study into fracking because of the involvement of the consultancy firm, CDM Smith, which has advised on exploration of gas extraction in the United States and Europe. The company is working in conjunction with a number of institutions, including University College Dublin, Queen's University Belfast and the British Geological Survey, to compile a series of reports into fracking to be published next year.

It is of particular concern that while the Bill would ban fracking in the Republic, the fracking process could be used across the Border and this could interfere with water courses here. This issue needs to be addressed.

Opposition to fracking has been standing policy of the Fianna Fáil Party, as outlined in our energy policy paper published in April 2015. I am keen to support communities in their demand to ban fracking activity in Ireland.

Mar fhocal scoir, táim buíoch as an deis labhairt ar an ábhar tábhachtach seo. Tá sé léirithe inár bpolasaí fuinnimh, a d'fhoilsíodh i mí Aibreáin 2015, go bhfuil Fianna Fáil go láidir in aghaidh an fracking agus beimid ag tacú leis an mBille seo, mar a luaigh mo chomhghleacaithe anseo. Is ábhar mór buartha é do phobal timpeall na tíre go mbeadh aon bhaol ann don timpeallacht nó dá sholathar uisce ón tslí go ndéantar an fracking seo. Ní chóir dúinn aon phobal a chur i mbaol. Braithim gur maith an rud é an cosc seo a bhrú ar aghaidh agus tacaíocht a thabhairt don Bhille.

**Deputy Timmy Dooley:** I welcome the opportunity to contribute to the debate on this important Bill and compliment Deputy Tony McLoughlin on showing the initiative to bring it before the House. It is well known that the Fianna Fáil Party has opposed hydraulic fracturing for many years. Our approach to the issue was set out in an energy policy paper published in April 2015. For many years, I and many party colleagues at local government level and in the national Parliament have publicly expressed the view that hydraulic fracturing of shale for the purpose of generating gas is not in the best interests of the country and should be subject to a total ban. We take this view for a number of reasons, principally in recognition of the fact that Ireland is a small island which does not have the vast tracts of unused land available to other countries where fracking is a popular method of extracting minerals.

We also have people living in dispersed communities who make a living from farming or tourism and depend on the groundwater resource to live and manage their businesses. It is also needed to allow society to operate in a cohesive manner. Having researched this issue and read a great deal about fracking, the practice has the potential to render vast tracts of land completely unusable and uninhabitable. The places being spoken of as locations for fracking, for example, parts of counties Leitrim and Clare, are very picturesque and beautiful and generate a great deal of tourism activity. It is not only the case, therefore, that these regions have farming enterprises and people living in them who depend on the groundwater resource.

Without much scientific research, it becomes clear that fracking as a methodology of extracting gas is not compatible with this country, including the way in which people live, where they live and the enjoyment generated from our communities. A ban on fracking seems to be the most obvious thing on earth.

I am disappointed by the approach the Government has taken to Deputy Tony McLoughlin's Bill. I was taken aback when I received notification from Deputy Eamon Scanlon and my party's research office that an amendment to the Bill was being proposed that would function, in a

classic sense, as a mechanism for filibuster. We speak of new politics and the need to recognise the role of backbench Deputies and their capacity to introduce legislation. We changed the way in which Private Members' business was done because heretofore when a Deputy introduced a Bill, the Government would indicate a willingness to accept it before allowing it to remain on Second Stage in perpetuity. This structure was changed to provide that Private Members' Bills had to be addressed within a certain period of time. Yesterday, the Government attempted to delay the reading of the Bill until sometime next year to allow a series of reports to be completed. We discussed what the Environmental Protection Agency is doing and previous speakers from my party raised serious questions about the credibility of the company that has been commissioned to carry out work in this area. It does not speak to an independent process that the company which will effectively decide whether we go down the hydraulic fracturing route and whether fracking is a good method already supports fracking elsewhere.

The Minister for Communications, Climate Action and Environment, Deputy Denis Naughten, recognised the impact fracking would have on County Roscommon and so forth. However, he also indicated we must take a scientific approach and await the report before deciding what we will do. I want the Bill to be passed and my party will assist Deputy McLoughlin in every way possible in that regard. If we want to improve the legislation or make it more appropriate to meet the needs of the entire community, let us do so. In line with commitments that all Deputies have given at local authority and national level, it is appropriate and right, however, that we bring this process to an end.

The issue is not only the damage hydraulic fracturing will do to the environment. Earlier, the House discussed a motion on signing up to the principles agreed at the COP21 summit in Paris. We know Ireland will not meet its commitments in respect of 2020 and we also know what we will have to do by 2030, 2050 and beyond. We must make a very clear statement that we want to phase out the use of carbon as a method of generating energy. For as long as there are cheaper methodologies for extracting oil and gas from the earth, the carbon industry will continue. We must decide to phase out oil, even if we continue to extract gas and oil from existing operations. We must stop searching for more oil and gas and focus instead on alternative energies because of the impact carbon emissions are having on the environment. We all recognise the impact that diesel is having on the lives of many people and the number of deaths attributable to the diesel fumes people inhale. At issue here is not only the impact of fracking on groundwater or the capacity of people to live in a particular area, but also the impact of continuing to seek new methods of sourcing a resource that has a detrimental impact in terms of warming the earth's atmosphere. This too needs to be taken into account and should be our guiding principle from now on. We have to look continuously at alternatives to the use of carbon for transport, heat and energy generation. We are working towards those targets. It would fly in the face of all of that if we were to say that if this is okay scientifically, and if someone could come up with another methodology of ensuring it would not damage the groundwater, it could all be done out of sight of everybody. If all of that can be resolved, we still should not be doing it because of the impact it has on the warming of the earth's atmosphere.

In conclusion, I compliment Deputy McLoughlin for his work in this area. We will be behind him, even if his own guys are not.

**Deputy Eugene Murphy:** I want to back up what has been said by most others, including Deputies Dooley, Scanlon, Moynihan, MacSharry. I am full of praise for Deputy McLoughlin, as I told him privately. This is a commendable Bill. However, on the basis the Government was preparing an amendment, we must be on standby and watch what is going on. When we

think about it, why put in an amendment? It was just to push it down the road and then tackle it again in 12 or 18 months time. Nevertheless, the amendment has been withdrawn, which I acknowledge.

When I was mayor of Roscommon County Council in 2011 and 2012, it took a decision to ban fracking in County Roscommon. One councillor brought forward a motion which was unanimously accepted. This will have a huge effect on the environment and the lives of people in north Roscommon and, of course, in Leitrim and Sligo. There is widespread opposition to fracking in many parts of the world, and countries like France have banned it.

If one looks at a map of Ireland, one will see it is dotted with lakes and rivers. It is an island country. We do not have vast tracts of land. In my estimation, fracking would have detrimental effects on this island. People laugh off the two earthquakes in Blackpool in 2011 which are now linked to fracking but it is a very serious issue. If Britain moves ahead and allows fracking all over that nation, it will live to regret it. We must think of the tourism infrastructure we have built up and are building up in places like Roscommon, Leitrim and Sligo, including Yeats country and the River Shannon. Lough Key Forest Park attracts 80,000 visitors to north Roscommon every year. That would all be decimated by allowing fracking to take place in our nation.

Most of all, it is about the health of our people through the possible contamination of water sources. We are spending much time on this and the EU is saying to us that we must get our water sources right. We must have clean, good water for people but fracking could have a detrimental effect on that.

I want to support the other speakers and Deputy McLoughlin in particular. We need to be constantly aware of what is going on in this arena. If we are not, we will live to regret it. Fracking is bad and we do not need it. We have to go after other sources of energy, and there are other sources of energy out there, but certainly not fracking.

**Deputy Brian Stanley:** I welcome the Bill. Sinn Féin has been resolute in opposition to fracking across Ireland, North and South. We have campaigned against it in both parts of the island, and even at EU level. It is a dangerous and destructive practice and it needs to be banned entirely on the island. We recognise the risks of fracking and the negative climate, environmental and health impacts involved. It is completely unacceptable.

Earlier this year, Deputy Martin Kenny and I introduced a Bill to ban fracking. This followed on from the work done by the former Deputy, Michael Colreavy of Sinn Féin, who worked tirelessly in the last Dáil to have this banned. We are happy to see Deputy McLoughlin is following our lead and we hope he can bring the rest of his party with him and, indeed, bring the whole Dáil with him and bring this to a successful conclusion.

Ireland needs to focus on environmentally friendly renewable energies and ban destructive exploration like this. We have consistently maintained that this method of extraction should be banned, given its poor record internationally, for which the evidence is there. Therefore, we will be supporting the Bill to ban it in this part of the island. However, it is crucial that we have an island-wide approach in dealing with the issue. The threat posed by fracking does not stop at the Border. I commend the work carried out by Sinn Féin representatives in the North, who have worked to try to halt any potential fracking projects in the Six Counties. We hope other parties up there that have a different view will change their mind.

Some of the proponents of fracking have made claims it will boost job creation and economic development. On the contrary, we believe the practice is one of the biggest threats to Ireland's most successful industries, namely, agriculture and food production, which employ hundreds of thousands of people. The high quality of produce from tillage and livestock will be put at serious risk from fracking were we to go down this road. Tourism also employs thousands of people. With visitors coming to Ireland for the scenery, the quality of the environment and the landscape is a huge selling point internationally. Millions of people flock to Ireland from around the world to experience that, to sample the clean countryside and to enjoy the natural environment, such as in the north-west, but also in counties such as my own county of Laois. This contributes billions to our economy. It would be crazy to jeopardise this industry for the short-term gains that might be had from fracking.

The proponents of fracking do not take into consideration the potential dangers that are associated with fracking, such as water contamination, the use of toxic chemicals in the process and what is done with the wastewater afterwards. We have read reports of what happened in other parts of the world. To take the United States, the use of fracking has been the cause of heavy contamination of drinking water with dangerous gases and chemicals, which is clearly of serious concern in terms of public health and safety. Scientific research at Duke University, published in the *Environmental Science and Technology* journal, revealed clear evidence of direct water contamination from the oil used in hydraulic fracking, describing the problem as widespread and persistent. The Associated Press reported last year that the data from leading oil and gas producing states in America showed that more than 175 million gallons of contaminated wastewater was spilled from 2009 to 2014 in incidents involving ruptured pipes, overflowing storage tanks and other mishaps, in some cases even the deliberate dumping of waste. There were some 21,000 individual spills and, given it is suspected these numbers are underestimated, the scale of the problem is enormous.

The contaminated wastewater kills nearly all vegetation it touches and renders crops and farmland unusable. Given our sensitivity to flooding in the last few years and the increasing magnitude of the floods due to climate change, it would be ludicrous to expose aquifers and water tables to such dangerous contamination that could even cause further damage. Can we even imagine the damage that would be caused, not just to vegetation and livestock, but also to water supplies and towns and villages throughout the countryside? Any short-term profits from gas extraction would be dwarfed by the environmental clean-up costs and cost of dealing with the contamination of water.

To continue to advocate for such a destructive practice is Donald Trump economics or Tea Party economic development. Our party wants to grow the number of sustainable, long-term jobs, and I know Deputy McLoughlin is very concerned about that. The jobs in tourism and agriculture have been and will be there. We want to hold and increase the number of such jobs, and diversify out into other areas of sustainable development. We cannot allow short-term thinking and short-term gain to interrupt that. We have an opportunity to put this issue to bed once and for all. I welcome the fact that the Government has withdrawn its amendment. It is good that it has happened. It is partly attributable to people's conscience and also the fact that there are many campaigners, some of whom are in the Visitors Gallery, who have campaigned against fracking, raised the issue and educated the public thereon. It is timely this evening, given the ratification of the Paris Agreement, to give a positive indication that we are beginning to move away from fossil fuels by banning the fracking process entirely. It is imperative that we reduce our dependence on fossil fuel.

As I stated, the evidence is well documented. We do not want to be kicking the can down the road. The Government has done a lot of that. We do not want to see it happen on this occasion so it is timely that we start taking the courageous steps and stand up for the interests of the public, environment and generations to come. We have the opportunity and need to do so immediately. The Bill has to go to the committee for scrutiny, as outlined by the Ceann Comhairle. For my part as Sinn Féin spokesperson on this matter and as a member of the committee, I will certainly be working with the other committee members to accelerate the process as quickly as possible. I urge the Government not to use this as a delaying process. We need to move on with this. There is no reason to delay and every reason to put down a marker and move ahead with all speed to protect our environment, sustainable jobs and our water sources.

**Deputy Martin Kenny:** In 2011 we all got to know about this issue. In the dying days of the last Government, there were options for licences granted to two companies, one being Lough Allen Natural Gas Company and other being Tamboran Resources. Those of us on Leitrim County Council at the time became very aware of the whole issue of hydraulic fracturing. A film entitled “Gasland” was circulated and many, certainly public representatives, were invited to view it and see what was going on in many other parts of the world where this practice is taking place. It was horrifying. We saw footage of fracking in vast desert areas, including many places in the centre of the United States. Compare these regions to where we live, namely, the drumlins of rural County Leitrim, Sligo and the mountainous areas of Fermanagh and such places. There is a total difference. To imagine this kind of process could be employed in our communities is absolutely frightening. I commend in particular all the people who stood up and fought for this legislation. Leitrim County Council dealt with motions to ban hydraulic fracturing. While we got them passed, they were not passed unanimously. There were those who were convinced by lobbyists that it was a matter of progress and jobs. It is absolutely tremendous that we are here today in the national Parliament expecting unanimous support for a ban on hydraulic fracturing. Credit for this is due to the ordinary people on the ground who did so much trojan work to make this happen and bring this day about. Some are in the Visitors Gallery this evening.

I congratulate Deputy McLoughlin on the Bill. As Deputy Stanley stated, we introduced similar legislation earlier in the year. Whichever Bill came up first was going to be supported by everyone in the House. That is the way we need to move forward on this issue. It is an issue that is about the ordinary people standing up to the corporations and big business and saying people’s lives and the environment matter and that ordinary people deserve a future, a future that cannot be bought in pounds, pence, billions of euro or promises of some big future nobody will ever see. We have all seen that the hydraulic fracturing business and the big corporations around the world do not employ ordinary people from the local communities. They bring in teams of experts from abroad, many of whom move around the world as cheap labour to be employed on the fracturing pads. When they dry out a place, they move off to somewhere else, leaving behind an economic and environmental mess. We do not want that; we want to ensure that it does not happen.

I am glad the Government has withdrawn its amendment. There are many aspects of the amendment that were very dangerous. Reference was made to the report for the EPA carried out by CDM Smith. CDM Smith is a company that is backing the gas industry. On the cross-Border element, Queen’s University Belfast and UCD have both withdrawn because they recognised the report was going nowhere and that it was totally inappropriate.

We need to say very clearly that when this legislation gets to Committee Stage, it will be

developed and expanded to ensure it is as strong as possible to guarantee the future of all our people and that we will not leave the door open such that another Government or set of circumstances will ordain a similar or other form of exploration may be permitted in order to take the gas out of the ground. Regardless of whether it is there and whether it is accessible or safe, if we are concerned about our future, ending climate change and taking ourselves in a different direction, we must consider a new way of doing things. We must put all our energy and efforts into renewable energy and renewable sources of developing future economies. That will not happen if we continuously depend on fossil fuels. I refer not only to onshore fuels but also offshore fuels, as stated earlier.

Great credit is due to Deputy McLoughlin and all those who have brought this Bill forward. As I stated, I was a little worried about some of the content of the Government's amendment, particularly the line on adverse effects on the utilisation of the State's natural resources under the State's energy policy. The latter should not be about fossil fuels. We need to set this marker. Our doing so begins tonight. I commend in particular the many people who have done so much trojan work in recent years since we first saw "Gasland". They made this day happen. I give due credit to Deputy McLoughlin.

**Deputy Michael Fitzmaurice:** I commend Deputy McLoughlin on bringing this Bill forward. Today is one on which ordinary people and politics are at one for the simple reason that, over recent days, politicians on all sides of the House, other than those who wanted to drive forward with amendments, stood up and were counted. They stood with Deputy McLoughlin to ensure his Bill would be passed unanimously in the House. Anybody who has seen what has gone on in America will note the destruction resulting from hydraulic fracturing.

Let me refer to Sligo, Leitrim and Roscommon, the lakelands district. The River Shannon takes 20% of the water of the landmass of Ireland. There may be so much money available from fracking but one should consider the devastation of tourism, farming and of people living in the areas affected. It could not even be contemplated. Why are we even carrying out an EPA study at present? Why are we putting money into this if today we are to finish off hydraulic fracturing once and for all?

I welcome what Deputy Martin Kenny said. I urge that a Bill such as this be brought forward in the North, where there is power-sharing, to ensure we bury hydraulic fracturing for good throughout the Thirty-two Counties. If what Deputy McLoughlin has done today were done in the North by Sinn Féin's counterparts in power there, it would be very helpful.

People talk about how many would be employed. Generally, outside vultures come in to do all the work and the locals never get the jobs where the hydraulic fracturing takes place.

I commend Deputy McLoughlin. This is a good day for politics in the House in that everyone is united in sending this Bill forward. We need to ensure there is no hiccup from now on and that there will be no effort to push in something else later. This Bill must be driven on to ensure, once and for all, that everybody will know where he or she stands. Over the weekend, every Deputy got plenty of e-mails on hydraulic fracturing. Those who mounted the campaign in all parts of the country need to be commended. This is a day on which ordinary people stood up and were counted.

**Deputy Mick Wallace:** I too welcome the Bill. We all accept at this stage that the dangers of fracking are beyond dispute. It is a barbaric method of fossil fuel extraction. The impact on

the surrounding environment, water table and wildlife is devastating. On top of all this, gas is probably not the clean fuel the Government and energy corporations are spinning it as. Fracking gas is even worse, with a lifecycle emission imprint as bad as that of coal.

No matter the outcome of the Bill, there are external factors at play that may undermine its intent.

*7 o'clock*

The Government, unfortunately, is wholeheartedly in favour of an imminent provisional application of the Comprehensive Economic and Trade Agreement, CETA, which could lead to huge cost to the State if we introduce legislation to ban fracking to protect our country's people, water and environment and tackle climate change.

It would not be unnatural to be sceptical about the Government's intentions, but even if we leave the glaring issue of its enthusiasm for CETA aside, it is no harm to consider its position on climate change. An obvious start would be the abomination of the sweetheart deal awarded to Shell for the Corrib gas project and the Government's ongoing annual issuing of licences to extraction corporations in the Atlantic margin oil and gas exploration licensing round. The Intergovernmental Panel on Climate Change, IPCC, has been very clear that we must stop drilling if the world is to have even a mild chance of avoiding climate disaster. The Government's lack of concern in this area is pretty worrying.

The Ireland Strategic Investment Fund, ISIF, has quoted debt instruments with 55 different corporations that extract, transport or burn fossil fuels, amounting to a market value of €123 million, and quoted equities with 241 corporations that export, transport or burn fossil fuels, amounting to a market value of €205 million. There are also significant investments in the world's largest tobacco corporations, namely, Philip Morris, Reynolds American and British American, mining corporations, aviation corporations, weapons companies and mercenary armies such as Halliburton, the destruction of palm oil plantations and chemical corporations such as Monsanto. The list is endless. Let us get serious and consistent.

Sadly, the Government also forces the people to subsidise dirty energy through the public service obligation, PSO, levy but refuses, according to some unknown logic, to subsidise commercial or domestic solar energy production, offshore wind farms or domestic wind turbines.

Then there was the publication of the Government's strategic blueprint for investment in transport. The Government clearly sees no place for rail transport in its future transport plans. It goes as far as to argue that "[u]nlike car ownership and use, public transport usage is generally adversely impacted by rising incomes". This is an absurd position backed by zero evidence. Now we hear of plans to do away with the Dublin to Rosslare rail service, which would leave Wexford with 10 km of operational railway line. Does the Department of Transport, Tourism and Sport have any idea what it is doing? Does the Minister for Transport, Tourism and Sport agree with his predecessor's assessment that Wexford people are so affluent that they no longer need trains? Does he really think that the incomes of Wexford people have risen so much during all these years of austerity budgets that they have all gone and bought cars all of a sudden? If we are to care about climate change, address it and honour our responsibilities, will we even start following the recommendations of the European Commission? Will we stop investing in people who are destroying the planet? Will we take this seriously or will we play games with it? That is what we want to know.

**Deputy Clare Daly:** We must be very clear. That so many of us are here on a Thursday evening that we cannot even get full slots in which to speak and that everybody from every party is speaking out is a testament particularly of the people power in the regions affected, but also environmentalists throughout the country who have made fracking so politically unpopular that nobody in the House can say he or she would give any credence to the practice. That represents a shift because for years we have been raising questions on this issue and have been told the Government is worried and that we should let it do the research. We have before us tonight a Bill that says “No”, we want to ban fracking and we do not need to do research. The research already initiated, as other Deputies have said, is highly discredited, its terms of reference were inadequate and all the peer reviewed studies conducted subsequent to the establishment of those terms of reference firmly show this practice to be one that right-thinking citizens do not want.

The Government withdrew the amendments it had planned to table, but what the Minister said was very like what was in the amendments. If we are serious about banning fracking, there is no need for these studies to go on and there is no need to wait. We must see it through. The key point of tonight for the environment and for future generations is that the House is united, games are not being played here, this is an historic day and we want to take fracking off the island. However, we should not be in any way complacent because international trade agreements such as CETA and so on, given that licences have been issued, potentially put this State in a precarious position. I very much welcome the Bill and I am delighted that it is moving forward. It is a good day, but I issue my last words as a warning. I would not put away the placards quite yet if I were the communities.

**Deputy Eamon Ryan:** This is an historic day. It is an historic day for the environmental movement because it is a real victory. I thank Deputy Tony McLoughlin for helping to make it happen and everyone else here who spoke in support of what will be a very radical, important change that will affect our country now and into the future. It is a victory for the local people in Leitrim in particular. I do not want to draw anyone out but I refer to the likes of Johnny Gogan from Clare and Cinema North West. The film “Gasland” was mentioned earlier. It is about such people just getting up and doing things, talking to neighbours, working out what is possible and having the cop-on to realise that the way to win this is to go positive and to recognise that if we love Leitrim, we do not want to tear it apart with the plan of fracking.

Yesterday, a very good and very interesting presentation was given by the organisation, Sustainable Water Action Network, SWAN, which set out the evidence. It set out the real, significant problems, pollution problems that come with fracking for gas, the clear understanding that leaks occur, the difficulty of the geological systems, the casing not always working and the fact there is a percentage of leaks and polluted water which cannot be dealt with. It also set out that even our own European legislation and other environmental directives are not sufficiently in place to protect us against the pollution that would and could occur. For all these reasons and for those we mentioned here, the study that has been carried out does not have credibility and would not be accepted. It may be published in the coming weeks, but I do not think it will influence one way or other the legislative process we are starting today.

The Ceann Comhairle was right to set out the process which we will now have to take in committee. I am a member of the Committee on Communications, Climate Action and Environment and I look forward to working with all Deputies to see if we can add legal certainty and get the legislation absolutely right. However, fundamentally the purpose of a Second Stage debate is to set out the overall intent, and the overall intent of this House could not be clearer. We want to ban fracking and we will do so. It is an historic moment for the environmental

movement because it is one of the first big wins on the issue of climate. We know that if what we said earlier about signing the Paris climate treaty, which we must do, is true, it calls on us to keep four fifths at least of fossil fuels in the ground, starting with shale gas. The Bill we are agreeing is a small but important part of that.

It is of international significance. My Green Party colleagues in the UK are trying to get a similar Bill introduced in the Houses of Parliament and will look to this Bill and cite it. The Keep It in the Ground community in North Dakota will look to the messages from Eagle's Rock in Leitrim going out to Standing Rock in North America, and they will take hope from this decision. When it comes to the committee hearing, we have plenty of examples and evidence from other areas which have introduced similar bans in New York, California, Germany and Spain. We are not short of analysis nor of reasons for which to make this fundamental decision. We will not frack for gas. We will not even start to do so.

Other organisations such as the Good Energies Alliance in Leitrim realise that there is another side to this coin. Not only are we ridding ourselves of the potential pollution that comes from fracking, it also poses the question of how we will create jobs, employment and wealth in the likes of Leitrim. We must do that. Today should be an historic day when we start on that direction, using the natural resources, which are rich in Leitrim, in farming and forestry and in capturing wind, solar, biomass, hydro and other power supplies. That is the real implication of this vote. As well as our not polluting, we must start turning to the better alternatives that exist. I have confidence that the same people who led the campaign to get this Bill through will take a really positive role in stepping forward in loving a prosperous, clean and secure Leitrim and Clare and every other place that has been threatened by this fracking potential.

**Minister of State at the Department of Communications, Climate Action and Environment (Deputy Seán Kyne):** I thank all the Deputies for their contributions. Listening to some Deputies one might believe that anyone who has ever stood up in this House advocated or spoke for fracking, which I do not believe is the case - certainly not in my time here.

Deputy McLoughlin produced the Bill and similar Bills were previously produced by a number of other Members of parties and Independents, including Deputies Martin Kenny, Stanley and Boyd Barrett, and the former Deputy, Michael Colreavy. Everyone, with the possible exception of Fianna Fáil, has produced a Bill. Despite having got support last week from Deputy Dooley on behalf of Fianna Fáil for an amendment, we have decided not to proceed with the amendment mainly because of the advice of Deputy McLoughlin who had concerns. I commend him on introducing the Bill.

I will touch on a few issues - I could not possibly go through all the contributions. Deputy Connolly asked about licensing. Three licensing options were awarded in 2011 for a limited work programme reviewing existing data and rock sampling but no drilling. In 2013 due to public concerns, the then Minister of State, Deputy O'Dowd, and the then Minister, Pat Rabbitte, placed a moratorium on licensing. Two licensing option holders sought an exploration licence and the Department advised that it could not consider their applications pending the completion of the EPA study and a decision taken by Government as to whether fracking could proceed. There has been no change since then.

There were a number of queries regarding the appointment of CDM Smith. This consulting company was appointed following an open procurement process. CDM Smith is the lead consultant of a consortium comprising technical and academic expertise. The whole EPA study

is overseen by a steering committee comprising members of the EPA, An Bord Pleanála, the Commission for Energy Regulation, the Northern Ireland Environment Agency, the Health and Safety Authority and my Department.

Deputy Eamon Ryan is right that the synthesis report will be published in a number of weeks. If the EPA-led synthesis report recommends that we should not proceed with fracking or that there are considerable risks, will Members opposite similarly repudiate it, as they have done in advance of it being published?

Deputy McLoughlin's Bill has afforded the House an opportunity to debate in a healthy and robust manner the genuine public concerns with regard to the potential use of fracking technology in Ireland. As both the Minister, Deputy Naughten, and I have already said, it has always been the view of Government that our understanding surrounding the use of fracking technologies can be enhanced by scientific examination and peer review.

The EPA-led joint research programme into the environmental impacts of unconventional gas exploration and extraction is seeking to do precisely this and it is my intention to publish this report as soon as it is available. It is important to reiterate that throughout this process, no application to engage in unconventional gas exploration has been received by my Department, nor would any such application, if submitted, be considered until the research process has concluded and there has been time to consider its findings.

I appreciate that there has been some concern with regard to the timeframe involved in finalising the research programme and that Deputies would prefer that it had reported earlier. I also would prefer if it had reported earlier. However it is important to ensure that decisions made with regard to the potential use of this technology are fully informed by best scientific research and that the most appropriate solutions to the issues of concern are formulated and implemented.

As the Minister, Deputy Naughten, has outlined, Deputy McLoughlin's Bill, as currently drafted, proposes to prohibit exploration and extraction of petroleum from three different geological strata, shale rock, tight sands and coal seams. Without going into the complexities of geology or legal definitions, if the current wording of the Bill were to become law, the spirit and intention of the Deputy's objective may not in fact be definitively reflected in law. I do not think he or anyone here would like to see that.

As such it is also my strong view that the work of the Select Committee on Communications, Climate Action and Natural Resources would be considerably aided and advanced by being able to consider the outcome of the shortly to be published integrated synthesis report on the environmental impacts of UGEE. Obviously, the decisions will be for this cross-party committee on which the Government does not have a majority. This approach would allow for an appropriate level of scrutiny and consultation to provide the fullest possible basis and understanding for clear and effective legislative proposals.

As both the Minister, Deputy Naughten, and I have already outlined, the primary aim as legislators is to ensure that we give proper consideration to the issues, avoid unintended consequences and provide legal clarity. I therefore join the Minister in urging the Joint Committee on Communications, Climate Action and Natural Resources to scrutinise the EPA proposals in order to consider submissions and hold hearings on this issue of great concern to so many people. This would allow the committee the opportunity to discuss fully and explore the pro-

posals on this matter of public concern. Everything is a function of the committee itself. We are accepting the Bill. I again commend Deputy McLoughlin on bringing the Bill to the floor of the House.

**An Ceann Comhairle:** I call Deputy McLoughlin to respond to the debate. As his powers of persuasion have been recognised by people on all sides of the House, we look forward to hearing his response.

**Deputy Tony McLoughlin:** As a humble Government backbencher, I had concerns about the amendment. Following consultation with my colleagues the Minister, Deputy Naughten, and the Minister of State, Deputy Kyne, it was removed, which I welcome. I am sure it is of great satisfaction to all my colleagues.

Earlier today I spoke to the Chairman of the committee, Deputy Hildegard Naughton. Committee Stage of the Bill will be taken in that committee and I know it will have the support of those who spoke this evening.

I thank the contributors from all sides of the House who debated the Bill and for their kind words of support for it. This support means a lot to me personally and it means a lot to the people whom I represent on this issue. I am delighted to have received cross-party support for the Bill this evening.

After many years of hard work and engagement with local stakeholders on this issue, I am delighted to have been able to present my anti-fracking legislation in the Dáil. The fracking issue is one of major national importance and, as such, the Oireachtas should be dealing with Bills like this. I am even more delighted that now my Bill looks set to be accepted by the Government and will pass on to Committee Stage of the legislative process.

I have been extremely concerned for a long time about the potential damage that fracking could do to our environment, our communities, our waters and our health. The main purpose of the Bill is to provide for a clear and unequivocal position on the exploration and extraction of petroleum from shale rock, tight sands and coal seams in the Irish onshore and our internal waters.

It is a very simple Bill and was designed this way for a reason. Its aims are crystal clear. We do not want fracking in our communities in Sligo, Leitrim, Clare and many counties in other parts of the country that were mentioned. We do not want Government to permit this process to occur and we will not stand by while this could be allowed to occur.

I sincerely thank the Minister, Deputy Naughten, and the Minister of State, Deputy Kyne, for accepting the Bill. I thank the people who travelled for this evening's debate from Sligo, Leitrim and many other places and who are here in the Gallery. I acknowledge the hard work they put in helping with the Bill. I thank people such as Kate Ruddock and Eddie Mitchell who have been key in preparing the Bill.

I will be lobbying hard now to ensure this Bill comes before the committee at the earliest opportunity. As I said, I have already spoken to the committee Chairman, Deputy Hildegard Naughton. Some of the Deputies who spoke in this evening's debate are members of that committee. I wish them well in the committee.

Question put and agreed to.

27 October 2016

**Prohibition of the Exploration and Extraction of Onshore Petroleum Bill 2016: Referral to Select Committee**

**Deputy Tony McLoughlin:** I move:

That the Bill be referred to the Select Committee on Communications, Climate Action and Environment pursuant to Standing Orders 84A(3)(a) and 141.

Question put and agreed to.

The Dáil adjourned at 7.20 p.m. until 2 p.m. on Wednesday, 2 November 2016.