



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

DÁIL ÉIREANN

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

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DÁIL ÉIREANN

Dé Máirt, 17 Eanáir 2017

Tuesday, 17 January 2017

Chuaigh an Ceann Comhairle i gceannas ar 2 p.m.

Paidir.

Prayer.

Leaders' Questions

An Ceann Comhairle: Fáilte romhaibh ar ais. Guím athbhliain faoi mhaise do gach duine.

Deputy Micheál Martin: No doubt the Taoiseach is aware of the British Prime Minister's speech this morning on the United Kingdom leaving the European Union. By any yardstick or assessment it constitutes an agenda for a very hard Brexit and very difficult negotiations ahead. Essentially Britain will be out of the Single Market and out of the customs union as we know it. No matter what gloss one puts on this, it can mean tariffs on goods and services between Britain and Ireland and between Britain and the European Union. The Prime Minister was very clear also it will be British courts that will adjudicate on all issues of British law and the European Court of Justice will have no remit. This clearly has implications for any successful trade agreement the Prime Minister is anxious to have and the ongoing relationship between the UK and the EU.

This changes the nature of our response to Brexit because it will have to change. Despite the reference to the common travel area between Ireland and Great Britain there was not much in the speech on the Irish perspective or the future of Ireland's relationship with the United Kingdom. From this perspective it is somewhat disappointing. There was no mention of any special status for Northern Ireland, for example. It went in the opposite direction. There was huge emphasis on strengthening the British union, notwithstanding the fact the largest majority of EU citizens residing in any state outside of the European Union will be in Northern Ireland. This is a key issue which must be a core part of the negotiations on the British exit from the European Union.

We know from Bord Bia's report that €600 million has already been lost by Irish agribusiness because of the fall in sterling. Enterprise Ireland has figures that in the context of a hard Brexit up to 25,000 jobs could be at risk. We know from the analysis by the Department of Finance with the ESRI that a significant drop in national income over a sustained period, loss of employment and loss of wages could follow a hard Brexit from the EU. I note the response from the Taoiseach's Department to the extent it identified the key issues but one issue was missing. Has the Taoiseach put on the table with his European colleagues the need for Ireland to make it very clear we want to retain some capacity for state aid for Irish-owned industry and the indigenous sector, particularly in the agribusiness and agrifood area? There is no question but that the agribusiness food area will be at risk. We will need transitional state aid capacity to enable companies to survive the threat of Brexit by diversifying and so that they withstand

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the undoubted dislocation that exiting the Single Market and the customs union will have on trade between indigenous Irish companies and Britain. Have we put that on the table? Are we arguing cogently for it?

The Taoiseach: The referendum took place on 23 June. The Prime Minister was subsequently elected and she made it clear that it was her intention to move Article 50 by the end of March. In between those two points there was a lot of comment and discussion and there was lots of confusion because everybody wanted clarity on the British Government's intentions. I welcome the statement today in that it brings that clarity into a number of areas. The Prime Minister said that Britain intends to leave the Single Market and she made references to the customs union. I have spoken to the Prime Minister on two occasions in the recent past and I did so again yesterday evening when I mentioned the issues that were of priority to us in Ireland - our citizens, our economy, our trade with both Northern Ireland and Britain, the Border, the common travel area and our future within the European Union.

This is the start of the process and Europe will have to respond to the statement by the Prime Minister today. In her comments she included the issues of importance which we discussed last night, in particular the common travel area, and stated her willingness to look at the most effective practical outcome of the Border situation. Once Article 50 is triggered there is a two-year period and this may not be concluded in that time. If it is not concluded there will have to be a process of transition. I discussed the election process that is in place in Northern Ireland and we do not have an idea of what the outcome of that will be. We will have statements on that subject later in the day.

The Deputy asked about applications for assistance from Europe. A number of countries, including Ireland, mentioned these in the discussions we had at the European Councils but we could not make a definitive claim, application or proposition in this regard until the clarity that is now emerging was given by the British Prime Minister. Ireland will contribute strongly to these negotiations on the basis of being a member of the European Union and we will give the matter serious consideration because of the difficulties that will apply and the many economic reports that have indicated that Ireland will be one of the countries most adversely affected by a hard Brexit.

Deputy Micheál Martin: One of the most critical issues is that of the trade links between Britain and Ireland and the impact on Irish-owned businesses, particularly in agrifood and services across the regions, which will be impacted negatively as a result of Britain's decision to leave the Single Market and the customs union, its decision not to accept the remit of the European Court of Justice any longer and the fact that it is bringing in a controlled migration regime. All of those things have very clear implications and while it is one thing to welcome clarity, we should not be welcoming a negative clarity but that is in the essence of today's speech by the Prime Minister. We needed more than clarity and were hoping for real signs of sensible, logical engagement with Europe, rather than saying, "We want our cake and we want to eat it as well." It is very clear that the needs of Britain are her number one priority. She will speak softly to the Taoiseach, and Britain is speaking softly, but they will behave and act differently. It will act in its own interests, first and foremost, and I do not get the sense that we are up there as high as some people might diplomatically like to articulate. I get a real sense that we are heading down a very difficult road, hence the need for Ireland to start arguing robustly to protect our interests, jobs and companies and give them the capacity to move beyond a post-Brexit scenario.

Is the Taoiseach satisfied that we have the resources in place to negotiate effectively on this

issue? I am not satisfied that we have.

An Ceann Comhairle: The Deputy's time is up.

Deputy Micheál Martin: I do not think we have strengthened our team sufficiently across all areas to take this issue on with the capacity we should.

The Taoiseach: We are at the start of this process. From a European perspective everybody, including myself, has constantly repeated that it would be important for Britain to set out what kind of relationship it wanted with the future European Union. We now have further clarification as to what that means from a British point of view. The British Government was never going to look for anything other than the best deal it could get. The European Union with 27 countries and a population of almost 500 million, has got to look to its own future and decide what decisions it wants to make for the future of the Union for next ten, 15 or 20 years, including where our future lies.

In her statement today, the British Prime Minister refers specifically to the friendship and ties over many generations between Ireland and Britain. She refers specifically to the retention of the common travel area and Border issues. These are things that I have mentioned specifically to her and her officials. The Minister for Foreign Affairs and Trade, Deputy Flanagan, has also mentioned them in our discussions with Britain at a European level. We have demanded clarity from Britain and have now got a clearer idea of the kind of relationship they want. Europe must now focus on the commencement of the negotiations once Article 50 is triggered.

Britain remains a member of the European Union until it leaves. It must and will accept its responsibility in all phases of that process. This is the start of the process. Currency fluctuations have clearly hit An Bord Bia as well as other food agencies and exporters to Britain. These are sources of concern to us and to other European countries. They are also sources of concern to the British.

The negotiations will start inside a relatively short time and that is where the serious issues of the outcomes of the Prime Minister's statement today will be dealt with in minute detail. We will argue vociferously for our country.

Deputy Gerry Adams: I want to deal with the crisis in the North which also includes the consequences of Brexit. First, I want to commend the outgoing Deputy First Minister, my friend Martin McGuinness, MLA, particularly as he battles with serious health issues at this time. In his role as Deputy First Minister in the past ten years and as Minister of Education before that, Martin's time in office has at all times been guided by the principles of mutual respect and equality that underpin the Good Friday Agreement. He reached out the hand of friendship to Unionists in the spirit of reconciliation and at times republicans and nationalists have been discommoded by his efforts. Nonetheless these initiatives were entirely correct.

A number of Teachtaí and Seanadóirí from all parties and none have sent good wishes to Martin. He, his wife Bernie and his clan appreciate all the messages of support that he is receiving. Ar son Sinn Féin, ba mhaith liom buíochas a ghabháil le Martin ón Dáil seo inniu.

It was the Democratic Unionist Party, and in particular its handling of the renewable heat incentive scheme, that led to the Northern Ireland Executive and Assembly collapsing. The refusal by Arlene Foster, MLA, to support a robust and independent investigation into the potential loss of £500 million of taxpayers' money was the tipping point. That is neither an orange

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nor a green issue. The cost will be borne by Unionists and Nationalists alike. Yet we are told by our leaders here - by those who ignored our warnings over some time, and those who ignored our appeals as the crisis developed - that Martin McGuinness's resignation was unnecessary and that this election is unnecessary. Of course there are other issues at play but Sinn Féin will not tolerate allegations of corruption, which must be robustly and independently investigated. There is nothing surprising in the remarks of the British Prime Minister today. There was never going to be a soft Brexit. As such, the Taoiseach has a huge job of work to do for the people of this entire island. Of course, that has not been helped by the refusal of Arlene Foster and the DUP to accept and uphold the "Remain" vote in the North in the Brexit referendum.

Sinn Féin is completely committed to the restoration of the political institutions and the Government has a key role to play in this regard as have others here. It is the Taoiseach's responsibility, as it has always been, to ensure that agreements are upheld and implemented. However, his Government has in recent years consigned itself to the role of spectator and occasional neutral commentator, which is a fundamental mistake. I have made that point repeatedly to the Taoiseach in private and in public. The British Government has refused, for example, to honour commitments on a bill of rights, dealing with legacy issues and an Acht na Gaeilge. It will not honour these commitments unless the Taoiseach holds it to account. In the aftermath of the election, a sea change in attitudes from all sides is needed, not least from the Government. Will the Taoiseach commit to a meaningful, ongoing, consistent and strategic engagement with the North and London? I appeal to him publicly to do that in the time ahead, not just in times of crisis.

The Taoiseach: I will and I do. The Minister, Deputy Flanagan, has been more than active in his activities in Northern Ireland in dealing with all the parliamentary parties, the leaders and so on. I called the deputy First Minister myself, as Deputy Adams is aware, to have a conversation and express the hope that he will recover his full health. I have always recognised that Martin McGuinness has come on a long journey from being a member of the army council of the IRA to someone who became a pragmatist and who has held out on many occasions to drive the peace process and the institutions forward. It is our co-responsibility to ensure that all of that is implemented. Deputy Adams should believe me that our interest is that the institutions set up under the Good Friday Agreement and subsequent agreements will work in the interests of all the peoples of Northern Ireland.

The outcome of the election on 3 March is a matter for the electorate in Northern Ireland and I hope that when it is concluded it will be possible to put together an executive and assembly that will continue to work through the institutions. Last summer, the deputy First Minister and the First Minister signed a joint letter which they sent to the Prime Minister to indicate their initial thoughts on Brexit. They commented on the necessity to eliminate smuggling and criminality, to work in the interests of the economies North and South and the many people who cross the Border and the need to avoid a return to the Border of the past and so on. In that regard, the former deputy First Minister is very clear on my own view in this regard.

It is our job and it is the Government's response to keep all parties here informed on the issues about Brexit and in so far as Northern Ireland is concerned. Take my word for it. We will have a very active, energetic and enthusiastic dialogue with the next administration of the assembly and the Executive of Northern Ireland in respect of the fulfilment of all of the conditions of the Good Friday Agreement and subsequent agreements. I have made that point to the Prime Minister on a number of occasions. She is due to visit Government Buildings in the near future and I intend to take up those discussions about that aspect of it but also about the analysis of her

comments today in Lancaster House on Britain's decision to exit and leave the European Union.

In so far as Northern Ireland is concerned, the people will make their decision in respect of the election, which I hope is conducted on a reasonably civil basis. I also hope that the issues to be argued, discussed and conversed about up there will bring about a situation where we can have an assembly and Executive after 3 March. The Minister for Foreign Affairs and Trade, Deputy Charles Flanagan, will continue to be very closely associated with Secretary Broken-shire in terms of the conversations they must have, and the civic dialogue which is already in place will continue. I understand the next meeting is on 17 February. Many other connections are ongoing.

At the last North-South Ministerial Council a very good and constructive set of propositions was put together. As the Deputy knows, the Government has contributed to many cross-Border activities in Northern Ireland and will continue to do so. Our job, as one co-guarantor of the Good Friday Agreement, is to see that we work through the assembly and Executive to make sure the institutions are enabled to work on behalf of the people of Northern Ireland. That is where our political priority and *imprimatur* lie. Obviously, we do not want to see a return to what happened in the past.

Deputy Gerry Adams: I welcome the Taoiseach's remarks, but let us make sure that it is not a case of too little, too late. The parties in the North are not the only consideration; there is an international and intergovernmental element to all this. We want the Taoiseach to implement the agreements he has already made and which are in place. Time and again over the past five or six years when I appealed to the Taoiseach and Government to play a consistent and strategic leadership role in facing up to the British Government as an equal, they failed to do so.

I make this point not in recrimination, but rather in the hope that the Taoiseach will change the way he does business with London. He is an equal co-guarantor of the Good Friday Agreement and other agreements. It is not enough to say this. It is the duty of the Taoiseach to represent all the people of the island of Ireland.

I wish to make a general point to other Teachtaí Dála. Republicans and nationalists in the North look towards Dublin more often than not. In the past ten years or so, in the absence of positive and consistent leadership from Dublin, that connectivity and sense of togetherness has been eroded. That affects many Unionists as well.

If the parties in the State are serious about co-operation and unity, it is not enough just to talk about it; let us act on it. *Ná habair é, a Thaoisigh, déan é.* Sinn Féin is prepared to co-operate with those from all parties and none to try to bring that about.

In the same way as I have asked the Taoiseach and others to have an all-island view of Brexit, I appeal to him to have the same approach to upholding and implementing the equality principles of the Good Friday Agreement.

The Taoiseach: It is true to say that this is an international agreement backed by the United States and Europe. At the commencement of our Presidency of the European Union in 2013 we were able to secure continuing peace funds until 2020, a further €3.5 billion, which is an important factor.

In respect of dealing with the people of Northern Ireland, Deputy Adams is aware that I met people from Ballymurphy, Kingsmill, Omagh, Enniskillen and other areas, as have Ministers on

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the North-South Ministerial Council. The Minister, Deputy Flanagan, has focused on his duties in the North, which is something we want to continue.

The election is under way and the people will have their decision on 3 March. Out of that, I hope we can have an assembly and executive that will work within the institutions that are in place, which were established under the international agreement lodged with the United Nations, and which will have the support of Europe and the continuing support of the United States. We will work with the British Government as a co-guarantor of the Agreement to see that these things are implemented.

Obviously, the Fresh Start agreement of just over a year ago contains opportunities to deal with elements that are still outstanding, namely, the legacies of the past, as Deputy Adams is well aware. I take his point that the Sinn Féin Party will work with all other parties in the interests of clearing the slate, as it were, in terms of many issues that have arisen over the years.

Deputy Adams can take it from me, on the assumption that we will have an assembly and executive, that we will continue to work diligently with all the parties, specifically the British Government, to see that the institutions and conditions of the Good Friday Agreement, including those the Deputy mentioned, such as Acht na Gaeilge, are implemented. I did mention to the former First Minister the issue of the deontas dóibh siúd a bhí fonn orthu an Ghaeilge a labhairt agus tá a fhios agam go bhfuil sé sin ar fáil arís.

The Minister, Deputy Flanagan, spoke again to Secretary of State, Mr. James Brokenshire, last night. Believe me that we will keep a very close watch on the issues.

Deputy Brendan Howlin: I wish the Taoiseach and all his colleagues a happy new year.

For many months last year I argued in this House that the Taoiseach needed to get a handle on the issue of public sector pay and, more important, to set out his plan on public sector pay restoration to the House. I argued for earlier talks on a successor to the Lansdowne Road agreement, for the establishment of meaningful social dialogue that would involve public servants in discussing not only pay but the services they provide and for the establishment of an employer labour conference which could help prevent some industrial disputes escalating.

For his own reasons, the Taoiseach chose to ignore those calls, which is his prerogative. However, it means that the Taoiseach must take responsibility for the 14,000 workdays lost during the last quarter of last year, which compares to not a single workday lost in the same period in the previous year. We know what we are talking about. We put forward practical solutions, but the Government chose not to listen.

This morning Members had yet again to turn to the media for an indication on the direction of public sector pay policy. We learn that, on top of the €50 million to be allocated to improve the pay of An Garda Síochána, a further sum will be spent this year to bring forward pay restoration to other public servants. The media estimate the cost associated with today's announcement to be of the order of €175 million. The Minister for Public Expenditure and Reform, Deputy Paschal Donohoe, states that it will be €128 million.

I do not argue against the acceleration of pay restoration. I have advocated for it through direct talks for the past six months. However, I would like to know where the money is coming from. A trite line that it will come from unspecified efficiencies or savings is not good enough for the House.

When the Labour Court recommendation relating to An Garda Síochána came through late last year, the Government fudged how it would be paid for. We were told that half of it would come from elsewhere within the Justice Vote, even though we know that there is no secret sum. I do not think the Tánaiste has a hidden sum somewhere for it. We are told the other half will come from savings in other Departments.

It might have been possible for €50 million to come from underspend in profiled expenditure, but we are now speaking about a sum in excess of €200 million. I do not believe that can be found from savings to be made in the Estimates that we just recently agreed. Will the Taoiseach tell the House where the €200 million plus announced today will come from?

The Taoiseach: This is a sensitive and important issue because the Minister for Public Expenditure and Reform has been involved in discussions with the trade unions for some time. Deputy Howlin is well aware of the recommendation made by the Labour Court regarding the Garda associations on 3 November 2016. Its consequence was that the Government approved a two-phase approach in regard to securing the future of collective pay agreements. In this case it is the Lansdowne Road agreement, in which the Deputy when he was Minister played an important part, and which is such an important element of collective pay situations in the country.

The first phase was to address the anomalies arising from the recommendations of the Labour Court. The second was to negotiate a successive phase to the Lansdowne Road agreement. The rationale was to restore the structure to the process and to support industrial peace while allowing more difficult issues, such as pension benefits, to be on the table as part of the later negotiations in respect of the Lansdowne Road agreement. The Government was in a position to save more than this cost. What the Minister negotiated - I am very glad to hear today that it has the support of ICTU - is that agreement has been reached on the measures required to support the continuation of the Lansdowne Road agreement until a successor agreement can be negotiated under phase two. The substance of the deal is an increase in annualised salaries of €1,000 for the period from 1 April to 31 August this year and the Lansdowne Road agreement will kick in subsequent to that. The deal refers specifically to those on annualised salaries up to €65,000 who are parties to the Lansdowne Road agreement and do not stand to benefit from the Labour Court recommendations made on 3 November last, which were issued in respect of the Garda associations. Approximately 250,000 public servants earning below €65,000 will benefit from this approach.

The Revised Estimates for 2017 proposed total gross Vote expenditure of €58.072 billion in line with commitments made in budget 2017 last October. Of this, €53.53 billion of current funding is for the day-to-day delivery of public services, while €4.541 billion is for capital investment. About 31% of current spending or €16.474 billion is allocated for public service pay.

There was a serious matter of perceived presentation of this today, as this being a lump sum payment for all of these public servants earning under €65,000. It is not a lump sum payment but the equivalent of an increase in annualised salaries of €1,000. It applies from 1 April to 31 August this year and the Lansdowne Road agreement kicks in from that point.

Deputy Brendan Howlin: This is clarification in respect of what was announced this morning. It is not actually an increase of €1,000 but an increase of €1,000 annualised from April to August because the measure was provided for in the Estimates as commencing in September. The Taoiseach did not indicate from where the money was coming or whether the cost would be €128 million or €175 million.

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This was clearly an attempt to placate public sector workers who are genuinely annoyed that one individual union was able to do a bespoke deal. Will there be further bespoke deals if other groups, for example, nurses, make a similar demand on government? Is the solution not the one I set out many months ago, namely, to open proper negotiations with all public sector workers to ensure everybody is treated exactly the same?

The Taoiseach: The cost is €120 million, as I recall from the Minister for Public Expenditure and Reform. The second phase of Government strategy is to put in place the negotiations and conditions that will allow for a successor to the Lansdowne Road agreement.

Deputy Brendan Howlin: When will that happen?

The Taoiseach: That will start later in the year. This is not a lump sum payment. It is the annualised equivalent of €1,000 which will apply from 1 April to the end of August, after which the Lansdowne Road agreement will kick in.

Deputy Brendan Howlin: It is less than one quarter of what gardaí got.

Deputy Mick Barry: Six days ago, we learned that a consultancy firm had recommended to the Department of Transport, Tourism and Sport that Bus Éireann's Expressway operations be shut down. We know the report recommends the axing of more than 500 jobs and the closure of ten bus depots. However, there is much that we do not know. For example, we do not know which bus depots Grant Thornton recommends shutting. Does the hit list include Tralee, Wexford, Ennis, Clonmel or Ballina? Does it include Sligo, Cavan, Letterkenny, Athlone or Waterford? I am challenging the Taoiseach to put this information before the House and to say that he will publish the report. It is no secret that the Minister for Transport, Tourism and Sport, Deputy Ross, thinks himself rather good at his job. I sometimes think Otto the bus driver from "The Simpsons" would have more of a clue. The Minister was very alert to the rights of rural communities when he issued a call to arms to save the Stepside Garda station. Why does he not show the same concern when rural communities outside of his constituency face abandonment by his Department? The unions have requested a meeting with the Department, the National Transport Authority, NTA, and Bus Éireann to tackle this crisis. Why does the Minister continue to ignore such a reasonable request?

Has the Minister made the Taoiseach aware of the reports from credible sources of a private operator, licensed for significant routes, paying drivers cash in hand, a practice which is against the law of the land? If he has not, why not? Does he even know? Other operators pay the minimum wage, a little above the minimum wage and in all other cases below Bus Éireann trade union rates. There should be a threshold of decency. They should be required to pay the Bus Éireann rates. Why does the Government not enforce minimum standards of this type? Is it the game plan of the Cabinet to leave the highly lucrative intercity routes to be run by private operators while the State operates run-down services on other non-profitable routes?

The Government has bailed out the banks to the tune of scores of billions but it refuses to bail out Bus Éireann to the tune of even a few million. The State invests in health and education but it refuses to invest seriously in public transport. This Government has three options. First, it can shut down Expressway immediately. Second, it can shut down Expressway slowly - death by a thousand cuts - by hammering the services or the workers, or a combination of both. The Government should be aware that it will meet serious resistance should it choose any of these options. The third option, which is the option that would be chosen by a left government,

recognising that this is a country consistently ranked among the 20 wealthiest countries in the world and that it deserves a world class public transport service, the Government should invest seriously in public transport. Does the Taoiseach accept that the time has come for Government to choose the third option?

The Taoiseach: The Minister, Deputy Ross, briefed the Cabinet on this matter this morning. He has not received or had sight of the report and, therefore, he could not have read it. I understand that-----

Deputy Robert Troy: Every journalist in the Gallery has a copy of the report. What the Taoiseach said is not credible.

Deputy Micheál Martin: The Minister, Deputy Ross, must have made a very revealing presentation.

Deputy Timmy Dooley: It was a short Cabinet meeting.

(Interruptions).

An Ceann Comhairle: Order, please.

The Taoiseach: The Minister has not received it. I understand the company has commenced discussions on proposals designed to restore the company to profitability. I hope that the trade unions and management involved can engage in realistic and constructive discussions about the serious challenges Bus Éireann now faces.

I understand the commercial arm of Bus Éireann - Expressway - loses approximately €6 million per annum. These losses threaten the company as a whole. It is important to note that these losses are not as a result of Government funding.

Deputy Martin Kenny: Subvention cuts.

The Taoiseach: Bus Éireann's PSO network is performing well, financially and operationally. Contrary to Deputy Mick Barry's statement, last year, it received almost €40 million in PSO funding, which is approximately 17% more than it received in 2015 and the PSO services carried almost 32 million people, which is a 5% increase on the previous year. The losses are related to Expressway services which compete with other operators. There has been strong growth in the commercial bus sector, with almost 23 million people using commercial buses in 2015. This passenger growth is not being experienced in Expressway. Contrary to some reports, there has not been a glut of new licences issued in recent years, with only eight licences having been issued since 2011 and 11 applications having been rejected. These changes to the bus market have resulted in the loss of services to some towns and villages. I understand that in recent years some areas have lost commercial services but that these have been replaced with PSO services by the National Transport Authority to ensure continued connectivity. The NTA will continue to use its statutory powers to ensure the continuation of public transport connectivity for local communities across rural Ireland. The Minister has commented on that in the context of whatever outcome to the discussions between management and unions applies, and a rural transport service will continue to be provided. This is not a problem of policy but it is a commercial problem that requires a commercial response. I urge both sides to engage constructively in the coming weeks on this issue, which is difficult but important for the people of the country given the figures I have mentioned to Deputy Barry already.

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Deputy Mick Barry: I find it quite incredible that *The Irish Times* could publish the Grant Thornton report on its front page, not one or two days ago but six days ago, and that the Taoiseach's Minister for Transport, Tourism and Sport has not read a copy of it six days on.

The Taoiseach: He has not received it.

Deputy Mick Barry: Has he read a copy of it?

Deputy Ruth Coppinger: He cannot get his hands on it.

Deputy Robert Troy: He should use some of his journalist contacts.

Deputy Mick Barry: He cannot get his hands on it. He has searched high and he has searched low. He has searched the highways and the byways for the Grant Thornton report. The poor old Minister cannot get his hands on a copy of it. Who does the Taoiseach think he is coddling?

The Taoiseach: I thought the Deputy was going to say-----

Deputy Mick Barry: I note that reports have emerged this morning on an internal Government report of 2014 that recommended a €50 annual charge for the free travel pass. We are told that the report was shelved. I just wonder how it found its way onto the front page of *The Irish Times* this morning. Unless the Taoiseach wants a repeat of the great medical card revolt of 2008, he would do well to make sure that report stays on the shelf. I suggest that he tell his Minister for Transport, Tourism and Sport to get his hands on the Grant Thornton report. It is not that difficult. Maybe he could then come into the House and answer some of the questions being put to him.

The Taoiseach: I did answer the Deputy's question, and I did say the Minister briefed the Cabinet this morning.

Deputy Robert Troy: On what?

(Interruptions).

Deputy Timmy Dooley: On his dinner last night.

The Taoiseach: He had not received the report.

An Ceann Comhairle: Could we have order, please?

The Taoiseach: He could not have read the report and therefore was not going to go into detail on it. He did point out this is a matter between management and the unions.

Deputy Timmy Dooley: Was it on a synopsis of his next book that he briefed us? A best-seller for next Christmas.

The Taoiseach: I hope they engage in constructive debate on what is a serious issue. Deputy Mick Barry said no money was being provided by the State. Some €40 million of public money was allocated to the PSO last year. The company carried almost 32 million people-----

Deputy Bríd Smith: The Taoiseach said that already.

The Taoiseach: -----representing a 5% increase on the year before. It is not a case of

Government policy; it is a case of the commercial response. This is now a matter between the unions and the management, and I hope they engage on constructive propositions.

I will remind the Minister, Deputy Ross, that if he goes out to wherever Deputy Barry indicated, he might suddenly find the Grant Thornton report coming at him but it is not available to him at the moment. In an indirect way, the Deputy is complimenting *The Irish Times* on being able to publish it on the front page.

Order of Business

Minister of State at the Department of the Taoiseach (Deputy Regina Doherty): Tuesday's business shall be No. 13, motion re changes to Standing Orders, without debate; and No. 19, statements on Northern Ireland. Private Members' business shall be No. 30, the Anti-Evictions Bill 2016, by AAA-PBP.

Wednesday's Government business shall be No. 4, Communications Regulation (Postal Services) (Amendment) Bill 2016 - Order for Second Stage and Second Stage; and No. 20, Planning and Development (Amendment) Bill 2016 - Second Stage (resumed). Private Members' business shall be No. 86, motion re tillage farming, by Fianna Fáil.

Thursday's Government business shall be No. 4, Communications Regulation (Postal Services) (Amendment) Bill 2016 - Second Stage (resumed); and No. 20 - Planning and Development (Amendment) Bill 2016 - Second Stage (resumed). Second Stage of No. 31, Fossil Fuel Divestment Bill 2016, will be debated in the evening slot.

I refer Members to the report of the Business Committee dated 12 January 2017.

With regard to today's business, there are four proposals. It is proposed that:

(1) the Dáil shall sit later than 10 p.m. and adjourn on the conclusion of the proceedings on the Anti-Evictions Bill 2016;

(2) the motion re changes to Standing Orders shall be taken without debate;

(3) the statements on Northern Ireland shall commence immediately after Taoiseach's questions, will be followed by questions to the Minister for Finance and will be brought to a conclusion after 130 minutes. The speeches of a Minister or Minister of State and the main spokespersons for parties or groups, or a Member nominated in their stead, shall be not more than 15 minutes each and there will be a ten minute response from the Minister or Minister of State, and all Members may share time; and

(4) Private Members' business shall take place immediately after Topical Issues, and proceedings on Second Stage of the Anti-Evictions Bill 2016 shall be brought to a conclusion after two hours.

An Ceann Comhairle: I thank the Minister of State. There is one proposal to put to the House. Is the proposal for dealing with Tuesday's business agreed to? Agreed. On promised legislation, we have one minute for each Member-----

Deputy Ruth Coppinger: Sorry, a Cheann Comhairle.

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An Ceann Comhairle: -----seeking to raise matters. I call Deputy Micheál Martin.

Deputy Micheál Martin: I thank the Ceann Comhairle.

Deputy Ruth Coppinger: I am sorry, but may I raise a question on the Order of Business? I did not realise-----

An Ceann Comhairle: No, we have just dealt with the Order of Business.

Deputy Ruth Coppinger: It relates to the second item of today's business.

An Ceann Comhairle: No. Maybe when I get to the Deputy, but we have dealt with the Order of Business.

Deputy Ruth Coppinger: I thought that the Ceann Comhairle was just dealing with the first item. I did not realise that it included the second item.

An Ceann Comhairle: There was only one proposal to be debated, and we have dealt with it.

Deputy Ruth Coppinger: Okay.

Deputy Micheál Martin: The medical, nursing and other staff who are working in the emergency departments of our hospitals are under enormous stress working in overcrowded wards and find it difficult on a daily basis to maintain basic health and safety. We read in today's newspapers that the chief fire officer in Limerick has gone to the extraordinary length of saying that there is a fire hazard in terms of numbers being exceeded, that he will need to take enforcement action if matters do not improve and that the responsibility lies with the HSE as the enforcing authority.

The Government has promised in its legislative programme the health and well-being and workplace well-being Bill. It is all well and fine to introduce legislation like that, but will the Taoiseach indicate when it will be published? Will he ensure that staff and patients in our hospitals are meanwhile not exposed to fire hazards and can maintain basic health and safety in such accident and emergency departments?

The Taoiseach: The health and well-being Bill is not on the priority list and the heads of that are being worked on at the moment.

Deputy Micheál Martin: I thought that.

Deputy Gerry Adams: I wish to ask the Taoiseach about the Government's commitment to recognise Traveller ethnicity. This morning, the ESRI produced a report on the many disadvantages in education, employment, housing and health faced by the Traveller community. We all know these. Crucially, the report states that ethnic recognition "could be of considerable benefit in ensuring respect for the cultural identity of Travellers in the context of targeted services". I raised this matter with the Taoiseach before Christmas and he told me of the work being done by the Minister of State, Deputy Stanton. I commend that work and have spoken with the Minister of State. The Taoiseach stated that the four Traveller representative NGOs would be invited to speak to the Oireachtas committee this month. Could we have an update on this matter and does the Taoiseach expect to be able to report that the Traveller community will have its ethnicity recognised before the end of this month?

The Taoiseach: The Minister of State, Deputy Stanton, has done quite a deal of work on this, as Deputy Adams is aware. I have asked the Minister of State to invite the NGOs that represent the Traveller community - all four of them - to attend at a meeting of the Cabinet sub-committee in respect of their propositions. I hope that will take place in the next couple of weeks and I will update the House afterwards.

Deputy Brendan Howlin: On the legislative list published in the past hour or so, the judicial appointments Bill is promised for the coming weeks. In advance of its publication, will the Tánaiste have discussions with the Chief Justice on this important matter? In advance of finalising the Bill's text, will the Tánaiste have discussions with the parties in opposition?

The Taoiseach: Obviously, we have discussions with lots of people. The Bill has not been finally prepared yet, but a great deal of work has been done about it in respect of the changes to take place. I expect that there will be discussions with members of the Judiciary.

Deputy Ruth Coppinger: The issue that I wanted to raise pertained to the Order of Business and many Members may not have been aware of it. The Dáil reform committee has proposed to change Standing Order 156. It is being proposed that this matter will be taken without debate, but we cannot agree to that. While it was agreed at the committee, Members should be alerted to what it means. Speaking times on amendments would be reduced on Report Stage to seven minutes and two minutes, respectively. This is an incursion into Members' ability to give considered opinions on what can be important legislation. The proposal should not go through without debate and time should be set aside for it. That is what I was going to raise. The other issue-----

An Ceann Comhairle: No, the Deputy can only raise one matter.

Deputy Ruth Coppinger: You are being very proper, a Cheann Comhairle.

The Taoiseach: It is a practical matter. We have had occasions in the past where Report Stage of Bills has drifted interminably, deliberately so. This matter has already been agreed by the Dáil Reform Committee and by the Committee on Procedure and Privileges and it is in the interests of everybody to be able to move through Report Stage without hindering people of the opportunity to have their say but to do so in a decent fashion that allows them the time to say what they want to say.

Deputy Eamon Ryan: In regard to the Government's preparations for Brexit, legislative or otherwise, and following on from the Taoiseach's comment earlier that the British Prime Minister will visit Government Buildings - I hope you can give me some latitude a Cheann Comhairle - is there a possibility that we could invite Mrs. Theresa May to speak in this House, as there has been a long tradition of various Prime Ministers speaking here? It would be important that she sets out to this House, in a similar way as she did today, what her views on Brexit are. How would the Government or this House for that matter send an invitation for her to speak here on that critical issue? It is important that the Prime Minister does not simply visit Government Buildings and have no engagement with the rest of the political system.

The Taoiseach: I received a letter from the Ceann Comhairle today in regard to this matter. I cannot give Deputy Ryan a definitive answer but I will act on the letter received from the Ceann Comhairle to see whether that might be possible. When the Prime Minister agreed to come here, a time schedule was set in place and I do not have the details of her day other than the indication of coming to discuss these matters but I will follow through on the Ceann

Comhairle's letter.

Deputy Mattie McGrath: The affordable child care scheme Bill is on the new legislative programme. The aim of the Bill is to ensure that all childminders would be registered with Tusla. Five counties in the country have no childminders registered with Tusla which means the proposed legislation will be inoperable. The proposal would put undue hardship on people who have cared very well for children, their own and others, in their own home or the children's home. I support crèches and child care groups as well but in this case I refer to people who are caring for their neighbour's children, or other children, in their own home and doing so properly and above board. Now they will be compelled to register with Tusla but I do not know if Tusla has the staff required to regulate the area. If the legislation is introduced the matter will become a significant one.

The Taoiseach: This matter must be dealt with by September so the Bill will have to be enacted during the course of this session. No doubt Deputy Mattie McGrath will have plenty of opportunity to speak on the issue and to voice his concerns.

Deputy Mattie McGrath: Not judging by the Taoiseach's previous comment.

The Taoiseach: The Bill will be published and dealt with before the House rises in July because it will take effect in September.

Deputy Danny Healy-Rae: In recent days the HSE said it has lost €22 million because of people not attending appointments with doctors and hospitals. How did the HSE bulk up the amount to €22 million? How many people have died while they were waiting for an appointment?

An Ceann Comhairle: That is not relevant to the Order of Business.

Deputy Danny Healy-Rae: Yes, it is.

An Ceann Comhairle: I agree that it is very important.

Deputy Danny Healy-Rae: My question is why it is still taking a year and a half and two years for people to have cataract operations. We spoke about the issue many times last year yet in 2017 the same thing is happening and we are getting letters saying people will have to wait for a year and a half and two years. That is not acceptable for the people of counties Kerry and Cork. Why can we not introduce the Sligo model throughout the country and give all the people the same assistance?

The Taoiseach: Nor is it acceptable that medical doctors and personnel should be left hanging about when people have been notified of an appointment and decide not to turn up for it. That is something that is very easy to rectify. Any young boy or girl who is going to training, a football match or anything else will not only get a notice but a text to remind them. To put it mildly, it is most unfortunate that people refuse to turn up for appointments with doctors or medical personnel. There are always occasions when this can happen but it is very easy to send a text or message to say that something has happened and that you cannot be there and somebody else can have that appointment. I have seen doctors waiting around in hospitals for a person to turn up but there is no word. That is not good enough either.

Deputy Michael Healy-Rae: Following a visit last week to our county by the Minister of State with responsibility for disability issues, Deputy Finian McGrath, where he saw at first

hand the outstanding facilities and great community in St. Mary Of The Angels, St. John of God Services Beaufort, I again call on the Government to revisit the policy set out in June 2011, Time to Move on from Congregated Settings – A Strategy for Community Inclusion, and ensure that communities like that in Beaufort will remain open. One shoe does not fit all sizes. Many of the people in these homes are only suited to such facilities. Others can go out into communities where they thrive and do better but not everybody can do this. By not allowing more people to go into a place like St. Mary Of The Angels, we are closing the facility by stealth.

The Taoiseach: I am sure the Minister of State will make his decision based on what he has seen in terms of the sensitivities and personal issues that arise here. It has been a few years since I visited that location. I saw at first hand the wonderful work people do. I will advise the Minister of State to contact the Deputy regarding his question following his visit.

Deputy Willie O’Dea: Before Christmas, the Minister for Housing, Planning, Community and Local Government undertook to get the Residential Tenancies Board to carry out some research to ascertain whether rent control would be extended to Limerick, Galway and Waterford. What stage is this research at and will the Minister be able to meet his commitment that the decision will be made towards the end of this month or early next month?

The Taoiseach: I cannot answer the detail of the question but I will get the Minister to respond directly to the Deputy.

Deputy Peter Fitzpatrick: On pages 27 and 28 of the programme for a partnership Government, reference is made to introducing a scheme similar to the existing Living City initiative which would regenerate town centres and villages throughout the country, including in places such as Dundalk and Ardee. This is described as a year 1 action. Can the Taoiseach confirm when we can expect legislation before the House that will underpin this commitment?

The Taoiseach: I am not sure what stage it is at with regard to the context of the programme that is to be launched next week in respect of rural Ireland but I will advise the Deputy of the progress that has been made in respect of it.

Deputy Caoimhghín Ó Caoláin: Four years ago next month, people with disabilities, particularly younger people with an expectation, were dealt a serious blow with the scrapping of the motorised transport grant and the mobility allowance. Over the intervening four years, there have been many promises made. In the legislative programme for the spring-summer session for 2017, the health (transport support) Bill is to provide for a scheme to make individual payments as a contribution towards transport costs to people with severe disabilities. What does the statement “work is underway” represent in terms of the final column of the report? What stage is this legislation at? When will we see the heads of the Bill if it has not yet presented? When does the Taoiseach expect the Bill to be formally presented? Can he confirm to the House that what is included in this new legislation will address what has already been lost?

The Taoiseach: It was difficult to find a way to deal with the issues arising from the suspension of the other scheme to a new scheme. I expect that this Bill will be before the House in a couple of weeks.

Deputy Louise O’Reilly: In correspondence to me, the Minister for Health advised that he intended to publish the health (amendment) (No. 2) Bill in the last session but that did not happen. For those who are not aware, this gives effect to the budget commitment to extend an automatic medical card to those children in receipt of the domiciliary care allowance.

3 o'clock

This is long overdue. My constituency office, and I imagine the constituency offices of many Deputies, has been inundated with desperate parents wanting to know when they will be able to access a medical card for their children who have been deemed to have a severe or serious disability. According to the legislative programme, the pre-legislative scrutiny has yet to be determined. I have asked the Taoiseach this several times: when will these people see their medical cards?

The Taoiseach: Obviously, the publication of the Bill today follows through on the decision of the Government. The heads were approved in December of last year and the legislative scrutiny has to take place on it.

Deputy Louise O'Reilly: When will the first child get a medical card?

The Taoiseach: It is a matter for the committee as to when it wants to take it.

Deputy Louise O'Reilly: There is unanimous agreement in this House. There is no reason for this delay.

The Taoiseach: The Bill is very clear.

Deputy Louise O'Reilly: It is cruel at this stage.

The Taoiseach: It will provide a medical card to all children in respect of whom a domiciliary care allowance is made. The Bill will provide a clear entitlement to a defined group of children with a severe disability and significant needs to a medical card.

Deputy Louise O'Reilly: I could read that myself. When?

The Taoiseach: It has to go through. The Deputy should raise the question at the committee. Obviously, it has to go through pre-legislative scrutiny now. I do not control that.

Deputy Robert Troy: For the past two years Members on this side of the House have continually raised the high cost of motor insurance and particularly how young people are being totally and utterly screwed when they go to get motor insurance. I acknowledge that last week finally saw the publication of the report to tackle the issue. One of the key recommendations is the introduction of legislation on compulsory motor insurance. However, according to today's legislative programme, that is only now under way. When will that be published? We cannot allow a number of these recommendations to be delayed for another 18 months, leaving young people paying exorbitant insurance costs for four years while the Government did nothing for the past two years.

The Taoiseach: Contrary to what the Deputy has said, the Minister of State, Deputy Eoghan Murphy, did a great deal of work in the insurance area. The Deputy will be aware of the publication of the recent report. The heads of the Bill will be published in the second quarter and will obviously go for pre-legislative scrutiny at that stage.

Deputy Pearse Doherty: Last week, many of us watched the television programme, "The Great Irish Sell-off", which clearly showed how deeply the vultures' claws have gone into the State. The programme pointed out that 90,000 home mortgages had been sold by the banks to vulture funds. Today's *Irish Independent* has reports that hundreds of farmers are concerned

that the vultures are about to swoop on them and repossess their farms. When will the Government clip the wings of the vultures or do they, as the Minister for Finance believes, play an important role in the State? Will the Government take any action to protect the 90,000 home owners and farmers who are concerned that the vultures are about to swoop?

The Taoiseach: As the Deputy is aware, the Central Bank does not maintain a record of the number of commercial loans, including SME loans, that have been sold on by the original underwriter. However, it has stated that portfolio sales are considered as part of the normal supervisory engagement. More importantly for individual consumers, legislation and regulations implemented by the Oireachtas and the Central Bank protect SMEs when dealing with regulated and unregulated firms. Under the Consumer Protection (Regulation of Credit Servicing Firms) Act 2015, the protections for SME borrowers are in line with those of mortgage owners. In cases where SME loans are sold by a regulated lender to an unregulated firm, the affected borrower retains the same level of protection as they had prior to sale. These regulatory protections are under the various statutory codes, the consumer protection code, the code of conduct on mortgage arrears, the lending to small and medium enterprise regulations, and the minimum competency code issued by the Central Bank of Ireland.

The transfer of a loan from one entity to another does not change the terms of the contract or the borrower's rights and obligations under the original contract. I will bring the fact that the Deputy has raised the issue to the Minister's attention.

Deputy Gino Kenny: I will get the niceties out of the way because I will probably not be nice to the Taoiseach for the rest of the year, but I wish him and his colleagues a happy new year. When will this country ratify the UN Convention on the Rights of Persons with Disabilities? I have raised this many times with the Minister of State at the Department of Health, Deputy Finian McGrath. It is like waiting for Godot at this stage. People with disabilities and other members of the public are awaiting a decision by this Government. The convention has already been ratified by 156 countries and Ireland must ratify it without further delay. A protest will be held outside the Dáil on Thursday at 12 noon by people with disabilities. People are awaiting a decision and they want it now.

The Taoiseach: I thank Deputy Gino Kenny for his good wishes. The relevant Bill was published before Christmas. It is now awaiting Second Stage and will move through the various Stages. The Minister of State, Deputy Finian McGrath, along with many others, has done a lot of work on it. I hope it moves through-----

Deputy Gino Kenny: Is there a specific date?

The Taoiseach: I do not know. It will be a matter for the Business Committee to decide when it comes in here in terms of the ordering of business. Obviously, we must follow through with a number of Bills before we can actually ratify the convention but it has moved into a much better place now.

Deputy Gino Kenny: That is a very poor response.

The Taoiseach: I will ask the Minister of State to contact the Deputy directly.

Deputy Eoin Ó Broin: As the Taoiseach knows the November homeless figures showed, yet again, a further rise in the number of people living in emergency accommodation, with 6,985 people in such accommodation, including 2,549 children. In addition to the lack of sup-

ply of social housing, the lack of adequate private rental accommodation is feeding this crisis. Today in Dublin there are only 1,564 properties available for rent but there are 6,225 units listed on Airbnb. The Minister for Housing, Planning, Community and Local Government, Deputy Coveney, gave a commitment in October to introduce secondary legislation to properly regulate this sector to ensure that only properties adequate for the purposes of Airbnb would be considered and the rest would require planning permission. When will this secondary legislation be published and will the Opposition be consulted on its contents?

The Taoiseach: We have been through this at some considerable length over the past period of time. The action plan allows for the building of 1,500 rapid-build units and 1,600 vacant units have been sourced by the Housing Agency. The expanded HAP scheme for homeless tenancies reached 550 in 2016 and will reach 1,200 in 2017. The plan also includes a 40% increase in homeless funding from €70 million to €98 million in 2017. This year there will be a spend of €1.2 billion on social housing.

I will ask the Minister to give Deputy Ó Broin more accurate details and a date on which he expects the legislation to be published. I would point out that 200 extra beds have been provided at Ellis Quay, Little Britain Street, Carman's Hall and Wolf Tone Quay.

Deputy Martin Kenny: As the Taoiseach is aware, there is a huge crisis in rural Ireland with regard to ambulance services and long waiting times. Recently in Killeshandra Church of Ireland School a child fell ill. The local GP was called to attend to the child but he had to put the child in the back of his own car and drive to Cavan General Hospital because he was told that an ambulance would take 45 minutes. The nearest ambulance was in the Clones area of County Monaghan-----

An Ceann Comhairle: How is that relevant-----

Deputy Martin Kenny: The same is happening all over the country-----

An Ceann Comhairle: How is this relevant to the programme for Government?

Deputy Martin Kenny: It is relevant because the programme states that the Government will increase the level of services in rural areas, particularly blue light services. We have a crisis across rural Ireland because dynamic deployment, a management process that has been put in place, means that ambulances are travelling up and down the country rather than being stationed in their own areas. It is not new management that is needed to solve this crisis but more ambulances and staff. The programme for Government commits to doing something about this issue. When will the Government buy more ambulances and employ more staff to ensure that an adequate service is provided?

The Taoiseach: I do not have the details of the case to which Deputy Martin Kenny refers. When there is an issue with regard to an ambulance, a detailed response is always given in terms of ambulance availability on the day of the incident in question. We are building primary care centres throughout the country so that patients whose cases are not so serious can be dealt with at those centres without the need to go to hospital at all. I regret that a doctor had to put a child in the back of his or her car and bring the child to a primary care centre or to the local hospital. I will ask the Minister for Health, Deputy Harris, to respond to Deputy Martin Kenny directly.

Deputy Bernard J. Durkan: The criminal justice (legal aid) Bill has been promised for some time but it has not yet been referred for pre-legislative scrutiny. Is that process likely to

be expedited given the importance of the Bill and its implications for cutting costs in the context of public expenditure?

The Taoiseach: Work has been under way on this for quite some time. I do not know whether it will be in this session but I will have confirmation sent to the Deputy.

Deputy Carol Nolan: I have another question on the motorised transport scheme which Deputy Ó Caoláin raised earlier. It is a very important issue and we receive many calls from constituents in respect of it. I would like to know the reasons for the delay in the legislation. I was told last term it was to be published in July but this did not happen. It is not good enough. We have thousands of vulnerable citizens and to be left without this scheme is absolutely appalling. We need answers and we need to know why the delay has occurred.

The Taoiseach: Sometimes it is not as simple as it might look to produce legislation. This was quite a complex issue and it has been going on for a number of years. Obviously the Deputy will be able to deal with all this when the Bill is brought before the House. I hope the work that has been done by a great number of people will bring about a scheme that is effective and practical and designed for those who really need it.

Deputy Jan O'Sullivan: I wish to ask about the commencement of the Planning and Development (Housing) and Residential Tenancies Bill which went through both Houses of the Oireachtas before Christmas. I am sure the Taoiseach will be able to answer me because the Minister, Deputy Coveney, has made a public statement on it. In particular, I wish to know about Part 3 which deals with the Tyrrelstown amendment. It is very welcome that The Strand apartment dwellers in Limerick have got a reprieve but others will not be protected until Part 3 of the legislation is commenced. Does the Taoiseach have clarity on this?

The Taoiseach: The measure in the Planning and Development (Housing) and Residential Tenancies Act 2017 known as Tyrrelstown will come into effect once the Minister signs the commencement order, which he will do later today.

Deputy Jan O'Sullivan: I thank the Taoiseach.

Deputy Martin Ferris: In the mid-1960s an agreement between the then Taoiseach, Seán Lemass, and Terence O'Neill allowed fishermen from the Six Counties to fish in the territorial waters of the Twenty-six counties and *vice versa*. This was challenged and brought before the Supreme Court prior to Christmas. As a consequence the judgment stated that no legislation was brought forward to legalise it. I understand this legislation is being prepared. When can we have it before the House?

The Taoiseach: The legislation was cleared this morning on the recommendation of the Minister for Agriculture, Food and the Marine, Deputy Creed. The Government gave approval for the text of the sea fisheries (amendment) Bill which will put the arrangement that has been in place for decades on a legal footing in domestic law arising from the Supreme Court's decision last year.

An Ceann Comhairle: Two further Deputies are offering and if they are very quick, we will try to take them.

Deputy Mary Lou McDonald: I understand Dublin man Ibrahim Halawa has had his trial date put back yet again. This is the 18th occasion on which this has happened. I understand

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the Ceann Comhairle led a delegation to Egypt. I have two questions, one for the Ceann Comhairle-----

An Ceann Comhairle: The Deputy has one question. I do not answer questions.

Deputy Mary Lou McDonald: It is the same issue. The delegation needs to report to the House. What will the Taoiseach do? This is the 18th time. It is a never-ending nightmare for this young Dublin man and his family.

The Taoiseach: It is, and I thank the Ceann Comhairle for leading a delegation to Cairo, going to see young Ibrahim and speaking to President el-Sisi who said that as soon as a verdict is given he will use his presidential pardon powers. He said the very same thing to me on two occasions. Our problem is there are more than 400 defendants in the case. The Minister, Deputy Flanagan, and his officials have had more engagement on this particular case and young Ibrahim Halawa than on any other Irish citizen I can think of. I cannot answer Deputy McDonnell as to the reasons the case was postponed today. We have had very intense engagement up to the highest levels and not just from myself but from the speaker of our House, the Ceann Comhairle who led an all-party delegation which met face-to-face with the President, and I thank the Ceann Comhairle for this.

An Ceann Comhairle: We will circulate a written report to all Members arising from the delegation.

Deputy Aindrias Moynihan: In the programme for Government there is a commitment to support child care workers who are upskilling. Last week, the Minister announced a grant scheme of just over €700 for child care workers doing courses. The closing date for the grant scheme announced last week is today, which means the scheme was only opened for applications for approximately five days. While it was flagged before Christmas, it is a very short time for people to be able to make an application. It is a busy time with new children coming into child care facilities. If anybody is out sick or working a short week it is difficult to submit an application within a five day window. I ask the Taoiseach and the Minister whether this can be reviewed and the timeline extended so people can apply for the grant.

The Taoiseach: I will bring it to the attention of the Minister for Children and Youth Affairs, Deputy Zappone, and I will advise Deputy Moynihan of her view in respect of his proposal.

Ethical Public Investment (Tobacco) Bill 2017: First Stage

Deputy Sean Fleming: I move:

That leave be granted to introduce a Bill entitled an Act to prohibit the investment of public moneys directly or indirectly in equity or debt securities issued by tobacco companies.

I thank the Ceann Comhairle for the opportunity to introduce the first Private Members' Bill of 2017 to the Oireachtas. The purpose of the Ethical Public Investment (Tobacco) Bill 2017 is to prohibit investment of public moneys directly or indirectly in equity or debt securities issued by tobacco companies. The Bill will end once and for all the practice of the State holding investments in tobacco companies. Everybody would agree that it is immoral for the State to make a profit on the sale of cigarettes and should not be allowed to happen. This is a policy

issue the Oireachtas must address and I welcome this opportunity to do so.

It is a health issue as well as a public investment issue. The fact that smoking remains a huge cause of preventable death and disease in Ireland is accepted by everybody. Tobacco costs the State more than €1.5 billion in health care costs and loss of productivity. It kills 6,000 people per annum, which means an average of 16 people a day die in Ireland as a result of tobacco-related cancer and other illnesses. More than 81,000 hospital bed days are taken up treating people with preventable cancer arising from smoking. It is an issue we must take very seriously. I am very pleased Ireland has a very strong tradition in this area. When my party leader was Minister for Health and Children he introduced a ban on smoking in many areas, which has been a measure many countries throughout the world have introduced.

The reason I am introducing the Bill goes back to last July. I am pleased to be Chairman of the Committee on Public Accounts and I have taken the view that when I see something at the committee that needs changing and requires legislation, I will introduce legislation to deal with the issue. On 21 July 2016, the NTMA and the Ireland Strategic Investment Fund appeared before the committee. We specifically asked them about their ethical and social responsibility policies. They wrote back to the committee shortly afterwards stating ethical investment and other issues focus on aligning investors' social objectives or values with their investment portfolios. They look at issues such as alcohol, tobacco, gambling and ethically compromised companies such as weapons manufacturers. We have legislation which prohibits investment in cluster munitions and antipersonnel mines, which was introduced in 2008. This is the only line of investment from which the Ireland Strategic Investment Fund and the NTMA are prohibited. I want to extend this to the tobacco industry, which is the purpose of this legislation.

The legislation I am introducing mirrors very closely the 2008 legislation which banned State investment in cluster munitions and antipersonnel mines. As a result of this, I hope it will get smooth passage through the Oireachtas as the format of the legislation has been here before.

I was very pleased to receive correspondence as Chairman of the Committee of Public Accounts that in light of the committee's questions on this issue the Ireland Strategic Investment Fund will examine the case for excluding certain securities in sectors, and I referred to tobacco in my earlier remarks. I am pleased that, in Christmas week, it divested itself of its shares in three tobacco companies. That is very welcome. It is reviewing its strategy but it could reinvest on a commercial basis if the case arose again so I want to ensure we have legislation on the Statute Book setting out the policy issue for the fund in the future. I have no doubt it will get full agreement in the House and that of the NTMA itself.

The legislation has six short sections including those relating to definitions, the duty of investors to avoid investment in tobacco companies, and direct investment in a tobacco company. Where the ISIF has an investment in a company that subsequently acquires an investment in a tobacco manufacturer, it must get a commitment that the company will cease dealing with tobacco or the Irish State will disinvest itself of its share. The sections also deal with indirect investment in tobacco companies, and allowing the Minister to bring in the commencement date.

I am grateful for the opportunity to propose this legislation and I hope it will work its way properly through the House in the weeks and months ahead.

An Ceann Comhairle: Is the Bill being opposed?

Minister of State at the Department of the Taoiseach (Deputy Regina Doherty): No.

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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 Sean Fleming: I move: "That the Bill be taken in Private Members' time."

An Ceann Comhairle: In accordance with Standing Orders, the debate will be adjourned until the next day on which Private Members' business will be taken.

Question put and agreed to.

Business of Dáil

The Taoiseach: We note, with regret, the passing of T. K. Whitaker last week, a truly outstanding public servant and a man of extraordinary vision and ability who left his mark on Ireland. I thought it might be appropriate to make arrangements for all Members and party leaders to make more appropriate contributions at some later time.

An Ceann Comhairle: Is that agreed? Agreed. The Business Committee will make the necessary arrangements.

Standing Orders: Motion

An Ceann Comhairle: We will now move on to a motion regarding Standing Orders 23, 25, 28, 39, 84A, 111F, 140, 146 and 156.

Minister of State at the Department of the Taoiseach (Deputy Regina Doherty): I move:

That, in accordance with the recommendations of the Committee on Procedure and the sub-Committee on Dáil Reform under Standing Order 107(1)(a), the Standing Orders of Dáil Éireann relative to Public Business be amended as follows:

(a) in Standing Order 23, in paragraph (1), by the deletion of subparagraph (a) and the substitution of the following:

'(a) every Tuesday at 10 p.m. and every Wednesday at 10.15 p.m., and';

(b) in Standing Order 25, in paragraph (1), by the deletion of 'until 4.30 p.m.' and the substitution of 'for 40 minutes';

(c) in Standing Order 28, in paragraph (3), by the deletion of 'but for a period not exceeding 15 minutes' and the substitution of 'but for a period not exceeding 30 minutes on a Wednesday and 15 minutes on a Thursday';

(d) in Standing Order 39, in paragraph (1), by the deletion of subparagraph (c) and the substitution of the following:

'(c) The time allowed for Taoiseach's Questions shall not exceed 45 minutes each day: Provided that the time allowed for each Question or group of Questions shall not exceed 15 minutes, of which—

(i) the time allowed for the initial reply from the Taoiseach shall not exceed three minutes, and

(ii) the time allowed for each supplementary question or the reply thereto shall not exceed one-and-a-half minutes.

Further provided that the Ceann Comhairle may, at the request of the Members present at the time, but at his or her discretion, allow more than 15 minutes (without exceeding the overall allocation of 45 minutes) for a group of Questions where the number of Questions grouped together would prevent all Members in whose names the Questions had been tabled from putting a supplementary question.’;

(e) in Standing Order 84A, in subparagraph (8)(b), by the insertion of the following after ‘may select’:

‘: Provided that the provisions of Standing Order 111F apply where the Select Committee has not considered the Ombudsman report, or a portion or portions thereof, within two months (excluding Christmas, Easter or summer recess periods) of the report being laid before either or both Houses of the Oireachtas’;

(f) by the adoption of the following Standing Order:

‘111F. Where a Select Committee does not under Standing Order 84A(8)(b) consider an Ombudsman report, or a portion or portions thereof, within two months (excluding Christmas, Easter or summer recess periods) of the report being laid before either or both Houses of the Oireachtas, the Committee shall proceed to consider the Ombudsman report, or any portions thereof not considered by the Select Committee.’;

(g) in Standing Order 140, in paragraph (1), by the deletion of subparagraph (b) (down to and including ‘8 p.m.’) and the substitution of the following:

‘(b) on Wednesdays for two hours immediately following the suspension of sitting under Standing Order 25(1): Provided that the Business Committee may, where

divisions on Government business are likely to occur, decide that the Government business will be taken at that time and the Private Members’ business deferred until 8.15 p.m.’;

(h) by the adoption of the following Standing Order in substitution for Standing Order 146:

‘146. At a sitting of the Dáil following the death of a former Member of the Dáil, a Member of the Dáil, a Head of State, Prime Minister or other person of similar status, expressions of sympathy may be heard in accordance with arrangements agreed by the House further to a recommendation in the report of the Business Committee under Standing Order 27C.’;

and

i) in Standing Order 156, by the deletion of paragraph (3) and the substitution of the following:

‘(3) Members may speak twice on an amendment offered to a Bill on Report. The

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first contribution shall not exceed seven minutes and the second contribution shall not exceed two minutes: Provided that the member who moved the amendment shall also have a right of reply which shall not exceed two minutes.’.”

Deputy Micheál Martin: Are these new Standing Orders?

An Ceann Comhairle: These are matters regarding Standing Orders and were agreed by the Business Committee and the Dáil reform committee prior to Christmas.

Question put and agreed to.

Topical Issue Matters

An Ceann Comhairle: 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 Louise O'Reilly - GPs in Balbriggan refusing to attend to children under six due to overcapacity; (2) Deputy Michael Fitzmaurice - the delay in processing GLAS payments across the country; (3) Deputy Dessie Ellis - the use of off-road vehicles in public parks and green areas; (4) Deputy Pat Casey - the decision to close Laragh/Glendalough Post Office; (5) Deputy Frank O'Rourke - difficulties with the centralised tender for book supplies to public libraries; (6) Deputy Eugene Murphy - the absence of child psychology service in the Roscommon HSE area; (7) Deputy Tony McLoughlin - plans to deliver a fixed cardio-catheterisation lab to Sligo University Hospital in 2017; (8) Deputies John Curran and Maureen O'Sullivan - the withdrawal of funding by the HSE for Tiglin rehabilitation and addiction centre; (9) Deputy Brian Stanley - the future of the Bord na Móna plants at Kilberry, County Kildare and Cuil na Móna, County Laois; (10) Deputy Kathleen Funchion - the reduction in the number of maternity beds at St. Luke's Hospital, Kilkenny; (11) Deputy Dara Calleary - concern for jobs, employment conditions and services at Bus Éireann; (12) Deputy Seán Haughey - the provision of ambulance services in Dublin given the current threat of strike action; (13) Deputy Fiona O'Loughlin - a future location for an Alzheimer's day care unit in south Kildare; (14) Deputy Jan O'Sullivan - the opening date for the new emergency department at University Hospital Limerick; (15) Deputy Tom Neville - workplace discrimination felt by our more mature workforce; (16) Deputy Aindrias Moynihan - the extension of the deadline for applications for a bursary for certain child care staff; (17) Deputy Brendan Griffin - the touting of event tickets; (18) Deputies Mary Butler and David Cullinane - cardiac services at University Hospital Waterford and throughout the south-east region; (19) Deputy Thomas Pringle - staffing concerns at the Seaview respite home, County Donegal; (20) Deputy Clare Daly - concern with defined benefit pension schemes and particularly the planned closure of the Irish Life scheme; (21) Deputy Anne Rabbitte - conditions in University Hospital Galway emergency department; (22) Deputy Mattie McGrath - the sale of the Ulster Bank loan book to Cerberus Capital Management; (23) Deputy Richard Boyd Barrett - the Oxfam report on global wealth distribution; (24) Deputy Catherine Martin - the application of the unfair terms directive in repossessions of family homes; (25) Deputy Charlie McConalogue - the latest Bord Bia report; (26) Deputy Mick Wallace - the ESRI's report on the Traveller community in Ireland; (27) Deputy Niall Collins - an allegation of sexual assault by members of An Garda Síochána in Limerick; (28) Deputy John Brassil - conditions in emergency departments; and (29) Deputy Billy Kelleher - provision of Freestyle Libre under the long-term illness scheme.

The matters raised by Deputies Fiona O'Loughlin, Kathleen Funchion, Tom Neville and

Catherine Martin have been selected for discussion.

Messages from Seanad

An Ceann Comhairle: Seanad Éireann has passed the Statute Law Revision Bill 2016, the Road Traffic Bill 2016, the Planning and Development (Housing) and Residential Tenancies Bill 2016 and the Courts Bill 2016, without amendment.

Ceisteanna - Questions

Dublin-Monaghan Bombings

1. **Deputy Micheál Martin** asked the Taoiseach if the Dublin-Monaghan bombings were mentioned when he was last speaking with or when he met Prime Minister May. [39810/16]

The Taoiseach: I discussed the Dublin-Monaghan bombings and other legacy cases with Prime Minister May when I met her in July and highlighted to her the importance of dealing with legacy issues and hoped there could be progress on the overall arrangements for dealing with the past.

This House unanimously adopted a third all-party motion on the Dublin-Monaghan bombings on 25 May, following the 42nd anniversary on 17 May. In our engagement with the British Government, the Minister for Foreign Affairs and Trade and I continue to raise and seek substantive progress on the Dáil motions and urge the British Government to allow access by an independent international judicial figure to all original documents in their possession relating to the these bombings.

The Minister for Foreign Affairs and Trade, Deputy Charles Flanagan, has raised the matter in his meetings with Secretary of State, James Brokenshire, on a number of occasions, outlining the importance of this issue for the Dáil and the Government and the expectation of a response. The Minister will continue to raise the Dublin-Monaghan bombings with the British Government and he has instructed his officials to remain in close contact with their British counterparts on the issue also.

The Government will continue to engage with the British Government on the request in relation to the Dublin-Monaghan bombings and pursue all possible avenues that could achieve progress on this issue, consistent with the request made by the Dáil and in the hope that this could bring some measure of closure to the families.

Deputy Micheál Martin: As the Taoiseach said, there have been many all-party motions in this House about the Dublin and Monaghan bombings and the need for the British Government to be far more forthcoming with the release of vital documentation that could bring clarity to the appalling attack and the loss of life incurred at the time. A total of 34 people, including an unborn child, were murdered as a result of the explosions that tore through the city centre of Dublin and Monaghan. We have had a significant number of inquiries such as the Barron inquiry, the McEntee inquiry and others which reveal very serious concerns and the non-co-

operation of the British Government is unacceptable. Its refusal to make progress on the matter in response to a united parliamentary vote in this House is more than regrettable.

The Taoiseach said he raised this with the British Prime Minister in recent conversations and the Minister for Foreign Affairs and Trade, Deputy Charles Flanagan, has also raised it on a number of occasions with the Secretary of State, James Brokenshire. What response is the Government getting? What is the British Government saying? What has the response been to the Taoiseach's proposition that an international judicial figure have access to the documentation? That would be a reasonable compromise, a reasonable avenue on which to proceed in pursuing this issue. It goes to the heart of the issues of the past and the need to make sure people are accountable. On this side of the Border we opened up our documents for various inquiries, such as those into the murders of RUC constables, and we held a judicial inquiry, the Smithwick inquiry. We fulfilled our side of the agreement but the British Government has not met its responsibilities. This can be said of others as well and I have had a scepticism about other paramilitaries from the time as to whether they are really that anxious to come forward and admit their guilt in various atrocities such as Kingsmill or other activities involving loyalist paramilitaries.

A lot of views have been given and there are genuine reasons to believe loyalist paramilitaries were involved in these atrocities and that British security forces, through inactivity or non-action, could have facilitated the atrocities. There is an urgent need to explore these issues fully and comprehensively and to get access to all the evidence. The British Government has stonewalled in the name of national security and this is damaging. It is injurious to British-Irish relations and the idea that, whatever about non-state actions, the state and governments have certain norms by which they must abide in the conduct of their duties. The potential orchestration of these explosions by elements of the British security forces should be fully examined. These were the worst atrocities of that period, coming as they did against the backdrop of the Sunningdale agreement, and we must spare no effort to get to the truth. I pay tribute to Justice for the Forgotten, which has been campaigning relentlessly over the years for justice and the truth.

The Taoiseach said he wanted to explore every avenue. Can he identify what "every avenue" might mean? What other ideas has the Government come up with to pursue the issue over and above what has been said to the British Government so far? What has the British Government response has been to the recent attempts by the Taoiseach and the Minister for Foreign Affairs and Trade, Deputy Charles Flanagan, to raise this issue?

Deputy Gerry Adams: Just before Christmas, the former Taoiseach, Bertie Ahern, acknowledged the feelings of this State when he recalled that the investigation into the Dublin-Monaghan bombings closed after just three months. He was trying to explain the complexities of dealing with the past. He made it clear, and we would endorse this, that it is totally unacceptable for the British Government to use national security as an excuse not to co-operate on this hugely important issue.

Mr. Justice Barron said, "Given that we are dealing with acts of international terrorism that were colluded in by the British security forces, the British government cannot legitimately refuse to co-operate with investigations and attempts to get to the truth". However, that is exactly what this British Government is doing. It is not just a passive British Government, it is actively working to undermine processes that can get to the truth. It is refusing to fund legacy requests, inquests and investigations, all in clear breach of international human rights obligations.

I put this to the British Secretary of State in a number of conversations over the last week or so, but I asked myself why he should listen to me if the same point is not consistently being made by our leaders here in the Government. Raising this or another issue with the British Prime Minister or Secretary of State is not the same as having a consistent domestic and international strategy in Britain and Europe, and at the United Nations, to persuade the British Government to co-operate. I put the same point to Teachta Micheál Martin when he was in government as Minister for Foreign Affairs, that if the Government is serious about helping victims it needs to publicly challenge the British government on this national security excuse.

The Stormont House Agreement proposes the establishment of an independent commission on information retrieval, which would cover both jurisdictions on this island and deal with all conflict-related deaths. As part of that process, both Governments drafted and published an international agreement to establish the independent commission on information retrieval. It was led jointly in the Houses of the Oireachtas and Westminster in January, but it has not yet been commenced. It is sitting there because the British Government objects and uses this national security excuse. So what is the Government doing about that? The Government has an obligation to proceed with ratifying this legislation irrespective of what a British Government may do. The Government has a responsibility to show leadership on this issue. Both Governments signed up to the Stormont House Agreement which is sitting there now, so I call upon the Taoiseach to move on this issue. Perhaps then we will get the British Government to co-operate in a way it had not done thus far.

The Taoiseach: The Stormont House Agreement provided for the establishment of a number of things, including a suite of bodies to address the historic investigations unit and to take forward outstanding investigations in Northern Ireland into troubles-related details. There is also the independent commission for information retrieval which, as Deputy Adams pointed out, would enable victims and survivors not just to seek, but privately receive, information about the troubles-related deaths of their next-of-kin. The Oral History Archive is providing a central place for people from all backgrounds throughout the UK and Ireland to share experiences and narratives related to the troubles.

Deputy Martin asked me if I raised this matter with Prime Minister May, which I did. It is not the first time that this has been raised. I told the new prime minister that this was a matter of serious concern to people in Ireland. We want elements of the past to be focused upon and action taken on them.

The last motion that was passed on 17 May 2016, which was the 42nd anniversary of the Dublin-Monaghan bombings, requested the Government to continue raising the matter with the British Government. It directed the Ceann Comhairle, the Clerk and the Chairs of relevant committees, when appointed, to do likewise with their respective British counterparts in order to actively pursue the implementation of the 2008 and 2011 all-party motions.

I discussed this with Prime Minister May's predecessor, David Cameron, in Stormont. If people are serious about this, the independent commission for information retrieval holds out the possibility of providing information that is requested from anybody who lost a loved one from any side, and that all of the information will be made available to them by an independent, international judicial figurehead. I raised the question specifically as to whether this would be blocked by the British military machine. At that time, Mr. Cameron answered that as he was only a child when most of this was going on he had no objection to this kind of information being made available in terms of the truth. This has not been commenced yet, but the Minister

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for Foreign Affairs, Deputy Flanagan, the British Secretary of State and the Northern Ireland Executive took part in a meeting to review the Stormont House Agreement. Part of the case the Minister made was that we should get on with the business of implementing the three suites that were part of the Stormont House Agreement.

The Independent Reporting Commission, which comprises Professor Monica McWilliams, Mr. John McBurney, Mr. Tim O'Connor and Mr. Mitchell Reiss, will meet - if they have not already met - in January this year. The Government approved the general scheme of an independent reporting commission Bill for priority drafting. The legislation will be brought before the Oireachtas in the near future.

Despite our conversations about Brexit and a focus on Northern Ireland, when I get the opportunity shortly I will raise this matter again. If we are serious about it, and if the Stormont House Agreement is to mean anything, this would hold out a real opportunity for people on either side to find out information about the cause of death of their loved ones. I recall being up in Ballymurphy, as Deputy Adams is aware, seeing a copy of the faxed sheet stating that his father was dead. These are legacy issues of the past about which Deputy Martin has often spoken. They are very hurtful for people and they need to be dealt with.

What was put together in the Stormont House Agreement holds out the possibility, if people are willing, of dealing with what is locked away in files wherever. In that way, the information people need to know concerning how they lost loved ones on either side would be made available. I will raise the matter with the British Prime Minister shortly when I have an opportunity to do so.

Deputy Micheál Martin: That is not promising.

An Ceann Comhairle: We are out of time, so we will now move on to Questions Nos. 2 and 3.

Programme for Government

2. **Deputy Micheál Martin** asked the Taoiseach if he will report on the commitments in the programme for Government relating to his Department; and the progress on same. [39812/16]

3. **Deputy Gerry Adams** asked the Taoiseach if he will report on the implementation of commitments in the programme for Government pertaining to his Department. [1909/17]

The Taoiseach: I propose to take Questions Nos. 2 and 3 together.

The Programme for a Partnership Government was published on 11 May 2016 and sets out an ambitious programme of work to be implemented over the lifetime of the Government. Last month, the Government published a progress report on the programme setting out the progress made to date across all of Government on implementing those actions and commitments and includes measures recently announced under budget 2017. This is the first of many regular reports to be published in addition to the annual report which will be published in May following the Government's first year in office.

In the first six months, some of the key issues progressed across Government included a new action plan for housing and homelessness; the establishment of a €200 million local in-

infrastructure housing activation fund; an increase in rent limits under the rent supplement and housing assistance payment; the establishment of a task force on the implementation of personalised budgets for persons with disabilities; the establishment of the Citizens' Assembly; a new dedicated Cabinet committee working on a new rural action plan; the establishment of a mobile phone and broadband task force; two weeks' paternity leave introduced since September 2016; and reforms implemented to give the Oireachtas a stronger role in planning its business and in the budgetary process.

My Department has responsibility for certain commitments in the programme, including the areas of Dáil reform, relations with Britain and Northern Ireland, managing the new partnership approach between Government and Parliament, and the establishment of a Citizens' Assembly. Officials in my Department are working to progress these issues over the lifetime of the Government.

Immediate areas progressed to date include the setting up and supporting of the Citizens' Assembly to carry out its work independently; a range of Dáil reforms including power for Parliament to plan its own business, a new budget oversight committee to allow the Oireachtas to play a greater role in the budgetary process, the appointment of committee Chairs through the d'Hondt system, the provision of more time for Private Members' business in the Dáil and the grouping of votes to encourage a more family-friendly policy. My Department is actively supporting a whole-of-Government response through dedicated action plans for jobs; housing and homelessness; rural development, and a creative Ireland, which latter plan was launched recently. These action plans are further supported through specific Cabinet committees on the economy, trade and jobs; housing; regional and rural affairs, and arts, Irish and the Gaeltacht, respectively. My Department is ensuring that there is a whole-of-Government response to Brexit, including contingency planning and Brexit negotiations and this is being co-ordinated through a new Brexit Cabinet committee. I expect further progress to be reported on these and other commitments in the next report which I expect to see published in the spring.

Deputy Micheál Martin: I thank the Taoiseach for his reply. The programme for Government is 155 pages long and contains many recommendations and commitments, some of which, dare I say it, will never see the light of day. They were included anyway. The commitments in respect of the health service are particularly worrying. I ask the Taoiseach to comment on the assertion by the director general of the Health Service Executive last week to the effect that he needed €9 billion for capital infrastructure. The Taoiseach may raise his eyebrows, but that is what was stated in relation to the deficits in health infrastructure, which are real. In terms of the operation of the health budget this year, real questions marks exist over whether we got a proper assessment of the needs of the health service *vis-à-vis* the money allocated because the service has been left short very quickly in the new year. The bed capacity issue is flailing around the place and there has been no real focus on it or a coherent approach to it. Approximately €9 million of new money has been allocated to acute hospitals for new services and it is arguable that it will go nowhere. I acknowledge the allocation earlier last year in terms of balancing the budget, but there are still serious issues in relation to health. It seems the director general of the HSE is laying down a very strong marker.

If one looks at funding for A Vision for Change on mental health, it is our view that the relevant part of our confidence and supply agreement has not been upheld. When the budget was announced, it was indicated that there would be full funding for A Vision for Change but in the end it emerged in reply to Deputy Browne's questions that only €15 million was going to be made available this year for mental health commitments. That falls well short of the com-

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mitment announced in the budget by the Minister, Deputy Paschal Donohoe, himself. That was bad form and it sent a very wrong signal to the mental health community and those with concerns about mental health because it illustrated a somewhat cynical approach. We will pretend it is €35 million but in essence it is actually only €15 million. That kind of sleight of hand is unacceptable in relation to a sensitive issue such as mental health and we will be engaging further with the Government on that.

Can the Taoiseach indicate when the Seanad reform implementation group will be established? It is to implement the Manning report. It should be put in place forthwith. On the budgetary process, there is meant to be an independent office. While the Oireachtas is working on it, it is still not established. The reports of the fiscal council do not get due attention from the Government. It is interesting to note that in the general election last year the Minister for Finance, Deputy Michael Noonan, said the fiscal space was €500 million. Fast forwarding to just before the budget was announced, the Government found €300 million in the space of a week, which took us to approximately €1.3 billion. We have now found in the first week of January a further €120 million. The election took place in February last year, the budget was passed in October and we are now at a fiscal space of €1.4 billion and climbing. Questions must be asked about the veracity of all of that. I put it to the Taoiseach that the commitment we have made to an independent budgetary office and proper recognition of the Irish Fiscal Advisory Council must be looked at far more seriously than appears to be the case right now.

I turn to appointments to State boards. We had the extraordinary revelations in the *Sunday Independent* newspaper about the Minister for Transport, Tourism and Sport, Deputy Shane Ross, and the former Minister, Liz O'Donnell, in the Road Safety Authority. I am not against Ministers being particularly attentive to detail, but the rounding on the Road Safety Authority for its lack of grammatical precision and some spelling mistakes was a bridge too far in terms of the Minister's engagement with a very serious authority which has had a significant impact on the reduction of deaths and injuries on our roads. He seems to have a particular problem with appointing State boards and members to them notwithstanding the reforms which have taken place. He seems to be picking needless fights and undermining the morale and contribution of boards to society through the kinds of needless row revealed by the *Sunday Independent*. I ask the Taoiseach whether the Minister has a some sort of waiver in terms of the implementation of programme for Government commitments. Is he exempt from having to comply with basic standard agreements and Government policy on appointments to State boards? What is the position?

Likewise, I refer to the commitments in the programme for Government in terms of public transport. It is extraordinary that the Minister was in a position to brief the Cabinet today on the Bus Éireann dispute. It must have been a very brief briefing given the fact that the Minister said himself that he had not seen or read the report. Every worker in Bus Éireann is very much aware of the report and is worried about its implications for their working conditions and status, the status of the company and the overall Government strategy on public transport. Is the Government committed as per the programme for Government to public transport in principle? Is it committed to basic standards in wages in public transport? In the modern world with pay inequality, it is an important point. All analysis globally shows that there has been a growth in inequality between the corporates, multinationals and big industry and people who are working. We need to be very careful about going down a particular route. It is grand to privatise everything but one ends up with everyone on a very low threshold of wages. As such, we need a debate in the House. The ESRI has previously done some work on the issue and raised concerns

about it. It is a global issue and it is one that affects us in the State. Given the grave implications of the Grant Thornton report, I was very taken aback by the Taoiseach's revelation this afternoon that the Minister for Transport, Tourism and Sport had not actually read a core report relating to Bus Éireann and which people read on the front page of *The Irish Times*.

Deputy Brendan Howlin: And he sought it.

Deputy Micheál Martin: Every worker is aware of it as are the trade unions involved. It is a dereliction of duty and it suggests someone who is not engaging. There could be a political reason for it to the effect that "I hear no evil, see no evil and do not want to be involved. It is somebody else's problem". However, public transport is the Minister's responsibility and he cannot waive it. It is per the programme for Government. In terms of the implementation of the programme for Government, what is the Taoiseach's take on the Government's commitment to public transport and does he think it is acceptable that the Minister has not acquainted himself with the content of the Grant Thornton report on Bus Éireann? I find it an incredible admission by the Taoiseach and the Minister that the latter has not seen a copy or read its contents.

Deputy Gerry Adams: I note that we have only four minutes left. Gabhaim buíochas leis an Taoiseach as freagra a thabhairt ar na ceisteanna. The first progress report was published just before the Christmas break and was noticeably light in terms of the Government's achievements. I get a bit confused sometimes. Is the confidence and supply agreement with Fianna Fáil still in place? I assume it is, notwithstanding what the Fianna Fáil leader said-----

Deputy Micheál Martin: It is a bit more robust than the DUP and Sinn Féin programme for government.

Deputy Gerry Adams: -----in terms of the areas of significant challenge. Let us note that the leader of Fianna Fáil was in a Cabinet for 14 years which was replete with allegations of corruption and brown envelopes. He humoured and put up with that, but Sinn Féin did not. That is the difference between us and his party.

The areas of significant challenge include homelessness, chaos in health, a lack of provision for mental health services, housing, the rental sector, water charges and public transport. I note that the Taoiseach very skilfully hung the Minister for Transport, Tourism and Sport out to dry earlier during Leaders' Questions.

There has been little movement on issues which are the direct responsibility of the Taoiseach. I have already put it to the Taoiseach that the commitment to actively fulfil the Government's mandate as co-guarantor of the Good Friday Agreement has not been fulfilled. I note that the commitment of the Taoiseach to maintain the needs of victims at the core of building on the progress made to establish the new institutional framework on the past, as agreed under the Stormont House Agreement, has not been fulfilled. There are other commitments in respect of North-South infrastructural projects, specifically the Narrow Water bridge project and the southern relief road between Warrenpoint and the M1. A range of other commitments are the direct responsibility of the Taoiseach's Department.

Progress in these areas has not happened, including Ministers of State playing a more substantive role in policy formation and a re-examination of their functions within departmental structures and with Ministers. I am obliged to give the Taoiseach space to answer these questions.

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An Ceann Comhairle: To be helpful in light of what has happened, perhaps we could take five minutes from the next tranche of questions and give ten minutes to Deputy Howlin, who has not come in on the earlier questions. From tomorrow, on foot of the Standing Orders we have just adopted, we will have a strict time limit in terms of contributions for each question so we will not be getting into these difficulties any more. If Deputy Adams is amenable, we will take an extra five minutes.

Deputy Brendan Howlin: There are time limits on Leaders' Questions too. They do not seem to be-----

An Ceann Comhairle: They do not, but let that be a new year's resolution.

Deputy Gerry Adams: I am amenable, but obviously we are in this bind because the leader of Fianna Fáil went over his time.

An Ceann Comhairle: That is why I am saying we will give you an extra-----

Deputy Micheál Martin: I am enjoying the new year's salutations from the leader of Sinn Féin.

An Ceann Comhairle: If Members are amenable, we will add five minutes.

Deputy Gerry Adams: There is a commitment to examine the creation of unpaid roles for parliamentary private secretaries as well an examination of the balance of power and the responsibility between the Government and Civil Service. Maybe that has happened, but, to my knowledge, it has not.

Deputy Brendan Howlin: There is no one left in Fine Gael without a job to be appointed.

Deputy Gerry Adams: I urge the Taoiseach, if he can, to give comprehensive answers to these very important questions.

The Taoiseach: Far from using the words the Deputy said about the Minister, Deputy Ross, I made it perfectly clear that the Minister has not received this report and has not read it-----

Deputy Brendan Howlin: Has he asked for it?

The Taoiseach: -----because he did not receive it. I do not know how the report was leaked to one of the national newspapers. The Minister said that from his knowledge of what might be in the report it seemed to focus more on elements other than specific routes. The negotiations that will take place between management and unions will explore the conditions and circumstances, and routes may well come into that. I am not sure whether the company involved, when it completed the report, held onto it or-----

Deputy Micheál Martin: The Minister is a shareholder.

The Taoiseach: -----how it was leaked to a national newspaper.

Deputy Brendan Howlin: Briefed by management.

The Taoiseach: There is no waiver for anybody from the Government programme. Deputies should expect these commitments to be dealt with as speedily and effectively as possible.

Deputy Micheál Martin: What about the Road Safety Authority?

The Taoiseach: I have heard the comments and seen the report on that. It is an area I would not get into, in terms of correct grammar or whatever.

I have had some discussions about the Manning group. There might be different views about who should chair it, and I am following through on that. I hope it can be established very quickly. I thought it might happen before the Christmas break but it did not.

In regard to mental health, I understand the point the Deputy made. Substantial funding of €115 million and more than 1,100 posts have been provided for in this area since 2012. Significant additional funding will be provided for mental health in 2017, which means that the HSE funding for this key care programme will increase to €851 million in 2017. It was never a case of not being able to spend the money that was allocated. The Minister of State, Deputy McEntee, is working hard on this area.

In regard to youth mental health, further improvements in child and adolescent and adult services, services for older people and further enhanced out-of-hours responses to those in need of urgent services, the service plan produced by the HSE in respect of the strategy Connecting for Life provides for improved early intervention for youth mental health, including embedding the Jigsaw site for young people and the development of primary care based therapeutic responses.

There will also be increased services to meet the needs of those with severe and enduring mental illness and complex presentations and improved specialist clinic responses to clinical programmes. Improved regulatory compliance and incident management in the HSE will strengthen the governance arrangements to improve performance and the effective use of human, financial and infrastructural resources.

The Deputy is aware that the Minister for Health set out his view that we should develop a ten-year action plan for health. Given that the population is ageing and increasing in number, we will have to decide what the scale of capital investment will be in order to provide real opportunity in the health service over the next ten to 15 years. Primary care centres are built for a purpose, namely, to keep people out of hospitals. The Minister made the point that GPs have not had a new contract for many years, and he wants to focus on that.

It is a fact of life that energetic GPs should have at their disposal the opportunity in primary care centres to carry out diagnostics, X-rays and many other things that would mean people could avoid going to hospital or accident and emergency departments in the first place. There have been some comments about the necessity to bring people to accident and emergency departments late at night when no other services are available. That is an issue on which the Minister for Health is focusing.

Deputy Pat Buckley: With all due respect, Sinn Féin proposed that a couple of weeks ago.

The Taoiseach: In respect of the list of things that are happening in health, capital funding of €20 million was made available to the HSE last year to relocate 160 people currently living in 14 institutions around the country. Medical card coverage for all children in receipt of the domiciliary care allowance was provided for in the budget, which was mentioned today. The waiting list action plan is always a topical issue and was launched to reduce the number of patients waiting more than 18 months on the inpatient day care waiting list by 50%.

In terms of endoscopy waiting lists for 2016, we will outsource endoscopy procedures in

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order to benefit 3,000 patients who are currently waiting more than 12 months. In addition, a further €15 million was provided in budget 2017, rising to €50 million in 2018, for the National Treatment Purchase Fund, an issue raised by Deputy Martin on many occasions.

An Ceann Comhairle: We are eating into the next tranche of questions.

4 o'clock

Departmental Staff

4. **Deputy Brendan Howlin** asked the Taoiseach if there has been a skills needs assessment in his Department; and if any direct hires have occurred in the past year. [39820/16]

5. **Deputy Gerry Adams** asked the Taoiseach the number of staff assigned to each division in his Department; and the number of staff assigned to each section and unit of each division. [1910/17]

The Taoiseach: I propose to take Questions Nos. 4 and 5 together. The development of my Department's workforce plan for 2015 to 2017 incorporated a skills assessment. An assessment of skills also informs the individual learning and development plans of staff working in my Department as part of the performance management and development process. This process, which is closely aligned with my Department's business planning process, facilitates the identification of international skills required to meet the strategic objectives and changing business needs of the Department.

Nine members of staff have been recruited directly to my Department during the past year. All other recruitment has been organised through the Public Appointments Service.

My Department has prepared a table detailing the assignment of staff to divisions and units, which I will circulate with the reply.

The remainder of staff in my Department are assigned to private offices and Government information services.

Additional information not given on the floor of the House

My Department has prepared a table detailing the assignment of staff to divisions and units.

<i>Division</i>	<i>Units/Sections</i>	<i>Number</i>
<i>International, EU and Northern Ireland Division Total Staff: 29(including 1 Second Secretary and 2 Assistant Secretaries)</i>	<i>International</i>	<i>7</i>
	<i>European Union</i>	<i>8</i>
	<i>Britain and Northern Ireland</i>	<i>11</i>
<i>Economic Division Total Staff: 18(including 1 Assistant Secretary)</i>	<i>Economic Policy</i>	<i>11</i>

<i>Division</i>	<i>Units/Sections</i>	<i>Number</i>
	<i>Economic Infrastructure, Regulation and Climate Change</i>	<i>6</i>
<i>Social Policy and Public Service Reform Division Total Staff: 18(including 1 Assistant Secretary)</i>	<i>Social Policy</i>	<i>4</i>
	<i>Public Service Reform and Programme for Government</i>	<i>7</i>
	<i>Parliamentary Liaison Unit</i>	<i>3</i>
	<i>Internal Audit</i>	<i>3</i>
<i>Protocol and General Total Staff: 20(including 1 Assistant Secretary)</i>	<i>Protocol</i>	<i>10</i>
	<i>Government Secretariat</i>	<i>7</i>
	<i>Speech-writing</i>	<i>2</i>
<i>Corporate Affairs Division Total Staff: 51(including 1 Principal Officer)</i>	<i>Finance</i>	<i>6</i>
	<i>ICT</i>	<i>9</i>
	<i>Human Resources</i>	<i>8</i>
	<i>Management Services</i>	<i>22</i>
	<i>Information Management</i>	<i>5</i>
	<i>Data Protection</i>	<i>2</i>
	<i>Justice Reform</i>	<i>1</i>

Deputy Brendan Howlin: I thank the Taoiseach for his reply. Earlier in the discussions on Brexit, one of the most important issues we as a Parliament and as a people will face, we spoke about the skill set required in our public administration to deal with it. In particular, we spoke about the skill set within the Taoiseach's Department.

On the negotiations that will start once Article 50 is triggered, has the Taoiseach undertaken an analysis of the skill set required to support him and his Department relating specifically to Brexit? Does he have the economic evaluation capacity within his Department? Who specifically is involved? Has the Taoiseach appointed a new economic adviser to replace the economic adviser who left during the course of last year? In terms of one of the most important aspects from Ireland's perspective, international trade negotiation, does the Taoiseach's Department have the skill set to input within the negotiations by the EU 27 a capacity to understand and people who have been involved in international trade negotiations? Specifically, who are those people who will give him that direct support?

In terms of the nine direct hires he has made - I understand that the Taoiseach will circulate a list relating to those to us - will they assist specifically in the Brexit process? Will the Taoiseach provide the House with a flavour of the specific roles those nine direct hires were recruited to fulfil?

Deputy Gerry Adams: In the same line, the crux of my question is about Brexit and wheth-

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er the Taoiseach anticipates allocating additional staff to deal with the range of issues which arise as a consequence of the British decision to leave the EU. Will those staff have the range of skills and the experience needed? I have never considered a soft Brexit possible and the British Prime Minister signalled clearly today what her Government intends to do. She went on to state that the electorate voted with their eyes open to leave the European Union. On this island, the voters in the North voted to remain. This is not just a matter of the Taoiseach's Department and officials being able to deal with the British Government in terms of the affairs of this State; it concerns the entire island. Incidentally, in what was a fairly long speech the British Prime Minister gave the North 21 words, which shows how much consideration she gives the matter.

I will repeat my question. In terms of the complexity of all the issues arising, the need to engage fully with our European partners and in terms of outreach - I welcome the ongoing national conversation and that there will be sectoral conversations in the North - does the Taoiseach anticipate bringing in additional people with the necessary skills and experience to deal with these complex issues?

The Taoiseach: First, in respect of staff who attend at committees, they seem to turn up in serious numbers.

I take on the responsibility for a whole-of-Government response to Brexit which means that, as required, Ministers and specialists attend at the Cabinet Committee on Brexit. They are all involved. This concerns Ministers as well as their Departments and agencies and, as Deputy Howlin is well aware, a consistent and comprehensive response is required at all times.

I restructured the Department to ensure that Brexit is treated as a particular, special and crucial cross-cutting issue. This included creating a newly amalgamated international, EU and Northern Ireland division under a new second Secretary General. The work of the division includes supporting the Cabinet Committee on Brexit and the Cabinet Committee on European Affairs. It is also supported by the Minister for Foreign Affairs and Trade who now has a greater role in EU matters overall, with a newly created EU division and the existing division dealing with Anglo-Irish affairs both having important roles to play.

My Department has also availed of a range of specialist expertise and knowledge required to respond to the challenges associated with Brexit through the secondment of senior civil servants and personnel from semi-State bodies and the private sector to strengthen the Department's capacity in this particular area. If it is necessary to enhance that, that will happen.

At the moment, I am satisfied that we have the range of expertise required. It is always possible to take into account advice or views from other quarters. When the Prime Minister, Theresa May, triggers Article 50, these negotiations will formally start. No doubt there will be a response to her contribution today from various locations around the world. I expect that Mr. Barnier, who is heading up the Commission's negotiating team, will respond to the Prime Minister's comments, but the formal negotiations will not start until she triggers Article 50.

In respect of economic policy and European policy, I am satisfied that between officials, experts, special advisers and so on we have the range of skills and expertise necessary to deal with economic, financial, European and social policies as well as public sector reform.

The same applies in the case of international relations. In terms of academic qualifications, a number of the relevant team have undergraduate and postgraduate qualifications in areas that are of direct relevance to their work in the international section.

Deputy Brendan Howlin: It would be helpful if the Taoiseach told us who specifically-----

The Taoiseach: These include degrees in international development and in food policy, a PhD in political science, a Master's of Economic Science in policy analysis-----

Deputy Brendan Howlin: Who specifically is leading up each of the sections?

The Taoiseach: Gabh mo leithscéal.

Deputy Brendan Howlin: Who is dealing with the trade aspect? Who has the Taoiseach recruited? Who has he seconded in from the private sector?

The Taoiseach: I can give the Deputy the individual names if he wishes to have them.

Deputy Brendan Howlin: That would be helpful.

The Taoiseach: This comes under a second Secretary General who has responsibility over-all for Brexit and that feeds out into all-----

Deputy Brendan Howlin: This comes back to the weekly bulletin that the Taoiseach promised.

The Taoiseach: There is reference to undergraduate degrees in economics and in history and politics as well as modules in international relations. There is a whole range of expertise available. In fact, as the issues arise, as I stated, if particular specialist expertise and information is required, we will recruit people with it.

Deputy Brendan Howlin: We need to have them.

The Taoiseach: Between all of the agencies, Departments, Ministers and experts of one sort or another, we have that range and we are better prepared than the vast majority of other countries because we have been working on this for quite some time.

Deputy Brendan Howlin: We are more impacted than any of them.

The Taoiseach: I will circulate that detail with the reply.

Northern Ireland: Statements

The Taoiseach: I welcome the opportunity to have this debate on Northern Ireland. The current situation is most regrettable. We are heading into a potentially very divisive election at a time when we face one of the gravest challenges on these island in the form of Brexit. The absence of a fully functioning Northern Ireland Executive at any time is regrettable. That it should occur at precisely the moment when everyone should be focused on preparing for the Brexit negotiations and managing the impact of Brexit is particularly troubling.

I certainly regret the circumstances which led to the decision of deputy First Minister Martin McGuinness to resign his office and the subsequent impasse between the parties in the Executive, which gave rise to yesterday's announcement of Assembly elections by Secretary of State James Brokenshire. It is clear that the dispute within the Executive over the renewable heat incentive scheme was a significant factor in the breakdown of relations in the Executive. The detail of that scheme is essentially a devolved matter and, as such, it is not for comment by me

or the Government.

It is also clear that it was not the only factor in the breakdown and the need to protect the integrity of the Good Friday Agreement is a matter of grave concern to us. The effective functioning of the institutions established under the Agreement is vital and the principles of partnership and equality which underpin them must be respected by all parties. My Government maintains its deep commitment to the Good Friday Agreement. As co-guarantor of the Agreement, we have worked assiduously, together with the British Government and the political parties, to advance political stability, reconciliation and economic prosperity in Northern Ireland. We have engaged fully and constructively in the North-South Ministerial Council, ensured full participation in the British-Irish Council and worked intensively on a bilateral basis with the various parties in the North.

Last Tuesday, following Martin McGuinness's resignation, I met Deputies Adams and MacDonal of Sinn Féin to explore how the difficulties might be addressed. I also spoke by telephone with Martin McGuinness and Arlene Foster. I wish the former deputy First Minister a full recovery. Later that evening, I spoke with Prime Minister Theresa May. We agreed that our two Governments would do what we could to help the parties over the coming period and keep in close contact. Since then, the Minister for Foreign Affairs and Trade, Deputy Charlie Flanagan, and the Secretary of State for Northern Ireland, James Brokenshire, worked together to see if a way forward could be found. In parallel, there have been very close contacts at official and diplomatic level. Unfortunately, a way forward could not be found before yesterday's deadline and the date for Assembly elections has now been set for 2 March.

I spoke with Prime Minister May again yesterday evening and we repeated our desire to see the institutions established under the Good Friday Agreement operating effectively and, in particular, to have a fully functioning Executive in place as soon as possible after the election. As that election campaign gets under way, I call on all parties to enter into it in a calm and respectful manner and avoid the type of rhetoric which has, in the past, proved so divisive and an obstacle to setting up an Executive with ease subsequently. More than ever, this is a time for responsible and positive leadership. When these elections are over, whatever the results, the parties will be required to work together and with the two Governments to chart a way forward for Northern Ireland.

In their work, it is vital that all parties recall and adhere to the spirit of the Good Friday Agreement and its express commitment to "partnership, equality and mutual respect as the basis of relationships within Northern Ireland, between North and South, and between these islands." We should not forget or cast aside the enormous progress that has been made. It has not been easy and has required courage, commitment and compromise.

Last year, we marked the 18th anniversary of the Good Friday Agreement. We welcomed the coming of age of an agreement that has underpinned a process of significant positive change in Northern Ireland and has provided a framework for peace and reconciliation. There have been many challenges and frustrations which we have faced collectively. At all times, the Government has worked with the British Government and the parties to ensure the political process could move forward on the basis of the institutions, principles and procedures of the Agreement.

In more recent years, again in a spirit of overcoming challenges, setbacks and disagreement, we collectively put in place the Stormont House Agreement in 2014 and the Fresh Start Agreement in 2015. In 2016, following the last Assembly elections and in the wake of the Stormont

House and Fresh Start Agreements, the Northern Ireland Executive and Assembly were entering into a new era of maturity in devolved administration. I am also very well aware that there are significant aspects of the Good Friday Agreement that have yet to be implemented. We have at all times striven to move these forward, including in our engagements with the British Government and the parties. I have regularly raised these concerns with my British counterparts and the Minister for Foreign Affairs and Trade has worked tirelessly, including, in particular, on legacy matters and establishing the key institutions for dealing with the past, as agreed at Stormont House in 2014.

The Stormont House Agreement also directly addressed commitments outstanding from previous agreements. Specifically, the British and Irish Governments endorsed “the need for respect for and recognition of the Irish language in Northern Ireland”. There is clearly unfinished business, both in delivering on specific commitments under the agreements and in ensuring that the spirit and principles of the agreements are not just written on paper but are lived and breathed throughout the work of their implementation and in addressing the challenges faced by Northern Ireland.

There is currently no greater economic and social challenge for this island, North and South, than that of Brexit. Its scale and complexity underline the importance of the existing institutions as mechanisms for working together. My Government has made clear that Northern Ireland and the peace process are among our top priorities for the negotiations on the United Kingdom’s departure from the European Union. The last thing we want to see is further instability in Northern Ireland.

We want to maintain the common travel area, avoid any return to a hard Border, continue to facilitate North-South business and trade and sustain EU support for the peace process. I have emphasised these points in all of my meetings with EU leaders, including Prime Minister May, but also with Chancellor Merkel, President Hollande, Prime Minister Muscat of Malta, which currently holds the EU Presidency, and just last week with Prime Minister Rajoy of Spain. I have also emphasised them in meetings with the President of the European Council, Mr. Donald Tusk, the President of the European Commission, Mr. Jean-Claude Juncker, and the European Union’s chief negotiator, Mr. Michel Barnier. These engagements are part of a broader Government programme of engagement with all member states and the EU institutions in which we constantly emphasise our specific Brexit related concerns and issues. This programme is being intensified over the coming weeks.

As the UK’s date for triggering Article 50 moves ever closer, the greater the need for us to work together on issues of major concern becomes, particularly where they have a North-South dimension. For this reason, we sought to use the North-South Ministerial Council to forge a common approach to Brexit related issues. At the plenary meeting in July, we agreed to work together to fully analyse the sectoral implications of Brexit for Ireland, North and South. At the plenary meeting in November, we agreed common principles and undertook to continue our discussions both through the North-South Ministerial Council and bilaterally. Given the current political uncertainty, it remains to be seen whether the progress made so far via the North-South Ministerial Council can be sustained. It is deeply regrettable that the dissolution of the Northern Ireland Executive leaves the people of Northern Ireland without political leadership at this key moment in the evolution of Brexit.

Today’s speech by the British Prime Minister, Mrs. May, reaffirms the scale of the challenge involved. I welcome that the Prime Minister’s speech provides greater clarity on the proposed

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approach of the British Government to the Brexit negotiation process. The speech focused largely on the type of future relationship the United Kingdom wishes to have with the European Union from the perspective of a country that itself is no longer in the EU. While this will inevitably be seen by many as a hard exit, the analysis across government has covered all possible models for the future UK relationship with the EU.

I note that the Prime Minister made clear that the UK wishes to secure the closest possible future economic relationship with the EU. That is an objective we share. From our perspective, our overall negotiation priorities remain unchanged. These are our economy and trade, Northern Ireland, including the peace process and Border issues, the common travel area and the future of the European Union. The Prime Minister highlighted the specific and historic relationship between Britain and Ireland. In this context she made clear that her priorities include maintaining the common travel area and avoiding a return to a hard border with Northern Ireland, both of which I welcome and were referred to at our first meeting in Downing Street. I recognise the alignment between our economic and trading concerns and the objective of the UK to have a close and friction-free economic and trading relationship with the EU, including with Ireland. However, I am under no illusions about the challenges that remain to be addressed. Government Ministers and I will continue to meet and engage with our EU counterparts over coming weeks to emphasise Ireland's concerns and to ensure they are fully reflected in the EU position once negotiations commence. This activity is reinforced by extensive engagement at diplomatic and official levels. The Government is acutely aware of the potential risks and challenges for the Irish economy and will remain fully engaged on this aspect as the negotiations proceed.

These challenges can only be greater as we await the outcome of the election in Northern Ireland. Against this background, it is even more essential that the Government continues its process of Brexit analysis and engagement on the key issues. We will continue our contacts with other EU member states and will promote North-South co-operation to the greatest extent possible. At all times our focus will be on supporting and protecting the peace process in the forthcoming negotiations. Our ongoing preparations will stand to us as we move closer to the triggering of Article 50 and the commencement of negotiations. A key part of this is the Government's initiative, the all-island civic dialogue which commenced on 2 November last. This plenary session was followed with a series of sectoral civic dialogue events. Led by Ministers, these events offer an invaluable opportunity to hear directly about the all-island implications of Brexit from a variety of stakeholders and across a range of sectors. The Minister for Foreign Affairs and Trade, Deputy Charles Flanagan, and I will host a second plenary session of the all-island civic dialogue in Dublin Castle on Friday, 17 February, by which time 12 sectoral events will have taken place. This will be a further important element of our overall engagement and consultation on the challenges of Brexit.

This is a critical time for Ireland and Northern Ireland. It is a time when effective political leadership has never been more necessary. Now that a date has been set for the elections in the North, the political parties must ensure that the campaign is conducted in a respectful and responsible manner, engage in good faith and make every possible effort to form a new Executive and get the institutions back on track. For its part, the Irish Government will work in partnership with the British Government and all parties to support this process and ensure that Northern Ireland, through the Northern Ireland Executive, the assembly and all of the institutions is in a position to work and to meet the many challenges that we face.

Deputy Micheál Martin: Before addressing political issues, on behalf of the Fianna Fáil Party and on my own behalf I extend our best wishes to Mr. Martin McGuinness and our sincere

hope that he will be able to overcome his serious health situation. I do not pretend to agree with many of the positions he has taken over the past 40 years but I do believe he sought to be a constructive force in making the post-Belfast Agreement institutions work. I have no doubt he will agree that during our time as Ministers with responsibility for education we had a positive and active working relationship focused on delivering for all communities. Most of this work was done far away from the spotlight, with my then departmental officials providing a great deal of expertise in the early stages of the review of the deeply unfair 11-plus exam. In addition, as Minister for Foreign Affairs, I worked constructively with Martin McGuinness, leading to the devolution of justice following fairly prolonged negotiations. If we are to believe even a fraction of reports, it would appear that the current political mess is one in which Mr. McGuinness advocated a different policy but others intervened to impose their will. It has not been said whether Mr. McGuinness is withdrawing from politics. If he is, we wish him well and hope that those assuming leadership roles have a yet unrevealed strategy which goes beyond pulling everything down.

Earlier today, the British Prime Minister outlined her Government's core objectives for the Brexit negotiations. It is now clear that the United Kingdom will not be in the Single Market or the customs union and will not accept arrangements which require freedom of movement, or the jurisdiction of the independent European Court of Justice. The Prime Minister's speech was laced with the threat that if Britain is not given what it wants, it will launch an immediate trade war and a race to the bottom in regulation and employment conditions. Even more significant is that whatever arrangements are finalised will be applied unilaterally to all jurisdictions subject to Westminster, irrespective of how they voted in last year's referendum. Nobody is seeking and, therefore, there will not be any special treatment for Northern Ireland. This car crash Brexit is the worst possible news for Northern Ireland, which has the highest unemployment levels, the highest poverty rates and weakest budget of any part of these islands. It is also the most exposed to the impact of the UK exiting the Single Market and customs union. The only independent study of the impact of Brexit on Northern Ireland has shown a major reduction in growth and employment, combined with pressure on already struggling public finances.

By any definition, this is a critical moment in shaping the future for everybody who lives on this island, and none more so than people in Northern Ireland. Fundamental decisions about the economy and society are being taken now and in the weeks ahead, yet, for at least the next ten weeks, the people of Northern Ireland will have no one working for them. They will have no presence at the already too weak consultative committee established in Downing Street. They will have no one to challenge the dismissive attitude of the Tory Government to Northern Ireland. They will have no one demanding that the full and continued rights of EU citizens in Northern Ireland be respected. Let no one be in any doubt that the decision to cause an election at this moment has dramatically increased the risk of Northern Ireland, and by extension the rest of this island, suffering due to the Brexit decisions being taken now. The decision to reject any further discussions or to find a means of at least delaying the collapse of the Executive until after this critical period is deeply damaging. The absence of an assembly or executive for an extended period delays rather than brings forward an inquiry into the heating scheme or the introduction of any measure to reduce its cost. It also means that there is no budget for 2017 and the urgently needed plan for tackling a crisis in accident and emergency departments has been shelved.

The fact that the DUP and Sinn Féin have caused the collapse of the executive and the need for assembly elections should come as no surprise to anyone who has been following politics

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in Northern Ireland in recent years. Unfortunately, much of the Dublin media has adopted an approach of ignoring the North unless there is a crisis. It is because of this that the long procession of events and bad behaviour that led to this breakdown received almost no attention. Fianna Fáil has repeatedly said over the past five years that the dysfunctional behaviour of the DUP-Sinn Féin tandem was causing real damage. There has been a clear and consistent growth in public detachment from politics in the North and a falling belief that the institutions were focused on the concerns of real people. The rising dominance of the DUP and Sinn Féin has not been based on a rising tide of support but on falling turnout driven by communities losing hope that their interests will be heard in the Executive.

The RHI scheme is not the first scandal; it is the latest of many. The BBC “Spotlight” programme has played a particularly important role in exposing the regular partisan abuse of public funding in the North. Those with the votes at the Executive and assembly have combined to ensure that nothing has been done. We saw a whitewash when an MLA, who cannot drive, received £5,000 in a claim for petrol which he says he did not sign. No concern was expressed when £700,000 was given by Sinn Féin Ministers to a company in return for no identifiable service. Crass sectarian abuse by senior DUP personnel has been met with a shrug and, on occasion, applause but never censure. Public outrage in relation to Project Eagle and other controversies has been met with the mantra of “do as little as possible”. At the same time, a long list of solemn agreements has been ignored by the parties. They have worked together to prevent the re-establishment of the civic forum, because it might lessen their influence. They have allowed many policy areas to stagnate. They have also allowed our Government to be frozen out of basic discussions about the future of the North. For example, the DUP and Sinn Féin went to Downing Street to launch a development plan that made no mention of any cross-Border dimension and about which our Government was not informed. This was a clear breach of accepted principles and previous practice.

Sinn Féin is absolutely correct that the DUP’s behaviour in regard to handling of the heating scheme has been arrogant and unacceptable. The DUP has misused the office of First Minister to block and delay further entirely justified investigations into how the scheme was drafted and left in place at such unacceptable cost to the people of Northern Ireland. Its abuse of the petitions-of-concern process is a disgrace. What Sinn Féin has absolutely not done is established why it needed to collapse the assembly in order to challenge this behaviour by the DUP. More important, it has failed to set out any serious proposal for reforming how the Executive works or to acknowledge its own role in creating an arrogant and unaccountable joint office of the First Minister and deputy First Minister.

The complaint about failing to share information or to allow proper discussion at Executive level that we are today hearing from Sinn Féin is nearly word for word what was said by the SDLP, UUP and the Alliance Party when they were in the Executive. For years, they pointed out that the DUP and Sinn Féin refused to circulate information, stitched up decisions before Executive meetings and operated towards them what they called the “mushroom policy” of “Keep them in the dark and cover them with dirt”. When today we hear Sinn Féin complaining about an arrogant and non-transparent Executive, it is impossible not to look back at how these other parties were treated and realise the incredible double standards applied by Sinn Féin. I recall that at the time of the devolution of responsibility for justice, in a manoeuvre by the DUP and Sinn Féin to prevent the SDLP from getting the relevant position, they nominated Mr. David Ford of the Alliance Party without even consulting him. He read about his impending appointment in the media. That was the level of transparency and consultation with other

political parties. We heard it all the time from the other parties.

This behaviour by the DUP and Sinn Féin led those three parties to leave the Executive and create a functioning Opposition in the assembly. The pressure this has placed on Ministers has been demonstrated by the growing aggression and arrogance with which they respond to tough questions in the assembly. It is worth looking back over the past five years, in particular, at the angry response from Sinn Féin every time my party and others have called the Executive dysfunctional. On countless occasions, its leaders have accused us of undermining the peace process through pointing out that the behaviour of the Executive's leaders threatened the continued operation of the Executive.

The core facts of the RHI scheme and its disastrous financial implications have been known for over a year. They were known before the last assembly election and they have been pursued doggedly by the Opposition in Stormont. What exactly is supposed to be changed by this election other than the relative strength of parties? Neither of the two big parties has proposed to make the Executive more open, inclusive or effective. No objective has been offered beyond the short-term one of putting manners on the other side. Instead, the only demand is that we have the verdict before the trial is held. Now that the election is happening, we must hope that once we get through the initial bluster, we hear some concrete commitments to ending the dysfunction and focusing on the people's concerns.

Each party needs to be asked what it is willing to do to remove the roadblocks to action on health, employment, poverty and sectarianism. What exactly are they proposing in regard to reducing the potentially disastrous impact of Brexit? How are they going to make Ministers and the Executive accountable and reduce the abuse of government by the larger parties? They must also be challenged on what they are going to do to implement clear agreements to tackle the causes of sectarian conflict.

The equality agenda has become a partisan weapon in the hands of the two largest parties. The DUP has blocked action in order to keep alive the idea of it being a defender of the Protestant interest. The petty and often nasty behaviour of DUP politicians to implementing basic equality measures has been corrosive. For its part, Sinn Féin has failed to give it priority other than rhetorical priority. Deputy Adams caused deep damage when he referred to it as "the Trojan horse of the entire republican strategy" while also referring to opponents in Unionist parties as "these bastards". At the same time, it has sought to project ownership of the relevant measures rather than to join a cross-party consensus. The equality agenda is not a Trojan horse or a political strategy; it is a fundamental pillar of building a society focused on common welfare, not partisan manoeuvring. It is also contained in solemn and legally binding agreements.

As we have said many times before, the dysfunction in the Executive and assembly has been enabled by a policy of disengagement by the Governments. The policy of saying "It's about time you sorted it out by yourselves" has failed for six years and it continues to fail. The objective has never been for the Governments to be able to step back from engagement; it has always been for them to remain active in helping the institutions to work and to support a spirit of effective and inclusive co-operation. No doubt Sinn Féin has decided it can gain electorally by having an election now. It perhaps feels that campaigning on this issue will help it push back challenges from the new SDLP leadership and People Before Profit candidates, whose encroachment in west Belfast has obviously destabilised the party establishment in its previous electoral fortress. Whatever the reasons for the cause of this election, we need it to allow some progress rather than just rearranging the chairs. It has started badly but I hope that in the next

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seven weeks there will be a debate on issues that should dominate, on proposals to end the cycle of disputes and deliver an Executive and assembly that spend more time fighting problems than fighting each other. One has only to look back over the past two or three years to note the stop-start trend. It is unacceptable.

Let this be an end to the policy of disengagement. Northern Ireland must not be an issue that returns to our debates and to the media only when there is a deep crisis. We need Ministers to step up their levels of engagement and to understand that building connections with Northern Ireland is a core part of their responsibilities. Most of all, we need to move beyond this fight and proceed to tackling a Brexit process that has gone from hard Brexit to destructive Brexit and seems intent on ignoring the special status of Northern Ireland and its EU citizens, as revealed in today's speech by the British Prime Minister, Ms Theresa May, whose references to the island of Ireland were very sparse. It was regrettable that there was no serious commitment to the objective of seeking special status for Northern Ireland in her speech today, rather it was about strengthening the union as the core mission of the British Government. There are very serious issues for the North down the line, notwithstanding the efforts of the Irish Government in consultation with other European Governments. These Governments get the importance of the peace process and the special dispensation for Northern Ireland, and they have said that to us. It is extremely important that all the energy of all political parties on this island be focused on Brexit and preparing for it. This election is a luxury that we can ill afford on this island at this time.

Deputy Gerry Adams: Tá mé sásta go bhfuil an díospóireacht seo ag dul ar aghaidh inniu. Ba mhaith liom dea-mhéin a chur in iúl do Mr. Martin McGuinness. The Leas-Cheann Comhairle will know that since the good people of Louth and east Meath sent me into this Chamber, I have been asking for regular, structured debates on the North as part of the normal business of the Dáil. I have made the case that we should be discussing these issues consistently and in an informed way, not only during controversies and crises. I have formally raised this with the Ceann Comhairle and I understand he has referred it to the Business Committee. I hope that other parties and Independents will support this proposition.

Since the Good Friday Agreement was achieved in April 1998, Sinn Féin has kept faith with the political institutions and all elements of that agreement and subsequent agreements. In 2007, Sinn Féin and the DUP agreed to go into the power-sharing institutions together. Le deich mbliana ó shin, tháinig Martin McGuinness agus foireann Shinn Féin sa Tionóil slán as sraith fhada de ghéarchéimeanna. Much good work has been done by the Executive and the assembly and significant progress has been made on many issues. On some fundamental issues, however, progress has been prevented or delayed by the DUP or the two Governments. Is beag an dul chun cinn a rinneadh maidir le cúrsaí eile. Even before the emergence of the renewable heat incentive scandal, the behaviour of the DUP had led to a considerable lack of public confidence in the institutions. The RHI scheme and the serious allegations from a former DUP Minister at the then Department of Enterprise, Trade and Investment of corruption, fraud and bad governance also brought the political institutions to a defining point. In fact, to a tipping point.

Neither the public nor Sinn Féin could continue to countenance the manner in which the DUP conducted business within the Executive and the assembly. No other administration could tolerate such a scandal. Spokespersons for the other parties in the Dáil, and particularly Fianna Fáil's leader, are saying that this is an unnecessary election. Deputy Micheál Martin blames Sinn Féin and the DUP for everything negative that has happened. He stated: "Whatever the reasons for the cause of this election". That says more about his leadership's historical toler-

ance of corruption than anything else.

Deputies: Hear, hear.

Deputy Gerry Adams: For example, Deputy Micheál Martin sat at the Cabinet table for 14 years. While I have no doubt there were good people at that table, the Fianna Fáil leader did nothing about the corruption and waste of public money that characterised that period. He did nothing about the brown envelope culture.

Deputy Micheál Martin: What corruption?

Deputy Aengus Ó Snodaigh: “What corruption?”

Deputy Gerry Adams: Sinn Féin takes a different view.

Deputy John Brady: Deputy Martin should take his head out of the sand.

Deputy Micheál Martin: I was named specifically.

Deputy Martin Ferris: What about Owen O’Callaghan?

Deputy Gerry Adams: We will not tolerate behaviour of this kind and we believe that all such allegations must be-----

Deputy Micheál Martin: There are lots of bank robbers over there.

Deputy Martin Ferris: Owen O’Callaghan.

An Leas-Cheann Comhairle: Deputy Adams without interruption, please.

Deputy Micheál Martin: That is the Northern Bank money party.

Deputy Gerry Adams: We will not tolerate behaviour of this kind and all such allegations must be rigorously and independently investigated.

Deputy Aengus Ó Snodaigh: What about the €80 million-----

Deputy Gerry Adams: However, the refusal of Arlene Foster to step aside, without prejudice, until a preliminary report on the RHI allegations is published, and her refusal to set up such a process, blocked any possibility of a robust and comprehensive investigation. As a consequence of that and not the spurious half-truths that An Teachta Martin peddles, Martin McGuinness resigned as deputy First Minister last week. Mar is eol dúinn, beidh toghchán don tionól ar siúl ar 2 Márta.

In the ten years that Martin McGuinness was in that position and beforehand as Minister for Education, we faced deliberate provocation, arrogance and disrespect, but we put up with them for the common good. When so-called dissidents killed British soldiers, PSNI officers and prison officers, Martin McGuinness stood firm and resolutely opposed their actions on our behalf. As a result, his family home in Derry has been attacked and his life has been threatened. There are some, especially in the DUP, who have seen Sinn Féin’s attempts to promote reconciliation, defend the peace process and be generous and patient as a sign of weakness. It is not. Rather, it is a sign of strength.

The political institutions established by the Good Friday Agreement can only function ef-

fectively and deliver if they have the confidence and support of the people, if agreements made are honoured and if there is zero tolerance for corruption. To achieve this, the political institutions must be built on foundations of equality and partnership. Regrettably, DUP intransigence has prevented this. For example, there has been no progress on a bill of rights. That is also the responsibility of both Governments. Léirigh an DUP dímheas uafásach ar an nGaeilge agus ar na saoránaigh sin gur mhaith leo a saoil a chaitheamh trí mheán na Gaeilge. Masla amach is amach don Ghaeilge a bhí sa chinneadh chun maoiniú don scéim Líofa a ghearradh roimh an Nollaig. There are serious allegations of sectarian bias about the allocation of money for community centres. I suppose that Fianna Fáil would just have put up with all of that.

There have been other significant issues of contention, for example, the decision to renege on the programme for Government commitment on the Long Kesh site, the DUP's resistance to legacy and truth recovery mechanisms, the Red Sky scandal, the Project Eagle debacle and, more recently, the RHI scandal. For the record, Sinn Féin first became aware of concerns around the RHI scheme when the deputy First Minister was informed by the head of the civil service early last year that there were serious problems. On 2 February of 2016, the deputy First Minister was provided with a briefing on this matter. He immediately asked for urgent action to close down the scheme. That closure was formally agreed by an urgent procedural decision on 5 February and the issue was then passed to the assembly. During the assembly debate on 15 February, Conor Murphy raised his concerns about allegations of fraud within the scheme. At the end of the debate, the SDLP voted to keep the flawed scheme open. So did the UUP. Sinn Féin voted to close it. It was closed on 29 February. Conor Murphy also spoke to the Comptroller and Auditor General and raised with him his concerns about the RHI scheme. The Comptroller and Auditor General produced a damning report in the summer of 2016.

The scandal around the RHI is a scandal created by the DUP. It has been made worse by bad governance. Despite the opportunistic attacks on Sinn Féin from the Ulster Unionist Party, the SDLP and others, and despite the understandable concerns in sections of our own electorate, Sinn Féin offered space and time to the DUP. We made recommendations to get to the truth of the scandal. We used the commission of investigation approach that has been used in the South following tribunals that cost millions of euro, lasted for years and mostly looked into corruption by those on the benches across from me. We suggested another model for dealing with this matter, but there was no legislation to allow for the compellability of witnesses and evidence. We said that that would not be good enough and that we needed the ability for such an investigation to compel witnesses and documentation. That is what we proposed. The DUP refused.

Despite our best efforts, the institutions are now gone and an election will be held. I invite Fianna Fáil, Fine Gael and Labour to contest it.

Deputy Mary Lou McDonald: Go ahead.

Deputy Mattie McGrath: What about the Independents?

Deputy Gerry Adams: And Deputy Mattie McGrath, of course. He would be welcome.

Deputy Mary Lou McDonald: No better man.

Deputy Gerry Adams: The Tipperary team will be in west Belfast in a week or so. Come up with it.

Deputy Mattie McGrath: Beidh mé ann.

Deputy Gerry Adams: As the Leas-Cheann Comhairle knows, there is no easier job than that of the hurler on the ditch. Let us go up, contest and ask the people of the Six Counties to vote for Fianna Fáil, Fine Gael or any other party.

The DUP will try to sectarianise these matters. Even though it would not be Deputies' intention, the DUP may be aided in this by some of the utterances from this Chamber. However, this is not an orange and green issue. Like all right-thinking people, many Unionists have contacted me to say that they are appalled by what has been happening, for example, the scandals of NAMA, Red Sky and the RHI scheme. The actions of the DUP in the RHI scandal have the potential to cost the taxpayers £500 million over the next 20 years. That will be paid for by Unionist and Nationalist citizens.

Beyond the election, there will still be a need for negotiations to establish the institutions, but we do not want to renegotiate what we have already agreed. Much of what is at fault lies in past agreements not being implemented.

Deputy Micheál Martin does not understand Martin McGuinness if he thinks that anyone in Sinn Féin is outflanking him on these issues. As Martin McGuinness made clear, we will not agree to a return to the *status quo*. There must be a step change in the behaviour and attitude of the DUP to its partners in government and to the working of the institutions. We also need to see a step change in the approach of the Irish and British Governments. Successive British Governments have refused to live up to their responsibilities. Their actions have hollowed out the agreements. There is a responsibility on the Irish Government to ensure the agreements are upheld and implemented. This is not an attack on Fine Gael. In recent years, apart from the brilliant work done by Albert Reynolds and the work done by Bertie Ahern on the Good Friday Agreement, successive Governments have consigned themselves to the role of spectator and occasional commentator.

Deputy Brendan Howlin: That is not true.

Deputy Gerry Adams: Sinn Féin was okay when it was confined to the North. It is only when we began to win political support in this State that we started to get the type of hostility we now see. That is a grave mistake. It is also a fact that when the North is raised in this Dáil it is usually for the sole purpose of attacking Sinn Féin. I am not against Sinn Féin being attacked. People can attack all they want. That is their entitlement. That is especially true of the Fianna Fáil leader-----

Deputy Mary Lou McDonald: Sadly, yes.

Deputy Gerry Adams: -----who sometimes behaves in a hysterical manner. He cited the transfer of justice and policing powers but he did not say anything about the role of his Government. Seamus Mallon of the SDLP told us we would not get the transfer of policing and justice powers. They said we could not get it but we persisted and we got the powers transferred from London to Belfast, with no thanks to the Government of the day.

Deputy Micheál Martin: That is untrue.

Deputy Gerry Adams: I remind the Taoiseach that over the past six years I have regularly appealed to him and the Government to take up its leadership responsibilities and challenge the British Government as an equal. I make the same appeal today. I also make that appeal to an Teachta Micheál Martin.

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We also heard talk about the equality agenda. An Teachta Micheál Martin said that under the terms of the Good Friday Agreement the responsibility for equality does not rest with the parties in the North but with each of the Governments in their respective jurisdictions. If people in the North are not being treated equally, and we are not, then that responsibility rests with the Governments. We do not want the Governments to patronise the people in the North or to tell us we should have a very civil election. We want the Governments to fulfil their governmental responsibilities-----

Deputy Mary Lou McDonald: Do their job.

Deputy Gerry Adams: -----do their job and deal with our friends in Britain.

It must also be remembered that the British Government imposed cuts to the Northern Ireland budget that have been felt right across public services. The imposition of Brexit is against the will of the people in the North. The people in the North voted to remain within the European Union. The notions that are being peddled that the British want the devolved administration to be part of those negotiations are pure nonsense. One should listen to what the Scottish First Minister, Nicola Sturgeon, has to say on that.

Caithfidh mé críoch a chur le mo chúpla focal anois. The DUP's refusal to accept the Brexit vote in the North is a betrayal of the electorate there. That is why the Government here has to play an all-island role.

On the very date the first Dáil met, and in the very venue it met, the Mansion House, next Saturday at 1 p.m. we are holding a conference on a united Ireland. I invite all Members to come and be part of it.

Deputy Brendan Howlin: I will begin, if I may a Leas-Cheann Comhairle, like other speakers in wishing Martin McGuinness a speedy recovery to full health and acknowledge the role he has played in recent times.

Last evening, the assembly in Northern Ireland fell, and elections are now under way. The political crisis over cash for ash has driven a wedge between the two governing parties in Northern Ireland. Over recent weeks, we have seen a scandal caused by the DUP bring Stormont to a shuddering halt. Sinn Féin, which was initially happy to stand back and let the rot fester, belatedly realised that Colum Eastwood was right to call for public accountability into a scandalous misuse of taxpayers' money. The increasing tension unleashed a number of other issues and has now brought about an election. I acknowledge the invitation of the leader of Sinn Féin to travel to the North. I have pledged the support of my party to my colleagues in the SDLP, our sister party in the Party of European Socialists, and look forward to campaigning with them in the coming weeks.

Deputy Gerry Adams: That is them hammered now.

Deputy Brendan Howlin: It is worth putting on the record that the commentary down here which says that an election will change nothing in the North is misguided. It is true that an election that does not deliver political change and puts the same crowd back is unlikely to change much, but as is the case with elections in every jurisdiction, change is always an option for voters. We should not take the people for granted. A change in government will always lead to other changes – for good or for ill. The parties in the North will obviously campaign night and day over the coming weeks and for my part, I have made clear my party's determination to

support the SDLP in the campaign.

Despite that, and despite the clear possibility of change that exists if people vote in a certain way, there is at least a possibility that it will not be immediately possible to form a cross-community coalition in the aftermath of the coming election. Such an outcome would leave us facing, once again, the prospect of direct rule from Westminster, this time in the midst of the Brexit debate - the most crucial and critical time for the peoples of this island, North and South. This morning, Theresa May made abundantly clear that her Brexit will be a hard Brexit. Talk of staying within the Single Market is dead in the water and a British exit from the European Union customs union also seems inevitable. No assurances about avoiding a return of the borders of the past can be in any way reassuring in that context and reality. As Denis Staunton noted this morning, even along the border between Norway and Sweden, one of the most technologically advanced and co-operatively managed borders, goods must be cleared for customs and lorries are checked as they cross from one country into another. Such an arrangement would amount to a hard border, no matter how one describes it and would constitute a significant change from the current situation.

We now know that cutting taxes and diminishing workplace standards and workers' rights will be the weapons the British Government will threaten to deploy in negotiations. I remain to be convinced that such threats will be persuasive to the EU negotiators but from experience, I doubt very much that they will. However, at least we now have some idea of how the British Government is going to approach the issue. Having listened very carefully to Theresa May's speech, it should give us all serious food for thought. The prospect of another hung assembly, leading to the suspension of devolved government and a return to direct rule, recreates a set of uniquely difficult issues in terms of how we in this State should respond. Indeed, it causes us to consider whether we have a constitutional capacity to respond adequately to that unique set of challenges.

5 o'clock

This is because the institutions of the Good Friday Agreement within Northern Ireland, North-South and east-west are interlocking and inter-dependent. The package as a whole has been endorsed by the Irish people and enshrined in the Constitution.

Fourteen years ago, the British-Irish Agreement (Amendment) Act 2002 was passed. It did not deal with the most significant consequence of the suspension of the assembly and Executive but with lesser matters. It was simply providing an interim mechanism to ensure the continued operation of six all-island implementation bodies, important and all as they were. However, that Act demonstrated that the suspension of the institutions has serious constitutional as well as political implications and it underlined that the Constitution restricts the response available to this Government. The Act provided that it would expire on the earliest practicable day after the termination of the interim arrangements "on the restoration of the Northern Ireland Assembly". The word "temporary" was used 11 times in the legislation. Anything other than strictly temporary legislation would have raised serious constitutional questions about the abandonment or variation of the terms of the original British-Irish Agreement of April 1998 - part of the Good Friday package incorporated into Article 29.7 of the Constitution.

In November 2004, the then Taoiseach told the Dáil:

As the Deputy is aware, it was to operate for six months, or a maximum of nine months.

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Ultimately, if somebody was to challenge these issues, the present arrangements probably would not stand up and we are all aware of that. If it were to happen that we did not have an Executive or an Assembly, I do not doubt that it would be argued, by one side or the other, that we should not have the North-South body structures.

The problem is that constitutional cover is not given to bodies that do not have their origins in the terms of the original Good Friday Agreement or are not operating in accordance with those original terms hence the stress on the temporary nature of the arrangement.

In November 2004, when the institutions were still suspended, Deputy Adams gave a speech demanding that in the absence of a deal, the two Governments bring forward proposals rooted in the Agreement to see its full implementation. He warned that direct rule was not sustainable in the long term and suggested that the two Governments look to formal institutionalised power sharing at Government level. He seems to have forgotten that contribution now that the SDLP is making this case. This is not an easy solution to propose. Any Irish Government will be limited by the extent to which it can depart from the terms of the original Good Friday package endorsed by the people in a referendum in this State. Even on an interim basis and with a view to keeping institutions and bodies ticking over pending full restoration, this would not be unproblematic. That being said, we clearly need the Government to consider what actions it might take if no coalition arrangement is possible in the aftermath of the impending election. At a time when we are moving towards the triggering of Article 50, we cannot under any circumstances allow the voice of the people of Northern Ireland to be suppressed or excluded.

Northern Ireland must have special status when the UK exits the EU due to the fact that every person there can apply and become an Irish citizen. This morning we saw Theresa May move further not only from the concept and the embracing of the Single Market but even from membership of the customs union. For the people of Northern Ireland and for all of us on this island, there is a cold wind blowing and we do not seem to have fully grasped that. If there was any doubt about what was coming, listening to and carefully analysing what was said by the British Prime Minister this morning should be the wake-up call for all of us. Frankly, I do not think even this House has grasped this issue with the urgency it requires. More than two months have passed since the Taoiseach committed to providing weekly updates to the parties in this House on the evolution of Government thinking about Brexit but this has not yet happened. I raised it again before Christmas. We need to get on with these things. If we are to act in a collective way and with common purpose, we need to know exactly what is happening week by week. We need to be marshalled to have our own influence within our own political groupings week by week. When Theresa May refers to the family ties and bonds of affection that unite our two countries, she is referring to something all of us in this House know to be the truth. It would be nice if our actions, commitment and unity of purpose made that sentiment seem like more than just a sound bite.

Deputy Richard Boyd Barrett: I am sharing time with Deputy Paul Murphy - seven and a half minutes each.

An Leas-Cheann Comhairle: Is that agreed? Agreed.

Deputy Richard Boyd Barrett: As a Thirty-two County party, People Before Profit welcomes the fact that there will be an election in Northern Ireland. We do not regret the fall of this Executive and we think this election offers an historic opportunity for the people of Northern

Ireland to punish the political establishment there and the institutions of Stormont for what our comrades in Northern Ireland are describing as the endemic corruption of Stormont and the total bankruptcy of those institutions which the renewable heat incentive, RHI, scheme has exposed in the starkest light. It is worth saying that this is only the latest and largest in a succession of scandals such as the NAMA scandal, the Red Sky scandal and the scandal around the social investment fund, to name a few.

I was and am somewhat bemused by some of the debate in this House today, including the exchanges between the Taoiseach and Deputy Adams and some of the other contributions we heard. While there are lingering issues relating to equality that need to be seriously addressed, what screams out about the scandal around RHI is the rotten corruption at the heart of the political institutions in Northern Ireland. The scale of it is staggering. In respect of ordinary working people, regardless of whether they are Catholic or Protestant, Unionist or Nationalist or orange or green, as we always seem to wish to categorise them, the institutions of Stormont have institutionalised those sectarian divisions. What emerges from RHI is a corrupt elite that has effectively robbed the people of Northern Ireland of nearly £500 million - the figure is considerably more in euro - in a rotten scandal. I am proud that People Before Profit was the first, bar none, in the Northern Assembly to call for Arlene Foster not to step aside, not to have negotiations, but to resign because whatever comes out of any investigation that finally happens, she should be sacked for at the very least gross incompetence and more likely than not much more than that.

Everything about this suggests corruption at an extraordinary level. We can contrast the hand-wringing and delay in calling an election and calling for Arlene Foster to resign when we are talking about £500 million burnt or planned to be burnt by an elite who are in the know with what was agreed by both the DUP and Sinn Féin in terms of the Stormont House Agreement, with 20,000 public sector jobs to go, plans to sell off state assets and plans to cut corporation tax. It is worth saying that the amount of moneys involved in RHI are about the same as the savings planned from axing 20,000 public sector jobs in the Stormont House Agreement which both the DUP and Sinn Féin supported as did parties down in the South in an austerity programme remarkably similar to, indeed almost exactly the same as, the rotten austerity programme that was inflicted on working people down here.

We absolutely welcome this election and the fall of the Executive. It represents an historic opportunity for a different type of politics to emerge, to challenge the institutions, to challenge the failed orange and green politics and to put class issues and the economic and social issues affecting working people at the heart of Northern Ireland politics in a way that can break through the rotten sectarianism and offer a genuine alternative to working people.

There is one practical thing we should all be calling for right now and not after the election. We should demand that all the beneficiaries of the RHI scheme should be named now. We want to see their names and see all the documentation now so that the people of the North, not in some inside so-called independent investigation carried out by Stormont, as has been proposed, but in a fully public inquiry which involves the publication of all documents, can make the decision in the context of the election as to who they believe is responsible for the scandal of RHI and who benefited.

We know some of the people who have already benefited and they are certainly not ordinary Catholic or Protestant working people. Viscount Brookeborough, one of the very richest people in the North, was one of the major beneficiaries and a whole network of patronage. It really has

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exposed the reality of modern-day Unionism that seems to have operated through a network of rotten patronage that did not benefit ordinary Protestant working people, but benefited an elite around the DUP.

I see Deputy McDonald nodding absolutely. We should not shilly-shally around; Arlene Foster should go. The problem is that with the way the institutions have been set up in the North, there is a sort of desire to keep these institutions going rather than challenge the rotten set-up that has been institutionalised by the Stormont Assembly and which essentially creates the conditions for this kind of corruption.

As a 32-county party, we do not need an invitation to go to the North; we will be up there. Buses have been booked to go up and canvass in the North. This will be the biggest electoral intervention by People Before Profit ever in the Northern elections. We hope to win a second seat in West Belfast and hold our seat in Derry, and run in a number of new constituencies. I urge people here who want to see a genuine challenge to the failed sectarian politics of the North to support us in that project to give left-wing politics and opposition to corruption and failed austerity policies a chance in the forthcoming election.

Deputy Paul Murphy: The RHI scandal and the subsequent crisis sum up everything that is wrong with politics at Stormont: corruption, cronyism and sectarian sabre rattling. It is summed up by the two coinciding facts that in Belfast the Charles Hurst Ferrari showroom will be heated using public money for the next 20 years while at the same time 42% of people live in fuel poverty.

In Arlene Foster's own rural constituency, 75% of GP surgeries face closure and school children will be hit by plans to end free school buses. Yet, as Deputy Boyd Barrett mentioned, Viscount Brookeborough, the so-called Lord Lieutenant of Fermanagh, will receive £1.6 million to heat his 1,000-acre estate from this botched scheme. Those are just two examples of those who will gain from the scheme at a cost of almost £500 million which will see wealthy recipients mostly get £1.60 back for every £1 spent.

The whistleblower who made this scandal public had approached Arlene Foster in 2013 but was ignored. Mrs. Foster's ministerial successor, Jonathan Bell, alleged that when he moved to close applications to the scheme, he was blocked from doing so by Mrs. Foster and other senior figures in the party. He has since claimed that the reason the scheme was not closed was that DUP advisers or their families would gain as they had interests in the poultry business. The scheme was backed by all the main parties and the scale of the financial black hole in the scheme was known at Stormont from early last year but was not brought to the public by any of them.

It is no wonder that people in the North are angry with politicians getting away with wasting millions on a botched scheme yet when it comes to children's education or a bed in hospital they are told there is no money. This is what teachers, who tomorrow will take further strike action, were told. They were offered a 0% pay increase even though since 2010-11, teachers' salaries have decreased in real terms by 15% as a result of austerity implemented by successive Sinn Féin and DUP education Ministers and yet they were told there was no money.

This cash for ash scandal is not a once off. It is part of a long list of scandals which expose the DUP's cosy relationships with bosses and property developers. Those scandals are a symptom of a wider political culture in Stormont which is about giving handouts to the wealthy while

imposing more and more austerity on working class people.

All the main parties, be it Sinn Féin and the DUP in government or the UUP and SDLP in the misnamed official opposition, support a drastic cut to corporation tax which will be the equivalent of an RHI scandal every year, transferring hundreds of millions from public services, which are being cut, to companies' profit.

A number of weeks ago, the DUP and Sinn Féin were supposedly bosom buddies, happily working together to implement cuts. In fact, political commentators argued after the last assembly election which was only eight months ago that we were in a new stage of the peace process where politics in Northern Ireland would be normalised.

Last week we had Martin McGuinness's resignation, where he claimed that he was calling a halt to the DUP's arrogance. In truth, Sinn Féin was slow to take such a stand. In December, it abstained on a motion in the assembly calling for Mrs. Foster's resignation and has been nervous about calling for an independent, public inquiry. It was only pressure from the public and its base which has pushed Sinn Féin to take a harder position.

Politicians from the orange and green parties are now engaged in a sectarian pantomime, cynically banging the drum on the divisive issues in order to secure their vote. Since Mr. McGuinness's resignation, Mrs. Foster has claimed to have done nothing wrong and that this is really about attacking the leader of so-called strong Unionism who will not roll over to Sinn Féin.

We have had the disgraceful decision by Paul Givan to cut the Líoifa bursary scheme for young people to attend the Gaeltacht in summer by £50,000. He has been forced subsequently to do a U-turn. There is no doubt that decision was a sectarian decision by the DUP. However, Sinn Féin has also been cynical in using this issue when their own Ministers have overseen cuts to Irish language funding in the past.

Meanwhile, the Minister, Máirtín Ó Muilleoir, has suddenly decided to remove the Union flag from his Department's buildings, an emotive issue and a move clearly aimed at whipping up sectarianism. Some politicians have claimed that there will be no return to the *status quo* but that is precisely what any agreement between the right-wing parties of sectarian division will mean, whatever superficial changes are made. Neither will direct rule by the Tories or the proposal of a joint authority between right wing governments result in any solution.

Even before the cash-for-ash scandal, people in the North had a cynical attitude to the Stormont institutions. They saw them as ineffective and the politicians within them as aloof and self-interested. A recent poll conducted before the scandal broke showed that only 28% trusted Stormont politicians. In particular, young people are turned off by the sectarian and backward politics which dominate Northern Ireland. Marriage equality and a woman's right to choose have been denied, despite the wishes of the majority in society. The right to choose and marriage equality have been denied by the DUP which is itself a backward, sexist party. On the issue of abortion, however, the DUP is not alone. Sinn Féin has tried to present itself as a party that stands up for equality, respect and integrity but, like the DUP, it does not offer equality, respect or integrity to those women who wish to have an abortion. All of the main political parties in the North oppose a woman's right to choose, despite this being the 50th anniversary of the passing of the Abortion Act 1967 in Britain which gave access to abortion. They all offer a return to the *status quo* of backward politics. The *status quo* means the politics of sectarian divisions.

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Historically, it is the labour and trade union movement which has been the key force in bringing together ordinary working people in Northern Ireland to fight for their common interests and challenge sectarianism. Only that movement recognises that ordinary people, Catholic or Protestant, have more in common and more that unites than divides them; they face the common misery of unemployment, low pay and attacks on public services and they need a common struggle together to improve their lot. The Socialist Party stands for the rebuilding of that tradition. The only lasting solution to the problems facing people in the North can come from such a movement of working people. Socialist Party members will be standing as part of Labour Alternative and the latter will be putting forward candidates right across the community. We also want to work with others who are serious about building a cross-community labour movement to mount the most credible challenge possible.

Deputy Maureen O’Sullivan: Is maith liom an seanfhocal “ní neart go cur le chéile”. Ceapaim go bhfuil sé oiriúnach don díospóireacht seo ós rud é go bhfuil sé ciallmhar, praiticiúil agus ag baint le fealsúnacht. Tá sé soiléir nach raibh an seanfhocal sin i gceist ag na daoine sa Tuaisceart, go háirithe na polaiteoirí, nach raibh ag “cur le chéile”. It is obvious that there has not been the level of working together that is vital for Northern Ireland and especially for the full implementation of the Good Friday Agreement. This can be seen from the number of issues that have been outstanding for many years since the signing of that Agreement. Regardless of whether one agrees with the terms of the Agreement, it is a binding accord, signed in April 1998 and approved in referenda in Northern Ireland and the Republic of Ireland, by 71% and 94% respectively. There was a record turnout in the North for the referendum.

We all know of the strands of the framework which provide for the Northern Ireland Assembly and the Executive at Stormont as well as the principle of power sharing. They also provide for the North-South Ministerial Council and the British-Irish Council. Since the Good Friday Agreement there has been a series of other agreements including St. Andrew’s, Hillsborough, Stormont House and the most recent, the Fresh Start agreement. We have a lot of agreements on paper but in practical terms, do we see individuals and parties working together to implement all that has been agreed and to tackle those issues that are still outstanding? Unfortunately, we have various glaring examples of this not happening. Regardless of what the British and Irish Governments say, the main players in the North are the ones who must pull together, implement all that has been agreed and tackle those areas on which agreement has been reached but little progress has been made. The reintroduction of direct rule a number of years ago was most unfortunate in the context of devolved government and another return to direct rule would be very regressive and a serious blow to democracy.

It is rather ironic that the North is facing into an election because of an issue that is not obviously or glaringly sectarian as was the case in the past. The election has been caused by an economic issue, the so-called cash-for-ash scheme. That said, there is a sectarian aspect to the issue which is really astonishing because one would have thought that everybody would be on the same page with regard to public funds and the importance of transparency and value for money. One would have thought that all individuals and parties would agree on such criteria, regardless of whether they are Unionist, Nationalist, capitalist or socialist. The scandal led to the deputy First Minister’s resignation and the calling of an election, both of which were avoidable if the parties and individuals had been working together for the common good and were focused on the principle of the best use of public funds.

The renewable heat incentive, RHI, scheme was positive in the sense that its aim was to encourage businesses and farmers to switch from fossil fuel to biomass heating systems. How-

ever, the subsidies provided under the scheme were extremely generous and had no limits. The scheme has been dubbed “cash for ash” because the more fuel that scheme participants burn, the more they earn. We know, thanks to information provided by a whistleblower, that the scheme has been and is being abused. The latest information in that regard has been provided by the Northern Ireland Audit Office which estimates that over the next 20 years there will be an overspend of £400 million or more on the scheme. Who is paying for this? The answer is the Northern Ireland Executive and the taxpayers. The turmoil has resulted from the fact that the former First Minister, Ms Arlene Foster, was the responsible Minister when the scheme was introduced. While there are departmental officials who must be held to account, ultimately responsibility lies with the Minister. There are questions arising with regard to the whistleblower, why it took the Department so long to realise the seriousness of the issue and the legal implications of the scheme. All of these questions could have been answered by an investigation. Such an investigation was needed and the former First Minister should have stood aside while it took place. It is quite incredible that Ms Foster could not have done that and spared the North a second election in the space of a year. More importantly, such an investigation could have gotten to the crux of the scheme, determined what could be done to address the problems with it and ensured that the cost to the taxpayer would be limited.

The situation has become petty. This pettiness is particularly evident in the withdrawal of funding for an Irish language scheme. Even though that funding has now been reinstated, the damage has been done. This was a childish move that was insulting to all Irish speakers, not just those in the North, and to those who want to learn Irish. The current situation, with an election on the horizon, represents a failure on the part of the main parties and politicians in the North. If sense had prevailed, if there had been an atmosphere of mutual respect and if there had been an acceptance that the cash-for-ash scheme needed investigation in the best interests of the people of Northern Ireland, they would not be facing into an election now. This is particularly serious in the context of the uncertainty surrounding Brexit. The election is to be held on 2 March which leaves a very short timeframe before Brexit is triggered. In the meantime, it will be the Secretary of State for Northern Ireland, Mr. James Brokenshire, who will be looking after Northern Ireland’s interests instead of those who were directly elected by the people of the North. This is a real cause for concern because the majority in Northern Ireland voted to remain in the EU although the majority in Britain voted to leave. It is very concerning that it is not the elected members of the Northern Ireland Assembly who will deal with these issues. Furthermore, there is no guarantee that after the elections there will be a functioning government in Northern Ireland. The comments of some Northern politicians speaking in the media last night do not augur well for the formation, by mid-March, of a fully functioning government that can work in the best interests of the people of Northern Ireland.

I am a member of the Oireachtas Joint Committee on the Implementation of the Good Friday Agreement. That committee has had quite a number of meetings since the Brexit vote with various groups, all of whom have expressed concern, if not consternation, at the difficulties they are facing because of the outcome of the referendum. Last week, the committee discussed some of the very practical concerns of farmers in the North. The committee was told that farms in the Republic will be €20,000 better off than their similar-sized counterparts in the North. There is concern about the possible adverse effects of a hard Brexit, including an increase in smuggling. The committee also heard about the Geopark cross-Border project in south Fermanagh which is dependent on EU funding. There are many more examples of such projects and participants are very concerned about the future.

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An all-Ireland civic dialogue on Brexit took place on 2 November 2016. While a broad range of groups and individuals participated including NGOs, business organisations, trade unions, civil society representatives and politicians, one could not but note the glaring absence of Unionist representatives from the UUP and the DUP. What sort of message did that send out?

Recently a positive report was prepared and published by the House of Lords EU committee on the impact of Brexit on British-Irish relations. The report agreed that the unique nature of those relations requires a “unique structure”. The committee called on the UK and Irish Governments to negotiate a draft bilateral agreement which would incorporate the views and the interests of the Northern Ireland Executive and to put this to the EU as part of the final Brexit negotiations. However, there will be no Northern Ireland Executive in the near or foreseeable future. I believe that those who are pro-Brexit gambled with the stability and future of Northern Ireland and recent events are a similar gamble.

I listened to the British Prime Minister’s Brexit speech today and noted a glaring lack of concern for Northern Ireland. It hardly featured in her speech at all. I was doubtful before I heard her speech as to where Northern Ireland would be on the British agenda regarding Brexit, but today we know exactly what the position is.

Another concern discussed by the committee last week was that at different stages the British Prime Minister, Mrs. May, and others in her Government called for the UK’s withdrawal from the European Convention on Human Rights. This convention is so important for peace and stability. The Children’s Rights Alliance was very clear when it met us last week that this should be non-negotiable and that the convention and human rights instruments in the Good Friday Agreement would not be a casualty of Brexit. It also has concerns about child protection, children’s rights and the issue of child abduction and the implications regarding the common travel area. I know the Minister for Children and Youth Affairs, Deputy Zappone, has a conference coming up at the end of the month on these issues.

We also have legacy issues. We have had the third all-party Dáil motion on the Dublin and Monaghan bombings but there are still outstanding issues and families are still waiting, more than 40 years on. There is constant stalling on this. The Lord Chief Justice of Northern Ireland’s proposal to establish a legacy unit to process 56 outstanding legacy inquests relating to the Troubles received support from victims and survivors, but there was a delay with the funding, and this was before the events yesterday. The report to the UN of its special rapporteur on the promotion of truth, justice, reparation and guarantees of non-recurrence included a series of recommendations on the implementation of the Stormont House Agreement and on the bill of rights for Northern Ireland but we see more delays now. There are continuing issues regarding prisoners and the revocation of licences, and a significant lack of progress in ensuring justice and due process.

The cash for ash has proven to be very costly not only in terms of the particular funds but in the ensuing fallout which sees Northern Ireland without a government or a parliament at a very critical time. We all live on this small island and there is significant movement of people and business back and forth across the Border. There are also institutions, projects and considerable co-operation between North and South. Brexit is a major challenge and Northern Ireland and the Republic must be seen as special cases. At this stage, Northern Ireland is depending on the Secretary of State, Mr. Brokenshire, and I hope the elections will see politicians directly elected by the people of Ireland taking it up.

Deputy Michael Harty: For the foreseeable future, the situation in Northern Ireland will need the closest attention and care from the Irish and British Governments. With an unwelcome election pending, we are suddenly asking ourselves how relations between the DUP and Sinn Féin were allowed to deteriorate so rapidly. There was a reasonable expectation here, in the United Kingdom, throughout Europe and in the US that since so much time, effort and money had been invested in establishing an agreed government structure the parties in Northern Ireland would get on with power sharing. We might have expected the norms of western democracy would kick in and deliver good government and services to the people of Northern Ireland rather than calling an unnecessary election on financial irregularities, an election which risks being very divisive.

The success of the peace process needs to be acknowledged and celebrated. The killing and maiming has stopped. The guns and bombs have been decommissioned for the most part and the hard men have come into the political fold and seem intent on staying there. We are all well aware of our history and when we look across Europe we see how historical differences and deep animosities have been acknowledged and reconciled, leading to a European Union which has led to almost universal peace, stability and increased prosperity.

Power sharing in Northern Ireland is a fragile political system which has grown from the Good Friday Agreement, but it requires co-operation and compromise from all shades of political opinion in Northern Ireland to make it work. The common good must trump party politics. Having emerged from 30 years of sectarian conflict and having developed devolved government and democratic self-rule, it is the responsibility of all elected representatives in Northern Ireland to value co-operation above conflict and not to allow sectarian ideology to damage progress in creating a tolerant peaceful society.

No country can stand alone in the global structures that have formed our modern world. Northern Ireland faces huge external challenges, not least from Brexit. Having voted by a substantial majority to remain in the European Union in last year's referendum, Northern Ireland faces the certainty of being forced to leave the European Union and have a Border not only with Southern Ireland but also a border between the European Union and the United Kingdom. This will have serious and unknown consequences. To manage these changes it is paramount that Northern Ireland has a stable government which can have a strong voice in the United Kingdom so it can influence its own future.

One way or another we face an election which promises to be a torrid affair. While appealing to parties in Northern Ireland to turn down the heat, we also have a responsibility not to inflame an already difficult situation with our commentary. The former President, Mary McAleese, and her husband, Martin, made a great contribution in solidifying the peace process with their building bridges initiative. This work is often replicated throughout the country by community groups and organisations. An example in my constituency each year is the Scariff Harbour Festival, which invites personalities from Northern Ireland to discuss their experiences in conflict resolution. Over the years many youth groups from both sides of the divide have travelled to Scariff to participate in the festival. The ongoing process of building bridges must be supported at local and national levels.

The restoration of power sharing is essential. The prospect of returning to direct rule from London should an election produce a stalemate would be a seriously damaging retrograde step which would lead to further political and civil instability. This would not be in anybody's interests. Politicians need to break from their rigid roles and recast themselves in a new progressive

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form, which will lead Northern Ireland to a bright new future. We must always be reminded that Northern Ireland remains a national issue of supreme importance and that we must continually promote the end of sectarianism and develop an inclusive tolerant society.

Deputy Michael Healy-Rae: I appreciate the opportunity to speak in this very important debate. We are facing into an election in Northern Ireland at a most unfortunate time because of the issues relating to Brexit. Instability at this time is most unwelcome, but we must be respectful of the rights of political parties and politicians to call an election if they see fit to do so. We are where we are. Could anybody believe that a cash-for-ash situation would lead to us facing into an unwanted election? But this is it and we must get on with it.

From working with my colleagues on the Joint Committee on European Union Affairs in recent months, I know the challenges Brexit has put upon us here and in the North will be enormous and we are facing into the unknown. I welcome the Prime Minister's speech today which, to a certain degree, brought some clarity but also brought its own concerns. It was the case we were waiting a long time for it and I welcome the fact the speech was made today.

When the election is over we want the parties to work together. We want there to be a government and to have co-operation as we had in the past because of the serious economic and trading concerns we have in the South and the worries we have about how Brexit will affect the farming community and our tourism sector at a time when our economy is very vulnerable. We are only coming out of the depths of the recession. There is a lot of road to cover before we can say we are really on a road to recovery, because every day of the week in my constituency I see many issues and problems, which is why I am so worried about the effect of Brexit and what is happening at present.

It would be neglectful not to acknowledge the contribution of the Minister, Deputy Flanagan, and his hard work. He is operating well in his portfolio and I commend him. At this time we do not want other politicians to knock him for the sake of knocking him. He needs support because of what we are facing into.

I send my best wishes to former deputy First Minister, Martin McGuinness. I was upset when I heard of his illness and I hope he will make a complete recovery and gets back up on his feet again in the near future because his contribution, as is the case with other people on all sides, can never be forgotten. It is because of the work people on all sides did on the peace process that people are no longer dying on the streets in the North and that is to be welcomed.

Deputy Mattie McGrath: I wish the former deputy First Minister a speedy recovery. I have met him a few times and I have always enjoyed my engagement with him. I ask an Teachta Adams to bring the good wishes of all of us back to him this evening.

We are in a very dicey situation and we cannot go back to the past as it is not an option. We have to be positive and look forward. The elections are in place but it is a pity they are happening. I have enjoyed many trips to Northern Ireland over the years and I have worked with different people up there.

We have to salute Colum Eastwood for bringing out the cash-for-ash scandal. It is a pity the scandal has resulted in a dash for votes. We cannot lecture the people in the North on how to conduct their elections but I hope it will not be too divisive. I remember standing on the wall outside Glaslough in County Monaghan looking into Lord Caledon's estate and the estate of Lord Brookeborough, now Viceroy Brookeborough, was mentioned here. I do not know who

gained from this but there should be an inquiry as we do not want to see scandals which hurt the economy. We do not want sectarian decisions but the cuts to the Irish language programmes were very sad. We can all rub our hands here but it is only two or three months ago that I raised the cuts to the *cursaí Gaeilge*. There have been huge cuts *ansan*. Thankfully the Government has listened and given back some funding for Irish language here but we cannot say the elections are for *suas an bóthar* - we have to look into our own hearts and Sinn Féin have to do so as well because they have implemented cuts in the North while coming down here to play a different card.

I have respect for an Teachta Adams but he would do better to take a leaf out of Martin McGuinness's book by admitting his past. There is no shame in it and it is part of the past of all of us. My late father was involved in the same struggle and there is no point in continually denying it. Martin McGuinness said he was involved and he tried very hard with Dr. Paisley. History has been too kind to Dr. Paisley because I remember being up there as a young man *ag lorg bean cheile*. I found one and she is still with me after 34 years but I remember Dr. Paisley's bellowing voice from 300 yards away where he was giving one of his bullish sectarian speeches. I do not want to speak ill of the dead and I have a good enough relationship with his son but history has been too kind to him.

I have enjoyed my time on the British-Irish Parliamentary Assembly and a lot of progress was made. I pay tribute to Bertie Ahern in this respect. He left his own mother's graveside to keep the Good Friday Agreement together. I do not want to be critical of the Taoiseach but someone like that is missing today. My former colleague, Dr. Martin Mansergh, had a huge role as he was able to get in doors, behind the walls of houses and have tea in kitchens with people whom it was very important to meet. He told me some of the stories of his encounters and he was a tremendous asset. I am sure his offices remain open for these purposes.

After the shouting and the rumpus of the election, which will be a long campaign by any standards, and after 3 March *cad a dhéanfaimidh ansin?* It will be back to a polarised situation. The last thing we want is direct rule, especially after Brexit and listening to the Prime Minister, Mrs. May, this morning. She does not give a hoot about Northern Ireland, or Southern Ireland, and it is time our Taoiseach sat up and listened and accepted that. All the nice platitudes, the fancy talk and the telephone calls have been ignored. It is time we tell our colleagues in Europe, who were supposed to have been good to us but never were as far as I am concerned, to stand up and let us know that Northern Ireland is going to be out on a limb, in spite of the democratic deficit given that the majority voted to remain in Europe. I could never understand how the former First Minister, Arlene Foster, and the DUP campaigned on this as they were cutting off their nose to spite their face but people voted in that way as well.

I want to go back to the Dublin-Monaghan bombings. I was in Dublin on the day of the bombings. There has been a lack of justice and truth in the lack of an inquiry into the bombings. I want to go back to Gordon Wilson and Enniskillen and to the Omagh bomb in particular. I was on my way to Omagh with my family that day but we did not arrive because the young chap was unwell and did not want to travel so we arrived the morning after. I met Mo Mowlam and Prince Charles on that day around the streets outside the cordon. Michael Gallagher and his organisation have been abandoned by the Government, and by the Taoiseach especially, who pointed to him at a Fine Gael Ard-Fheis and told him he would get justice from him, having not got it from Fianna Fáil. He has had no justice and has met the Taoiseach just once here in the corridor after hours of waiting.

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Those families need justice, as do all the 39 people including an unborn child who lost their lives. It is sad because the family of John White from Tipperary are friends of mine. There need to be no more cover-ups and that bomb should never have got to Omagh that day. Anybody who is in politics here knows what went on. I have visited the centre of the organisation many times and have invited its members to the Gallery. I asked the Taoiseach, on Leaders' Questions, to look up and wave at people he could not meet for two years despite his so-called open door policy. We need to be honest and straight and have a bothar díreach. We need to do some soul-searching and we cannot be selective. I listened to an Teachta Adams inviting us all up to take part. It is not a day for scoring points but we all have to be careful of what we say. I hope the election will be calm and cool and that there will be a lot of reflection so that we can have power sharing after 3 March. If we do not we are facing into the abyss.

Acting Chairman (Deputy Eugene Murphy): The next section is to be shared between the Social Democrats and the Green Party. Are the Members dividing their seven and a half minutes equally?

Deputy Catherine Murphy: Yes. I am sharing with Deputy Eamon Ryan.

There has rarely been such upheaval and uncertainty about the future relationships between the United Kingdom and Ireland, with Northern Ireland in the middle of it. I am sure we all agree that this election could not have come at a worse time. Hardly anything has challenged the Good Friday Agreement as much as the current uncertainty and the combination of Brexit and political unrest in Northern Ireland across a range of different matters. The election of 2 March is crucial and not just for those north of the Border - it has significant repercussions for us in the South in the context of protecting the progress that has been made under the Good Friday Agreement and ensuring we continue on the path of peace. It may seem we have come a long way from the awful times of the Troubles and the Border patrols of the past but these were not that long ago and we must recognise that we are still in a very fragile situation. I reiterate the comments, in this House and outside, calling for a respectful campaign that takes account of the precarious nature of peace in Northern Ireland and the need to constantly foster the progress that has been made. It is a very long campaign and it has already started. That is double the length of time for the election campaign we had last year. We know that election campaigns can be bruising and fierce. In the context of a power-sharing arrangement, one requires people who have been polar opposites to sit down and work out an agreement within two weeks. That is a huge challenge, as we know.

We must remember that the Good Friday Agreement is an internationally recognised treaty. Its terms are embedded in the Treaty of Vienna. It was negotiated in the context of both the UK and Ireland being part of the EU, and it has been supported by the EU. That agreement obliges both Ireland the UK to do certain things, but it also obliges them not to do certain things. Chief among the latter is that neither the UK nor the Republic of Ireland will close a border between them. Obviously there are fears connected to Brexit over whether we might face a hard border between both jurisdictions on this island. It is welcome that the British Prime Minister, Theresa May, said today that she intends to safeguard the common travel area between the UK and Ireland. It is interesting that she immediately followed that by saying it was Britain's wish to control its borders, but one cannot separate those two things.

The simple reality is that the UK cannot control its borders if there is to be a common travel area between Ireland and the UK. This gives weight to newspaper speculation that the Department of Justice and Equality has been considering proposals which would allow the UK to run

joint border controls across the island of Ireland in order to protect the UK's borders. It would seem that is the only way one could have an open border with Northern Ireland and a hard Brexit with the limitations on freedom of movement to the UK.

Essentially what would happen is that the Border would potentially be pushed out to the island of Ireland and not between Northern Ireland and the Republic. Put simply, it would mean that people at ports and airports would be greeted by UK and Irish border controls. Imagine a situation where people arrive at Dublin Airport to be vetted both by UK and Irish personnel. Is that going to be considered? There is newspaper speculation about it, so we need to know what the practical reality of that would be. One can imagine a relative who has been in the UK for 50 years arriving back here to find such vetting. Someone arriving from Denmark, for example, is perfectly entitled to be in this country. However, personnel at our ports and airports will decide whether they are happy to accept them. One can see the confusion that would cause. We cannot therefore welcome only the possibility of movement because we must also consider the kind of movement and controls being considered.

I have grave concerns that the Department of Justice and Equality may be forging ahead with arrangements without recourse to the Oireachtas and that we might be presented with a *fait accompli*, given that there is so much happening in this regard. I would like the Tánaiste to address the questions that have been raised regarding those proposed arrangements and the possibility, for example, of the UK funding shared border controls and being positioned here on our borders. How would that work in reality?

This is the backdrop against which the election will be fought. It would be ridiculous for either party, North or South, to think that this election can happen in isolation. There are several contexts to it. There is the cash-for-ash scandal, but the one context we both share is that of Brexit. Long after the scandal has abated, the impact of Brexit will dominate lives, north and south of the Border. We must ensure that the impact on the Good Friday Agreement is limited to the greatest extent. That is why we cannot say often enough how important it is for this campaign to be respectful. After what will be a fairly robust election campaign, there is a huge challenge to put together a power-sharing arrangement in a short space of time with potentially the same people leading the discussions. We cannot underestimate that challenge.

Deputy Eamon Ryan: I begin by wishing Martin McGuinness well for a full recovery. He is someone we have always found very fair and friendly to deal with and we send our best wishes to Martin and his family.

The message from the Green Party, North and South, is that we do not think this election is necessary or should have been called. It will do damage, or will certainly create risks of real damage, to the peace process that has developed over previous decades. We do not see that it will necessarily advance the cause of people, North or South.

The scandal erupted around the renewable heating incentive and my colleague, Stephen Agnew MLA, has called it as well as anyone. He was one of the first to raise concerns about the nature of the scheme and the fact that it created the potential for a massive loss to the public. He has set out practical proposals to deal with the return of the potential loss, which our party has said could be even larger than some commentators have said, by the introduction of a wind-fall tax system whereby any excess pricing above what the actual price of delivering the fuel subsidy should be could be recovered. I do not know why we are not examining such practical measures to address the underlying scandal which is the potential loss of public funding, rather

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than just resorting to an electoral contest which risks bringing about political instability to the detriment of people in the North.

We do not know, and it is hard to call, what is the real reasoning behind the election. Is it purely a breakdown in personal relationships with the likes of Arlene Foster and, if so, can it be recovered? That would seem to be highly unlikely if, as Deputy Catherine Murphy has said, we go through a deeply contentious and divisive electoral campaign.

We should also be aware that this election will take place at a time when the Brexit negotiations will be at their height. As the Taoiseach has said, it will be a difficult, tense and combative negotiation process. Is the election instability or the possible non-return of the assembly a way of giving every party a certain freedom to address the Brexit issue as they see fit, rather than trying to work in co-operation on a difficult negotiation process?

After the election, if talks on a power-sharing executive fail, there is a real risk that the Secretary of State will be required to call another election. Some people might see the DUP being overturned by the UUP, or will the SDLP seek to do that to Sinn Féin? It is impossible to call but it is unlikely.

Every time there is a crisis in the North of Ireland in terms of implementing the Good Friday Agreement, our fear is that the response is to chip away at the constitutional provisions, thus creating a democratic deficit that has opened up in the nature of the political process as it evolved. We do not believe, as some parties seem to think, that the response should be a return to what the Good Friday Agreement provided for. We need to look forward, start improving and consider other evolutions or developments of the political process. For example, the creation of a constitutional convention in the North, along the lines of the one held here, on the future development of relationships on this island could well allow us to start thinking beyond the Good Friday Agreement and examine where we go next. It could consider how one could introduce a constitutional solution not just on an issue-specific basis, but by creating a mechanism whereby independent investigations could take place, so that we would not be stuck in the current rut.

Whatever the case, we in the Green Party are ready for the election. We will be running candidates in every constituency and will be seeking to return at least our two MLAs. I hope that within a smaller assembly they and any other colleagues could be far more effective.

6 o'clock

We will work with all parties as we have always done. We are not sectarian and we do not believe in this political divide. We believe it is time for the North to move to a new and better politics where we are not dividing each other on the basis of old historical lines. We believe we provide a real alternative which connects the South of the island but also the east. We are very close to our colleagues in England, Wales and in the Scottish Green Party as well as in a wider European context.

It is important that all parties on the island, in particular those which argued against the Brexit process, are active, ready and prepared to take on the challenge we see arising today as Prime Minister May steers her country towards what looks like a hard Brexit and a deeply damaging process to all the people of this island and Great Britain. This is not the time for us to be fighting internally and wrangling over issues that could or should have been resolved by the political system had it not steered itself into a cul-de-sac. That is a democratic deficit that needs to be amended, which will best be done by looking forward and picking up where the Good Fri-

day Agreement set us, going forward with new, innovative measures. Hopefully, some thinking like that may come out of the election. That may be one of the benefits of an electoral process. There should be positive, forward looking ideas around how the constitutional arrangements in the North can work best. It will be very difficult to do that at the same time as we are looking at how Brexit is going to work and affect all the people of the island. Nevertheless, it is what the Green Party will seek to do.

Minister for Foreign Affairs and Trade (Deputy Charles Flanagan): I acknowledge the importance of this debate and thank all Members for their contributions. I want once again to agree with Deputy Adams about having regular and frequent debates on Northern Ireland in the House. That is a matter, of course, for the Business Committee, but it has the support of myself and my party. It is not the first time I have said that on the basis that Northern Ireland is a shared concern and priority for all sides of the House. This has long been the case and was very much reflected in the very strong consensus this afternoon on the imperative to proceed on the basis of the Good Friday Agreement. The Government views as a solemn responsibility its role and mandate as co-guarantor of the Agreement. As provided for in the programme for Government, we have been unstinting in our efforts to uphold the principles of the Good Friday Agreement and to advance the full implementation of all its provisions. This we will continue to do working closely with the British Government and all the other parties to the peace process. The Government's engagement and commitment has been constant in times of stability and of crisis.

Obviously, there have been intensified contacts with the parties and the British Government by the Taoiseach and me recently. It has been increasingly clear in recent weeks that the situation was extremely serious. The circumstances which led to the resignation of the deputy First Minister on 9 January are to be regretted. Elections will now take place on Thursday, 2 March. In my conversation yesterday with the Secretary of State for Northern Ireland we agreed that both Governments should continue to work closely together in the weeks ahead. Looking to the post-election period, a new power-sharing Executive will need to be formed within the limited statutory timeframe. The assembly election campaign is now under way. On behalf of the Government, I have urged all parties in the election to be measured and responsible in their rhetoric so that the political institutions of the Good Friday Agreement will not be damaged in any way, in particular in the longer term. I will continue to underline this imperative in the weeks ahead in support of the institutions of the Agreement and the principles on which it stands. We must never forget that the Good Friday Agreement and the political institutions for which it provides - the power-sharing Executive, the assembly, the North-South institutions and the east-west institutions - were finally achieved in 1998 following decades of horrendous violence, murder, fear and a breakdown in social fabric suffered by both communities across Northern Ireland. Following the assembly election, it is critical that each of the institutions of the Agreement can operate, deliver and deal again with the issues of concern to people and that this should happen smoothly and in a prompt manner. I acknowledge in this regard the contribution of the former deputy First Minister, Martin McGuinness, to the cause of peace and reconciliation in recent years. I wish him well in his time of illness and hope he experiences a full recovery.

I report from my discussions with the Secretary of State for Northern Ireland that both Governments are agreed that there must be a singular focus on supporting the devolved institutions of the Good Friday Agreement. Indeed, Deputies have mentioned this in the course of this debate. I say in the clearest terms that alternatives to devolved government such as direct rule are not being contemplated. This provides very important reassurance to all communities in Northern Ireland that they can rely on the institutions of the Good Friday Agreement and,

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rightly, expect their elected representatives to work together in these institutions to address the issues faced by citizens.

A number of Deputies have rightly raised a concern about the impact of the current situation on preparing for and dealing with Brexit. The interests of the island as a whole and protecting the gains of the peace process have been and will remain as two of the four major priorities for the Government in the upcoming Brexit negotiations. As the Taoiseach has already outlined, the all-island civic dialogue is a valuable part of our Brexit preparations. The ongoing sectorals and the plenary which he and I will co-host on 17 February are crucial opportunities for people across the island to contribute their perspectives, experience and ideas as to how we might best deal with the challenges of the withdrawal of the United Kingdom from the European Union. I am pleased to announce that on 13 February I will convene a sectoral consultation on the human rights aspects of the Good Friday Agreement which are so central to the peace process and which must be protected and sustained regardless of the UK's status in the European Union.

This civic dialogue does not, of course, replace the need for devolved institutions which allow Northern Ireland's particular interests and concerns to be represented by those with a direct local mandate. The Northern Ireland Executive has a crucial role to play, not least in the engagement with both Governments. While we have heard some further detail from the British Prime Minister, Mrs. May, today, Brexit, however it proceeds, presents some of the most fundamental and challenging questions our island has seen in a generation or more. Citizens in Northern Ireland would be understandably aggrieved if their elected representatives could not deal with the critical responsibility of representing and pursuing Northern Ireland's unique circumstances and interests in this seismic negotiation. The formation of the Executive after the election and the related re-starting of the work of the North-South Ministerial Council is therefore not only a political imperative for both Governments, it is also an onerous obligation on the parties in Northern Ireland.

Another responsibility that weighs heavily on all of us is dealing with the legacy of the past. Like many others, I am concerned and frustrated that we have still not reached an outcome on the Stormont House legacy institutions more than two years on. I acknowledge that while there has been positive work and discussions ongoing over the last number of months, the victims and survivors deserve that the two Governments and the Northern Ireland political parties finish this job on a collective basis. Whatever happens in the weeks ahead, I assure all with a stake and an interest in this that the Irish Government will remain steadfast in its determination and effort to ensure that the legacy institutions are set up and established at the earliest opportunity.

The issue of the unimplemented elements of the Good Friday Agreement and successor agreements has rightly been raised by a number of speakers. As Minister for Foreign Affairs and Trade, I was to the fore in the negotiations in 2014 which led to the Stormont House Agreement. During those negotiations, the Government advocated for progress on outstanding commitments from previous agreements. Several of these are referenced in the Stormont House Agreement, including provisions on the Irish language, the obligation to promote a culture of tolerance, mutual respect and mutual understanding at every level of society, and new priorities for North-South co-operation in this regard. Unfortunately, as the Taoiseach has already said, these new commitments have not been adequately demonstrated which is something that must be addressed if the devolved institutions are to flourish and thrive. In the two years since Stormont House, I have engaged with the Executive parties and the British Government as appropriate to support progress on the outstanding commitments from previous agreements. Indeed, at the last two meetings of the review, most recently before Christmas, I specifically

raised these issues so that the outstanding commitments which go to the heart of the Good Friday Agreement remain firmly on the political agenda. At the review meeting of 14 December last, there was a very positive discussion involving the former First Minister, the former deputy First Minister, the Secretary of State for Northern Ireland and me.

The constructive quality of the discussion provided no hint of the speed with which matters subsequently unravelled within the Executive. Now, as voters in Northern Ireland are being asked to go to the polls for the second time in eight months, the parties need to be mindful of their heavy responsibility to re-establish the devolved institutions on the far side of polling day. A scorched-earth approach to campaigning that agitates and divides for partisan political purposes will only hamper the essential task of all parties re-engaging in a spirit of partnership and mutual respect in the democratic institutions as contained, evidenced and witnessed in the content of the Good Friday Agreement. In this regard, as co-guarantor of that Agreement, the Irish Government will continue to work with the British Government and political parties in Northern Ireland to fulfil the promise of the Agreement and advance political stability, reconciliation and economic prosperity in Northern Ireland.

Acting Chairman (Deputy Eugene Murphy): I, too, would like to ask Deputy Adams to pass on my good wishes to Martin McGuinness, along with all other Members who expressed genuine concerns about his health. We hope he makes a full recovery.

Ceisteanna - Questions (Resumed)

Priority Questions

Central Bank of Ireland Investigations

29. **Deputy Michael McGrath** asked the Minister for Finance if he will provide an estimate of the number of mortgages identified as part of the Central Bank investigation into tracker mortgages whereby the customer was wrongly denied his or her right to a tracker rate or the incorrect tracker rate was applied; his views on the widespread nature of this practice; and if he will make a statement on the matter. [1892/17]

30. **Deputy Pearse Doherty** asked the Minister for Finance the way in which he will ensure that those responsible are held accountable for the financial and social distress caused by their removal of the right to a tracker mortgage to thousands of families; and if he will make a statement on the matter. [1986/17]

Deputy Michael McGrath: My question relates to the Central Bank probe into the fact that thousands of customers were denied the right to return to a tracker interest rate and many others were denied the right to be on the correct tracker rate. The Governor of the Central Bank, when he came before the Oireachtas Joint Committee on Finance, Public Expenditure and Reform, and the Taoiseach, acknowledged that the figure could be as high as 15,000 customers. I ask the Minister to provide an update to the House on that matter and to outline his views on the systemic and widespread nature of this enormous problem which affects thousands of customers in Ireland.

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Deputy Pearse Doherty: My question focuses on accountability. How will we hold individuals, rather than those at an institutional level, who were involved in a major and wide-scale theft of people's money to account? Up to 15,000 individuals over a number of years were affected. The amount of money that would have been at risk is close to, if not in excess of €500 million, if customers had not identified the issue and proceeded with cases to the Financial Services Ombudsman and others. What steps will the Oireachtas take to ensure that there is individual accountability for those involved in this practice in financial institutions?

Minister for Finance (Deputy Michael Noonan): I propose to take Questions Nos. 29 and 30 together.

As Deputies are aware, the Central Bank has commenced an industry-wide examination of tracker mortgage-related issues covering, among other things, transparency of communications with and contractual rights of tracker mortgage customers. The examination is ongoing, and while all lenders are currently in the process of carrying out their internal reviews it is important to note that some lenders may have their internal reviews completed sooner than others depending on the size of their mortgage books and the complexities associated with them completing the examination.

Last month, the Central Bank issued a statement which indicated that so far lenders had identified approximately 8,200 accounts where a right to, or the option of, a tracker rate of interest and/or the correct tracker rate of interest was not provided to customers in accordance with lenders' contractual or regulatory requirements. In his subsequent appearance before the Oireachtas joint committee, the Governor indicated that this was a lower-band figure and that it was expected that the number of affected cases would be higher. The Central Bank continues to challenge lenders to ensure that progress is being made, but at this point there is no further update to hand on the information provided by the Governor on 20 December last.

In the performance of its supervisory functions, the bank identified and pursued issues in regard to transparency with specific lenders for borrowers who opted to switch from their tracker rates or who had the right to revert to a tracker rate at the end of the fixed-rate period. However, as new issues continued to emerge, the Central Bank decided that a system-wide review was necessary to ensure that all lenders are acting in their customers' best interests. As a result, the tracker mortgage examination was commenced by the Central Bank in 2015. This examination is now the most significant supervisory review the Central Bank has undertaken in the context of its consumer protection mandate.

As the statutory enforcement authority for regulated financial services providers, it is the independent responsibility of the Central Bank to ensure appropriate institutional and individual accountability where there is sufficient evidence to support such action. As Minister, I do not have any function in such considerations. Nevertheless, the Central Bank has indicated it will take appropriate supervisory action, including enforcement action against lenders and persons concerned in the management of those lenders, where relevant, to ensure that fair outcomes are achieved for consumers where applicable regulatory standards are not met. The Central Bank recently entered into a settlement agreement with Springboard Mortgages limited, issuing a reprimand and imposing a fine of €4.5 million. However, the Central Bank has advised me that it cannot comment on ongoing enforcement investigations.

The Central Bank continues to monitor lenders' progress in respect of the conduct of the examination through direct engagement with each lender and its appointed external indepen-

dent party and through on-site reviews and review of regular progress reporting. The bank is committed to providing regular progress updates on the examination and these will be available on its website.

Deputy Michael McGrath: I thank the Minister for his reply. The numbers which emerged during the course of the hearing to which I referred are much higher because the figure of 8,200 excludes customers from Permanent TSB and an older Bank of Ireland issue going back to 2011. The Governor acknowledged that 15,000 mortgage customers could be affected.

I would like to know how the same mistake was made by AIB, Bank of Ireland, Permanent TSB and Ulster Bank. We know what happened in some banks, but we do not know about other lenders. This was systemic and widespread across all of the main lenders in the State. Why, when these mistakes happen, do they always happen in a manner that is adverse to the customer?

Serious questions need to be asked and answered because this is a scandal. Mortgage customers have been treated disgracefully, and the Central Bank will have to fully exercise its statutory power in order to ensure that this issue is dealt with comprehensively. Fundamentally, we need to know how this happened, why it happened and who knew about it because the issue was widespread, which the Governor accepted.

Deputy Michael Noonan: It is a very serious situation, as the Deputy has outlined. It is worse than was described by Deputy Michael McGrath. Some 15 lenders are covered by the inquiry including Bank of Ireland, Permanent TSB, AIB, Ulster Bank, KBC, ACC Loan Management, Bank of Scotland, Danske Bank, Dilosk limited, Irish Bank Resolution Corporation limited, Leeds Building Society, Pepper Asset Servicing, Springboard Mortgages limited, Start Mortgages limited and Stepstone Mortgage Funding limited. The Central Bank is inquiring into all of them and it will be up to it to come forward with proposals, but it stretches the bounds of coincidence that all these institutions would have arrived separately at a conclusion to proceed incorrectly.

Deputy Pearse Doherty: I have raised this issue with every bank that appeared before our committee, the Central Bank and the Taoiseach. This is one of the biggest financial scandals that we have witnessed in recent times. The amount of money involved is massive. In excess of €100 million, and probably in excess of €200 million, will have to be restored by the banks, and that is just to give them back the money that the banks illegally took from them. It is a massive theft. I use that word for a reason. When we speak of redress schemes, we legitimise the fact that the banks say that it was a systems error or a problem with communication. That is not the case. Every single major bank in the State was doing the same thing. They took money they should not have taken from their customers.

Not only did they do that but they took the houses from a number of individuals. We estimate that more than 100 individuals have lost their family homes as a result of the actions of the banks. Others were bankrupted as a result of the process. What has happened is unbelievable, yet for many years the Central Bank did not pick up on it. Banks that we own fought their customers when they tried to raise this issue in the public domain. When they took it to the Financial Services Ombudsman, Permanent TSB, which the State owns, fought them in the High Court. When the High Court said that it agreed with the Financial Services Ombudsman and the customer, the bank said it would appeal to the Supreme Court.

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The Central Bank needs to do its job. It needs to keep a proper eye on banks such as these which have swindled their own customers. It also needs to ensure that individuals are held to account. However, what has the Minister, who is the major shareholder in the banks, done? Has he asked the board of AIB why AIB took from 2,600 customers money that was not its money in the first place? Has he asked why it took the homes of some of our citizens when it should not have done so? Has he asked if there is any internal investigation being carried out to see if there are culpable individuals relating to this matter?

These are not private firms in the IFSC. Some of them are banks that we own. However, until we have individual accountability instead of a fine that is issued by the Central Bank, this practice will continue.

Deputy Michael Noonan: I agree with many of the sentiments expressed by the Deputy. The Central Bank is carrying out a full inquiry across the lenders that I have specified. It has already reached agreement on a fine of €4.5 million with one lender, which is not a household name, and it is proceeding now with regard to others. It expects to have made significant progress by mid-2017. I know the Governor informed the Deputy when he asked whether the number of those affected could be as high as 15,000 that it might be, but he also said that he thought that might be a high estimate. However, it certainly will be more than 8,500.

As far as the role of the Minister for Finance is concerned, the Central Bank is independent under statute in the exercise of its functions. Any separate or parallel action by the Minister for Finance would be an interference in the independence of the Central Bank. I share the Deputy's sentiments, however. This was an outrageous situation. It is important to put on the record that the Central Bank has statutory reporting obligations to the Garda Síochána and to other agencies where it suspects a criminal offence may have been committed by a supervised entity. The Central Bank takes these obligations seriously and complies with them on an ongoing basis, as appropriate. However, this would be a matter for the Central Bank and the independent criminal investigation and prosecution authorities. I, as Minister for Finance, would not have any role in the matter.

Acting Chairman (Deputy Eugene Murphy): I appeal to the two Members as our time is almost up and I want to give both of them fair play. I ask them to keep their supplementary contributions as brief as they can as I want to give the Minister a chance to reply.

Deputy Michael McGrath: Unless there is genuine accountability for how this scandal happened, how it was allowed to continue and why it was not dealt with more quickly by the Central Bank, this will keep happening. The reality is that it is the customers who ultimately lose out. Many have lost their homes and many thousands of others continue to pay with each passing month hundreds of euro extra in interest that they should not be paying. That remains the case today in respect of customers that the banks know should be on a tracker rate.

Banks are saying that the tracker rate should be 3.67%. The tracker rate these people are being put back on is basically the variable rate. This is still going on and it is going on under the nose of the Central Bank, but there is no sense of urgency. I got no sense of urgency from the Central Bank when its delegates appeared before the committee in December. There are no deadlines for the banks to reinstate tracker rates to customers who were wrongly denied them. This is simply not good enough. The same people always end up losing and, unless there is accountability, it will keep on happening on our watch.

Deputy Pearse Doherty: I respect the role of the Central Bank in terms of its regulation and the investigation it is carrying out, but that does not absolve the Minister for Finance. As the major shareholder in AIB and Permanent TSB, why is he not asking the board what for God it was doing when it stole all this money from 4,000 citizens and made some of them homeless? That is a responsibility, but it is also the human thing to do. This cannot be allowed to go unchecked but, unfortunately, it has until now. This story did not just emerge in the past few days. This has been going on for years and people have turned a blind eye to it, including those in the Central Bank. Now we find that it is not confined to the 86 customers that had cases before the Financial Services Ombudsman but possibly affects up to 15,000 individuals.

The Criminal Justice (Theft and Fraud Offences) Act 2001 is clear. It states: “A person who dishonestly, with the intention of making a gain for himself or herself or another, or of causing loss to another, by any deception induces another to do or refrain from doing an act is guilty of an offence.” That offence is punishable by up to five years in prison. I could put any money on it with the Minister, and I hope I am wrong, but not one banker will be held accountable for what has happened.

Now is the time to introduce robust white-collar crime legislation to ensure that bankers know that they will face the full rigours of the law if they do this to any one of our citizens or anyone else again.

Acting Chairman (Deputy Eugene Murphy): We are way over time. I call the Minister to give a brief response.

Deputy Michael Noonan: The Central Bank has strong powers. The committee of the House invited the Governor of the Central Bank to attend one of its meetings and I understand the Governor had a good exchange with Deputy Pearse Doherty on 19 December. From reports in the media, that seemed to have been a satisfactory meeting.

My information from the Central Bank is that, based on current progress, it anticipates that relevant lenders will have been identified and engagement commenced with impacted customers by mid-2017, with payment of redress and compensation, processing and consideration of any appeals and the Central Bank’s own assurance work continuing beyond this point for some lenders. The Central Bank therefore expects to see more lenders engaging with impacted customers over the next few months. It states that it was mid-2015 when it extended its inquiry and realised the seriousness of events and that it is proceeding with all expedition to sort it out.

If, as the Deputies stated, there are up to 15,000 individual customers, it will take a pretty long time to sort it out. However, it is being sorted out. We will see what conclusion the Central Bank reaches and whether it exercises its powers to refer this to the Garda Síochána. However, that is a matter for the Central Bank, which does not lack power. We always have an argument about people not having sufficient power. The Central Bank has plenty of power. The power is there and it is using it.

Acting Chairman (Deputy Eugene Murphy): I thought my flexibility was generous but it obviously was not generous enough. I will, therefore, be strict with the time as we move on.

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State Banking Sector

31. **Deputy Michael McGrath** asked the Minister for Finance his plans to proceed with the sale of a stake in a bank (details supplied) in the course of 2017; the factors that will influence his decision; and if he will make a statement on the matter. [1893/17]

Deputy Michael McGrath: The purpose of the question is to seek clarity on the Minister's plans for a sale of a stake in Allied Irish Banks in 2017. Is it a Government objective to proceed with the sale of a stake this year? What factors will the Minister take into account in making a final decision on AIB and bringing a proposal to Government in the matter?

Deputy Michael Noonan: The State's shareholding in Allied Irish Banks is a valuable asset and it is the Government's intention that the State will exit this and our other banking investments in a measured and careful manner.

The advice I have received confirms that an initial public offering, IPO, is the optimal route to recouping value from this investment. Officials in my Department along with our independent financial adviser, Rothschild, have done considerable preparatory work in this regard. In December of last year, following a competitive procurement process, three investment banks were appointed to act as global co-ordinators on a potential selling syndicate in preparation for a possible IPO. These banks have been appointed for an 18 month period and additional banks will be appointed to fill out the syndicate at an appropriate future date.

A number of factors will need be taken into consideration before a decision is made to proceed with an IPO. These include the operational performance of the bank, the preparedness of the bank for privatisation and whether market conditions are conducive to achieving our long-term objectives. As I have stated previously, my primary objective in the disposal of any AIB shares will be to maximise the return for the State in a manner that is consistent with recovering our full €20.7 billion investment.

The reorganisation of the bank's capital structure in 2015 and the maturing of the CoCo instrument in July of last year have given AIB a simplified market-facing balance sheet. I welcome the bank's continued strong performance, demonstrating sustainable profitability and strong capital generation over a number of consecutive reporting periods. The bank's chief executive officer has indicated publicly, and reiterated to me personally, that much of the internal preparation that would be required in advance of launching an IPO process has now been completed. I also note comments made recently by the bank's chairman indicating that AIB may be approaching a time when the board will be in a position to consider the payment of a prudent dividend, in consultation with the regulator, which would contribute to the bank's strong investment case.

In order for us to proceed with the sale of any of our banking assets, we need to be satisfied that the market is prepared to put a fair and reasonable value on the business, bearing in mind its current performance, its future prospects and the outlook for the economy. Officials in my Department continue to monitor market conditions and the performance of banking equities on an ongoing basis. While I cannot predict what market conditions will be like for bank shares over the coming year, it is our intention to be ready to execute a transaction if conditions allow. Given the improved state of the national accounts, progress made in reducing our national debt and positive market sentiment towards Ireland, we are not under any pressure to monetise our banking investments. As a result we have some flexibility around when we time our disposals

in the market.

Deputy Michael McGrath: I thank the Minister for his reply. He indicated that it is intended to proceed with an IPO if market conditions allow and are favourable. I assume that is the Government's position. It would be a policy decision as to how much of the Government's stake in AIB it would sell. Has the Minister given consideration to that issue or is it a matter on which he will take advice? Does he have any estimate at this stage of-----

Deputy Michael Noonan: It will be around 25% of the State's shareholding.

Deputy Michael McGrath: Does the Minister have an estimate of the likely proceeds from the sale of such a stake? In some respects, the valuations available to us are meaningless because there is no active market in the trading of AIB shares because the State owns approximately 99.8% of them. Will the Minister confirm that the proceeds of such a sale would be used to pay down debt and that, as a financial transaction, he would not have any additional leeway under the fiscal rules to increase expenditure on the back of one-off proceeds from a sale?

Deputy Michael Noonan: I thank the Deputy. At the end of 2015, the Irish Strategic Investment Fund valued the State's 99.9% shareholding in AIB at €12.2 billion. The value of shares in banks all over the world fell considerably thereafter, although, as the Deputy will be aware, there has been a recovery in recent months. For example, both Bank of Ireland and Permanent TSB, for which there are accurate quotations on the market, are now trading well above the lows experienced during 2016. The value of the former has appreciated by 52% and that of the latter by 81%. There is, therefore, an indication that we might achieve the kind of values we would require.

No final decision has been taken. We have appointed a syndicate and I am getting financial advice on an ongoing basis. A number of events will be necessary before we would proceed. There is the issue of a dividend, which must be sanctioned by the regulator in Frankfurt, and would probably enhance value somewhat. In addition, the annual returns of AIB, which are due out in March, will give an indication to the market of the profitability of the bank. I will keep the Deputy informed.

Deputy Michael McGrath: There is a high degree of uncertainty in the markets and some volatility linked with international developments. There are also some question marks about the underlying health of certain European banks. We are all well aware, for example, of the problems with Italian banks and it is not yet clear how these will play out. At this remove, early in 2017, when will be the opportune time to make the assessment of the right time to proceed with an IPO for AIB? As the Minister noted, there are certain windows in the calendar year during which we will not have an opportunity to proceed with an IPO because of reporting requirements and so forth. If he does not make a decision early in the year, will he revise his assessment in the autumn and take advice from the professionals he has brought on board?

Deputy Michael Noonan: On values, there was an increase in the value of small bank shares in the United States after the election of Donald Trump. In addition, the big factor on valuation now is whether interest rates have bottomed and will increase in the coming period. Obviously, increases in interest rates connect to the profitability of banks and there is an expectation in the markets of rising interest rates. Among other reasons, this is why bank shares are trading at a higher level than they did in 2016. There is a window from late May until June but it is hard to be precise on the opening and closed positions. There is another window in the

autumn so it will be one or the other.

Tax Code

32. **Deputy Joan Burton** asked the Minister for Finance the measures he has put in place in order that so-called vulture funds pay both corporation tax and capital gains tax at full rate; if he will provide an estimate of the additional revenue he expects for the Exchequer in each of the years 2017, 2018 and 2019 from the closure of loopholes that enabled these funds to avoid taxation; and if he will make a statement on the matter. [1806/17]

Deputy Joan Burton: The question asks what will be the effective tax yield on a yearly basis from the changes the Minister introduced in the Finance Act on the taxation of vulture funds and the closure of loopholes which have allowed many such funds to pay little or no tax. Will the Minister advise if any of these funds contributed any corporation or capital gains taxation to the Exchequer prior to the enactment of the Finance Act? Is it true that they have been effectively entirely free from taxation?

Deputy Michael Noonan: The Finance Act 2016 brought into force amendments to address the use of certain structures by companies which fall within section 110 of the Taxes Consolidation Act 1997 and structures used by certain funds involved in property transactions.

Throughout the course of the Finance Bill process, there was extensive debate on both the amendment to section 110 and also on the introduction of a new taxation regime for investment undertakings holding Irish property. The amendments made deal with concerns and issues which had been raised in the Dáil and the media throughout 2016 regarding the possible use of aggressive tax practices by certain structures to avoid paying tax on Irish property transactions.

Both amendments are targeted. Section 110 has been tightened to prevent any misuse of the legislation. The measure has the effect that, for the purposes of section 110, the use of profit participating loans will be restricted where they are used by qualifying companies relating to Irish property transactions. The amendment will ensure tax will be payable by section 110 companies on their profits from Irish property transactions from 6 September 2016 onwards. The section 110 companies will pay 25% tax on all of their realised accounting profits and gains from Irish property-related transactions.

The new Irish real estate fund legislation addresses the issue of non-resident investors who have been investing in Irish property through fund structures and thus avoiding a charge to Irish tax on profits arising from Irish real estate.

In regard to the two measures, €50 million was included in budget 2017. This amount is based on intensive analysis undertaken by Revenue. As stated during the extensive Committee Stage debate on this topic, the €50 million is both conservative and prudent.

As also discussed at length, this new legislation will trigger behavioural changes that cannot be predicted. Furthermore, to estimate the yield from these amendments into the future requires predicting changes in property prices. This, coupled with the behavioural changes, means it would be premature for the Department or the Revenue Commissioners to estimate any potential yield beyond 2017.

Deputy Joan Burton: It is disappointing that the Minister has not been prepared to identify

the likely yield from the taxation of these companies. The practice of these companies is very often to drive up rents, which they have already done in the Irish market in a significant way and to focus on relatively short-term to medium-term investment timeframes of five to seven years. If that is the outturn, this means there is a very narrow window of opportunity for the Exchequer to ensure that taxation is paid by these companies. As I said, they have been to the fore in raising rents, as well as buying properties cheaply. Does the Minister propose to introduce further legislation to normalise the activities of these companies and to restrict their extreme profit-taking from the Exchequer?

Deputy Michael Noonan: It would be incorrect to assume that we can tax these assets because we do not tax assets. I presume the Deputy is talking about tax on the income stream in respect of rent-mortgage repayments or capital gains tax. One or the other would be subject to tax. The first move by investment companies of this nature is to seek to change behaviour to either eliminate or reduce their tax liability. We know that there are changes in this behaviour already. As I said, those that continue in the business will be taxed at 25%.

Capital gains tax is a feature of the property price. Property prices are increasing. This means there would be additional capital gains to be paid as property prices continue to rise, such that to predict what tax might be payable by any individual fund by 2018 or 2019 is not possible. The Revenue Commissioners have estimated the amount to be paid in 2017 will be €50 million, which amount they say is conservative and prudent. I hope it will be exceeded. As I said, there are changes in behaviour already under way. Most of the bulk buying of Irish property commenced in 2014. The Deputy will be aware that under tax law these companies must file their returns by September 2015, such that they were operating for 21 months in some cases before the Revenue was given the data on which it could make assumptions. In late 2015, the Revenue began to suspect there was something untoward happening in regard to the application of section 110, which was legitimately introduced for the financial services industry. It then informed my Department of the position in early 2016. It was a difficult issue to address but we worked hard on it and as soon as we had a solution we published it ahead of the Finance Bill in September 2016.

Deputy Joan Burton: The Minister said that behavioural changes have already commenced. It would be helpful to the House if the Minister could identify those behavioural changes. For instance, are the companies experiencing some kind of conversion to corporate social responsibility in terms of their making a contribution to the Exchequer in respect of properties which they bought cheaply? While some of these properties are being refurbished and improved these companies have played a major role in rising rent costs in respect of which presumably they are making a killing. It is on that basis that I believe the figure provided by the Minister is very conservative.

I note that one of the companies, Kennedy Wilson, wrote to the Minister about five days prior to the budget announcement. It would be helpful to the House if the Minister would enlighten us as to the reason a number of specific points in Kennedy Wilson's correspondence to the Minister, which was a potentially influential letter five days prior to announcement of the budget, are redacted. I have difficulty understanding why that should be the case. This is a matter of enormous public interest in the context of the housing crisis and as such the House deserves to be given full information.

Deputy Michael Noonan: The draft legislation was published well before the budget. The Deputy will recall that it was published in September and that it was accompanied by a state-

ment inviting observations on the legislation. It was published as draft legislation subject to consultation. As such it was no cause of wonder that interested parties and their legal representatives or tax advisers contacted the Department of Finance. That is normal practice. I do not control the release of information under freedom of information requests. I read in the newspaper about the Kennedy Wilson letter. It would not have crossed my desk at the point of release because freedom of information is separate from the Minister. It is normal practice that information deemed to be commercially sensitive information that would injure third parties would be redacted. Having been a Minister for a number of years and been subject to freedom of information requests, Deputy Burton will be aware that such requests would not have come across her desk but would have been dealt with by the designated officers in her Department.

Acting Chairman (Deputy Eugene Murphy): I am reluctant to interrupt Members but I must do so if they do not adhere to time limits as this results in other Members not having their questions answered. I will be flexible but if I am to give every Member a fair crack of the whip others will have to be brief.

Loan Books Purchasers

33. **Deputy Michael McGrath** asked the Minister for Finance his plans to introduce further protections for mortgage holders and SMEs whose loans have been sold to unregulated loan owners, including so-called vulture funds; his further plans to bring these funds fully within the ambit of financial regulation; and if he will make a statement on the matter. [1894/17]

Deputy Michael McGrath: I am sure the Minister saw the RTE documentary, “The Great Irish Sell Off”, which dealt with the sale of mortgage loans and SME loans to so-called vulture funds and the growing concerns among those in the farming community who are trying to negotiate some way forward with some of the vulture funds that own their loans. The Minister and I disagree on whether there is a need to strengthen protections for mortgage holders and business owners whose loans are owned by such funds. I believe there is a need to strengthen these protections, which the Government signed up to doing in its programme for Government. What are the Minister’s intentions in this regard?

Deputy Michael Noonan: As the Deputy will be aware, the Consumer Protection (Regulation of Credit Servicing Firms) Act 2015 was enacted in July 2015. It was introduced to fill the consumer protection gap where loans were sold by the original lender to an unregulated firm. The Act introduced a regulatory regime for a new type of entity, known as a credit servicing firm. Credit servicing firms are now subject to the provisions of Irish financial services law that apply to regulated financial service providers.

Under the Act, purchasers of loan books must either be regulated by the Central Bank or the loans must be serviced by a credit servicing firm regulated by the Central Bank. The significant point is that we regulate at the point of contact with the customer. Therefore, relevant borrowers, whose loans are sold to third parties, maintain the same regulatory protections they had prior to the sale, including under the various statutory codes such as the consumer protection code and the code of conduct on mortgage arrears issued by the Central Bank of Ireland and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Lending to Small and Medium-Sized Enterprises) Regulations 2015, which came into operation in July 2016. It is important to highlight that the transfer of a loan from one entity to another does not change the terms of the contract or the borrower’s rights and obligations under the original contract.

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

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

Additional information not given on the floor of the House

In addition, the Consumer Protection (Regulation of Credit Servicing Firms) Act 2015 ensures that a regulated credit-servicing firm cannot do something, or fail to do something, which would be a prescribed contravention if performed, or not performed, by a retail credit firm. The legislation also prevents the owner of credit from instructing a regulated credit-servicing firm to perform such an action. Therefore the borrower is protected because the owner cannot give an instruction that would breach the rules but also the instruction cannot be implemented by the regulated credit servicer, over whom the Central Bank has oversight as a regulated entity.

Nonetheless, my Department will continue to keep all relevant legislation under review in order to ensure that borrowers whose loans have been sold are properly protected and do not lose any protections which they previously enjoyed. In addition, the Department of Finance expects that the Central Bank, as regulator of credit-servicing firms, will be vigilant in this area and raise any specific instances where it has found consumers have not had their protections upheld or that their positions have been disadvantaged.

Deputy Michael McGrath: I thank the Minister. There is one example that really sums up what is wrong in all this. I have a letter here from Maris Capital to a mortgage holder stating two firms have been appointed as the credit-service firms. The contact details are given as a PO box number in Dublin 2. There is no address given for the credit-servicing firms and no telephone number to contact. If one is in difficulty with one's mortgage, one wants to deal with the people who can make a final decision on the restructuring of one's loan, be one a mortgage holder, farmer, SME or otherwise. Under the existing legislation, however, there is a gap. One cannot have any direct contact with the loan owner, or the person making the final decision on whether to move in on the borrower, enforce the security, restructure the loan or raise the interest rate. Restructuring is simply not happening when it comes to funds because they have no interest in the longer term. They are here to get their hands on the underlying asset ultimately or to sell on the loans. That is the prospect that is now working itself out in the marketplace. This is just a simple example of what is wrong with the current system of regulation. It is not acceptable that funds, which call all the shots in regard to loans, remain beyond the ambit of regulation. The Minister needs to deal with that or this House will move to do so - this year, in my view.

Deputy Michael Noonan: I am not sure whether the letter the Deputy alluded to complies with the legal position. In the first instance, I invite him to contact the Governor of the Central Bank to ascertain whether it does comply with the legislation. Second, if the Deputy lists for me the difficulties with the current legislation, I will engage with him and put civil servants at his disposal to draft amending legislation. My problem is that the legislation introduced last

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year deals with the intermediary who contacts the borrower on behalf of the loan owner. That seemed to cover it. To make doubly sure, if the owner directs the intermediary in any way on how to proceed, the owner is subject to the legislation because his status transfers from hands-off owner to someone who is carrying out the work of the intermediary. Thus, he is caught under the legislation also.

The Deputy has raised this on a number of occasions. I invite him to write or talk to me about his precise concerns. I am amenable to introducing amending legislation to the Act introduced last year. If it needs to be extended to owners, it will be. I am at a loss and my advice is not in accord with what the Deputy is recommending. Despite that, I have sympathy with his point of view. If we could proceed on that basis, I will do so.

Deputy Michael McGrath: I sent this letter to the Central Bank, to the Director of Consumer Protection. It is all in order under the credit-servicing legislation of 2015. A loan owner can appoint as many credit-servicing firms as it wants to deal with a particular loan. That is the reality at present. The Minister has obliged the intermediary, which is typically a call centre, to be a regulated entity. I have dealt with them myself and I got the borrowers to sign letters of authorisation. The intermediary will tell me it is making a proposal to the loan owner, to the fund, for restructuring or otherwise. It is as obvious as night follows day that the decision is being made by the loan owner, the fund. Those concerned sit around a board room and decide on a whole list of cases at any given meeting. That is the practice.

One is exposing borrowers to a scenario in which their loan can be sold to anyone. All anyone has to do to comply with the law is to appoint an intermediary. I will continue to press the issue. I will engage with the Minister and his officials. I appreciate his offer. This issue is only beginning to play itself out. There are real anomalies and there is a gap in the legislation that exposes borrowers. The fundamental truth is the funds do not have an interest in longer-term restructuring of loan agreements because they are not in it for the long haul. Until we all accept and understand that, we are not going anywhere.

Deputy Michael Noonan: I will work with the Deputy and put the officials in question at his disposal. If anybody else who is particularly interested in this issue wants to engage, I will engage with him or her also.

Other Questions

Tax Code

Acting Chairman (Deputy Eugene Murphy): We will proceed to Question No. 34, in the name of Deputy Brendan Griffin. He has 30 seconds to introduce it.

Deputy Michael McGrath: It is bizarre that this question was not grouped. There are five other related questions, Nos. 36, 38, 39, 42 and 82. All the relevant Deputies are present. The questions are pretty much on the same issue, the patronage shares. Why were the questions not grouped? Is it too late for them to be grouped now to ensure everybody gets in? Otherwise everybody may not get in.

Acting Chairman (Deputy Eugene Murphy): This matter has been brought to my atten-

tion. I can see the points being made by Members. I have been given the list of replies, and they are produced on an individual basis. I do not know what flexibility I have. Are there five questions?

Deputy Michael Healy-Rae: Of course it is five.

Deputy Michael McGrath: All the Deputies are here.

Acting Chairman (Deputy Eugene Murphy): There are five linked questions. I accept that as I have examined them. The maximum time is still only 18 minutes so we have to get agreement. I am certainly not going to run over time.

Deputy Brendan Griffin: Absolutely. It would be farcical if we were repeating questions on the patronage shares issue.

Acting Chairman (Deputy Eugene Murphy): Does everybody agree that Deputy Brendan Griffin has 30 seconds in which to introduce his question and that the other Members all have a minute? The Minister will be given a chance to reply, and then we will allow the Members to come back in again.

Deputy Michael Healy-Rae: Each person gets 30 seconds and then a minute afterwards.

Acting Chairman (Deputy Eugene Murphy): I do not believe we can give everyone 30 seconds. I have to go by the rules.

Deputy Michael Healy-Rae: To be helpful, what if we all had just 30 seconds in which to start? The Minister could respond to us all and then we would have a minute each afterwards. That is only five-----

Acting Chairman (Deputy Eugene Murphy): There are 18 minutes in total. I want to be fair to the Members.

Deputy Michael Healy-Rae: Of course. That is all we want.

Acting Chairman (Deputy Eugene Murphy): To me, because the questions are linked, 30 seconds for one Deputy to introduce a question is the same thing. However, if the House wants 30 seconds for each Member in which to introduce his or her question, we will allow that.

Deputy Michael McGrath: If they were not grouped, Deputies would have 30 seconds each in which to introduce the questions.

Acting Chairman (Deputy Eugene Murphy): That is not what I am told.

Deputy Brendan Griffin: If we could deal with them together over 18 minutes, we would do fine.

Deputy Michael Noonan: On a point of order, I have no objection to following whatever procedure the House decides but the draft answers I have vary from Deputy to Deputy because there are variations in the questions.

Acting Chairman (Deputy Eugene Murphy): I thought that myself.

Deputy Michael Noonan: I do not want to get up and read out five answers but I will try, in so far as I can, respond to all the Deputies in response to supplementary questions. The Depu-

ties will get the answers anyway as written answers after this session.

Acting Chairman (Deputy Eugene Murphy): I thank the Minister. Does the House want to group the questions? Am I correct in saying Questions Nos. 34, 36, 38, 39, 42, 59, 74 and 82 are to be grouped?

Deputy Michael McGrath: Twenty-four minutes now.

Acting Chairman (Deputy Eugene Murphy): There are 18 minutes overall but there are still only five contributors.

Deputy Michael Noonan: When does Question Time conclude?

7 o'clock

Acting Chairman (Deputy Eugene Murphy): We have approximately 44 minutes left. Everyone must understand that there are 18 minutes overall for this grouping. Deputy Griffin should start his introduction. Otherwise, we will get nowhere.

Deputy Brendan Griffin: Or we will be looking for a separate Kerry parliament to discuss such matters.

34. **Deputy Brendan Griffin** asked the Minister for Finance his views on whether industry may no longer be in a position to plan ahead with certainty if the Revenue Commissioners can review decisions already taken and change the tax interpretations on these decisions and implement changes retrospectively, such as seems to be the case with patronage shares of a company (details supplied); and if he will make a statement on the matter. [1496/17]

36. **Deputy Michael Healy-Rae** asked the Minister for Finance if he will provide a tax yield impact analysis of the recent Revenue Commissioners' change in policy with regard to patronage share schemes, taking into account the average effective rate of income tax of affected farmers, balanced against the adverse impact on capital gains tax yield at 33% and increased VAT flat rate addition payable to farmers; and if he will make a statement on the matter. [1606/17]

38. **Deputy John Brassil** asked the Minister for Finance the controls his Department has with respect to the Revenue Commissioners to monitor retrospective tax demands particularly when audits have been carried out and persons are found not to be fully tax compliant; and if he will make a statement on the matter. [1742/17]

39. **Deputy Martin Ferris** asked the Minister for Finance the average effective tax rate on income of farmers based in the south west; if he will provide an illustration of the impact on the average farmer on the Revenue Commissioners' treatment of patronage shares as income assuming they sell the shares and pay CGT at 33%; and if he will make a statement on the matter. [1613/17]

42. **Deputy Danny Healy-Rae** asked the Minister for Finance if, in the event of the Revenue Commissioners' position being upheld in a test case, he will change the legislation such that tax will not arise until the shares are sold, thus aligning it to the position now intended generally for share-based reward in an SME context, in view of the recent Revenue Commissioners' change in approach to patronage share schemes being prima facie inconsistent with the overall tax policy approach to the farming sector. [1607/17]

59. **Deputy Martin Ferris** asked the Minister for Finance the tax policy logic in forfeiting capital gains tax at 33% in view of the fact that the effective income tax rate is 27%; and his views on whether it is appropriate that the Revenue Commissioners' resources should be deployed in circumstances which will result in a cost to the Exchequer if they are successful in sustaining their position. [1614/17]

74. **Deputy Brendan Griffin** asked the Minister for Finance if he will introduce legislation to ensure that patronage shares of a company (details supplied) will only incur tax when sold, in alignment with the position intended generally for share-based reward in a SME context; and if he will make a statement on the matter. [1495/17]

82. **Deputy Danny Healy-Rae** asked the Minister for Finance the way in which an industry plan can go forward if the Revenue Commissioners can review decisions taken and change the tax interpretations and implement them retrospectively. [1608/17]

Deputy Brendan Griffin: I thank the Acting Chairman and appreciate his flexibility in allowing all Deputies to contribute. I acknowledge that my colleague from Limerick, Deputy Neville, tried to submit questions on this matter, but they were adjudged to be a duplication. This matter is equally important to him.

As the Minister knows, the Kerry shares issue is causing major concerns. Revenue's interpretation of the law sets a dangerous precedent. I ask that the Minister do everything within his power to address the matter. It is of concern to hundreds of people in Kerry and may have significant ramifications for people all over the country and other industries, given the lack of certainty created by Revenue's treatment of the individuals involved.

Acting Chairman (Deputy Eugene Murphy): I thank the Deputy, but we are already running into time difficulties. The Deputies only have 30 seconds each.

Deputy Michael Healy-Rae: This is a serious situation and it will affect the co-operative movement in Ireland if Revenue continues down this road.

Acting Chairman (Deputy Eugene Murphy): I thank the Deputy for his co-operation. Has Deputy Michael McGrath raised a similar question?

Deputy Michael McGrath: No.

Deputy John Brassil: My question relates to the same issue. What control does the Minister have over retrospective tax demands from Revenue? It seems that people have been audited and paid their taxes, there is no issue of non-compliance and they have made full declarations, but because someone has decided to interpret a patronage share issue differently, a further tax demand is being made. It is impossible for people to conduct business in this way. If the Minister's Department cannot sort it out, who can?

Deputy Martin Ferris: This debacle is causing a great deal of confusion. It is mind-boggling, to say the least. Has the Minister assessed the average tax rate on income for farmers in the south west? How will that manifest itself if patronage shares are classified as an income as distinct from an asset? How will it manifest in a return to Revenue in respect of income from such shares if they are taxed on a regular basis compared with capital gains?

Deputy Danny Healy-Rae: I have asked Questions Nos. 42 and 82. It is clear that the farmers of Kerry who own the shares did nothing wrong. They took advice from their ac-

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countants, tax advisers and other professionals. The Revenue official who appeared before our committee at its meeting stated that this situation was new to Revenue. That is why it is only happening now. Many people who have undergone severe tax audits in the past two years were given clear sheets in September and October. Now, they are some of the 400 who have received letters demanding tax. How can this be right?

As to making tax laws retrospectively, does that mean that Revenue could look for taxes back from the tax amnesties that were granted and the urban renewal schemes under which people received tax back in towns and villages because they received lower tax facilities in the past? Surely that could not be right.

Acting Chairman (Deputy Eugene Murphy): The Deputy has gone way over time. Come on.

Deputy Danny Healy-Rae: All right.

Acting Chairman (Deputy Eugene Murphy): I apologise. The Deputy may want to contribute again, but we must proceed now. I call the Minister. I will give him a few minutes. I am sure that he has got the message about this issue from all of the Deputies.

Deputy Michael Noonan: I have a written reply to Deputy Griffin's Question No. 34, so I will read that first, and I will see what I can do with the other issues that have been raised.

I am aware that a number of Deputies have tabled questions for answer today in connection with ongoing Revenue aspect queries relating to patronage shares issued by Kerry Co-op to some of its members. At the outset of the discussions, it is important to note that the Revenue Commissioners are statutorily independent in the exercise of their functions relating to the tax affairs of any individual under tax and customs legislation. That independence has long been recognised and respected by this House as being critical to maintaining the integrity of the taxation system and it forms a key pillar of Revenue's governance framework.

Regarding Deputy Griffin's question, I am advised by the Revenue Commissioners that there has been no change in policy in respect of this matter and that the position being adopted by Revenue is in accordance with long-established taxation principles to the effect that, where consideration is received for services rendered or produce sold, said consideration is subject to taxation as part of the individual's income in the relevant tax year. Accordingly, in the view of Revenue, there is no element of retrospection or change in interpretation.

Where there are different views as to the correct tax treatment of any particular item or transaction, an appeal may be made to the Tax Appeals Commission where the matter will be adjudicated on in the first instance by an Appeal Commissioner. Where the issue relates to a point of law, the matter can be further appealed by either party to the superior courts.

Deputies will be aware that officials of the Revenue Commissioners appeared before the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach on 7 December and engaged fully with the questions of Members of this House and the Seanad on the issue. I understand that, during that appearance, Revenue committed to facilitate the appeals process should a taxpayer raise an appeal to the independent Tax Appeals Commission. Furthermore, it also confirmed that there would be no action by Revenue in the interim period to seek to collect the tax liability in the assessment raised by it while appeal processes were under way. It is incumbent on the House to allow these legal due processes to take place in accordance with

the law.

That was the written answer to Deputy Griffin's question. Down somewhere, buried in that bundle, there are individual answers to the other questions, but since we took them together, it is difficult to search them out now. From memory, the Minister for Finance has no function in the matter. It is a function of Revenue to assess people for taxes and to collect those taxes. There is no political crossover.

As to retrospection, self-employed people pay tax on the basis of self-assessment. If that self-assessment does not reveal the full level of income as Revenue perceives it, Revenue goes back. There is no retrospection. This is not a charge imposed by Revenue in the first instance, rather, it is self-assessment. The Deputies know the circumstances in this case. Shares were allowed at a discount in proportion to the amount of milk being supplied by individual suppliers to Kerry Group. I believe that it was €1.25 per share for 1,000 gallons or litres of milk. Revenue, in its look-back, deemed that to be another way of farmers being compensated for their supply of milk in addition to the price that they got for the litres. I am only telling the Deputies what is Revenue's position. I know that the Deputies have a different view.

Consequently, Revenue has decided that there may be an income tax liability in respect of the fact that the shares were given at a discounted rate. There may also be a capital gains tax liability. There is a grey market in these shares and it is not difficult to establish what is their value on the market. Capital gains tax applies to the gain between the acquisition price of an asset and its selling price. However, it is difficult to say when individual cases are examined whether people will have an additional liability or a rebate. I will cite an example.

Additional information not given on the floor of the House

Question No. 36 would appear to suggest that Revenue should, or indeed could, analyse a transaction and select a tax treatment based on the maximum potential yield for the Exchequer. This is most certainly not the case as the Oireachtas sets out in legislation the relevant tax treatment that should be applicable to various sources of income or gains.

The Revenue Commissioners are a statutorily independent body charged with collecting the taxes lawfully owing to the Exchequer, and they do so in accordance with the legislation enacted by these Houses of the Oireachtas. The Revenue Commissioners interpret the underpinning legislation and are charged with application of that law equally to ensure fair treatment of all taxpayers.

I again reiterate that I have been advised by Revenue that there has been no change in policy in relation to this matter and the position being adopted by Revenue is in accordance with long-established taxation principles that consideration received that is directly related to produce sold, whether in the form of cash or shares, is subject to taxation as income.

As there has been no change in policy by the Revenue Commissioners, I do not see the benefit of providing a tax yield impact analysis as sought by the Deputy. Such calculations are normally completed where a change of policy is being brought forward by Government and the associated estimated cost or yield is calculated in order to inform the Oireachtas in respect of the impact on the Exchequer of such a policy change. Such costings help to inform the associated debates in these Houses. In this case, however, the position is that the Revenue Commissioners are interpreting and implementing tax law as it stands and there has been no departure from existing policy and interpretation.

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Depending on the particular circumstances and incomes of each taxpayer involved, the setting out of this tax treatment by the Revenue Commissioners could result in additional taxes being due, or indeed in a reduced tax burden for some. Calculation of a tax yield impact analysis in such a scenario would be difficult and, as outlined previously, unwarranted given the position of the Revenue Commissioners that there has been no change in practice on their part in terms of the appropriate tax treatment of such income.

As Deputy Brassil will be aware, the taxation of business profits is governed by a self-assessment regime. The general principles of self-assessment include persons submitting their tax returns in time, making a self-assessment of their tax liabilities and paying those tax liabilities in time without intervention by, or request from, Revenue. As the Deputy will also be aware, the main oversights of the self-assessment tax regime include the range of legislative provisions and the various compliance interventions that Revenue have in place to ensure that persons have paid the correct tax due to the Exchequer and in time.

I am informed by Revenue that a main aspect of their compliance interventions is to ensure that self-assessment taxpayers have not underdeclared a source of income or omitted a source of income from their tax returns. The type of compliance intervention initiated by Revenue is guided by the nature of the risks identified. Each Revenue intervention is intended to be in the form that is most efficient in terms of time and resources and imposes the least cost on the taxpayer while addressing the perceived risk. Consequently, not all Revenue interventions take the form of a formal Revenue audit.

I am further informed by Revenue that, from time to time, certain matters come to its attention that indicate that a person, or a cohort of persons, may have incorrectly claimed an allowance, relief or credit or may have omitted to declare a source of income. In such cases, those persons may be asked to reconsider his or her tax positions for a relevant tax year or accounting period and to consider availing of the benefits of making qualifying disclosure to Revenue.

There are, of course, occasions where there may be differences of opinion as between a person and Revenue as to the amount of tax that person is liable to pay. Where such differences occur on receipt of an assessment from Revenue, the person can, within 30 days of receiving that assessment, lodge an appeal to the Tax Appeals Commission, which adjudicates on tax assessments. I might add that the Tax Appeals Commission is a statutory body that is independent of the Revenue Commissioners.

As to the Deputy's questions as regard the controls that my Department has in place as regards the collection and audit functions of Revenue, I am informed by my officials that no such controls are in place, nor would it be appropriate to have such controls due to the independence of Revenue in carrying out their functions.

Regarding Question No. 39, a taxpayer's average effective rate of income tax is the average rate of tax he or she pays on his or her income as a whole in any tax year. Due to the nature of the Irish tax system, incorporating tax credits and standard rate bands, this effective rate varies from person to person depending on income and personal circumstances. For example, low-income individuals can have a zero or very low effective tax rate where their income is largely sheltered from tax by personal tax credits, whereas individuals with higher incomes paying tax at the higher rate would have higher average effective rates of tax.

What may be of more relevance is the marginal rate of tax, which is the rate of tax paid on

any additional income received by a taxpayer in a given tax year. Again, this would vary from person to person based on individual circumstances.

In the most recent analysis conducted by Revenue in respect of the farming sector, published in July 2016, there was no specific analysis of the average effective rate of tax. However, the analysis provided a breakdown of the average farming income by county. For the counties of Cork, Kerry and Limerick, the average farm income, being the net farming profit subject to income tax, was €32,398, €20,851 and €27,268, respectively. This report is available on Revenue's website, at the link set out in this response.

I have been informed by Revenue that the average value received by farmers in respect of patronage shares in the years 2011 to 2013 was between €3,510 and €4,860. Based on these figures and the average farm incomes listed above, it is possible that the marginal rate of tax on this additional income may be the standard rate of tax for many farmers. Farmers whose other income in the relevant year has already exceeded their standard rate bands would be liable to income tax at the higher rate of tax.

Deputy Ferris's question would appear to suggest that Revenue should conduct a tax yield analysis and use this to decide the tax treatment which should apply to a given transaction. As I already stated, this is neither possible nor, as I am sure the Deputies would agree, desirable. Revenue's role is to collect the taxes lawfully owing to the Exchequer, in accordance with the legislation enacted by these Houses. www.revenue.ie/en/about/publications/farming-profile-2016.pdf

The issue raised in Question No. 42 relates to Revenue's tax treatment of patronage shares issued by Kerry Co-op to certain of its members. Deputies will be aware that Revenue has committed to facilitate the appeals process should a taxpayer raise an appeal to the independent Tax Appeals Commission in relation to this issue.

Regarding share-based remuneration schemes, in general, employees are subject to income tax on share issues where the employer issues such shares and charges the employee less than the market value for them. Income tax is due on the difference in the relevant values and is generally collected via the PAYE system, while income tax due on share options must be returned within 30 days of the exercise of such options. In certain cases the relevant shares may be subject to a clog, restricting the employee from selling such shares for a set period of time. However, notwithstanding this restriction on sale, any income tax due is payable at the time of the share award.

A more favourable treatment may apply under certain Revenue approved share schemes, but such schemes are subject to a range of restrictions, and are used primarily by larger, quoted companies. Deputies will be aware that in budget 2017, I announced my intention to introduce a new, SME-focused share-based remuneration incentive in budget 2018. This is a complex undertaking, as a focused scheme of this nature will need to comply with state aid regulations and is likely to require EU approval. Therefore, in the years in which the patronage scheme was active, employees who received share based remuneration in an SME company would in most cases have been subject to income tax on any value received at the outset, regardless of when the shares were sold.

As such, there would not appear to be a policy rationale to legislate for different treatment specifically for patronage shares in those years. Furthermore, an amendment of the nature pro-

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posed by the Deputy would be retrospective, in that it would change the tax treatment of transactions occurring in the years 2011 to 2013. Retrospective changes undermine the certainty of the tax system for all taxpayers and can be subject to constitutional challenge in the courts, and as such I do not believe it would be appropriate in this instance.

Question No. 59 would appear to suggest that Revenue should, or indeed could, analyse a transaction and select a tax treatment based on the maximum potential yield for the Exchequer. This is most certainly not the case. It would also be unfair to taxpayers in the event that they ended up paying more to the Exchequer than actually required by the law.

The Revenue Commissioners, as I said already, are a statutorily independent body, charged with collecting the taxes lawfully owing to the Exchequer, and they do so in accordance with the legislation enacted by these Houses of the Oireachtas.

The deployment of Revenue resources is a matter entirely for Revenue. I again reiterate that I have been advised by Revenue that the position being adopted by Revenue is in accordance with long-established taxation principles that consideration received which is directly related to produce sold, whether in the form of cash or shares, is subject to taxation as income. In this case, the Revenue Commissioners are interpreting and implementing tax law as it stands and they have assured me that there has been no departure from existing policy and interpretation.

Where there are different views as to the correct tax treatment of any particular item or transaction an appeal may be made to the Tax Appeal Commission where the matter will be adjudicated on, in the first instance, by an Appeal Commissioner. Where the issue relates to a point of law the matter can be further appealed, by either party, to the superior courts.

Deputies will be aware that officials of the Revenue Commissioners appeared before the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach on 7 December last, and engaged fully with the questions of Members of both this House and the Seanad on this issue. I understand that, during that appearance, Revenue committed to facilitate the appeals process should a taxpayer raise an appeal to the independent Tax Appeals Commission. Furthermore, Revenue also confirmed that there would be no action by Revenue in the interim period to seek to collect the tax liability in the assessment raised by Revenue while appeal processes are under way. It is incumbent on this House to allow these legal due processes to take place in accordance with the law.

The issue raised in Question No. 74 relates to Revenue's treatment of patronage shares issued by Kerry Co-op to certain of its members. I am advised by Revenue that the position adopted is in accordance with long established taxation principles that, where consideration is received for produce sold, that consideration is subject to taxation as part of the individual's income.

Regarding share-based remuneration schemes, in general, employees are subject to income tax on share issues where the employer issues such shares and charges the employee less than the market value for them. Income tax is due on the difference in the relevant values and is generally collected via the PAYE system, while income tax due on share options must be returned within 30 days of the exercise of such options. In certain cases the relevant shares may be subject to a clog, restricting the employee from selling such shares for a set period of time. However, notwithstanding this restriction on sale, any income tax due is payable at the time of the share award.

A more favourable treatment may apply under certain Revenue approved share schemes, but such schemes are subject to a range of restrictions and are used primarily by larger, quoted companies. Deputies will be aware that, in budget 2017, I announced my intention to introduce a new, SME-focused share-based remuneration incentive in budget 2018. This is a complex undertaking, as a focused scheme of this nature will need to comply with state aid regulations and is likely to require EU approval.

Therefore, in the years in which the patronage scheme was active, employees who received share awards or the right to acquire shares at a discount in an SME company would in most cases have been subject to income tax on any value received. As such, there would not appear to be a policy rationale to legislate for different treatment specifically for patronage shares in those years. Furthermore, an amendment of the nature proposed by the Deputy would be retrospective, in that it would change the tax treatment of transactions occurring in the years 2011 to 2013. Retrospective changes undermine the certainty of the tax system for all taxpayers and can be subject to constitutional challenge in the courts, and I do not believe it would be appropriate in this instance.

I understand that Question No. 82 relates to the ongoing Revenue aspect queries relating to patronage shares issued by Kerry Co-op to some of its members. In this context I again note that the Revenue Commissioners are statutorily independent in the exercise of their functions relating to the tax affairs of any individual under tax and customs legislation. That independence has long been recognised and respected by this House as being critical to maintaining the integrity of the taxation system, and it forms a key pillar of Revenue's governance framework.

With regard to Deputy Danny Healy-Rae's question, I am advised by the Revenue Commissioners that there has been no change in policy in respect of this matter, and the position being adopted by Revenue is in accordance with long established taxation principles that, where consideration is received for services rendered or produce sold, that consideration is subject to taxation as part of the individual's income in the relevant tax year. Accordingly, in the view of Revenue, there is no element of retrospection or change in interpretation.

Where there are different views as to the correct tax treatment of any particular item or transaction an appeal may be made to the Tax Appeals Commission where the matter will be adjudicated on, in the first instance, by an Appeal Commissioner. Where the issue relates to a point of law the matter can be further appealed, by either party, to the superior courts.

Deputy Danny Healy-Rae will be aware that officials of the Revenue Commissioners appeared before the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach on 7 December last and engaged fully with the questions of Members of both this House and the Seanad on this issue. I understand that, during that appearance, Revenue committed to facilitate the appeals process should a taxpayer raise an appeal to the independent Tax Appeals Commission. Furthermore, Revenue also confirmed that there would be no action by Revenue in the interim period to seek to collect the tax liability in the assessment raised by Revenue while appeal processes are under way.

It is incumbent on this House to allow these legal due processes to take place in accordance with the law. If they get a discounted rate of €1, the real value of it is €10 and they sell it at €15, then from a capital gains point of view they should, in theory, be paying tax on €14 but if they have already paid income tax on €9, one can see how the difficulty arises. There is a difficult piece of arithmetic. I think the best way to proceed is as the Revenue Commissioners suggested

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when they met the finance committee, namely, put a test case to the Appeal Commissioners and let the test case run. Revenue has committed that it will not move to collect tax from anybody until the test case is conducted and it will facilitate the Appeal Commissioners.

We must remember the Appeal Commissioners are independent. One cannot tell them how to proceed with the case. All we know is that Revenue will give them, neutrally, all the information they require to make a decision and then we will see where it lands after that. Otherwise, we are going around in a circle speculating. What I have in my brief is that if a test case is taken, it will be pursued until there is an adjudication, and in the meantime there will be no attempt to collect. The assessment so far is in respect of the shares offered in 2011 and there may be liabilities in 2012 and 2013 but Revenue is not moving into that space yet. I will take any supplementary questions that might arise.

Deputy Brendan Griffin: I thank the Minister for agreeing to group the questions. I fully appreciate the separation that must exist between him as Minister for Finance and the Revenue. My concern is that the current tax law on the matter is having unintended consequences and the Minister or the Department must intervene. People have been audited and they have been told by Revenue that all matters are kosher but a few years' later they get a letter out of the blue from Revenue demanding in some cases five figure sums. That is devastating for many people and it is very unfair on the taxpayers concerned. Will the Minister review the legislation governing this entire area because there is a potential long-term loss to the State as a result of the current Revenue interpretation, but in the meantime there is significant loss to the individual farmers involved which is most regrettable and undesirable and is something that could be avoided?

Deputy John Brassil: I wish to concentrate on a couple of points raised by the Minister. He mentioned the test case and we are all in agreement on that as the way forward in the hope of finding a resolution. He also said there would be no demands until the test case is concluded. I was contacted by a shareholder yesterday. I put a question to Mr. Phelan from the Revenue Commissioners when he attended the finance committee on whether there would be any consequences such as the issuing of tax clearance certificates for previous years and we were assured there would not be. The individual who contacted me yesterday was due a VAT repayment of more than €2,000 but it was not paid. The only explanation he could find was that it was put against the money the Revenue Commissioners claim he owes on the preference share issue. That seems to go completely against what was outlined at the meeting, despite an assurance from Mr. Phelan that the issue would be dealt with separately.

Issues arose in the previous ten minutes about vulture funds not paying tax and treating people unfairly. We are talking in this case about compliant taxpayers, and we must defend them and treat them fairly. This is not right and we need to address the issue. I accept what the Minister for Finance said about the issue requiring to be addressed independently of him but we must also have some control.

Deputy Michael Healy-Rae: There would be outrage if any other taxpayer was treated in the same way as the members of the farming community have been treated. They are tax compliant. They had professional accountants doing their books for them and they made their returns in a perfectly honest and open way but now Revenue is retrospectively going back and changing the rules. Revenue is doing the one thing we were always told in life that one cannot do, namely, moving the goalposts in the middle of the game. That is what has been done to those people. I believe it is wrong and that it should be proven to be wrong. If a person driving a bus or taxi or doing work in any walk of life made his or her returns and he or she was then

told that Revenue was changing the rules, there would be outrage. We cannot treat farmers in that way. It is wrong and the Minister should intervene.

Deputy Martin Ferris: The Minister is undermining a precedent that has been set, namely, that in the past anybody who had patronage shares and decided to sell them paid capital gains tax at 33%. Now, notwithstanding the outcome of the test case, Revenue is assessing the shares as income. In addition, there is the possibility of double taxation regarding capital gains tax. The situation is a shambles. If the decision of the Appeal Commissioners is in favour of what Revenue is trying to do, the issue will end up going through the courts. I have sympathy for people who are tax compliant and believe themselves to be so, who have paid capital gains tax on the sale of some of their shares, yet the beneficiaries of such shares could face another penalty. It is a very bad signal to send out, particularly in light of what the farming community is trying to do and its contribution to the economy in general.

Deputy Danny Healy-Rae: I wish to clarify one point for the Minister in terms of my understanding of the issue. Farmers were awarded the shares per thousand gallons of milk quota but it was not payment for the milk. The shares were awarded as part of a goodwill gesture. However, if a farmer falls out with the co-op, he or she will be made to take €1.25 per share and the shares will be taken from him or her. If the farmer had paid tax on the shares when he or she received them, will Revenue then give the farmer the tax that was taken off him or her previously when he or she first got the shares? I expect farmers would have an awful job trying to get it back.

If we have a role to play as elected representatives and the Minister has a role to play, then surely fair play must be meted out. If Revenue wins the test case we must ensure that the farmers or those who own the shares will not have to pay retrospectively because, in the words of the Revenue official, this was a new departure for it. We must introduce a law to ensure there will not be retrospective charges.

Deputy Michael Noonan: I thank all the Deputies for their contributions. I know there are points concerning this issue that are arguable and that is why I am following the Revenue advice and saying this should be appealed on a test case basis to see where the law lies. I know Members have very strongly held views and that is also the case for the constituents whom they represent. However, as I said to Deputy Griffin, the way Revenue operates and has always operated, is in accordance with a long-established taxation principle that where consideration is received for services rendered or produce sold, that consideration is subject to taxation as part of an individual's income. In other words, regardless of whether one is paid in cash or in kind, one has a tax liability if one is paid in kind in lieu of cash. That is the principle and that has always been the case. If one is paid in kind instead of cash, one is liable for tax on the monetary value of whatever the payment in kind is. Revenue now deems that discounted shares were payment in kind for each 1,000 litres of milk. That is the case it is making. That should be tested, and it is well worth testing it, but Revenue is not changing the law or its practice. It is doing what it does with every taxpayer. It is applying the law.

Farmers got their accounts done by their professional advisers and sent in their tax returns in the normal way. There was no reference to shares being got at a discounted rate so their tax returns are accepted. It has come to the notice of Revenue that Kerry Co-op, in particular, had this discounted share system and in Revenue's opinion, a tax liability arises. A number of people have asked what the position is if they already paid tax. I think the Deputy asked about the incomes. I will send them out to him and he will get them in a written answer. On average,

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Cork farmers are slightly north of €30,000, Kerry farmers are slightly ahead of €20,000 and Limerick farmers are around €27,000 - somewhere in the high 20s. All those would be subject to the standard rate of tax, which is 20%. All of them would also be subject to PRSI payments and USC so their effective rate would be somewhere around 29% but where the capital gains tax is 33%. On that part of the gain which was contributed by the discount, some farmers subject to the standard of tax have actually paid too much tax if they sold the shares because they have paid a rate at 33% when the maximum they should have paid on income tax was 29%. Each individual taxpayer has to be assessed on this and it is complex but the best way to go is to take the test case and let it go after that. I have been involved with this since the start. It was brought to my attention by several Deputies. I got my officials to inquire into it and I am meeting the chairman of Revenue before the end of the month and will raise this issue again, even though it is not the primary purpose of the meeting.

In respect of suggestions that there is some kind of discrimination against farmers, there is no discrimination. This is the way tax law applies. I have been very sympathetic, as Deputies know, to the farmer taxation system and have introduced amendments to reform farm tax in a very fundamental way over the past four or five years. Someone can average income over five years, a change we introduced two years ago. This year, we introduced an extra year because this was a very poor year for farming with very little profit. There is now a sixth year which someone can use as an opt-out year on income averaging and only pay whatever tax liability there is for that individual year. If, by definition, there was hardly any income at all, one would not have a tax liability on it.

With the Leas-Cheann Comhairle's patience, I want to check my notes. In respect of the point made by Deputy Ferris, there is no taxation. I think I have dealt with that. Deputy Michael Healy-Rae spoke about the incomes of different farmers and a change of rules. Deputy Brassil spoke about an individual who had a VAT repayment held back which he thinks may be because he is not compliant on this. That should be raised directly with the Office of the Revenue Commissioners. If the Deputy sends me an e-mail about it, I will raise it with the Office of the Revenue Commissioners. The Deputy should give me the individual's name, address and tax number and it will be done confidentially. I can transfer it to Revenue and make sure the Deputy gets a written reply because I do not know what the circumstances are. That is the situation. My strong advice is to get the co-operative in co-operation with the individuals involved or somebody to take a test case to the Tax Appeals Commission and we will see where it lands after that.

An Leas-Cheann Comhairle: Question No. 35 is in the name of Deputy Howlin who submitted a request to have his question taken by Deputy Burton.

Financial Services Sector

35. **Deputy Brendan Howlin** asked the Minister for Finance his Department's current role in engaging with the financial services industry here. [38620/16]

Deputy Joan Burton: Today we heard the announcement by the British Prime Minister, Theresa May, that she is likely to pursue a hard Brexit option. The financial services industry has a series of structures with the Department and the Civil Service. I would like to know whether or not the Minister proposes to engage through those mechanisms with the likely number of financial services companies that may want to relocate in whole or in part from London

to Dublin in the context of the UK making preparations to leave the EU. We could have a considerable gain from getting ready now to take advantage of this likely development and that we could generate jobs not only in the financial services sector in the Dublin region. As the Minister knows, those jobs are spread throughout the country and, for the most part, are very significant and well-paid jobs.

Deputy Michael Noonan: The Deputy is referring to the structures in place to engage with the financial services industry following the discontinuation of the IFSC Clearing House Group. The Minister of State, Deputy Eoghan Murphy, is responsible for leading implementation of the whole-of-Government international financial services, IFS, 2020 strategy via reformed consultative structures. The Minister of State is unavailable to answer this parliamentary question as he is currently in Asia promoting the Irish financial services sector. The new structures under IFS2020 were established to ensure greater co-ordination and transparency and replace the IFSC Clearing House Group. Implementation of the strategy and the associated annual action plan is driven by a public sector high level implementation committee, HLIC, membership of which comprises top level civil and public sector officials from key Departments, IDA Ireland and Enterprise Ireland. A senior representative from the Central Bank attends as an observer.

A private sector industry advisory committee, IAC, has also been established. The IAC is composed of representatives of leading and evolving indigenous Irish and international IFS companies from a broad range of financial services sectors with diverse experience and perspectives. There is a rotating secretariat, an external international member, and time-bound terms for IAC members. The public sector HLIC and the private sector IAC meet on a quarterly basis as the IFS2020 joint committee and the Minister of State as chair ensures that this committee is accountable for its progress and actions. Annual action plans and quarterly progress reports on the implementation of the strategy are considered by the joint committee and then submitted to Cabinet before publication on the Department of Finance website. The IFS2020 action plan for 2017 will be published shortly.

Deputy Joan Burton: Have any changes been made or contemplated in the context of the Brexit proposals, particularly since we have had confirmed what many of us have known for a considerable period of time, namely, that the British Government is likely to opt for a hard Brexit? In the context of the City of London and the IFSC, we know that the fact that English is the local language in each location is an enormous attraction to people establishing companies and investments. With a review of the structures between the Department and the financial services industry, we could turn an element of what is likely to be a very difficult and uncertain situation for the Irish economy to our advantage by preparing to attract companies that want to locate to a location within the EU but which favour an English-speaking location. Ireland is extraordinarily well placed to provide that.

Deputy Michael Noonan: The financial services section of the Department is in the charge of the Minister of State, Deputy Eoghan Murphy. He is proceeding with the committees to which I referred to publish a new revised policy statement on financial services. The response from my Department so far is that in amending section 110 to obviate the various issues raised by Deputies in respect of property transactions we ensured that the changes did not infringe on the financial services industry because making the financial services more attractive in Ireland was the reason section 110 was introduced in 2003.

The Central Bank has recruited a significant number of additional regulators because it has

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had in excess of 100 inquiries from the City of London from people who are anxious to find out what the regulatory regime would be here if they were to move activity. The Department of Finance have had many inquiries and I understand IDA Ireland have also had many inquiries.

Deputy Joan Burton: Given that this is one of the potentially positive options arising from Brexit, I am surprised that the Department has not been somewhat more proactive. I do not know when this committee last met. The Brexit referendum took place well over six months ago. We need to move as quickly as possible to build on the opportunities that exist for Ireland. A significant number of people are already employed in financial services in Ireland and there is a significant opportunity to increase that number. While people obviously associate financial services particularly with the IFSC, a significant proportion of those jobs are located throughout the country. I am thinking of counties such as Kerry where land and IDA developments are available which could host such jobs and become very successful.

Deputy Michael Noonan: There is no lack of activity. The Taoiseach and I along with other Ministers, the Minister of State, Deputy Eoghan Murphy, and senior civil servants in various Departments have all been in the City of London in the past six months and are in direct contact with several companies that have expressed interest in setting up in Ireland - in Dublin and outside Dublin.

It is premature to make any legislative or tax changes because we do not know where the Brexit negotiations will land. However, I assure the Deputy that we intend to maintain the advantages we have.

Question No. 36 answered with Question No. 34.

Motor Insurance Regulation

37. **Deputy Michael McGrath** asked the Minister for Finance his views on the fact that, almost three years on from the collapse of a company (details supplied), 1,666 claims are still not dealt with; the position regarding the implementation of the motor insurance compensation framework announced in July 2016; and if he will make a statement on the matter. [1726/17]

Deputy Michael McGrath: This is a long-running sore for many former Setanta policyholders. As the Minister knows the insurer collapsed in April 2014 and unfortunately almost 1,700 claimants remain hanging in limbo with their outstanding claims estimated to have an overall potential cost of about €95 million. This is a very serious issue in the lives of many people who have been largely forgotten about while the issue is playing itself out in the courts, currently before the Supreme Court. I ask the Minister for his views on how those with outstanding claims associated with the collapse of Setanta Insurance can be assisted.

Deputy Michael Noonan: Setanta was placed in liquidation by the Malta Financial Services Authority on 30 April 2014. This liquidation is being carried out under Maltese law. As of 31 December 2016, the number of open claims is 1,664. Progress in the liquidation has been delayed due to court proceedings in the case of Law Society of Ireland v. the MIBI. The current position is that we are awaiting the outcome of the MIBI appeal which was heard before the Supreme Court in October 2016.

A small number of additional claims are not affected by the court proceedings and are being

processed by the Office of the Accountant of the Courts of Justice. The Insurance Compensation Fund has recently been able to make 65% payments totalling €608,085 on first-party claims made by Setanta policyholders for comprehensive insurance claims. These payments are possible as they are first-party claims which come within the ICF remit, rather than third-party claims delayed by the Supreme Court proceedings. The liquidator for Setanta has informed me that claims provision required stands at between €87.7 million and €95.2 million; Setanta policies were cancelled in May 2014. The two years allowable under the Statute of Limitations to lodge claims has expired so the claims figures will not increase further; the liquidator reports that it is proving difficult to settle claims in advance of the outcome of the MIBI appeal; and the liquidator continues to be of the view that he will not be in a position to meet more than 30% of claims.

With regard to the implementation of the motor insurance framework, work on the heads of a Bill is progressing with a view to bringing them to Government in the second quarter of this year. The key change to be proposed is that the level of cover from the ICF for third-party motor insurance claims will increase from 65% to 100%, in line with that currently provided by MIBI. The increased coverage will be funded, to the value of 35% of the third-party motor insurance claims, by a direct contribution to the ICF from the motor insurance industry. Discussions are ongoing with the industry about funding arrangements to meet this obligation.

Deputy Michael McGrath: There are many human stories behind the collapse of Setanta insurance, one of which was brought to my attention last week. A gentleman had an accident in 2012 when his vehicle was hit from behind by a driver who was insured by Setanta. Unfortunately for him, the claim was not concluded by the time the company collapsed in April 2014 and it remains not concluded. He says that he is thousands of euro out of pocket between medical expenses and loss of earnings. He is unable to work much of the time because of injury. His solicitor is getting nowhere with it and until the Supreme Court issues its decision in respect of the MIBI-ICF case, this issue and that of many other claimants will not be resolved.

The Minister announced the motor insurance compensation framework last July. It is hotly contested by the industry. If something like this happens again and an insurer that passports in its services under EU law collapses, we are still in limbo as to who is ultimately responsible, which is a real concern.

Deputy Michael Noonan: It is one of the down sides of the Single Market that a company regulated in Malta can sell insurance freely here and is subject to Maltese regulation. Changes are now being made. The underlying framework is now strengthened with the introduction of the Solvency II directive on 1 January 2016. The system is now much more risk-sensitive and demanding, with increased capital requirements which will be consistent across all member states.

The role of the supervisory authorities is significantly enhanced, including provision for more co-operation between member states. It should make a Setanta-type scenario less likely in the future, but it does not solve the problem of those affected. It is important that we get the ruling of the Supreme Court as early as possible. The hearing took place in October last.

Deputy Michael McGrath: I thank the Minister for his reply. It is a sorry saga from which I hope lessons are learnt - not just in Ireland but elsewhere in Europe. It shows that an EU-wide system of regulation is only as strong as its weakest link. The Central Bank needs to ensure that, when firms passport in their services into Ireland and are only regulated here for conduct of business purposes, this is made known to the consumer loud and clear because when people

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hear an advertisement that such a financial service is regulated here for conduct of business purposes, they assume it means it is fully regulated here in Ireland, but, of course, it does not.

It may be prudentially regulated in another European Union country and if that country's system of regulation is not up to standard, it can create a terrible mess in this country at huge cost to people who will be directly affected. The Central Bank of Ireland needs to ensure that the public are aware of the distinction between conduct of business purposes regulation and prudential regulation because in this case and in other cases where we have had difficulties, the insurer was not prudentially regulated in Ireland. People would not have known that.

Deputy Michael Noonan: The Deputy makes a very fair point. We have had bad experiences with insurance companies back as far as PMPA and more recently Quinn Insurance, Setanta and various other ones we could mention. It is certainly a situation of *caveat emptor* when one is taking out insurance because the lowest premium does not always come from the best insurer.

An Leas-Cheann Comhairle: The next group of questions is Nos. 40, 58, 67 and 317. Due to time constraints, I can only allow 30 seconds for the introduction of Question No. 40 and will allow Deputy Curran to pose one supplementary question.

Questions Nos. 38 and 39 answered with Question No. 34.

Motor Insurance

40. **Deputy John Curran** asked the Minister for Finance if the cost of insurance working group has completed its deliberations and consultations; if the working group developed an action plan; the details of the plan and its implementation; and if he will make a statement on the matter. [1604/17]

58. **Deputy Martin Heydon** asked the Minister for Finance the next steps to tackle rising motor insurance costs following the recent publication of the report of the working group; and if he will make a statement on the matter. [1655/17]

67. **Deputy Richard Boyd Barrett** asked the Minister for Finance the way in which the Government's new motor insurance policies will result in affordable premiums; and if he will make a statement on the matter. [1652/17]

317. **Deputy Maureen O'Sullivan** asked the Minister for Finance the status of the report of the working group examining spiralling motor insurance costs; when he envisages the findings being acted upon in the interests of motorists who have seen huge hikes in premiums; and if he will make a statement on the matter. [1758/17]

Deputy John Curran: The Minister is aware that the cost of motor insurance has increased significantly in recent years - by 11% in 2014, 13% in 2015 and approximately 28% for the 12 months to August 2016. The Government's response has been the publication of the working group's report with 31 recommendation and more than 70 actions. What are the key recommendations and how soon does the Minister anticipate that the recommendations, when implemented, will have an impact on motor insurance premiums?

Deputy Michael Noonan: I propose to take Questions Nos. 40, 58, 67 and 317 together.

The working group on the cost of motor insurance, chaired by the Minister of State at the Department of Finance, Deputy Eoghan Murphy, completed its report in December 2016. The report, which was approved by the Government on 10 January 2017 and subsequently published, contains 33 recommendations and 71 actions. These are detailed in an action plan with agreed timelines for implementation covering six main themes, namely, protecting the consumer, improving data availability, improving the personal injuries claims environment, reducing the costs in the claims process, reducing insurance fraud and uninsured driving, and promoting road safety and reducing collisions.

The recommendations include actions to: address the lack of transparency in the claims environment through the establishment of a national claims information database which will be located in the Central Bank; provide enhanced guidance in how to determine compensation for personal injuries claims through the establishment of a personal injuries commission; address the increasing level of uninsured driving through the establishment of a fully functioning database which will allow gardaí to check insurance compliance through the use of technology such as Automatic Number Plate Recognition, ANPR; and address the issue of suspected fraud through the establishment of a database, funded by industry but held by an independent body, which will take into account data protection concerns. A number of the actions are already underway and I am confident that all of the report's 71 actions will be implemented by the end of 2018, with 45 due for completion this year.

While there is no silver bullet to reduce the cost of insurance, co-operation and commitment between all parties can deliver fairer premiums for consumers without unnecessary delay. This will lead to greater stability in the pricing of motor insurance and will help prevent the volatility that we have seen in the market in the past. It should also better facilitate potential new entrants to the market.

The working group will continue to meet in 2017 as the project enters its implementation phase.

Deputy John Curran: I thank the Minister for his reply. I welcome the report which is very similar to the Fianna Fáil policy document that was published last summer and the report from the Finance Committee published in November. My concern is with the urgency of its implementation. I am not going to go through all of the actions contained in the report but will highlight one or two. The very first recommendation is that insurers should set out reasons for large increases in premiums to provide transparency to consumers. However, the action point associated with that recommendation, to develop legislation to underpin the protocol, is only going to happen in quarter four of 2017. It is that type of delay in the Government's response that concerns me. The implementation will not bring about a reduction in premiums quickly enough.

I would like to see four or five of the key actions being identified and fast tracked. Not all actions will have an equal impact in terms of reducing motor insurance premiums. The Minister mentioned, for example, the issue of uninsured drivers, which is one of the key issues likely to affect premiums to the greatest extent. If such issues could be fast tracked, that would be a welcome move. The report contains 33 recommendations and more than 70 actions but some of them will be delivered too slowly. If the Department picks the first half dozen that could have the greatest impact, we could do better in terms of reducing premiums.

Deputy Michael Noonan: The Minister of State, Deputy Eoghan Murphy, whose work

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generated the report, is very conscious of the need to press on now to the implementation phase and to prioritise the implementation actions. He is getting the co-operation of the industry, hopefully, to do this. He is also conscious of the fact that there is no silver bullet that will bring down premiums overnight but if a new base is established for motor insurance in this country, that should stabilise the situation. There should be gradual reductions and no sudden, dramatic increases like those we have seen in the last 18 months.

An Leas-Cheann Comhairle: I will allow the Deputy to ask a further short supplementary question.

Deputy John Curran: I do not disagree with what the Minister is saying but I am concerned that some of the particular actions referred to by the Minister this evening have delivery dates of the end of this year or 2018. As I said already, the Minister referred to uninsured drivers but the actions to deal with that are only going to be put in place at the end of 2017 or in 2018. Some of those actions should be fast tracked because they would have a significant impact on premiums.

Deputy Michael Noonan: I will bring the Deputy's views to the attention of the Minister of State, Deputy Eoghan Murphy.

Written Answers are published on the Oireachtas website.

Topical Issue Debate

Health Services Provision

Deputy Fiona O'Loughlin: I wish to take this opportunity to wish all Members of the House a very happy new year.

I also hope it will be a happy new year, with good news for those who suffer with Alzheimer's disease, their carers and their family members in south Kildare. The clock is ticking for these people and the consequences of any decision regarding services could have far-reaching consequences. Currently an Alzheimer's day care centre serving people in south Kildare is located in Moore Abbey in Monasterevin. The centre is actually in the Laois constituency and my party colleague, Deputy Sean Fleming shares my concern about what is happening. I was scheduled to speak on this matter before Christmas and the matter is now even more urgent as another month has passed.

Last summer I was contacted by Ms Martina Foster whose father avails of the services of the day care centre in Moore Abbey. She and other service users had received correspondence to the effect that the unit was being relocated and that the days on which services would be provided would be reduced. Martina and her mother look after Martin's father, Peter and their lives are arranged around doing everything they can for him. Continuity of care and the maintenance of routine is of critical importance for Peter. Thanks to the lobbying efforts of Martina and other family members, we were able to extend the provision of services at Moore Abbey until April 2017. I wish to put on record my thanks to the staff at Moore Abbey in that regard.

The most pressing issue now is the location of the service from April 2017 onwards. This

morning I spoke to the husband of a woman who attends Moore Abbey. He called me to express his gratitude for the fact that the service is continuing. However, he is obviously very concerned about what will happen when the location changes. He does not have any family living in Ireland and told me that the facility at Moore Abbey that his wife attends makes his life “almost bearable”. They are shocking words for any person to utter about his or her loved one.

I have asked the Minister for Health, Deputy Simon Harris, about the plans for a property on Drogheda Street in Monasterevin, where the Alzheimer’s day centre was initially located. The day care centre that was in that property has been moved out to Ballykelly Gaelic Football Club which is several miles outside Monasterevin. The unit on Drogheda Street is now empty and I understand that the HSE intends to refurbish the property and the refurbishment project will be going to design stage before the end of this month. This is the perfect time to include the Alzheimer’s centre, currently based in Moore Abbey, in the plans for this property to give the centre a permanent home. If the centre is not included, where will the service users go? How can their families survive in the absence of an adequate service in south Kildare? Carers and family members are engaged in a constant battle to retain services. At present, they have to do without transport to and from the centre at Moore Abbey. Transport services were withdrawn in the last few months for a variety of reasons. The lack of transport is skewing the numbers presenting for the service because demand is based on having access to transport. The carers of the people who attend the day care centre have had to contend with far too much. Their loved ones deserve this service and deserve transport to it. People who have dementia and Alzheimer’s disease matter to the end of their lives. It is our duty to assist them in living until they pass away.

Minister of State at the Department of Health (Deputy Finian McGrath): I thank Deputy O’Loughlin for raising this very important issue. She is a strong advocate for people with dementia and Alzheimer’s disease and our senior citizens generally.

Approximately 55,000 people in Ireland today have dementia. The number is expected to increase to more than 130,000 by 2041 as the number of older people in Ireland increases. To respond to the increased prevalence of dementia and the challenges this poses, the Government published the Irish national dementia strategy in December 2014. The strategy emphasises that with the right supports, people with dementia can continue to live well and participate in their communities for a very long time. As part of the national dementia strategy implementation programme co-funded by the HSE and The Atlantic Philanthropies, dementia specific intensive home care packages are being rolled out in a number of acute hospitals and surrounding communities countrywide, and are targeted at people at risk of acute hospital admission and people who have finished the acute phase of their treatment. By the end of 2016, approximately 175 people will have received a dementia-specific intensive home care package.

Other elements of the national dementia strategy implementation programme include an information and awareness campaign, Understand Together, which was launched on Monday 24 October, and a programme to upskill GPs and primary care teams in dementia diagnosis and management, which is being led by the PREPARED team based in UCC. Social care services, including home care, day care and respite care, are an important component of enabling people with dementia to remain living at home and participating in their homes and communities. They also provide valuable supports to carers.

With regard to the specific issue of the Alzheimer’s disease day care unit in south Kildare, the Alzheimer Society of Ireland receives funding on an annual basis from the HSE to provide services and supports in the Kildare area to people with dementia, their families and carers.

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These services are in addition to supports provided directly by the HSE. The Alzheimer Society of Ireland operates a day care service three days each week from Moore Abbey in Monasterevin and a home care service which assists families to care for people with dementia in their homes. The HSE has undertaken an extensive review of the day care service provided in Monasterevin to analyse uptake of the service provided, the cost of providing that service and the facilities that are available to the society. The review has identified that attendances at the day care centre reach only 50% of capacity on some days of the week. The HSE recently met the Alzheimer Society of Ireland to consider the results of the review. Following on from these discussions it has been agreed to continue the service on a three day a week basis in Monasterevin and to promote the service locally to see if other clients can be encouraged to attend, thereby increasing attendance rates and the viability of the service. The HSE and the Alzheimer Society of Ireland have agreed to monitor attendances over the next four months while also seeking a new location for the service from April 2017, when the Moore Abbey premises will no longer be available.

Deputy Fiona O'Loughlin: I am not very happy with the response. I already addressed the issue of why there is not 100% take-up of the places, which is because of the transport issues. I wish to point out a daily payment is made by users of the facility. It is not that I want to bring money or commerce into the scenario. I attended the opening of the service more than a year ago and the joy of the users and family members was very evident. I pay tribute to the excellent staff.

Only a few short months ago, less than a year since the facility was opened, I found families there in the midst of huge distress because the location of the unit is totally uncertain after April. There is no mention in the response whatsoever of the unit in Drogheda Street, which will be refurbished. It makes complete sense to have it there. I ask the Minister of State to ask his colleague about this, and impress on him the importance of relocating the unit back to Drogheda Street.

I know I do not have to tell the Minister of State, but I want to re-emphasise the fact these illnesses have a very far-reaching effect on more than just the sufferer. These diseases are absolutely relentless. They may be gradual but they are absolutely relentless. The families of the patients and the carers have their lives changed beyond all recognition. The victims of this silent disease are on many occasions unable to make their voices heard. Often their carers and families are far too busy caring to be able to take up the issue and to lobby and start a campaign to make their lives a little more bearable.

As I stated, Martina Foster was the first person to contact me. Since she did, the number of people who have contacted me who are outraged at the reduction in services has been constant. Families of the individuals are contacting me looking for support and asking to plead their case. On their behalf I plead with the Minister of State and the Government to assist the Alzheimer Society of Ireland to locate a suitable premises. As I stated, the unit in Drogheda Street in Monasterevin is absolutely the place to be. This is an essential service and it is imperative we are able to ascertain this is the place to have a service beyond April 2017.

Deputy Finian McGrath: I thank Deputy O'Loughlin for raising the issues. I meant to state earlier the Minister, Deputy Simon Harris, sends his apologies, He is out of the country at a very important conference. I take the Deputy's point on the money issue. When we look at the details, the Alzheimer Society of Ireland receives funding from the HSE of €212,347 per annum to provide services in the Kildare area to people with dementia. These services must be expanded and developed and it is being worked on. The society also provides additional sup-

ports to the supports provided by the HSE.

Historically, the day service was provided from the old GP surgery in Drogheda Street, Monasterevin for the Kildare area as this was the only accommodation available. The service was provided three days per week, but the building was inadequate and did not provide a safe environment. Due to the building being unsafe the HSE had to restrict access to the building for the safety of staff and clients. At that time, as the Deputy mentioned, services moved to the GAA club outside Monasterevin, but this site was not suitable for a number of reasons, as many would expect.

I take the Deputy's point on transport and the reduction of 50%. Attendances at the day centre on average were 50% of capacity on Sundays, but the Deputy made the point this is due to weakness in the transport system. I notice that in the recent update from the Alzheimer Society of Ireland, five to eight clients attend the service on Fridays and there is been no increase on Thursdays. The HSE and the Alzheimer Society of Ireland have agreed to monitor attendance over the next four months while also seeking new premises for the service from April 2017. Of course, I will bring back to the Minister, Deputy Harris, the issues raised by the Deputy and push them further.

Hospital Accommodation Provision

Deputy Kathleen Funchion: I am glad to have an opportunity to raise this issue because it is very important to the people of Carlow and Kilkenny. The management of St Luke's General Hospital Kilkenny, which services counties Carlow and Kilkenny, has proposed to cut the number of maternity and gynaecology beds by up to 15%, which is the equivalent of four beds. I ask the Minister of State for clarification on the issue. I am sure he can understand it is causing a lot of distress and concern for patients, staff and anyone who expects to use the maternity unit in the near future. I have made several attempts to get clarification from management at St Luke's General Hospital but unfortunately to date I have not been able to receive a response.

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I wrote to them about the issue and asked for a meeting with me and my Oireachtas colleagues but I have had no response and this is a concern.

There is a proposal to use beds from both maternity and gynaecology wards to facilitate the overflow from the current overcrowding situation. The two wards are on the one corridor and run into each other and such a move would see beds taken from this unit. It is unbelievable that anyone could think this was a possible solution to overcrowding because it would put patients, including newborn babies, at risk of infection. There would also be safety and privacy concerns for both women and their babies if an overflow was going to be allowed on these wards. I feel, and more importantly the staff, doctors and specialists at St. Luke's believe that if this is to implemented it would be a reckless move and would show no regard for the health and well-being of female patients and newborn babies in the gynaecology and maternity wards.

The recent national maternity strategy and the recently published HIQA national standards for safer better maternity services set out clearly what needs to happen to deal with deficiencies in our services and how to improve maternity and neonatal care overall nationally. We need care that is safe, standardised, of high quality and offers a better experience and more choice

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to women and their families. Having general patients with varying conditions and illnesses located on the same corridor, sharing the same facilities as pregnant women, newborn babies and women who could be in a vulnerable condition, completely contravenes the standards which the national maternity strategy and national standards document set out.

The staff at St. Luke's have stated that if a 15% reduction in current bed capacity goes ahead, the quality and safety of care provided will be greatly compromised with women allocated to beds on corridors. This is ludicrous and I hope the Minister can intervene in this matter. There is an increased risk of cross-contamination from general patients, especially with higher-risk clientele such as premature or newborn babies and woman who are readmitted for various conditions. It will cause mayhem for them. If we are serious about protecting our women and their health we cannot allow a move like this to go ahead in our constituency. The hospital serves both counties of Carlow and Kilkenny so a huge amount of people use the wards

Deputy Finian McGrath: I apologise on behalf of the Minister, Deputy Harris, who cannot be here. I thank Deputy Funchion for raising this matter and giving me the opportunity to update the House on the position in relation to maternity beds at St Luke's Hospital Kilkenny. First, I assure the Deputy that over the past two years there have been significant improvements to the maternity services at St. Luke's General Hospital. These include the appointment of additional midwives, a bereavement support midwife counsellor, a clinical practice facilitator, 24-7 shift leaders for the delivery suites, a lactation nurse specialist, an advanced midwife practitioner and a fourth consultant obstetrician. In line with the national trend, the number of births at the maternity unit at St Luke's has decreased by 9% over the past four years.

We are all aware of the challenges for hospitals, including St Luke's Hospital, in managing emergency demand and high trolley numbers during the first few weeks of January. These can be attributed to high demand for emergency care, bed capacity restraints and increased incidences of flu in the country. St. Luke's Hospital in Kilkenny had a 6% increase in overall admissions for medicine and surgery to the hospital during 2016. It is a site of concern today with 29 patients waiting on trolleys this morning at 8 a.m. and 24 patients at 2 p.m. and I agree with the Deputy that this is totally unacceptable and we have to act on the matter.

The HSE escalation framework sets out the process and procedures which define how hospitals should react and deal with emergency department overcrowding. This can include the appropriate use of all other empty inpatient beds for a surge in emergency department capacity in order to ensure patients do not have to spend a night on a trolley when other hospital beds are available. I understand from the HSE that St. Luke's Hospital is actively managing emergency department demand. This includes consideration of the use of part of the maternity service bed capacity as surge capacity when not being utilised for maternity patients. The layout of the hospital's maternity facilities ensures that any space used for emergency department referrals would be in an enclosed four-bed bay and not part of a larger maternity ward, thus ensuring the privacy, dignity and clinical well-being of all maternity and emergency department patients. The hospital is also focusing on discharging patients and maximising community supports to support discharges.

On 5 January 2017, the HSE announced a series of enhanced measures as part of the existing winter initiative plan. These measures focus particularly on augmenting the supports for primary and community care and targeting of acute capacity, and are designed to alleviate the current significant demands on emergency departments. The enhanced measures under the winter initiative include the opening of 63 new acute hospital beds nationally, in addition to

the 35 beds already opened this winter. Approximately 40 of these beds have already opened and, under this funding, work is under way to open eight new emergency department beds in St. Luke's as soon as possible. The money is there to open these new beds.

Under the winter initiative, St. Luke's in Kilkenny was selected as a pilot site to develop an integrated case management approach, between acute hospitals and the community organisations, to the provision of health care services to our frail and elderly population. The Ireland East Hospital Group has advised that it is continuing to work closely with St. Luke's Hospital Kilkenny to support it in managing the situation and to improve the experience for patients and staff attending the hospital.

Deputy Kathleen Funchion: I agree with some of what the Minister said on the excellent service in the maternity unit. I have been a patient there on two occasions so I know exactly how good the staff are and that is why the current system should not change. If one knew the layout of the hospital one would know that it is not possible to use four beds in isolation. The corridor, the maternity ward and the gynaecological ward run right next to each other and the people in those four beds would be sharing toilets and showering facilities with other patients so there is no way one can say there is no risk of cross-contamination and other general infection. It is ludicrous to put people from the general population of the hospital in with newborn babies, premature babies and women who are in hospital because of the loss of a pregnancy as this just puts them at greater risk of infection.

The Minister said there was a decrease in births but the 2016 census indicated an increase of 4.1% in the population of Carlow and 3.9% on Kilkenny. The projected requirement for maternity services for childbearing women aged 25-44 will increase the need for services in the next number of years. The maternity ward is very good for women in a difficult situation, such as the loss of a baby or a pregnancy loss. The hospital gives them privacy and, often, their own room but that would be completely taken away and we have to look at that from the point of view of mental health. Using the maternity and gynaecology wards to deal with overcrowding and putting a woman who has had a pregnancy loss in the same place as somebody who has just had a baby will have negative repercussions from which we will not be able to row back. The ward runs really well at the moment even though, like all other hospitals, they are under pressure. I urge the Minister to get onto the management of St. Luke's Hospital Kilkenny and ask it not to go ahead with this as a solution for overcrowding. It will cause a lot of problems for women and newborn babies, which we do not want.

Deputy Finian McGrath: I take the Deputy's point on the practical effects on patients of the conditions and will bring it back to the Minister, Deputy Harris. Eight new beds will be opened and that is an important step in the right direction. We must ensure that we are able to deal with the bed capacity issue. On 9 September last, when the Minister and the Government introduced the winter initiative plan 2016-17, we managed to get €40 million of additional funding. That is from where the funding for the eight beds in the hospital to which the Deputy refers came. The initiative has developed and has managed to deal with the winter surge, which gave rise to major difficulties. St. Luke's Hospital also announced a number of enhanced measures, particularly targeting acute capacity in primary and community care. These are designed to alleviate the significant demands involved.

According to the figures I have been given for the area, some 1,586 babies were born in 2015, while the figure for 2016 was 1,467. As Deputy Funchion said, however, there has been a recent increase in the population in Carlow-Kilkenny. We must adapt services for those chang-

ing circumstances. I take that point on board.

I will bring the issue raised by Deputy Funchion back to the Minister. I will also make representations to the hospital management to see exactly what is going on there. As we all know, health services have suffered from underfunding for many years. We also know, however, that we have started this year with a major investment of €500 million for services. That is a start and it is also part of a catching-up process. That reality must be faced, so I will be pushing that initiative. I will bring all the Deputy's concerns to the attention of the Minister.

Workplace Discrimination

Deputy Tom Neville: This matter arises from a discussion on Wired FM in Limerick last year. A number of volunteers came together to run a radio show for the over-55s. We often debate health issues concerning the elderly, which is both warranted and welcome. The other side, however, concerns the employment of healthy elderly people and how they can contribute more to the economy and society in general.

I worked as a recruitment consultant for many years and it was articulated to me by many potential candidates that they saw age as a barrier to a number of positions. I wanted, therefore, to highlight that issue in the light of some of the evidence from my researches. The Positive Ageing 2016 national report shows that for those in the 50-plus age category, the employment rate is 63%. The employment rate is continuing to rise, which is very welcome. We are currently 2% to 3% away from full employment at this stage.

A total of 2.3% of people in the 55 to 64 year age group are in formal education, while the figure for the 50-plus group is 8%. Of the 50-plus bracket, 7.1% see themselves as being lonely. The report also indicates that 45% of that cohort - almost half - feel they are discriminated against in the workforce. In 2004, 33% of the 50-plus age group felt they were discriminated against in the workplace, while 82% felt they were discriminated against in seeking work. In 2014, the corresponding figures were 33% and 87% of those seeking work. While there may not be overt discrimination, there is a feeling of covert discrimination against the aged whether it is in seeking work or those who are already in the workforce. This matter needs to be debated more widely and brought out in the open.

The 65 plus age group in Ireland is rising faster than anywhere else in the European Union. By 2041, 1.3 million to 1.4 million people in this country will be over 65 years of age, which will be 20% to 25% of the total population. The over-80s will increase fourfold to 440,000 so this is an immediate issue.

Loneliness can also have a negative impact on mental health for the elderly and increase their risk of depression. We need to start formulating policies and examining procedures in order to involve the elderly more in the workforce. The number of elderly people in education and training should be increased. We should also examine intergenerational procedures by means which elderly people can give their experience back to others. People are often forced to leave the workforce, yet they do not want to do so. They leave with knowledge, skills and life experience that could be passed to a younger generation. There should be a formal process to allow that to happen. I am asking the Minister to explore such initiatives, as well as opening up the debate on perceived discrimination against elderly people in the workforce. Given that our age demographic is increasing, how will we combat discrimination in order to increase the

economic productivity of the elderly. That would give something back to society while creating new economic opportunities.

Minister for Jobs, Enterprise and Innovation (Deputy Mary Mitchell O'Connor): I thank the Deputy for raising this matter. He should note that policy responsibility for equality legislation, which covers discrimination on various grounds including age, rests with my colleague, the Tánaiste and Minister for Justice and Equality.

We have robust equality legislation in Ireland which protects people from discrimination on a range of grounds, including age. The relevant Acts protect prospective employees at the recruitment stage. Both direct and indirect discrimination are prohibited throughout employment. Ireland's body of employment and equality legislation, including the Employment Equality Acts 1998 to 2011, protects all persons legally employed in Ireland on an employer-employee basis, and provides robust safeguards for employees. Under the terms of the Workplace Relations Act 2015, the Workplace Relations Commission, WRC, is mandated to mediate and adjudicate on cases taken by complainants to enforce their rights under employment, equality and industrial relations legislation. The Irish Human Rights and Equality Commission, which comes within the remit of the Tánaiste and Minister for Justice and Equality, can provide advice and assistance to individuals who consider that they have been discriminated against, including on the age ground. The commission can also provide practical assistance and advice on how to take a claim under the Employment Equality Acts.

On training and upskilling in the context of employment, the Department of Education and Skills and its further education and training authority, Solas, aim to ensure further education and training is inclusive and recognises that all citizens have the potential to develop their skill sets if afforded the opportunity and support to do so. Furthermore, the Department of Public Expenditure and Reform produced a report in August 2016, Fuller Working Lives, which identifies a set of framework principles to underpin policy in this area and which makes various recommendations which will be implemented by the relevant Departments. My Department has asked the WRC to prepare a draft code of practice to set out best industrial relations practice in managing the engagement between employers and employees in the run-up to retirement.

Deputy Tom Neville: I thank the Minister for her reply. In my opinion, there needs to be a cultural shift in respect of employing senior citizens, including those with experience who have been obliged to leave the workforce. Sometimes contracts are not renewed at the age of 65 years and pensions do not start until age 66; therefore, what can people do for that year? We should promote a positive perception and image of older people in the workforce. I welcome the Minister's answer in that regard.

As highlighted in the national positive ageing strategy, flexible retirement arrangements in the work environment can be adapted to the needs of all generations. Continuous education and training are important, as is the promotion of positive images of older people showing that they can contribute. We can facilitate people of great experience who have left the workforce and who may not be able to contribute to it directly but who may be able to contribute through training and handing over that experience to younger generations that would be able to compete. This is about giving people that better competitive advantage within the economy to compete for higher positions given their training at university or in their initial jobs. It is also about the fact that these people could hand over or disseminate some of their life experience to younger people and enhance that competitiveness. That is what we are looking for in our growing economy. I welcome the Minister's reply. I reiterate that this is a positive move on an issue

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that has arisen because of our ageing population. We are living longer. Obviously, the economy continues to improve on foot of the policies that have been implemented by the Government. I would like to see more done in this area.

Deputy Mary Mitchell O'Connor: I welcome this debate. I heard the Deputy very clearly when he spoke about those over 50, 45% of whom felt discriminated against. A worse statistic was the 87% of respondents in one of the reports the Deputy cited who were looking for work. The Deputy mentioned the word “covert” and I have heard about it myself. We need as a society to recognise the valuable contribution our mature students and citizens have and their depth of experience. In January 2016, the Government agreed to the establishment of a working group to consider policy around the retirement age. The establishment of the group came in light of the fact that people are now living longer, more active and healthier lives. Ireland should be a society which explores the opportunities associated with longer and fuller working lives. To that end, a shift in cultural norms around the retirement age is needed on all sides. In a positive ageing environment, workers should be facilitated to the greatest extent possible with the option to work beyond normal retirement age. The report recognises the fact that appropriate training and other supports for older workers may be needed to enable them to remain active participants in the labour market. The State, employers and workers themselves have responsibilities in this area. The group has identified a set of framework principles and made a set of recommendations. As a follow-on to this work, my Department has asked the Workplace Relations Commission to prepare that draft code of practice to which I referred.

Home Repossessions

Deputy Catherine Martin: In light of the recent High Court judgment delivered by Mr. Justice Barrett in *AIB v. Counihan* on 21 December 2016 as well as in the light of the serious concerns expressed recently by the Master of the High Court, what assurances can the Minister for Justice and Equality give to families facing the repossession of their homes that she has done all in her power to protect them properly? Can she assure people unambiguously that all persons with decision-making responsibility of such magnitude are fully informed of the very latest legal developments and properly trained in respect of their legal obligations under EU law? Will she assure the many hard-pressed borrowers who are often referred to as the forgotten, the so-called squeezed middle who never got any bailout, that the terms of the directive on unfair terms in consumer contracts will be applied in repossession proceedings for family homes in every appropriate case? In light of the expressed concerns of the Master of the High Court, Mr. Edmund Honohan, about what is reportedly and unlawfully happening, will the Minister consider taking appropriate steps to place a moratorium on all such proceedings until she is satisfied that EU law is being applied consistently throughout the State?

Is the Minister confident that all county registrars have the necessary legal training to apply EU law in home repossession cases? The Court of Justice of the European Union has held that where a consumer contract comes before a court, the court must satisfy itself that none of its terms is unfair, even when the consumer has not called upon it to do so. As a mortgage contract is a consumer contract where the property is a home, it is vital that county registrars, who in reality deal with the majority of repossession applications, are fully aware of the implications of these decisions. The Master of the High Court is of the opinion, however, that county registrars should not be dealing with these repossession cases at all. There is a real and justifiable concern that many repossession orders granted in the Circuit Court may be open to challenge as EU

law was not applied. In such a scenario and leaving aside the lenders, it is the State that could conceivably be found liable. There is a potential financial risk for the State. Considering the inequality of arms between the thousands of ordinary, hard-working and decent borrowers on one side and lenders on the other side with bottomless funds, will the Minister assure families that the full range of protections available to persons are being implemented?

When homeowners are summonsed to appear before the courts, however reluctant or daunting that may be, they must at the very least be assured that decision-makers are fully resourced, updated and upskilled in all aspects of protections, including the very latest, available to those facing home repossession. For the administration of justice to operate most effectively in our country, it must enjoy the complete confidence of all the people. It is of concern that the Master of the High Court does not have that confidence.

Minister of State at the Department of Justice and Equality (Deputy Dara Murphy): On behalf of the Tánaiste and Minister for Justice and Equality, Deputy Frances Fitzgerald, I thank the Deputy for raising this matter. The Tánaiste appreciates her interest in these current developments and is aware of the High Court decision referred to. She wishes to reassure the Deputy that this is being examined by the Department and the matter will be kept under review in terms of any definitive additional obligations which may arise and in terms of how the Department and the House may deal with them.

I reiterate the programme for Government commitment to keep families in their homes and to avoid repossessions in so far as possible. In October 2016, the Government launched the new national mortgage arrears resolution service, Abhaile. I note that further aspects of the handling of repossession cases in the courts are being considered under the programme for Government. Subject only to the Constitution and the law, the courts are independent in the exercise of their judicial functions and in the management and conduct of the cases which come before them, and the Tánaiste has no role in that regard.

County registrars are officers of the court and independent also in the exercise of their functions and duties under statute and the rules of court and, as a matter of law, may only make orders for possession of any land in cases where no defence to an action for possession has been delivered by the defendant or, indeed, no appearance has been entered by the defendant. Therefore, the power of a county registrar to make possession orders is extremely limited. Where any defence is raised by the defendant, including any defence relating to the nature or terms of the mortgage contract between the borrower and the lender, the matter must be transferred by the county registrar to the judge's list at the first opportunity once it is in order for hearing. At that point, it is a matter for the judge to consider any issues raised, including, if applicable, issues relating to the European Union directive on unfair terms in consumer contracts, which was given effect in Ireland by regulations made in 1995, as amended in 2000 and 2013. In addition, all orders of a county registrar are then subject to appeal to the Circuit Court. The directive and regulations relating to it are a matter for the Minister for Jobs, Enterprise and Innovation, but it is understood the Competition and Consumer Protection Commission has a supervisory power to ensure that there is compliance with the legislation.

The raising of this issue in regard to matters for consideration by the court in a possession case underlines the critical importance of people who are in mortgage arrears and have been issued with legal proceedings engaging with lenders and court processes, and the entering of a defence for the consideration of the court where they feel they have such a defence.

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Deputy Catherine Martin: I am glad to hear that this matter is under consideration, but justice delayed is justice denied. In some cases, delays are fatally dangerous because it is already too late and the clock can never be put back. For many others, time is of the essence.

I have asked a specific question, namely, whether the Government is satisfied that family homeowners who are doing their utmost to simply survive from day-to-day and week-to-week and are now facing a legal process and the prospect of potentially losing their homes will be given as much protection as is feasibly possible. If the answer is “Yes”, can the Minister of State explain how he came to that conclusion?

The master of the High Court has expressed his concern that the Government is failing to properly protect people facing home repossessions, claiming that current procedures do not ensure EU consumer legislation is being applied. At least one county registrar has stopped processing such cases. Is the master, Mr. Honohan, right or wrong? The Green Party and many others believe the Government needs to address his genuine and serious concerns.

County registrars are effectively agents of the European Union. There is an obligation on them to examine contracts to determine whether they are fair. Does the Minister of State agree with the master of the High Court that the rules and procedures of these courts need to be updated to facilitate a hearing in every single repossession case with regard to EU legislation and unfair contract terms?

The law provides that a term which allows the commercial party to unilaterally change the contract is defined as unfair. What about the banks that arbitrarily increased interest rates, beggaring those with variable rate mortgages? What about those who were falsely sold interest-only mortgages and then had their loans switched to capital and interest loans just as the recession began to bite?

The Government should introduce a moratorium on all home repossessions until assurances can be given that adequate resources are in place to fulfil the legal obligations under EU law and legal clarity is restored in order that the Government can give assurances to all home owners facing home repossessions that the full range of protections available to them are being applied.

Deputy Dara Murphy: To be absolutely clear, we are discussing this in the light of a High Court decision of 21 December 2016. I wish to restate that the Tánaiste and the Department of Justice and Equality are aware of this decision and it is being examined by the Department. As I have said, the Government is making every effort and fully understands the difficulties families face with respect to trying to avoid repossession of their homes.

As I have explained and as we are all aware, the courts are independent in the exercise of their judicial functions and in the management and conduct of cases which come before them, as are county registrars. The power of a county registrar in making possession orders is, as I have said, extremely limited. It is, of course, up to a judge to consider all issues raised, including, as the Deputy said and if applicable, issues in regard to the European Union directive on unfair terms in consumer contracts.

The fundamental point is that the court case of 21 December is being reviewed by the Department, which is the first week that business has resumed in the Dáil. I have no doubt that, as the Deputy said, there will be a further update in the very near future with respect to development in the case. **Private Members' Business**

Anti-Evictions Bill 2016: Second Stage [Private Members]

Deputy Ruth Coppinger: I move: “That the Bill be now read a Second Time.”

I wish to share time with Deputy Richard Boyd Barrett.

I want to explain once again how necessary and urgent this type of legislation is in order to stop what is now a homelessness epidemic. We are running out of descriptions for what we are facing in terms of housing and homelessness.

Some 6,985 people are now homeless, and there is no doubt that by the end of January, which is a grim month for evictions as landlords evict families whom they have maintained over Christmas, the figure will go way beyond 7,000. Things will get worse, not better.

There is now a very clear gulf between what the majority of ordinary people in society would like to be done in terms of the housing and homelessness crisis and what the Government and, it seems, other parties in the Dáil are willing to do. This was best shown by what can only be described as mercurial levels of support, applause and acclaim for the occupation of Apollo House before Christmas.

If we are serious about ending homelessness, as a first step we need to stop the very easy ways landlords can evict people. This Bill targets two of the easy methods of eviction, namely, the sale of a property and a family member moving into property. I will deal with those matters shortly.

The Bill also proposes indefinite leases, rather than the current situation whereby a lease automatically lapses after six years, a measure which was introduced in recent legislation. It proposes longer notice periods of up to a year for long-term tenants who have been in a property for over five years to ensure they can find a place in a school for their children, etc.

The Bill also reduces the so-called probation period, which is currently six months. A person would have full tenancy rights after two months in a property. It also makes very clear that banks, receivers and other institutions are also landlords with exactly the same obligations.

The Bill targets what are called “dubious terminations” by the likes of Threshold, which are being reported as having increased dramatically in recent times. The number of such evictions is rising in the same way that rents are rising. Families have told me that landlords are increasingly citing a family member needing to move into a property as a reason for eviction.

I know of a woman with serious medical issues who has been living in a property in the Clonee area for 15 years. She could lose her home because a landlord presents a letter stating that a family member needs to move in. That is completely and utterly wrong. We have to change the culture. If people rent out their houses and homes, they are no longer their homes. Rather, they have made a business arrangement and tenants have to have rights.

Somebody on Facebook made a good analogy. If a family member loses his or her job, an employer cannot suddenly make staff unemployed in order to employ him or her. The situation pertaining to landlords is very similar. We would not accept such a provision in employment law, and should not accept it for housing. We do not propose outlawing this provision because there are cases where landlords may need properties for family members.

Rather, we propose that landlords would have to pay compensation of six months’ rent to a

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tenant if the landlord wanted to move the tenant out. This is the case in other countries such as the Netherlands. I could cite many instances where this reason has been given.

A young woman in the Tallaght area was made homeless on 10 January. The stress of eviction was hanging over her throughout Christmas. It is not the first time she has lost a property because a landlord has cited family reasons. It is clear that this ground is being used in a dubious way.

The key measure in the Bill, on which I wish to focus for the remainder of my contribution, is a ban on eviction for the sale of a property. This is not the first time this particular demand has been made, but it is absolutely vital if we want to outlaw dubious evictions. Without question, the ground is sometimes used by landlords as an excuse to displace one tenant and get in a new one on a higher rent. Despite the measures introduced by the Minister before Christmas to be implemented in Dublin and Cork, this could still take place in the rest of the country. It could still take place in Dublin and Cork, too, because, in reality, who will check if a landlord has complied with his or her obligations?

We need this measure to protect those who are being made homeless by individual landlords who may genuinely be selling the property, but that does not give them an excuse to make a family homeless, as well as by receivers and vulture funds, about which we have all heard a lot in the past week. Strand Tenants Against Vulture Evictions, STAVE, in Limerick has sent a letter to all Deputies. In it it makes the point that it fully supports the Bill proposed because, even under the Minister's amendment introduced before Christmas, the so-called Tyrellstown amendment, all a vulture fund has to do is reissue the eviction notices and evict nine families at a time. The Minister has given them that power. He thinks nine families being evicted represents a fair balance of rights. He stated before Christmas that he had consulted constitutional experts.

Deputy Simon Coveney: That is the legal advice.

Deputy Ruth Coppinger: Exactly. That is the kind of law we have in this society. The rights to private property are such that nine tenants equal one landlord. There is something seriously wrong with such a society. We should take on board the fact that STAVE supports the Bill.

The Government makes a number of points in the amendment it has tabled. Essentially, it states it has now done enough to stop these things happening. It also makes the disingenuous point that these issues were well discussed before Christmas. It knows that the Opposition agreed to circumvent the debate in order to allow the Government bring in that law quickly. The Minister will remember that we were all here late at night on the last day and that we all cooperated by limiting the debate in order to allow him to introduce safeguards to stop landlords jacking up rents. Therefore, I contend that we did not debate these issues fully.

One of the points made in the amendment is that the Bill is being opposed because the Tyrellstown amendment is "already delivering positive outcomes for tenants". There are Tyrellstown tenants in the Visitors Gallery. The Minister named a provision after them, but he did not consult them beforehand, which is a little strange given that he named the provision after them. They do not feel like they are being protected in any way, shape or form. They have successfully fought the eviction notices and are continuing to fight in the Residential Tenancies Board. However, all the vulture fund landlord needs to do is to lower the number of families he or she

wants to evict in one go to nine. The fact that nine families, including children, will no longer be in a community will have serious effects on it.

There has been a lot of deception surrounding the Tyrrelstown amendment. The provision still allows vulture funds to evict. That is the reality. They can evict nine families, but, in fact, they can evict any number they want. Perhaps the Minister might clarify the position because reporters and journalists do not seem to have taken it on board. He created a get-out clause in the Tyrrelstown amendment that allows a vulture fund to argue that it is justified in not selling a property with the tenant unaffected, that is, with the tenant *in situ*, if it will lose 20% of the price on the sale of the property. It can evict any number of tenants in these circumstances. All it has to do is cite it as being hard work to expect them to do otherwise and that it will lose 20% of the sale price. That is very easy to do.

Deputy Simon Coveney: It is not.

Deputy Ruth Coppinger: There are many get-out clauses included in the amendment.

Last night it was put to the Minister on RTE television that the impression had been given that he had given some commitment to the Strand tenants in Limerick that they would not be affected if the sales went ahead. It is possibly because the vulture fund has strong connections with NAMA and the Government. Will the Minister do the same for the Tyrrelstown tenants? He stepped in to help the Strand tenants in Limerick, whom I support fully; fair play to the Anti-Austerity Alliance councillor, Mr. Cian Prendiville, who organised the initial meeting and exposé of the issue. However, will the Minister do the same for the tenants from Tyrrelstown in west Dublin who are in the Visitors Gallery? They are trying to keep a roof over their heads. The Minister has agreed to meet them, which is welcome. They are looking for an affordable mortgage scheme that will help to keep them in their homes.

Deputy Richard Boyd Barrett: The Apollo House occupation over Christmas which was a fantastic action to propel the indescribable housing and homelessness crisis to the top of the political agenda and which received huge support across the board, as noted by Deputy Ruth Coppinger, was a fantastic intervention in this deplorable crisis. It piled further pressure on the Government to address this chronic problem. Again, as Deputy Ruth Coppinger stated, words and descriptions fail us at this point. We have spoken and protested so much about it. That type of people power action to propel the issue to the top of the political agenda is the only way we will get the change we need to force the Minister to provide for the radical shift in policy that is necessary to deal with the crisis.

The figures have been quoted. Nearly 7,000 people are homeless. The figure has increased exponentially. It is disgraceful that 249 of them are children. The numbers exiting homelessness and moving into social housing have decreased solidly for the past four quarters. At the end of 2015, 241 people were exiting homelessness to move into social housing, but by the end of the third quarter of 2016, that number had reduced to 141.

The Minister is failing and that failure results from the central problem with his housing policy and strategy - the failure to build local authority housing with affordable rents and provide the security of tenure tenants really need. Those on low and middle incomes need secure tenancies. The exponential rise in the level of homelessness also results from the failure on the part of the Minister and successive Governments to give tenants in the private rental sector the security and protection they need. The Bill is an attempt to do what the Minister is failing to do.

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It seeks to ensure tenants would have real security, not just the protection for four years offered by a Part 4 tenancy which they only receive after six months, by providing that after two months they would have indefinite security of tenure.

Deputy Simon Coveney: It is now six years.

Deputy Richard Boyd Barrett: Yes, but they need indefinite security of tenure. We need real rights for tenants in order that they do not have to worry every year about whether they will have a roof over their heads. The Bill proposes to extend the notice period for rent increases from 90 days to 180 days and the notice period for eviction after five years of tenancy to at least one full year. It categorises banks and receivers as landlords in order that they acquire proper obligations as landlords. Critically, as Deputy Coppinger stated, the Bill would ensure that if people use the excuse that a family member is to move into a property, they will have to pay compensation to the tenant. It proposes to end the practice of justifying or allowing evictions on the basis that a property is being sold. Many landlords are using these excuses for the purpose of exploiting the spiralling rent crisis and evicting people for no other reason than greed and to make money.

When we argue that these types of measures should be taken, the Minister resists by arguing that they would somehow disincentivise landlords and investors from entering the rental sector and suggesting that investors would flee the sector. The truth, however, is that the opposite has occurred and the private rental sector has grown dramatically. Since 2011, the number of people living in private rented accommodation has increased by 61% to 328,000. Far from fleeing the sector, landlords and investors - people with money - are flooding into the market because they are making a killing from spiralling rents and the misery being suffered by those who are being made homeless or charged extortionate rents. The brutality of some of these people, particularly the vulture funds, is shocking. As I may have to provide more details of this later in the week, I will not go much detail now.

On the Minister's rent certainty proposals introduced before Christmas to allow annual rent increases of 4%, some landlords moved quickly to get in before the curtain came down. I am dealing with an entire apartment block that is in the hands of receivers. I am fairly sure it is owned by a vulture fund. On the day before the legislation was enacted, every single tenant received a letter indicating that their rent was being jacked up by between 50% and 60%. The company clearly understood the law perfectly because it cited the new legislation. It is sickening cynicism and greed to jack up rents two days before Christmas and one day before the legislation was commenced in the knowledge that an attempt was being made to limit rent increases. I suspect we will see much more of this throughout the country. The Minister was warned about this in the lengthy debate on the legislation in the House when we highlighted the inadequacies of his rent certainty measures. This example shows the level of cynicism, greed and cruelty of many of the vulture funds and landlords who are exploiting the housing and homelessness crisis. It is against that background that serious rights for tenants and serious controls on landlords are required.

As Deputy Coppinger correctly stated, the idea that the family home issue, constitutional rights, apparent legal rights and private property should be somehow used as an excuse in these circumstances is utter nonsense because the individuals and companies in question are in a business. According the same rights to private property in circumstances where people are in a business is ridiculous. I note that the legal problems with the constitutional right to private property disappear when it suits the political establishment, for example, when compulsory

purchase orders are needed for roads and so on. In addition, all the constitutional problems suddenly disappeared when the Minister introduced his rent certainty proposal. I suspect that these constitutional restraints are highly dubious and could be challenged on the basis of the constitutional imperatives which allow us to reconcile those rights with the exercise of the common good.

Minister for Housing, Planning, Community and Local Government (Deputy Simon Coveney): I move amendment No. 1:

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

Dáil Éireann, while recognising the acute pressures that tenants are under and the importance of strengthening security for tenants, and to move towards longer term tenancies, declines to give the Anti-Evictions Bill 2016 a second reading for the following reasons:

(a) the proposals in this Bill were discussed and debated in detail in Dáil Éireann in the context of the recent passage of the Planning and Development (Housing) and Residential Tenancies Act 2016 which, together with the Government’s Strategy for the Rental Sector published in December 2016, gives effect to the Government’s policy on the rented sector;

(b) the issues involved are being addressed comprehensively through the Rental Strategy, including the actions to be taken forward in implementing the strategy consistent with the Confidence and Supply Arrangement for a Fine Gael-led Government and the associated legislative changes introduced under the Planning and Development (Housing) and Residential Tenancies Act 2016, such as the Tyrrelstown amendment, which is already delivering positive outcomes for tenants;

(c) it pre-empts any assessment of the positive impacts on tenants’ security that will arise from the implementation of the Strategy’s Rent Predictability measure in those areas already designated as Rent Pressures Zones and, potentially, in additional priority areas which are to be examined for designation, the overall effectiveness of which is to be reviewed in June 2017;

(d) it does not take account of the Working Group, to be established under Action 5 of the Rental Strategy and report by Q1 2017, to examine the scope for amending legislation to provide for greater protection of tenants’ rights during the receivership process;

(e) the measures in the Bill risk undermining stability and confidence in the rental sector and negatively impacting on existing and future supply of rented accommodation; and

(f) the Bill has potential legal and constitutional implications which require careful consideration.

I thank Deputies Coppinger, Barry, Paul Murphy, Boyd Barrett, Bríd Smith and Gino Kenny for bringing forward this Bill and emphasising once again the importance we attach to the development of the rental sector. This is a major priority for me and the Government. While I acknowledge the Bill’s merits in the context of the development of the residential rental sector,

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the Deputies will appreciate that the proposal once again raises issues that have been addressed by the Oireachtas in the passage of recent legislation and the Government's strategy for the rental sector. In that respect, I accept that there was some co-operation towards the end of the debate on the recent Bill to complete it before Christmas. We also had lengthy debates on Second Stage and Report Stage during which Members had their say on many issues.

The rental strategy is supported by 29 actions under the headings of "Security", "Standards", "Services" and "Supply". It is premature to revisit these issues at such an early stage in the implementation of the strategy and the Planning and Development (Housing) and Residential Tenancies Act 2016, which was signed by the President on 23 December 2016. The measures in the Bill before the House risk undermining stability and confidence in the rental sector and negatively impacting on existing and future supply of rented accommodation.

The rental strategy launched on 13 December 2016 recognises the importance of the sector and was designed to provide for a balanced package of reforms meeting the needs of tenants and landlords to ensure that we have a functioning rental sector. Every political party, member of the public and stakeholder in the rental sector had an opportunity to contribute in writing to the rental strategy. Many people also contributed verbally at seminars and so on. The strategy sets out a realistic targeted plan for dealing with the many serious issues we are discussing.

I have prioritised the introduction of a time-bound system of rent predictability based on the concept of rent pressure zones for immediate implementation. Under this system, areas where rents are high and rising quickly will be identified and designated as rent pressure zones. In these areas, annual rent increases will be limited to a maximum of 4% for a period of three years. This measure has already been applied to Dublin and Cork city and came into operation on 24 December 2016 following enactment of the Planning and Development (Housing) and Residential Tenancies Act 2016. These areas were chosen as they meet the criteria for a rent pressure zone and because so many households - 150,000 - in these areas depend on rented accommodation.

We are not stopping there, however. The Housing Agency is working with local authorities to identify and propose new areas for designation. The Residential Tenancies Board is further developing its methodology for analysing data on rents to allow local electoral areas to be assessed to determine whether they meet the criteria for designation as rent pressure zones. This will enable us to target the measure more precisely and include specific problem areas within local authority areas which need rent predictability, even if the relevant local authority at aggregate level does not meet the designation criteria. It will also mean that specific areas that do not require the measure can be excluded. This work is continuing apace and I expect that we will see new rent pressure zones being designated in the near future. On the right to terminate on the ground of sale, I also introduced other significant legislative changes in the Planning and Development (Housing) and Residential Tenancies Act 2016.

9 o'clock

The Act includes two significant provisions in regard to security of tenure. Section 40 of the Act, more commonly known as the Tyrrelstown amendment, provides that a landlord may not terminate a tenancy on the ground that he or she wishes to sell a dwelling in circumstances where more than ten dwellings in the same development are being sold at the same time. This provision arises from a commitment in the Rebuilding Ireland action plan for housing and homelessness to deal with situations whereby large numbers of tenants in a single development

are served with termination notices at the same time. In addition, section 41 of the Act provides for the repeal of section 42 of the Act of 2004, thereby extinguishing the landlord's right to terminate a further Part 4 tenancy in the first six months of that tenancy for no stated ground. Yesterday, I signed the commencement order for both of these provisions and they have come into effect as of today.

In drafting the Tyrrelstown amendment, my Department was aware that restricting the use of the ground of sale to terminate a tenancy could be regarded as an interference with constitutionally protected property rights. Therefore, the amendment was drafted to ensure that this interference was both proportionate and justified. I know that there are people in this Chamber who do not agree with the approach we took, but we took it on the basis of legal advice to ensure that we would not lose a legal challenge. I believe that the justification behind the Tyrrelstown amendment, which removes the right to end tenancies on the ground of sale where ten or more properties are involved, is sufficiently strong to protect it from a successful constitutional challenge. The smaller this limiting number of properties, the weaker the justification and the more likely a successful challenge would become. Removing this right entirely, as this Bill proposes, would be a risky move in my view and for this reason alone I am not prepared to support it.

Aside from the legal vulnerability of the proposal, I am also convinced that it would result in a withdrawal of existing supply in the market in the short term. This is not in the interests of any stakeholder, but it would be disastrous for tenants in particular if supply was to dramatically reduce. I also believe there is a need to make a distinction between professional landlords and funds that own large developments and landlords that own one or two properties, which is the vast majority of landlords in Ireland. The Tyrrelstown amendment is a more balanced and proportionate measure but it is a fundamental change to the obligations of institutional landlords and it is already having an impact. We have seen a situation of multiple tenancy terminations potentially arising in Limerick over the last week. Happily, when I made contact with the parties involved and explained the Government's intent, they withdrew the termination notices and agreed to hold off until the new measures came into effect. In other words, they were willing to take on the spirit of the legislation before it commenced. I thank them for doing so.

Deputy Ruth Coppinger: Therefore, they will do nine instead of 15.

Deputy Simon Coveney: No, they will not. I asked them to act in a manner that is consistent with the spirit of the legislation before it was actually enacted and they did that. It is important to recognise that.

Deputy Ruth Coppinger: What about Tyrrelstown?

Deputy Simon Coveney: It is not possible for me to legislate retrospectively. I cannot apply a law to two years ago. Even if I would like to do so, I could not. I will happily meet people in Tyrrelstown who are still in difficulty. I have told Deputy Coppinger that I would set up that meeting in order that we can talk through the issues and I will do so. I will see what I can do but I do not want to promise that I can pass laws retrospectively when I know that I cannot.

Deputy Ruth Coppinger: So much for the Tyrrelstown amendment.

Deputy Simon Coveney: In terms of notice periods, significant improvements were made prior to the rental strategy, at which time Deputy Alan Kelly was Minister. Important amendments to the Residential Tenancies Act introduced in December 2015 provide that the minimum period between rent reviews for tenancies was increased from 12 to 24 months. The minimum

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period of notice of new rent was increased from 28 to 90 days and longer notice periods for the termination of long term tenancies have been introduced. The provision to increase the notice of new rent from 28 to 90 days was introduced on foot of a recommendation in the DKM report, Rent Stability in the Private Rented Sector. Although I appreciate the intention behind the measure in this Bill to increase this notice period to 180 days, I believe the current 90-day notice period is balanced and proportionate. In addition, the increased notice periods for the termination of tenancies introduced in December 2015 were calibrated to maintain the proportional relationship between the notice periods. The provisions in the Act were carefully constructed to be fair to landlords and tenants alike and we propose to stick with them.

In regard to receivership, it is clear to me that there can be no consideration of the issues relating to security of tenure without an acknowledgment of the problems that can be caused by the appointment of receivers to rented dwellings. However, the interplay between receivership law and the Residential Tenancies Act is complex. It is imperative that we do not make any amendments that either make matters worse or lead to legal uncertainty. Nevertheless, there is no question that action needs to be taken in this area but any such action must be well informed, considered and legally sound. In the context of the rental strategy, I sought legal advice from the Office of the Attorney General on applying the obligations of landlords to receivers. A working group, comprised of the Department of Justice and Equality, has been set up to examine how this can be done legally. The group will report before the end of the first quarter of this year.

I do not disagree with the spirit of what is being sought but we must ensure we do it properly.

An Ceann Comhairle: The next speaker is Deputy Barry Cowen who is sharing time with Deputy Brassil.

Deputy Barry Cowen: While there are elements of this Bill that we agree with in principle, in the round, we believe it to be flawed. It takes an over-simplistic approach to solving a complex problem, namely, the crisis in the rental sector, the rental market and the lack of tenant security. In particular, the proposal to force landlords to provide for compensation of six months' rent where a tenancy is terminated on the ground that the dwelling is required for occupancy by the landlord or his or her relative, is hugely excessive and would likely lead to an increase in rents and a severe reduction in supply. I have no doubt that this measure would deepen the crisis in the rental sector.

However, I do have sympathy with the primary and most consequential provision in this Bill, namely, the proposed removal of sale as a reason for ending a tenancy and evicting a tenant. We support, in principle, the removal of sale as a reason for ending a tenancy and we are working on measures to provide greater security of occupancy for tenants in this regard. We are also particularly conscious of the failure of the mortgage-to-rent scheme in recent years. I note the stakeholders, including the Peter McVerry Trust and others, have said that the greatest barrier and threat to many tenants is the forced repossessions by banks and resale due to negative equity in the mortgage-to-let market. A realistic alternative, option or means by which this could be resolved is the mortgage-to-rent scheme but because that process is not statutorily based it has been unable to achieve what was intended. As I said, Fianna Fáil is exploring ways of strengthening that process in order to allow it to play the part it can play in helping to resolve this issue.

Unfortunately the Bill is a blunt instrument and would not necessarily lead to greater security for tenants. If anything, it might do the opposite. I have no doubt that the blanket ap-

proach taken in the Bill in terms of the complete removal of the right of landlords to use sale of property as a ground for terminating a tenancy would be unconstitutional. If passed, this Bill would be immediately challenged by landlords in the Supreme Court and would be ruled unconstitutional.

Deputy Ruth Coppinger: We could have a referendum.

Deputy Barry Cowen: While many might not like to hear that, it is the reality. While it might be a sad truth, it is nonetheless the truth. A blunt approach such as this, which is bound to fail from the start, is a recipe for further chaos in the rental sector. While doing nothing to improve security for renters, this Bill would nevertheless create massive uncertainty for investors and for existing landlords. I know that the proposers of this Bill may not believe in markets and are unlikely to appreciate the negative consequences of creating such needless uncertainty but such policies can and do have real consequences. Wilfully creating upheaval in the sector simply for the sake of satisfying an ideological point would not be good for existing or new renters. Undoubtedly, the passage of the Bill would lead to a spike in rents and would very likely reduce supply for hard-pressed renters. All of this would happen without any positive pay-off in terms of increasing security for existing tenants.

If we want to tackle the rental crisis and, in particular, the lack of tenant security in the sector, it has to be done in a meaningful way that is not simply about undertaking an ideological crusade. There is no question that action needs to be taken in this area but measures have to be well considered and legally and constitutionally sound. Otherwise, one is creating chaos in the rental sector that will harm renters the most.

Before Christmas, Fianna Fáil submitted an amendment to the Government's so-called "Tyrellstown amendment", which has been mentioned by previous speakers. It sought to reduce the number of units in a single development from 20 to five where landlords could evict tenants for reasons of sale. This, we and others argued, would offer more secure occupancy to a larger number of tenants without having a detrimental impact on the market by preventing involuntary landlords from selling their properties. The Government rejected our amendment and restored the number of units to ten in a single development, thus preventing an estimated 5,000 potential properties from being covered by the provision. It did this on the basis of Attorney General's legal advice, arguing that its provision could be more robustly defended against constitutional challenge. While accepting its amendment for this reason, we will be holding the Government to its commitment to enhance security for a greater number of renters and increase the coverage of the Tyrellstown amendment.

There is a strong policy argument for why we need to be careful in how we design new tenant security provisions. We should not introduce provisions that will unintentionally act as a barrier to persons with distressed buy-to-let mortgages in disposing of their properties. This is because over 90% of Irish landlords - covering an estimated 85% of rental properties - own only one or two properties. Many of these people are involuntary or accidental landlords.

To completely get rid of sale as a reason for ending a tenancy in a blanket way, as this Bill attempts to do, could stall the turnover of rental properties from smaller landlords, many of whom are involuntary landlords who are not making a profit and are often in arrears or negative equity, to more professional landlords, who are in the game for the longer term. Like it or not, completely removing sale of property as a ground for terminating a tenancy would not be constitutional. A better approach, consistent with the Constitution's protection of property rights,

would be to remove sale as a reason for ending a tenancy in most circumstances, but not in all circumstances. Such an approach can be robustly defended against constitutional challenge. This can be done in a number of ways. One would be to insert a proviso that would enable landlords to remove tenants in order to sell their property if they can prove it significantly affects the market sale price of the property by comparison with vacant possession. Such a provision would be much more effective in offering greater security to a larger number of tenants without leading to an infringement of constitutional rights and widespread uncertainty in the rental sector, to which the Bill's proposals would lead.

We wholeheartedly agree with a primary provision in the Bill on receiverships. As in respect of the Tyrellstown amendment, Fianna Fáil sought to insert a similar provision as an amendment to the Government's housing Bill before Christmas. This would have closed the legal loophole which has meant that receivers and lenders are not considered landlords under the Residential Tenancies Act 2004. As we argued at the time, this loophole means that receivers may seek to evict tenants summarily without giving them the notice required under law. Our amendment attempted to make it the position that where a bank or vulture fund appoints a receiver over a rented property, it should be required to take on all of the responsibilities of a landlord. This means receivers would have exactly the same obligations to existing tenants as landlords regarding Part 4 of the Residential Tenancies Act, including in respect of security of tenure, the maintenance and upkeep of rented property, and notice to quit provisions.

The amendment also attempted to avoid a legal lacuna that exists at present for tenants whose landlords are in receivership, where landlords are still solely and fully responsible for returning tenants' deposits even though the properties are in receivership. We agreed to remove the amendment at the Government's request, again on the basis of the Attorney General's legal advice. It stated it was legally complex and requiring new legislation. The advice pointed out that the existing law on receivers and their general rights and obligations is contained in common law rules, the Land and Conveyancing Law Reform Act 2009 and the National Asset Management Agency Act 2009 and warned of the care needed to ensure that any amendments would not make matters worse or lead to legal uncertainty.

The Attorney General's advice supposedly stated "that the effect on these and other Acts and instruments of amendments to the RTA would need to be considered carefully as they raise the possibility of conflicting legal rules on the same issues, thus creating uncertainty and the possibility of legal disputes. On this basis, the Government committed in the House to deal with this through new legislation this coming term. We hope it will be held to account in that regard. If it fails to deal with this issue, Fianna Fáil will have no option but to work with other parties to bring forward legislation to close this loophole for receivers.

Deputy John Brassil: In passing any Bill in this House, it is important that it be of benefit to those we serve and not have what we call "unintended consequences". For that reason, I have grave concerns over the proposal on paying six months' compensation on the sale of a property. Many landlords I know are unintentional landlords who have one property that was bought when values were unrealistically high. Nonetheless, the properties were bought and they are and will be in negative equity. Many of the landlords are selling because they have to. They are doing so at a loss. To impose on them a six months' rent compensation measure would be wholly unrealistic and unfair. It would do nothing other than create a big problem for many while trying to solve a problem for others. I certainly could not support the passing of any Bill that would have such an unintended consequence.

As Deputy Cowen pointed out, we agree, in principle, with the elements of the Bill but there is an onus on us to tease through the measures that are either unconstitutional or unworkable, remove them and come up with a Bill that results in consensus in this House.

On the receivership amendment, I agree wholeheartedly that receivers must have the same responsibilities as landlords. As Deputy Cowen pointed out, we have to work towards that and achieve agreement on it. We must legislate for this so receivers will behave as they should and have the same responsibilities as landlords.

Deputy Eoin Ó Broin: I am sharing time with Deputy Ellis.

It gives me no pleasure to say the Minister's private rental strategy, launched in December, is without doubt the weakest part of the housing action plan of the current Government. The fact that it was launched so late in the year has meant we have not had an opportunity in this House to fully scrutinise the entire plan, short as it is. We obviously had very detailed debates on the rent predictability measures but even they were at a very late stage and obviously held under different circumstances. The Minister states there are 29 actions. That makes it sound like the strategy is quite comprehensive. In fact, over half of them were announced previously and the majority are not defined either in terms of their content or when exactly they will be implemented. Most are kicked farther down the road than is necessary. Apart from those of us on the Opposition benches, significant disappointment was expressed in December right across the housing policy sector when the plan was outlined. It is not premature for us to return to these issues. Many of us will return to them regularly because of the plan's inadequacy.

The Bill is not an ideological crusade. Most of its measures are sensible and normative policies that exist in properly functioning rental markets in many parts of the world. While I do not agree with the detail of all of them, it is a solid basis for making significant improvements on what the Minister announced last year.

In the short time that I have, I will go through the eight sections. Sections 2 and 3 are eminently sensible. A landlord gets a sense of a tenant within two months. He or she does not need a full six months for a probationary tenancy. This provision would have no negative impact on supply or stability in the market. It would give tenants more security. As to indefinite duration provision, there is no evidence that giving tenants this basic security, which they need and which exists in other European jurisdictions, would have negative consequences. If the Minister has evidence other than the complaints of some of the landlords' organisations, he should put it in the public domain but none of us has yet seen it.

Regarding the sale of property, I listened to the arguments before and after Christmas carefully. While there may be advice from the Attorney General, of which the Minister gave us some description on Committee Stage of the previous legislation, none of us has seen it. The Attorney General is not always right. The question then is whether we believe it is the right thing to do. If it is, do it and let a landlord take a case. We can then test whether it is unconstitutional. If it is proven to be unconstitutional, we can consider changing the Constitution.

It is the right thing to do because the majority of families that will spend yet another night in emergency accommodation tonight were made homeless by landlords who owned one or two properties. It is welcome that some tenants who live in the properties of landlords who own ten or more will get some additional protection, albeit with the opt-out clauses that Deputies Coppinger and Boyd Barrett pointed out, but the majority of families at risk of homelessness tonight

will get no more protection from the measures introduced by the Government before Christmas. For that reason, this is one of the most important measures that could be introduced in the Bill or via possible Government amendments. Let us not forget that many of the landlords in question bought their properties with buy-to-let mortgages from banks or availed of section 23 tax reliefs. On that basis alone, they should not be allowed to serve notice to quit on the grounds of sale.

Compensation for tenants is the one bit of the Bill about which I am not yet convinced. I am not saying I would rule it out completely, but we need more discussion on it. That is not a reason to oppose the Bill. Let us support it. It can go to Committee Stage and we can thrash out these issues. It would be unreasonable to hit an accidental landlord under financial stress with a requirement for six months' rent compensation, but the simplest solution for him or her is not to serve a notice to quit. The landlord should sell the property with the tenant *in situ*, which is part of the purpose of the proposal, that being to ensure the property remains in the rental stock.

Sections 6 and 7 are eminently sensible. Section 8 is not raising a new issue. While I appreciate the Minister is new to his post, many of us have been raising this matter for more than two years. If a bank, fund or receiver is able to take rent, it should have the obligations of a landlord. We will watch closely to ensure the legislation the working group proposes applies the same obligations on lenders, funds and receivers as it does on landlords. If they are good enough to take the rent, they are good enough to take responsibility for meeting their obligations as landlords.

We are happy to support the Bill, notwithstanding the issue with section 5. I urge Members to consider the Bill because it has significant merit.

Deputy Dessie Ellis: In all of the Government parties' talk in recent months about the housing emergency, a few central issues have been identified but nowhere has the Government shown the will, conviction or purpose to address one of the main contributors to the emergency, namely, the private rented sector. We must address the issues in that regard for renters and landlords alike. There is public support to solve the housing emergency, but the Government has not put any coherent or long-term strategy in place to address it. This is particularly evident where the private rented sector is considered. Sinn Féin introduced the Rent Certainty Bill in the previous term because rent certainty and security of tenure were major issues for families across the State. Our Bill was voted down by the Government and the Minister's Fianna Fáil colleagues.

The Bill aims to provide greater protections to private rental tenants in terms of tenancies, notices to quit and rent reviews. These measures would help many families to avoid homelessness. Last month, the quarterly rental report from *Daft.ie* showed that average rents across the State were well over €1,000 per month. In Dublin, the figure was more than €1,500. The situation is out of control and rents are at unsustainable levels. It is madness. In addition, one quarter of all people in Dublin are living in the private rented sector. In order to build sustainable communities, there must be some move towards providing for five, ten or 20-year leases.

A further serious situation sees people being evicted despite being good tenants and up-to-date with rent. A good proportion of these are being evicted because their landlords are selling the properties, usually to banks or vulture funds. The Government's Tyrrelstown agreement, which was not agreed by the people in the Gallery, legislates for people with a large number of properties and rightly forces them to pass on those properties with tenants in place. Where is

the Tyrrelstown agreement for portfolios with a smaller number of properties? It is not there and the owners of smaller property portfolios can evict many tenants because they believe they can get more money for vacant properties.

The Private Members' Bill before us will address that issue and remove the sale of property as grounds for serving a notice to quit. This is an important point. It is our job as legislators to legislate. For many renters, this is a serious concern that the Government cannot ignore any longer.

While we support the majority of the Bill's proposals, there are elements we have difficulty with but, on balance, it is a good Bill and we will support it.

Deputy Pearse Doherty: Ba mhaith liom fáilte a chur roimh an mBille seo. Is Bille é atá dírithe ar chearta na dtionóntaí, go háirithe tionóntaí atá eagla orthu go gcuirfear amach as a dtithe iad nó atá á íobairt. Tuigimid go bhfuil sé sin ag tarlú go mór le blianta beaga anuas. Labhair an Teachta Ó Broin fá dtaobh de sin agus faoin méid duine atá gan dídean anois mar gheall ar sin. The issue of evictions is broad, in that owner-occupiers also face eviction, but the Bill is silent on that point. I have tried to push that issue in the House. Unfortunately, the law went only one way during the previous term, and that was in favour of the banks.

In reality, this is a tenant protection Bill. That is an extremely important issue and, like Deputy Ó Broin, I support the majority of the Bill's sections and proposals. Earlier, I raised with the Taoiseach the lack of any sort of action taken by the Government to tackle the vulture funds. As we saw in Limerick last week, it is not only mortgage holders who fear the letter in the door saying that the vultures have arrived in their estates. This is not just a Dublin issue either, as it affects every part of the country, urban and rural. The banks have been empowered to repossess as a first resort. When they take control of buy-to-lets, their first action is often to send a letter asking tenants to get out. Sometimes, very little happens afterwards. Two of the State-owned banks had 1,000 vacant homes between them before Christmas. All of the attention was on Apollo House as a vacant NAMA building, and rightly so, but it is disgusting to think that two State-owned banks had 1,000 properties lying empty when people were homeless on our streets.

We have a dysfunctional system in which mortgage holders and tenants come bottom of the list. There needs to be a rebalancing of the law and the codes of conduct, as promised in the programme for Government, to protect the family home and tenants. Tonight, however, the Government is again covering its ears and pretending that its approach is working. It is not working for the homeless families. It is not working for the tenants caught up in the supply crisis and with international capital buying up the country.

An Ceann Comhairle: I thank the Deputy, but he needs to conclude.

Deputy Pearse Doherty: It is not working for the homeowners struggling to pay their mortgages.

Deputy Jan O'Sullivan: The Labour Party will support the Bill on Second Stage, primarily because we fully support the central measure in it, namely, protecting tenants in danger of being served with an eviction notice because the owner intends to sell the property. As the House is aware, we presented a Bill that contained a similar clause, as did Sinn Féin and we have had a number of opportunities to debate the issue more recently in the context of the Government's Bill which offers limited protection. It is welcome that the legislation was commenced today,

in particular Part 3 which deals with the so-called Tyrrelstown amendment, but as has been said, it only protects tenants in cases where ten or more notices to quit are given in the same group of properties. It does not, therefore, protect the vast majority of tenants from being served with an eviction notice where there is an intention to sell the property. It does not protect the vast majority of tenants who are in a situation where there is not ownership of multiple properties.

We fully support the Bill's central measure. We also support the obligations on receivers, financial institutions and vulture funds to behave as landlords and have all of their duties and responsibilities. That is something that has been on the table for a long time and it is disappointing that there has been no action by the Government in this regard because tenants in such situations are in a very uncertain position.

We also support the measures on notice periods. However, we are concerned about section 5 and should the Bill proceed to Committee Stage we would not support it. The section relates to cases where a family member has the right to move into a property and specifies that the landlord would have to pay compensation equivalent to six months rent. I accept that there is abuse of the system, whereby a landlord can ask a tenant to move out because, for example, his or her niece, nephew, cousin or brother is to move into the property. In many cases that does not happen and the system is abused. However, that does not mean that landlords should be penalised in genuine cases because such an obligation would be included in legislation. I accept that we must deal with such abuse. We must also deal with abuse in cases where a landlord says he or she is selling a property and that does not happen, even though a tenant has been evicted. It is clear that there are abuses in the system and we must find ways to deal with them.

I have direct involvement in the situation in Limerick. It is welcome that Sova Properties did respond to the Minister's explanation of the fact that the legislation was about to be brought forward and, while it did not have a legal obligation, did respect the provisions included in the Bill and, therefore, withdrew the notices to quit, but there is still an issue in that regard. I do not expect the Minister to respond on the matter tonight. The young couple who were highlighted in the media, Angel and Krisztina, who have a young son, Christopher, received their notice before Christmas, but they did not know other neighbours were also receiving notices. People who are protected by the so-called Tyrrelstown amendment might not know that they are part of a bigger group, as was demonstrated in this case. Many of the tenants in the Strand Apartments moved out when they received their notice and had already left before the issue came to public attention.

I wish to address the issue about which the Minister spoke concerning the rent regulation that has been introduced in Dublin and Cork and the proposal that other areas be included if they fulfil the criteria. I am concerned that there is an expectation that other cities and the pressure areas around Dublin will be included in what could be considered to be fairly dubious protection in some ways because it still involves rent increases over a period and, as other speakers said, there are still certain get-out clauses. The criteria are that one must have been subject to a 7% year-on-year price increase for four of the previous six quarters and also that the property must be located in an area where the rent is above the national average. From the data I have received from the Residential Tenancies Board it is doubtful that many other areas would fulfil these criteria, in particular the criterion I have outlined relating to year-on-year price increases. I will use other means to seek clarity on the issue, but it should not give rise to false expectations that many areas will qualify just because an undertaking has been given that certain areas will be considered. I am concerned that people believe their rent will be controlled when, in fact, it might not be.

Many of us have made the point previously in the Chamber that what we really need to do is to link rent increases with something like the consumer price index in order that tenants all over the country will be protected from totally unreasonable and unaffordable rent increases. We have heard that 6,985 people are homeless, but many others are in a very precarious position in the private rental sector and really worried that if their rent increases significantly, they will simply not be able to afford to pay. In many cases such persons have steady, full-time jobs, but they live in fear that they will lose their home. I have spoken to some of the tenants in the Strand Apartments in Limerick and heard their individual stories. Many of them were working and happy to pay their rent. They were happy with where they were living and devastated when they received an eviction notice because the properties were being sold. In other cases devastation is caused when a significant increase in rent is imposed by the landlord simply because he or she knows someone else will pay increased rent. These are very stressful and difficult situations for real people and families in the community. We must afford whatever protection we can, including the measures contained in the Bill under discussion and perhaps, more importantly, linking rents in some way with increases in the cost of living.

Deputy Catherine Connolly: I disagree entirely with the Minister that this is premature and the Fianna Fáil speaker who said the Bill was based on ideology. I am not sure if they are in touch with what is happening on the ground. While I have difficulties with some sections of the Bill, I agree with the intention underlying it. The Bill arises because the Government's housing policy, as well as that of the previous Government, have utterly failed to deal with the issue of security of tenure. The housing policy pursued by them has ensured insecurity of tenure is, unfortunately, an integral part of the life of tenants. The Bill arises from the desperation felt by tenants not only in Dublin but throughout the country, including Galway. On a regular basis we receive reports from bodies such as *daft.ie*, the Housing Agency and various charities on rent increases. Rents are rising exponentially and bear absolutely no relation to peoples' earnings or social welfare income. A member of my family is about to rent a one-bedroom apartment in Dublin for which the rent is €1,000 or more than half their earnings.

The Government's policy response comes in the guise of social housing. I wish the Minister would stop using the word "social" because when he talks about social housing, he is primarily talking about the housing assistance payment, HAP. In Galway city that is the only game in town. A number of people came to my office in Galway crying because they had to fill in the form by 13 January and if they did not fill in the HAP form and get the landlord to sign it, they would be in serious trouble. Their name would be removed from the housing waiting list. Equally, if they signed up to it, their name would still be removed from the housing waiting list and put on a transfer list. It is important that such facts get out. That is what the Government is calling social housing. In fact, what it is doing is actively helping the market to triumph, while protesting before Christmas that it could not take any action to stop rents rising. The little action he did take related to an increase of 4% for three years and was revolutionary according to Fine Gael and the others supporting the Government. However, the housing assistance payment is predicated on supporting landlords and putting money directly into their pockets. What is even worse is that the policy is asking tenants to collude with payments under the counter because the housing assistance payment is capped depending on whether it is a household with one person or more. It is capped and that is all he is going to give at that level. Tenants must come up with the difference to get a house or apartment in Galway. Otherwise, they cannot get it. We have gone way up above 50% of income. The Minister is telling us in this House that this is social housing.

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This Bill is attempting to deal with a problem that has been created by the Government and the previous one in not tackling the market. Yes, there is a place for the market. I have no hesitation in saying that in this Chamber. There is a place for private landlords but the main role must be for the Government through direct provision of public housing - not just for people under a certain income but as a choice in order that it balances the market. Let us look again at Galway city. I do not know what figures the Department is working from but I got the latest figure from it and it is about 3,500 households. The figure for Galway in the quarterly report at the end of September last year, which has risen since, is 4,720 households. At a conservative estimate, if one doubles that, we are up to 9,000. Families are generally bigger so my estimate, and it is amazing that I have to estimate this, is that 15,000 people are waiting for a home in Galway city. Those waiting the longest have been waiting since 2002. The last person I made representations for has been waiting for a two-bedroom house since 2002. It is now 2017 and in that 15-year period, that person has never once been offered a home. I am trying to grasp that because when I stand here, the Minister has told me that money has been made available. The former Minister of State, Deputy Jan O'Sullivan, told me that money was made available, yet since 2009 not one social house has been built in Galway city. That is why we have a crisis. It is because the city council has utterly failed to build houses. The written reasons given were that there was no funding from Government. Yes, money has been given for voluntary bodies and some money has been given to acquire some houses but we have had no direct build. In the middle of this crisis-----

Deputy Simon Coveney: There is no problem with funding for direct building in Galway, as the Deputy knows.

Deputy Catherine Connolly: I am delighted to hear it. I will not waste my few minutes but the Minister might clarify it. I am not in the habit of misleading people. One of my faults is that I am too blunt and direct. At the risk of using my time, I repeat that not one social house has been built in Galway since 2009. This year, there is a proposal to go ahead with 14 houses. I checked the news today and the local independent councillor who was formerly a Progressive Democrats councillor expressed concern that those houses will not even be finished in 2018. This is in the middle of a housing crisis. I do not mean to be personal but something is seriously wrong somewhere with the Minister's, the Department's or the city council management's grasp. Having raised it repeatedly, I ask the Minister to take a hands-on approach and clarify to this House what money has been made available to directly build public housing in Galway. If they have not been built, he should tell us why. I ask him to stop using the term "social house" when he gives money to private landlords through the housing assistance payment.

This Bill is addressing the in-built insecurity of tenure, which is an obscenity 100 years after 1916. Michael Davitt died in 1906 and we are back again looking for security of tenure while the Minister shakes his head. Shaking one's head is not a response to a crisis. Could the Minister take on board what is being said and give an undertaking to come back in respect of Galway city separately? I see some problems with the Bill and have some fundamental problems with one or two sections. I fully agree with the long notice period and the provisions relating to receivers. I will support it proceeding to Second Stage. I do have fundamental problems with it but I see where it is coming from.

Deputy Danny Healy-Rae: I must confirm that only three council houses have been built in the past seven years in County Kerry so it is much the same story as that laid out by Deputy Connolly. Eviction is very hurtful and painful for the family affected by it. It is also very traumatic for the close neighbours, the community and children who are friends of the children

who must leave the house in which they may have been born. When a family must leave their house because they cannot pay the mortgage, could the council or voluntary bodies intervene and purchase the house if it was reasonably priced? I am sure it would not work well in Dublin where houses cost so much but down our way in much of rural Ireland, many houses can be purchased for €100,00, €150,000 or €200,000.

It is very sad to see families having to leave their homes because of small sums of money. Could the council or voluntary bodies purchase the house and rent it back to the family for a number of years - at least until the family gets on its feet? It may be the case that when the family finds its feet and family members get jobs and get going again, the family would be in a position to buy back the house from the local authority or voluntary housing association. I ask the Minister to probe that idea. It is not in the Bill, but it is still part of the trouble we are in and people being evicted and finding themselves homeless. Given that the Government has a big stake in at least two major banks, I am asking the Minister to take a good look at that and see if he could make use of that proposal.

Deputy Mattie McGrath: I support certain aspects of the Bill. I do not agree with some aspects of it. The Bill proposes to provide for greater security of tenure by making all tenancies over two months Part 4 tenancies. I am not going to talk that much about the Bill. Before Christmas, the Minister spoke about rent certainty. Deputies Catherine Connolly and Danny Healy-Rae spoke about it. One could count on two hands the number of houses built in Tipperary in the past three years. It is the same all around the country yet the Minister and his predecessor, Deputy Kelly, are announcing schemes and regurgitating money that has already been announced. Why are they not being built? I asked the Minister the second last day before the Christmas recess to call in the County and City Management Association and ask it why but he failed to do that. That will be his failure, as it was the failure of the previous Government. It did not build any houses.

As Deputy Connolly said, the housing assistance payment is being bulldozed on people. Banks continue to evict. I see how Cerberus bought mortgages worth €2.5 billion from Ulster Bank. This is a US vulture fund. It affects family farms and houses. This will happen right under the Minister's nose starting this year. All the celebrations for 2016 have just finished and this is going on. Michael Davitt would turn in his grave. When is the Government going to stop this nonsense? I have asked the Minister for Justice and Equality, the Taoiseach and the Minister for Finance when they are going to rein in the courts and the county registrars in particular. The Minister of State, Deputy Dara Murphy, replied to a Topical Issue debate earlier. The county registrar in County Tipperary is gung-ho. She was sent to Wicklow but was brought back to Tipperary because not enough repossession orders were being granted.

An Ceann Comhairle: The Deputy is straying-----

Deputy Mattie McGrath: I am not.

An Ceann Comhairle: The Deputy is.

Deputy Mattie McGrath: That is the problem. The Bill is trying to keep people in their homes and stop evictions. This county registrar is granting repossession orders like snuff at a wake or confetti at a wedding. They were doing so badly in Tipperary when she went to Wicklow that they had to bring her back because they were not getting enough repossessions. That is the policy of the Government and the previous one and it is being allowed.

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An Ceann Comhairle: The Deputy should not name a person.

Deputy Mattie McGrath: I did not name any individual. I mentioned an office.

An Ceann Comhairle: The Deputy should not make reference to someone in a manner in which they can be identified.

Deputy Mattie McGrath: It is going on. It is a fact. They will not touch it. They are announcing this money, that money and the other money - regurgitating funds. Nothing is happening. The councils have failed to build the houses, claiming they do not have the money. The Minister is saying they have. It is simple; the Minister should call them in. I ask him to call in our own county manager in Tipperary, who is head of the County and City Management Association at the moment, and ask him to explain what is going on. The Minister is saying they are getting the money and yet the houses are not getting built.

On the other side, the banks are lining up houses and now farms to be sold off to vulture funds. We have just finished off 2016. The Minister will have some legacy in 2017 and 2018. He is talking about action plans, meetings and housing policy. I know he means well, but it is not happening. We are just pushing paper and peddling around the system. People are facing huge trauma with sickness, illness, suicide, you name it. They are facing terror in the Circuit Court from people who are not qualified to sit on a bench. They are responsible under European law to pass it on to a judge and they are taking the action themselves because it suits them. It is very lucrative. They get paid for every one they repossess. It is disgusting, immoral and corrupt.

Deputy Michael Fitzmaurice: I thank Deputy Mattie McGrath for sharing time and allowing me to speak.

The word “eviction” sends a shiver down the spine of every Irish person given what went on in history. Sadly, today the Government is allowing it to happen every day. I sat in on the discussions over the programme for Government and for six days in a row we talked about ways to solve this problem through the courts. I looked at the legislative proposals for the period from now to the summer. There is not one thing relating to putting stuff into the courts. It is like the substitute on the football team. The Government has it down at the bottom of the ladder, as it were. It does not give a damn if people are thrown out of their houses.

Until we face up to the reality that the banks have to give either a split mortgage or mortgage to rent, we will never solve it. Some 50,000 people will lose their houses this year if it continues as it is going and it will compound what Deputy Coppinger has said. While the Government will not admit it, it does not want to pay the rent allowance to those people who will be thrown out of their houses. It is about time we woke up and put the legislation into the courts to ensure people will not be evicted from their property.

As Deputy Mattie McGrath said, we have read today that the vultures have landed on farmers now. Throughout the country farmers who might have missed a payment are in trepidation because somebody new will have taken over their loans. Farmers struggled enough in recent years while the Minister, Deputy Coveney, was Minister for Agriculture, Food and the Marine. It is about time we did something for them to ensure that innocent women and their husbands and children are not, so to speak, being pegged out of their houses left, right and centre. Michael Davitt, who set up the Land League, died in 1906. In 2017, I am sad to say, after six years of Fine Gael in Government, people might have to get together again to fight for the battle of the

land and fight for the rights of Irish people instead of American vultures taking over the country.

An Ceann Comhairle: Deputy Catherine Martin is sharing time with Deputy Shortall.

Deputy Catherine Martin: Tá an Comhaontas Glas fíor-shásta tacaíocht a thabhairt don Bhille seo. Caithfear gníomhú láithreach chun a chinntiú nach rachaidh fadhb na ndaoine gan dídean in olcas agus chun a chinntiú nach mbeidh ar aon chlann eile a teach a fhágail.

The Green Party welcomes the Bill and will be supporting it. We have all seen the pain and misery caused by such family upheaval as a result of people having to leave their homes due to rent increases, the property owner wishing to turn over the property or, in some cases, the sale of the property as a distressed asset and the vulture fund owners, to use their own parlance, sweating that asset.

The Bill largely follows recommendations made by Threshold when it addressed the Oireachtas Committee on Housing and Homelessness in May 2016. Threshold recommended increasing security of tenure for tenants, providing for rent certainty, establishing legal safeguards to allow tenants to remain after the sale of a property, amending the legal definition of a landlord to include receivers and lenders in possession, and introducing a code of conduct on buy-to-let mortgage arrears. The Bill provides for this.

According to Focus Ireland, repossessions are resulting in between 60 and 80 families a month becoming homeless. The latest Central Bank statistics indicate that approximately 80,000 private home mortgages are in arrears. Of these, almost 35,000 are in arrears more than 720 days. These statistics indicate that the unprecedented crisis of homelessness in the country could get much worse. The Bill plans ahead by putting in place measures to protect families at risk of being made homeless. The Bill seeks security of tenure.

We are often told that there are rules governing the operation of an economy that cannot be tampered with and that consequences will ensue. This is not true. The rules are changed all the time. In our economy and society the rule seems to be that humans are expendable. We now need to start to rewrite the rules and the first and overarching rule is that people matter.

Deputy Róisín Shortall: The Social Democrats are very happy to support the Bill on Second Stage. We commend the proposers of this timely Bill.

The Minister often talks about the rental market as if it is a normal functional market. Of course, we know the rental market in recent years has been highly dysfunctional because the provision of housing is highly dysfunctional. All aspects of housing are connected. Yesterday's CSO figures for the average house price in all counties and postal districts in the Dublin area made for very stark reading. It was a damning indictment of the performance of this and the previous Governments in tackling the housing crisis.

The Minister and his colleagues in government seem to think that somehow the market will deal with the housing crisis and we know that is simply not right. For example, based on yesterday's figures the market has resulted in the average house price last year in the Dublin 9 area in my constituency reaching €358,000. Dublin 9 is a very pleasant area but is not by any means close to the top of the housing market. Anybody trying or aspiring to buy their own home in that area would be required to have a deposit of €36,000. Even more crushingly it requires a mortgage applicant to have an income of €92,000 a year, which is 2.5 times the average income for a fairly modest house in the Dublin area.

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This means that those buying in Dublin need to have a very substantial household income. It also means it is virtually impossible for a single income family to buy a house, which has all kinds of implications for affordability and also for people deciding to set up home and start a family. For the foreseeable future it will require two people to get a mortgage like that for a fairly modest home and it will mean those two people working full-time for an indefinite period, which has very serious implications for society.

NAMA has clearly played a very negative role in recent years. It was an agency set up to tackle the debt crisis. It is now contributing substantially to the housing crisis. The Social Democrats today called for a halt on all NAMA transactions and for us to review the remit NAMA has been given. Its primary remit is to make a return to the taxpayer and in so doing, particularly because of the Minister for Finance, Deputy Noonan, instructing it to bring forward the wind-up date, it means it has engaged in fire sales.

10 o'clock

Rather than being in a position to assist in tackling the housing crisis, it is contributing to it. The Minister needs to take that on and deal with it.

The other point is that just as NAMA needs to change its remit, so too do the banks. Very clear instructions need to be given to them. The banks in this country were bailed out by the taxpayer. Their bacon was saved and in return for that the two main pillar banks are turfing people out of their homes at a huge rate. They are seeking to clean up their balance sheets by selling properties and appointing receivers. This is an absolutely intolerable situation. Again, the Minister has the power to instruct banks not to appoint receivers to homes that have tenants *in situ*. The Minister should instruct the banks to appoint rent receivers so that the properties that are in the ownership of the banks will remain available to the people who are currently in them and to others who may want to rent them.

Deputy Gino Kenny: I am very proud that this Bill has been proposed. There has been much commentary and debate in the past six months and previously on the housing crisis the country faces. A perfect storm of a lack of social housing, spiralling rents and Government mismanagement has done untold social damage. The worst insecurity is the knowledge that one could be evicted at the whim of one's landlord.

This is a relatively simple Bill. While it does not do everything needed to stem the tide of people becoming homeless, it does contain practical provisions that will stop families ending up in emergency accommodation. It discourages landlords from using the spurious excuse of needing a property for a family member by forcing them to compensate tenants. It will remove the need for a house to be vacant in order to be sold. It gives more rights to tenants in terms of security of tenure. The Planning and Development (Housing) and Residential Tenancies Bill introduced by the Minister and debated extensively in this Chamber did not deal with these issues. The endless calls during that debate for a moratorium on evictions were washed over by arguments about the rights of private property as per the Constitution.

I do not blame the Minister personally for the housing crisis but I do blame his party. I also blame the system that his party upholds for the crisis of housing. I am an optimist by nature, but I am pessimistic when I see the same failed policies of previous Governments and Ministers that do nothing to address the fundamental issues of housing need and social justice in Ireland. In any system that gives priority to private property over citizenship, housing and the basic right

to shelter will always be secondary. The system needs to be dismantled.

I commend the Bill to the House.

Deputy Paul Murphy: The housing crisis is not a result of the system breaking down but of the system working as intended. That is, unfortunately, precisely what is happening in this country. It is as described by Mr. Peter Marcuse, the author of *In Defense of Housing: The Politics of Crisis*. It is a global phenomenon whereby housing has become commodified and faceless vultures are able to comb the globe in search of so-called yield and profit maximisation. Their right to profit takes precedence over the right of workers to homes. That is the essence of all of the various facets of the housing crisis that we face. It is encapsulated in the Government's argument that under the Constitution - without asking whether the Constitution should be changed - one landlord's or vulture's right to maximise profit takes precedence over the right of nine families. That is the Government's position in black and white. Beyond that, if landlords or vulture funds are able to show that they would make more than 20% extra by selling with vacant provision, even that provision goes out the window and their right to a profit takes precedence over the right of ten, 15, 20 or 100 families to a home.

This is a worldwide phenomenon. New York, for example, is experiencing its greatest housing crisis since the Great Depression. In no US state today can a full-time worker on the minimum wage afford to rent a one-bedroom apartment. It is exactly the same as the situation in this city right now. Globally, over 1 billion people cannot afford homes. There is no greater indictment of capitalism as a system, where eight people have more wealth than the bottom half of humanity and the system cannot afford to give over 1 billion people a home. The answer to the housing crisis is to turn all of that on its head and say that peoples' rights come before those of companies, banks, landlords and others to profit, that they should not be evicted as a result of the pursuit of profit maximisation by vulture funds, landlords or banks, that they should have a right to homes and that good quality, public housing should be provided.

That is the key significance of the occupation of Apollo House. It was a public intervention in housing by housing campaigners, people faced with homelessness, trade unionists, artists and others. Those involved were pointing out, in real terms, that the State has the resources - in the form of NAMA, for example, as well as land and finances - to deal with the housing crisis. It was an unapologetic act of civil disobedience that said it was better to break the law than to break the homeless. It was a broadly popular act, with 4,000 people volunteering to help and €160,000 donated by the public. The occupation spoke to the feelings of people across the country that there must be something better that can be done about housing, that the resources exist in our society to resolve and eliminate the housing crisis now. It was an act that not only spoke against the Government's approach but against the whole neoliberal orthodoxy, the trickle-down theory of housing supply that the Government promotes. It was, therefore, a highly subversive act.

When faced with a subversive act, the establishment responds and, generally, there are two types of response. The first is to try to neuter it, to pretend to take it on board and to treat it as an act of charity. This was summed up by the approach of the Minister of State, Deputy Dara Murphy, who said that people were right to take action like that in Apollo House but that the Government was already aware of the homelessness crisis and was making efforts to tackle it. In that case, the question must be put to the Minister for Housing, Planning, Community and Local Government as to when he is going to follow through on the seven commitments made to the Home Sweet Home campaign which it says have not been met yet.

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The second response is to demonise, to attempt to discredit the campaign, to show that there is only hypocrisy all round and that nothing positive can be done about the housing issue. In that vein, we had the *Irish Independent* attack a leading activist on the spurious basis of the job that her mother happens to do. The *Mail on Sunday* joined in this weekend with a front-page story attacking Apollo House and Home Sweet Home. Far worse, however, far lower and far more disingenuous was the attack unleashed by our supposed public service broadcaster, RTE, yesterday. That attack was aimed at the Unite trade union, first and foremost, but also at all of those who would say that there is an alternative way to provide housing so that people can be guaranteed the right to a home. The story was that Unite sought a social housing exemption for its former headquarters on Merrion Square. The underlying message was very clear and unmistakable - the Unite leaders were hypocrites for protesting on one hand, for participating in the occupation of Apollo House while, on the other hand, seeking a social housing exemption. If one wants to talk about fake news, here we go. This was fake news peddled by RTE. The truth is that the key point of the occupation of Apollo House is that we own the building. It is owned, effectively, by NAMA and is a public building. The point of the campaign is to argue that public resources like NAMA should be used to provide housing. The truth is that Unite, it seems, had no legal option but to seek a social housing exemption. What is most embarrassing for RTE, totally discrediting its approach, is the fact that it has now emerged that Unite had approached Focus Ireland and other housing NGOs and offered the building for the provision of homeless services, but it was not suitable. It was a non-story. There was nothing to it whatsoever. If RTE had waited one day, it would, for example, have had that last piece of information on offering the property for homeless services, but the purpose was to try to damage the campaign, undo the positive image of Home Sweet Home and Apollo House and the message being sent that something could be done and that collective action could be taken to tackle the housing crisis. Collective action, including mass civil disobedience, mass protests and the organisation of a massive campaign throughout the country, as we saw happen in Spain on the question of evictions, is what can make a difference. That is what can stop evictions from happening in this country. It is what can force the use of public resources such as NAMA and the Ireland Strategic Investment Fund to provide public housing and win for people the right to a home.

Minister of State at the Department of Communications, Climate Action and Environment (Deputy Seán Kyne): Rebuilding Ireland: Action Plan for Housing and Homelessness was launched in July 2016. Its vision is that, to the greatest extent possible, every household in Ireland will be able to access secure, good quality and affordable housing suited to its needs and located in sustainable communities. The residential rental sector has a vital role to play in achieving this vision.

As the Minister, Deputy Simon Coveney, has outlined, pillar 4 of the Government's action plan committed to the publication of a comprehensive strategy for the rental sector by the end of 2016 and the Government has now met this commitment. In particular, the strategy includes measures to increase security of tenure and new mechanisms for setting and reviewing rents. It has a focus on maintaining existing levels of rental stock and encouraging investment in additional supply.

To reply to Deputy Catherine Connolly's point on the 14 social housing units discussed today on Galway Bay FM, a face to face meeting will take place in Ballina on Friday between officials of Galway City Council and the Department. There will also be a conference call to the offices in the Custom House. This is something in which I have been engaged in recent weeks. The purpose will be to find a solution to get over the problems experienced with the 14 houses.

I understand the project will also involve constructing road infrastructure to allow for provision of 55 houses on the site. There are some issues regarding costs that must be ironed out between the Department and the city council.

The residential rental sector is an essential component of the housing sector and its vital role needs to be recognised and planned for. The sector has gone through considerable change in the past ten to 15 years, doubling in size and providing long-term homes for more people. Growth in the sector has been driven by a range of factors, including a reducing reliance on home ownership as a tenure of choice, as well as demographic factors, including immigrant migration from elsewhere in the European Union, decreasing household size and increasing rates of new household formation. The rental sector still needs to develop and mature to provide a viable, sustainable and attractive alternative to home ownership, rather than serving as a temporary refuge or starting post on the route to home ownership.

Severe supply pressures, rising rents, security of tenure issues, limited but nonetheless unacceptable examples of poor accommodation standards, a shortage of professional institutional landlords and a relatively underdeveloped voluntary sector are impediments to delivering a strong, stable and modern rental sector that offers real choice for individuals and households, while contributing to economic growth. That is why Rebuilding Ireland committed to developing a real and meaningful strategy for the rental sector. The strategy published on 13 December sets out a range of measures under the headings of security, supply, standards and services that will address immediate issues affecting the supply, cost and accessibility of rental accommodation, with more long-term measures to support the development of a viable and sustainable rental sector that can provide choice, quality, value and security for households and secure attractive investment opportunities for rental providers.

The strategy and the Planning and Development (Housing) and Residential Tenancies Act 2016, the provisions of which we debated prior to Christmas, follow earlier measures. In November 2015 the Government introduced a package of rent stability and additional housing supply measures. The Residential Tenancies (Amendment) Act 2015 included a number of measures to address rising rents and provide greater security for tenants. It provided that the minimum period between rent reviews for tenancies be increased from 12 to 24 months, with this provision to apply for a period of four years. In addition, the minimum period of notice of new rent was increased from 28 to 90 days, while longer notice periods for the termination of long-term tenancies were introduced. However, there is no question but that pressures in the rental market remain, driven by rising demand as a result of economic recovery, a lack of supply and the high costs highly indebted landlords face when servicing their loans. These pressures are borne out by the data published by the Residential Tenancies Board.

The Residential Tenancies Board's rent index data show private rents rose throughout the country by 10% in the second quarter and by 8.6% in the third quarter of 2016, compared with the same periods in 2015. In Dublin rents are now 5% higher than their previous peak in 2007, while outside Dublin they are increasing but remain at 7.3% off their peak levels. All of these trends are broadly in line with the trend reported in the recent *daft.ie* and Savills report late last year.

There is no question the increases place huge pressures on tenants, particularly those seeking new accommodation. The core issue behind almost all of the pressures throughout the housing market, including upward pressure on rent prices, is the lack of supply. For the rental sector, the best way to reduce and stabilise rents to protect tenancies in the long term and ben-

efit the entire sector is to increase supply and accelerate the delivery of housing for the private and social rented sectors. However, the supply responses take time and rapidly rising rents have become in some areas of the country the greatest threat to tenant security. Because of this, the rental sector strategy, alongside measures to boost supply, includes the introduction of rent predictability measures to moderate rent increases in those parts of the country where the imbalance between demand and supply of rental accommodation is driving rent levels upwards. The rent pressure zones that have been given a statutory basis in the Planning and Development (Housing) and Residential Tenancies Act 2016 will provide rent predictability in areas where there is unsustainable rental inflation. In the rent pressure zones rent increases will be capped at 4% per annum for the next three years, by which time a new supply will have come onstream and pressures will have eased somewhat in these areas.

The Housing Agency is consulting local authorities to determine whether the Minister should request the Residential Tenancies Board to assess other areas, including other cities and commuter belt areas, to establish whether they meet the criteria for designation as rent pressure zones. As a result, we expect in the near future to see the designation of a number of local electoral areas. I know that for some Deputies these measures do not go far enough and that for others they go too far, but the Government believes the proposals included in the rental strategy will give significant certainty to landlords and tenants by allowing for reasonable growth in rents, while preventing the instability and uncertainty caused by the volatility seen in recent years. In addition, the Tyrrelstown amendment took effect today, with other tenure security-related measures provided for in the Act. The Tyrrelstown measure is a fundamental change to the obligations of institutional landlords and in response to recent high profile examples of multiple tenancy terminations in a single development in Tyrrelstown, County Dublin.

Increasing security for tenants and landlords is essential to the development of the rental sector as an attractive tenure choice for tenants and a safe and viable investment choice for a range of investors. The rental strategy includes a range of measures aimed at enabling a move towards secure long-term tenancies. One of the measures, action eight of the rental strategy, commits to amending Part 4 of the 2004 Act to provide that a Part 4 tenancy will last for six years rather than four. This is intended to be the first step in a transition to tenancies of infinite duration and was provided for in the Planning and Development (Housing) and Residential Tenancies Act 2016. Therefore, once a tenant has rented a dwelling for more than six months, he or she will be entitled to stay in the dwelling for six years.

The range of actions focused on security contained in the local sector strategy, as laid out by the Minister, together with the measures included in the 2015 and 2016 Acts, constitute a comprehensive and balanced approach to addressing the symptoms and causes of the problems affecting the rental sector, including those undermining the security of tenants. Development of the strategy was supported by a stakeholder consultation workshop and online consultation processes, which received close to 500 submissions. Many of the Deputies present contributed to both processes, with the aim being the strategy would set a vision for a rental sector that would be better for tenants and landlords. It is my belief we achieved this goal and the key challenge now is to ensure the successful implementation of the strategy.

While work has begun immediately, implementation of the full range of 29 actions will take time. It would be premature at this early stage of implementation of the strategy and the measures included in the Planning and Development (Housing) and Residential Tenancies Act 2016 to revisit them. Prolonging the debate and introducing further changes on issues and actions already under way would risk undermining stability and confidence in the rental sector

and impacting negatively on the existing and future supply of rental accommodation. What we need to do is concentrate on delivering what we have committed to deliver and achieve real and long lasting improvements in the rental sector for tenants and landlords.

Deputy Bríd Smith: I missed most of this debate and was late for it because I was dealing with two families in Ballyfermot, both of whom received notice to quit their tenancy and are extraordinarily stressed out. As it happens, both families have a special needs child and the stress and uncertainty for their children are the main cause of their stress, with the pressure it puts on the needs of those children. In both cases the landlords had issued notices without proper regulation and were forced to withdraw them. This is just one small story in one small area of this country.

I do not know if every Deputy who defends the Government's housing strategy really believe their own words when they say the only way to solve the housing crisis is through the market. Maybe they cannot admit that the threat of eviction and insecurity that families face daily is a real one. As we speak, people are going to bed in fear of the future for their children. It is easy for those of us who have a permanent home and are fortunate enough not to have to face that uncertainty but we need to acknowledge that this is a demon hanging over many families every day.

I am very proud to be associated with this Bill which puts down another marker after Apollo House and the Minister being forced to bring in some sort of rent control just before Christmas. It shows that this country is changing and that we are not willing to put up with the continuation of the crisis, the legacy of recession and austerity and the consequences of the bank bailout on ordinary people. Regardless of whether this Bill passes, the Government will have to recognise that there is a new force in this country, a new movement, a new awareness and a new determination that the priorities of this and previous Governments of Fianna Fáil, the Labour Party and Fine Gael and the establishment of this country will now be challenged and will continue to be challenged. We cannot take it for granted that the idea that the market will resolve the crisis is correct. It certainly will not and it is worsening the crisis. To look at the supply of housing needed in this country and what is happening in local authorities is totally dismal. The Minister boasts that the opening up of voids is happening and that they are turning around much more quickly, with houses not lying empty as long as they used to, but a day is too long, as is a week. Many issues in the housing crisis have to be challenged but the ability of landlords to issue notices to quit and to evict is fundamental and urgent.

The Bill is to be welcomed. We should get it out of our heads once and for all that the rights of private property are sacrosanct over the rights of families to a decent, comfortable and secure home. There is such a thing as the common good and the Constitution states that the common good can override the rights to private property. All the details in the Bill points in that direction. I welcome the Bill despite what the Government may say about the need not to interfere with private property. There is a need and there is a need to move away from the ideological commitment to the market as the solution. The market is the problem, it is not the solution.

Deputy Mick Barry: When the debate is boiled down, the question is are we to have housing for profit or are we to have housing for people. The reality of what housing for profit looks like becomes clearer every day. The RTE programme last week about vulture funds was a huge eye opener and discussion point throughout the nation.

Let us talk about vulture funds. In December 2015 Cairn Homes, backed by Lone Star,

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bought 20% of all residential development land in Dublin from Ulster Bank. This included 6,000 sites in north Dublin which it purchased at a price of €19,000 per site. The price for equivalent batches of land now is €100,000 which adds more than €80,000 to the price of the houses built on that land straight from the get-go. There is a potential profit of €500 million for the capitalist owners simply by means of sale. Who will be the big beneficiaries? Two of them will be the executives, Mr. John Grayken and Mr. Ellis Short, who according to the *Sunday Independent* rich list are among the 14 billionaires in the State already with a combined wealth of €6.4 billion, having increased by €2 billion in 2015 alone through practices, no doubt, of this sort.

We should listen to the voice of campaigner, Fr. Peter McVerry, who fears that 25,000 people could face evictions with what is coming down the track with distressed mortgages, vulture funds and so on. This week alone, 452 owner-occupiers are in the courts with applications from banks and, increasingly, from unregulated vulture funds such as Mars Capital, for vacant possession. I echo the point made by Deputy Paul Murphy. If we cannot pass a Bill like this to give guarantees to tenants, tenants have every right to take matters into their own hands and emulate the example of what happened in Spain with social movements to resist eviction. They will have the full backing of the Anit-Austerity Alliance-People Before Profit should they feel the need to go down that road.

We could have housing for need. The Minister spoke about the need for supply. What about the massive supply of social housing that is needed to house the people on the waiting lists and to put pressure to bring down rents? The Minister is nodding his head.

Deputy Simon Coveney: We are spending €500 million on it.

Deputy Mick Barry: On the Minister's website it shows the reality of social house building in the third quarter of 2016. A total of 44 council houses were built in the entire State by local authorities in the third quarter. In the first, second and third quarters combined, there were 161.

Deputy Ruth Coppinger: Well done, Minister.

Deputy Mick Barry: In the third quarter there were 65 new housing association homes, and for the year as a whole the figure was 185. The totals combined for the entire year come to 346 local authority homes. In percentage terms, 10,509 homes were built in the State last year, of which 346 were local authority homes, amounting to a historical low of 3%. There were 42 homes in Dublin City Council in the first three quarters, 20 in South Dublin County Council, 36 in Fingal, 16 in Limerick and a mere one in Cork City Council.

The main objection has been the six-month compensation measure for moving in the family. Members in this House have to listen to organisations like Threshold which are saying there has been a real increase in dubious terminations in the recent past, with the main excuse for getting people out no longer sale but for a family member to move in. Most of those claims are dubious and this Bill would act as a deterrent to them. There are genuine cases, of course, such as marriage breakdown, and that is why we do not propose a ban. There needs to be a balance between the rights of the landlord and those of the tenants because it is a real disruption to anyone's life to have to leave, and in that context six months is not unreasonable.

A number of speakers, including Deputies Cowen and Coveney, cited the Constitution as grounds for not going forward. Why do they not bring forward proposals to change the Constitution? We would support them if they did but they will not because they are using it as an

excuse to defend private property interests.

I wanted to make some points about the interventions of Fianna Fáil Deputies. As I do not have time, I will quote some of the language that was used, namely, “the Bill is a blunt instrument” and “Wilfully creating upheaval”. The Deputies in question also referred to having grave concerns about a flawed Bill that is over-simplistic and hugely excessive in nature. What is hugely excessive is the language that those Deputies are using. If one were to ask tenants throughout the country if they support this Bill, I would say that, almost without exception, they would say “Yes”. If one were to ask landlords, with a few honourable exceptions, the vast majority would be opposed to it.

An Ceann Comhairle: The Deputy’s time is up.

Deputy Mick Barry: The battle lines are clearly drawn. We know where the Government stands. The question for Fianna Fáil is which side is it on?

Amendment put.

An Ceann Comhairle: In accordance with Standing Order 70(2), the division is postponed until the weekly division time on Thursday, 19 January 2017.

The Dáil adjourned at 10.30 p.m. until 12 noon on Wednesday, 18 January 2017.