



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

DÁIL ÉIREANN

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

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DÁIL ÉIREANN

Dé Máirt, 4 Aibreán 2017

Tuesday, 4 April 2017

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

Paidir.
Prayer.

Leaders' Questions

An Leas-Cheann Comhairle: I ask all leaders, their representatives and the Taoiseach please to observe the three-minute time limit as I dislike interfering.

Deputy Micheál Martin: We are now in the 12th day of the nationwide Bus Éireann dispute. People are extremely frustrated, annoyed and angry by the lack of activity at Government level to resolve this dispute. The simple refrain across Ireland is that if this dispute was in Dublin, it would have been resolved a long time ago. That is the general sense in regional cities, rural towns and across the countryside and one which we encounter all the time. There is massive disruption. Many businesses are reporting a significant decline in footfall and business activity in the towns and cities affected. Some 2,500 staff are also very worried about their position, notwithstanding the 110,000 people who use Bus Éireann services which are no longer available to them.

We have insisted from the beginning that there are policy dimensions to this issue which the Government refuses to acknowledge. The Minister has stated, for example, that one cannot have cross-subsidisation of the Expressway services from public service obligation, PSO, funding. That is not true. The NTA can through the reasonable profit mechanism, which is there and which is allowed under EU regulations, facilitate transfers under that facility to the bus companies. It is interesting that under that arrangement Dublin Bus received €4.5 million last year while Bus Éireann received €400,000.

The Dublin-rural issue is evident again when comparing how Dublin Bus is funded under the PSO and how Bus Éireann is funded. Bus Éireann is not getting its fair share and is not getting a reasonable deal. The same applies to free travel. Bus Éireann recoups approximately €4.70 per passenger availing of free travel on the Expressway service while the average fare is €11.74. There has been a significant reduction in the free travel subsidy since 2010. The reasonable profit mechanism might sound complex as a formula but the bottom line is Bus Éireann gets a lower subsidy per passenger than Dublin Bus under the PSO operation as well. Whatever way you look at this, rural and regional Ireland is not getting its fair share. Bus Éireann is an

indispensable part of the transport infrastructure of rural Ireland and of the towns and cities outside Dublin. That sense of prioritisation is not manifest in the Government's response to this crisis.

From the outset the company has insisted on preconditions before the unions enter into WRC talks, which is unacceptable. The talks should be without precondition but they should be assisted. Why will the Government not make an intervention on the policy front that would create the background, which would facilitate a resolution of this dispute at the WRC? The Government and the NTA have options open to them if they see fit to use them but so far the Government has been determined to avoid any consideration of legitimate policy issues that could help here.

The Taoiseach: This is the 12th day of an all-out strike at Bus Éireann and it has discommoded hundreds of thousands of people. I condemn the wildcat strike which took place unofficially last week and which brought this city and so many other places, as well hundreds of thousands of people, to a standstill. The Deputy mentioned that this would have been sorted out long ago if it was in Dublin, drawing an analogy that the country is being treated differently from other areas. The Minister for Tourism, Transport and Sport has intervened in respect of policy decisions in so far as the PSO is concerned and his colleague, the Minister for Education and Skills has been looking at the question of the school transport system while the Minister for Arts, Heritage, Regional, Rural and Gaeltacht Affairs has been looking at the question of rural transport take-up of any changes that might occur to the Expressway service. The Deputy said it is possible to cross-subsidise the service; my information is different. Subvention is only provided for PSO services and it cannot, under law, be provided for commercial services such as the Expressway service. The Deputy seems to have a different view on that and that is something I will check.

I hope the unions and management get together with the WRC. As the Deputy mentioned whatever way you look at it - and whatever you look at it, the Deputy is correct - there is a strike on here and the only way to settle that is around the table between unions and management. They have both agreed there are issues that need to be dealt with and the company needs to reform how it goes about its business to address the inefficiencies that exist. The place to settle those issues is not on the airwaves; it is around the table assisted by the WRC.

The Minister has been more than encouraging that unions and management would get together on this matter. The only parties that can agree a fair and acceptable deal to sort this out and have Bus Éireann continue to do the job it has done for many years are those in management and in unions. Nobody else can do that deal for them and no amount of taxpayer's money can solve the inefficiencies that both management and unions agree exist within the company. They both want to talk about them and the opportunity is available through the WRC to settle this.

On matters of policy, the Minister has been active. On matters of encouraging both sides, unions and management, to get back to talks at the WRC, I hope an invitation to resume those talks will be extended to them quickly and that people will understand that realistic negotiations between management and unions are required to solve these internal issues. The WRC and the LRC are ready to assist, as they played a leading role in dealing with previous industrial relations within the CIE group. The biggest impact is on Bus Éireann's PSO network. Those who rely on those services have little alternative public transport options. The impact is lessened on the loss-making Expressway network as there are numerous competitors providing bus services

in addition to the rail network. It is an issue that can only be sorted out at the WRC. I hope an invitation is extended to both union and management again quickly to do that.

Deputy Micheál Martin: Since 2016, the NTA, under EU regulations, has had to pay a reasonable profit on PSO services to CIE companies. Where a reasonable profit is paid to a director or operator, it is a matter for that company to decide how it wishes to apply these funds. It goes through all the possible applications of reasonable profit. No one is arguing that Bus Éireann is not very successful at discharging its PSO service obligations because it is. One of the anomalies that has arisen is with regard to the amount paid to the two semi-State bus companies. Why is Bus Éireann being paid so little in contrast to Dublin Bus? In 2016, Bus Éireann was only paid €400,000 in reasonable profit while Dublin Bus was paid €4.5 million. That is 11 times more than Bus Éireann. That is despite the fact that Bus Éireann is paid a lower subsidy per passenger than Dublin Bus for PSO services. If the Government was serious about this and committed to it, there are ways and means of contributing to its resolution, not by saying it is entirely the workers of the company who have to bear the brunt of all of the restructuring, which is what has happened to date. People are facing 30% cuts in their take home pay. That is the Government position.

The company is fortified by the position taken by the Government and the Minister, which is a race to a bottom in terms of wages. It is a savage cut and a disproportionate burden on the workers in terms of the restructuring and the transport policy dimensions which not only involve what I have just spoken about but also the free travel issue. The company has lost a lot since 2010 in terms of the subsidy it used to enjoy per free travel passenger. The Taoiseach has an obligation for the Government to make sure this is resolved fairly quickly. What I said to the Taoiseach at the outset is not my opinion. It is the opinion of the people across the country that if this was in Dublin it would have been resolved a long time ago. That is what the people are saying across the regions.

The Taoiseach: It cannot be one way only. If unions and management agree there are inefficiencies within the service that need to be sorted out then it cannot be that the workers bear the brunt of this only. How could that be? If unions and workers agree there are issues to be sorted out and dealt with then the place to do that is at the WRC. PSO funding for transport services increased by 11% this year. Last year it increased by 13%. Bus Éireann received a 21% increase in its PSO funding in 2016. In 2017, almost €263 million will be provided to fund our PSO services across bus and rail. Some commentary has suggested it is only rural bus services that are under attack.

Deputy Richard Boyd Barrett: It is attacking bus services in Dublin as well.

The Taoiseach: In fact, the Government is expanding the public bus service in rural Ireland through increasing the amount of PSO funding to Bus Éireann and increasing the funding through the rural transport programme. The Deputy is well aware of that. Taken together, funding for both programmes has increased by €28 million in 2017 compared to last year. Total funding for both PSO and rural transport will amount to approximately €277 million this year.

In respect of the free travel scheme, the Minister, Deputy Ross, and the Minister for Social Protection have instructed their officials to report back to them very shortly on this matter. The Minister, Deputy Ross, has publicly stated that he expects ministerial level discussions will resolve that particular issue very satisfactorily. Policy, the PSO, rural transport and the free travel scheme are matters the Minister has been very active on-----

Deputy Darragh O'Brien: He is the worst Minister in the Cabinet and that is saying something.

The Taoiseach: -----and has encouraged the WRC to invite both sides back to the talks again.

Deputy Mary Lou McDonald: Today, the future of policing and justice in the State is at a crossroads. Public confidence in the management of An Garda Síochána has been shattered by scandal after scandal and there is a flagrant lack of accountability and a detached arrogance among the top brass. The extent of the damage done to the Garda cannot be overestimated - it is immense.

This issue is bigger than any political party. It is about the fundamental administration of justice. People across the country in every community are left scratching their heads as they wonder how someone who has messed up so badly and presided over fiasco after fiasco is still in her job. They are wondering how Nóirín O'Sullivan is still the Garda Commissioner. People rightly ask themselves how ordinary rank and file gardai can be expected to account for their actions when their boss, the top garda in the country, is immune from that same basic standard of accountability. She has been given this immunity by the refusal of the Government, including the Tánaiste and Minister for Justice and Equality, to act decisively and by Fianna Fáil's refusal to come off the fence.

Deputy David Cullinane: Hear, hear.

Deputy Mary Lou McDonald: No review or inquiry, no matter how robust or comprehensive, will be successful in addressing the dysfunctionality at the heart of the Garda while Nóirín O'Sullivan remains in office. It is as simple and clear cut as that. She has presided over a litany of catastrophes and her position is untenable. In no other walk of life would this be a matter for debate.

The Commissioner is not a new kid on the block. She has been the boss for three years and was deputy commissioner prior to taking the top post. It is unbelievable that the Tánaiste accepts the Commissioner's line that she must remain in her role to complete her "journey of work", as she describes it. This is the same journey of work that has fostered the list of debacles in which the Garda finds itself embroiled. Does this journey also include her speculating out loud as though she were some detached onlooker that the controversy around breath tests and motoring offences might not be the end of scandals surrounding the Garda? Is the Taoiseach okay with this frightening lack of accountability? He is in charge. This corruption, malpractice and mismanagement in An Garda Síochána is happening on his watch. We are agreed that it must be replaced with accountability, transparency and integrity from the top to the bottom, so the Garda Commissioner has to go. When will she go? When will the Taoiseach relieve Nóirín O'Sullivan of her duties?

The Taoiseach: I dealt with this last week. This is bigger than any political party, as the Deputy says. It is bigger than any individual, and it is about trust and confidence, it is about respect, it is about pride, it is about an organisation of 14,000 people - that rises to 15,000 people - being able to be seen to do their job professionally, competently and in the interests of the State in which we reside and the people that they have a duty of care to in terms of both their security and their protection from criminal elements.

This goes back quite a distance, as the Deputy is well aware. I might say to her that the Gov-

overnment treats this with the utmost seriousness. The Tánaiste briefed the Cabinet this morning on her proposals for a commission on the future of policing in Ireland arising from the decision made last week by Government that there should be an independent analysis of the figures in respect of fixed notice penalties and the question of breathalyser statistics. Both of those have been referred to the independent Policing Authority, which, as the Deputy knows, has the full right to contract in any expertise - national or international - that it so wishes to look at those statistics and determine how they happened, why they happened, who is responsible and who is accountable.

The second decision that the Government made was on the longer term restructuring of An Garda Síochána, and that is not in any way to take from the valid propositions put forward by the independent Garda Inspectorate. It is not to take in any way from the exceptional work now being carried out by the chairperson of the independent Policing Authority, Ms Josephine Feehily, or from the review and additional powers being sought by Ms Justice Mary Ellen Ring in respect of the Garda Síochána Ombudsman Commission, GSOC. The Minister is proposing to engage with this House and the Opposition spokespersons on putting together a review that will examine the management and structures of all the functions of the Garda Síochána, the composition, recruitment and training of personnel, the culture and ethos of policing, and the structures and legislative basis for oversight and accountability.

I am glad that the Garda Commissioner has published the modernisation programme. There is a whole raft of reforms currently under way, to which Deputy McDonald may not want to refer, but this commission, in which she will have a direct involvement, will be forward-looking in terms of what we want for the structure, method and recruitment of policing for years to come. The Minister will consult with the Opposition during the course of this week.

For the information of the House, last weekend, within the appointed time, I received the final report of the Fennelly commission. It was delivered to my Department after 6 p.m. last weekend. It is an extensive report which runs to over 740 pages. The executive summary runs to 85 pages. The report deals with the history of telephone recording systems, the level of knowledge of the system among gardaí, whether the recording was authorised by law or not, whether there was improper or unlawful use involved-----

An Leas-Cheann Comhairle: The Taoiseach will have another minute later. I call Deputy McDonald.

The Taoiseach: This is important.

An Leas-Cheann Comhairle: It may be.

The Taoiseach: Following the process here, I am statutorily bound to give that report to the Attorney General, which I have done. The Attorney General is now examining the report with her personnel. I expect to publish the report as soon as she informs me that I can do so. The Tánaiste and Minister for Justice and Equality has not seen the report. I want this House to know that whatever its implications, they will have to be included in the recommendations that she makes for the future policing structures of An Garda Síochána. I would expect that later this week we might be able to deal with that.

An Leas-Cheann Comhairle: I know all items are important. I am seeking a little co-operation. Members will have to tailor their contributions.

Deputy Mary Lou McDonald: I thank the Taoiseach for the information in respect of the Fennelly report. We await its imminent publication.

I could not agree more with the Taoiseach that trust, confidence, respect and pride are exactly what we need. Despite the Taoiseach's talk about commissions and restructuring, and his repeated assertions of a need for accountability and modernisation, his actions shout against those motivations. The Taoiseach is still wedded to the old way of doing things. That is the reality. The reason he is slow to relieve the Garda Commissioner of her duties is, I assume, a fear on his part of contagion. It is politics that is directing this matter. I cannot see any other rationale for it. The rationale of the Taoiseach's friend, Deputy Micheál Martin, is fear of an election - more politics.

Deputy Darragh O'Brien: Nonsense. It is about trying to get a result as opposed to doing nothing for one's party.

Deputy Mary Lou McDonald: What is getting lost in the midst of all of this is that we are now at a crossroads such that the decisions that we take now will affect not only us and policing in the here and now, but generations to come. The Garda Commissioner's position is untenable. Sin é; that is the position. The commission and restructuring will amount to nothing if the Taoiseach is not prepared to take the first step in accountability and relieve the Garda Commissioner of her duties.

The Taoiseach: As I said earlier to Deputy McDonald, two advertisements have been placed this week by the independent Policing Authority for senior positions within an An Garda Síochána. That these appointments will be made by the independent Policing Authority is the most radical change made in the structure of An Garda Síochána since the foundation of the State. This will take some time to filter down through the ranks. What I said about trust, confidence, respect and pride is true, but also important are transparency and accountability. Deputy McDonald will be aware of how the chief superintendent of An Garda Síochána in the north inner city relates to the communities there on a regular basis.

Deputy Mary Lou McDonald: Chief Superintendent Pat Leahy's position is not in question - Nóirín O Sullivan's position is in question.

An Leas-Cheann Comhairle: The Taoiseach without interruption, please.

The Taoiseach: Everybody understands exactly what the Garda Síochána and gardaí on the ground are doing and the work that is being done in exceptional circumstances in many places throughout the country. To get this right, from the top to the latest recruit, we need to change the structure. We cannot do that without involving the Members of the Oireachtas who carry messages from those who send them in here.

Deputy Mary Lou McDonald: The Taoiseach is waffling.

The Taoiseach: The Deputy is focusing on one person only.

Deputy Mary Lou McDonald: No.

The Taoiseach: It is much bigger than this.

Deputy Mary Lou McDonald: No.

The Taoiseach: There are reforms in train. The modernisation report has already been published. The inspectorate report contains 73 recommendations.

Deputy Brendan Howlin: Implement it.

The Taoiseach: They will be followed through over the course of the next five years, with more to follow.

Deputy Mary Lou McDonald: The Taoiseach is in an old politics bubble.

The Taoiseach: All of this might not be enough for the Deputy, but it is very important-----

Deputy Mary Lou McDonald: It is kind of tragic.

Deputy Simon Harris: The Deputy is wrong.

The Taoiseach: -----in the context of having a police force that enjoys-----

Deputy Mary Lou McDonald: Stop talking.

The Taoiseach: -----the trust and confidence of the people of this country.

Deputy Clare Daly: It is a great pity the Taoiseach's interest in policing reform was not present a number of years ago when Deputy Wallace and I proposed the precise type of legislative reform he is talking about now. As he is in the mood for catching up, he might want to catch up on another issue as well. I refer to the case of a young man who has narcolepsy, which is a lifelong debilitating disorder. He can fall asleep without warning and has done so. He has smashed his teeth and broken his bones. He experiences terrifying hallucinations in a state of sleep paralysis. He has to be given expensive anaesthetics so that he can get a few hours' sleep. He has developed joint and muscle pain. He suffers from anxiety and depression to the extent that he has tried to kill himself. He is 14 years of age. This condition, for which there is no cure, limits every aspect of his daily life. While his condition is bad, the worst thing is that he did not always have it. He was not born with it. It is not a genetic disorder. This was an avoidable catastrophe. This young man, like 80 others, developed the condition as a result of receiving the Pandemrix vaccination for swine flu in 2010.

The Health Service Executive and the State Claims Agency went into the High Court last week unnoticed and undocumented to obstruct this boy and people like him who are seeking documents under discovery. The HSE and the SCA said they would voluntarily disclose these documents in 2015. We need to be clear about the fact that the HSE decided to purchase Pandemrix and continued to distribute it even after it knew it was dangerous and untested and before most of the public in Ireland received it. It knew there was a sevenfold or eightfold risk of serious adverse effects in comparison with its sister drug and alternative vaccinations for which there were no adverse side effects. Poland, Switzerland and the US did not give a licence to Pandemrix, but Ireland gave GlaxoSmithKline, GSK, full indemnity against its harmful side effects. Incidentally, the company made €8 billion in profits out of it.

In 2009, before 95% of Irish children were vaccinated, the Irish Medicines Board, which is now known as the Health Products Regulatory Authority, was told there was a huge difference between the safety profiles of these vaccines. Did the board tell the Minister about this, as it had a statutory obligation to do? Given that it was in possession of that knowledge, why did it continue to administer the least safe vaccine? Was it cheaper? Did the Government have a deal

with GSK in return for jobs? Sweden, Finland, Norway, Iceland, France and, recently, Britain have all compensated victims. In contrast, this country's Government is continuing to deny the requests of victims for discretionary medical cards and other benefits. I want to know why Ireland is the only country that does not operate a no-fault vaccine damage payment scheme. Will the Government introduce such a scheme and order the SCA to co-operate with it?

The Taoiseach: I thank Deputy Daly for raising this matter, which is of intense personal sensitivity for the young person involved. I do not know the answer to the Deputy's question about why the HSE, having said it would voluntarily disclose the information that was sought, seems to have had a sudden change of direction. We will follow that up for the Deputy. The Minister for Health has met representatives of SOUND, which is the support group for people with narcolepsy, in recent days. He has sanctioned the go-ahead for the centre of excellence for sleep disorder at St. James's Hospital. This has been sought for a very long time and has been welcomed by the group involved. As Deputy Daly knows, the programme for Government includes a commitment to examine supports for people who have been harmed by vaccines. The Deputy has made strong claims about Pandemrix and the company involved. She has suggested that the authorities continued to use this vaccine even though they were aware of the difficulties it might cause. That is something which deserves immediate analysis and I will ensure it is followed through. I do not have the answer to the Deputy's question because I was not aware of the details of the case she mentioned.

Deputy Clare Daly: I do not expect the Taoiseach to know every detail as that would be completely unreasonable. This is one of the biggest public health scandals in recent years and the Taoiseach should know about it. Now that he does, I am not accepting that he will fob it off on the Minister for Health. I expect the Taoiseach to follow up on some of the issues.

Knowledge about the dangers of adjuvant vaccinations for young people, in particular, has been available from the World Health Organisation since 2007. The HSE and the Irish Medicines Board, now the Health Products Regulatory Authority, were aware in 2009 of the increased dangers of the Pandemrix vaccination.

This was on the agenda in the first ministerial briefing from the Minister for Health almost a year ago. In the minutes of the briefing it was stated that disclosure of the documentation would be a priority for last year. The documentation has not been disclosed.

The State Claims Agency will be in court on 23 May. Will the Taoiseach instruct it to bring forward the documentation to assist people in their fight for justice, given the very serious health consequences for the individuals concerned? Over 80 cases have been diagnosed in what is a completely avoidable catastrophe. The matter is very serious and I expect the Taoiseach to have a hands-on approach.

The Taoiseach: Deputy Daly said the situation was avoidable given the information that was available to the company. A court case is ongoing. I do not want the Deputy to assume that I would not have an interest in following through on this matter. Many cases come across the desk of the Department of the Taoiseach every week. It is a serious matter. I will work with the Minister for Health to see that the matter is followed up on as soon as possible. I will keep Deputy Daly informed of what is happening.

Deputy Michael Collins: It is said that a society can be judged on the way it treats its most vulnerable citizens. Last Thursday, hundreds of people gathered outside the gates of the Houses

to protest for the rights of people with disabilities and highlight the tenth anniversary of Ireland's failure to ratify the EU Convention on the Rights of Persons with Disabilities.

Those with disabilities and their families face many issues. Parents are distressed about the inadequate provision of care for their children as they get older. Some parents are fearful that their adult children will be moved from congregated settings, where they have lived for most of their lives, to community settings. Parents are struggling to transport their adult children to disability day centres.

Is the Taoiseach aware that a significant number of parents, in particular those living in west Cork and Kerry, are driving their adult children for up to four hours a day to the nearest disability day centre? Elderly parents are being forced to drive their children to and from day centres, which means they have to leave their homes early in the morning and may not return until late in the evening, giving them no break.

I have tried to engage with the HSE on this matter in order to get it facilitate all disability organisations in working together to share their transport services and transport as many people as possible, but the HSE has refused to engage with me and other major stakeholders. I am aware that buses around the country are driving only one adult a day to a centre, bypassing many others along the way due to their age and the fact they attend different centres. I ask the Taoiseach to examine policies to integrate the transport services available to disability organisations and for an increase in the transport budget for disability organisations so that every adult attending a disability day centre is provided with access to transport.

The Taoiseach: For the first time ever a Minister of State dealing with disabilities sits at the Cabinet table, and Deputy McGrath is assiduous in following up on issues relating to disability. As I understand it, the Bill in respect of the recognition of the convention is on Second Stage and is moving through the House after many years of anticipation. I am sure it is possible to streamline the transport services in a more effective way. This applies in any case where new people have to avail of disability services of one sort or another. I suggest Deputy Collins speak directly to the Minister of State, who will have first-hand information for him. If Deputy Collins is making the case that HSE services are not listening to him, I am sure the Minister of State, Deputy Finian McGrath, who has responsibility and a serious budget for a range of disability areas, albeit there are challenges, would be interested in taking up the case.

Deputy Michael Collins: The Taoiseach said the disability convention Bill is on Second Stage. While I am happy to hear that, it has taken ten years to get there. That is a long time for people with disabilities to be waiting. The bottom line is that the Taoiseach says I should contact the Minister of State, but these services should be available to those with disabilities already. The fact is that if one has a child with severe disabilities who is 18, he or she is not entitled to a free transport service to day-care centres. If that child is a day younger than 18, he or she will get a free transport service. That is a fact. I have been approached by parents all over west Cork and Kerry and there are probably others throughout Ireland. Parents have been travelling on a daily basis from Bandon, Bantry and Skibbereen to and from the service in Cork, which is a twice daily journey. I have met with those parents and spent time discussing the matter with them. I have been in contact with the HSE but I cannot succeed in getting people to sit around the table despite the fact that we still have a situation in which buses with only one or two people on board are passing very close to these centres already. It is simply a matter of people sitting down and using their heads. There must be a policy that can be applied. Does the Government have a policy to provide a free bus service to day-care centres for children or

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adults with disabilities after the age of 18? Is that a factor?

The Taoiseach: I note the Deputy's comment on the convention on disability. It is on Second Stage, but it is only a matter of formal recognition and signing up to a convention. It will not change the transport scheme in west Cork. I suggest the Deputy sets out his problem and his proposition and indicates to the Minister of State those who are not listening or will not sit around a table. If he has a recommendation for greater efficiency in the delivery of services for disabled children or adults in the constituency where it could be made more effective by having more people travel on a single bus to different day-care centres, I am sure the Minister of State, Deputy Finian McGrath, who has responsibility for the area and is very active in trying to deal with many of these problems, will be happy to respond to him.

Order of Business

Deputy Mattie McGrath: Today's business shall be No. 5, motion re establishment of a Special Joint Committee on the Eighth Amendment of the Constitution; No. 11, statements on Brexit, to include No. 6, motion re report of the Joint Committee on European Union Affairs entitled "Committee Travel to Brussels 7-8 February 2017"; and No. 6a, motion to instruct the committee on the Bail (Amendment) Bill 2016. Private Members' business shall be No. 91, motion re Defence Forces, selected by Fianna Fáil.

Wednesday's business shall be No. 11, statements on Brexit, to include No. 6, motion re report of the Joint Committee on European Union Affairs entitled "Committee Travel to Brussels 7-8 February 2017", resumed, if not previously concluded. Private Members' business shall be No. 92, motion re extension of maternity leave and maternity benefit for mothers of premature babies, selected by the Social Democrats and Green Party group.

Thursday's business shall be No. 19, Thirty-fifth Amendment of the Constitution (Divorce) Bill 2016 - Second Stage; and No. 1, Hallmarking (Amendment) Bill 2016 - Order for Second Stage and Second Stage. Second Stage of No. 20, Statute of Limitations (Amendment) Bill 2017, will be debated in the evening slot.

I refer Members to the revised report of the Business Committee dated 3 April 2017.

In relation to Tuesday's business, it is proposed that:

(1) the Dáil shall sit later than 10.00 p.m.;

(2) motion re establishment of a Special Joint Committee on the Eighth Amendment of the Constitution will be taken without debate;

(3) Statements on Brexit, to include the motion re report of the Joint Committee on European Union Affairs entitled Committee Travel to Brussels 7-8 February 2017. Statements of a Minister or Minister of State and the main spokespersons of parties or groups or a Member nominated in their stead shall not exceed ten minutes each. After the opening round the statements shall adjourn until Wednesday when statements of all other Members shall not exceed ten minutes each and all Members may share time. A Minister or Minister of State shall be called upon to reply for a period not exceeding ten minutes;

(4) motion to instruct the committee on the Bail (Amendment) Bill 2016 shall conclude within 60 minutes. Speeches of a Minister or Minister of State and the main spokespersons, or a member nominated in their stead, shall not exceed 7.5 minutes each and each division

demanded thereon will be taken immediately; and

(5) Private Members' business shall take place on the conclusion of the motion to instruct the committee for two hours.

In relation to Thursday's business, it is proposed that the order of the Dáil of 6 July, 2016, that Second Stage of the Thirty-fifth Amendment of the Constitution (Divorce) Bill 2016 be taken in Private Members' time, be discharged and that Second Stage of the Bill be taken in Government time. Second Stage of the Bill shall conclude within two hours, and the speech of a Government proposer or a Member nominated in his or her stead shall not exceed ten minutes. Speeches of all other Members shall not exceed ten minutes each and all members may share time. A Minister or Minister of State shall be called upon to reply for a period not exceeding ten minutes.

An Leas-Cheann Comhairle: There are two proposals to be put to the House. Is the proposal for dealing with Tuesday's business agreed to?

Deputy Micheál Martin: Not agreed.

Deputy Richard Boyd Barrett: Not agreed.

Deputy Micheál Martin: We already indicated to the Business Committee in advance that the putting back of Private Members' time from 8 p.m. to 8.30 p.m. to facilitate the recommittal of the Bail (Amendment) Bill is not satisfactory from our point of view. It is our Private Members' time this week and many people committed to Defence Force issues will be in attendance this evening. Having Private Members' debates taken at very late hours does not do them any justice and undermines any potential impact such debates can have.

We remain continually opposed to the manner in which the time is allocated to respective parties on debates such as that on the EU Council. The manner in which debating time is allocated in the House is not fair and it has been referred to the Sub-committee on Dáil Reform. We have a situation where Members of a party with 44 Deputies get ten minutes and a party with three Deputies also gets ten minutes. That is not fair. It is not d'Hondt, it is not proportionate and it is not reasonable. Many backbenchers in the main parties cannot get an opportunity to make any contribution to these debates. I am putting the House on notice we believe this is very unfair to parties generally. We are open to a reasonable accommodation and agreement on this, but as things are currently structured we cannot support it.

An Leas-Cheann Comhairle: I call Deputy Boyd Barrett. On which issue will he speak?

Deputy Richard Boyd Barrett: On the Order that was read out.

An Leas-Cheann Comhairle: We are dealing with Tuesday's business first.

Deputy Richard Boyd Barrett: This is to do with the entire Order, including Tuesday, and on foot of the discussion had at the Business Committee. I proposed to the Business Committee that if the dispute at Bus Éireann was not moving towards resolution there would be a full debate this week on Bus Éireann. At the time it was agreed by all, after a lengthy discussion that dominated the Business Committee, that it would be looked at again today. Topical issues were set aside for the debate but if the strike was not looking as if it was moving towards a resolution a substantial debate would be allowed for this week. This agreement should be followed through. I have just come from the picket line and the workers there are very determined

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in their view that the Houses of the Oireachtas, public representatives, the Government and the Minister, Deputy Ross, have to address this issue, which is affecting the whole country and, most clearly, those workers on the picket line. I ask that the Government and the others who were at the Business Committee follow through with that agreement and allow for a minimum two hour debate to address this issue of such national importance this week. I do not care whether it is today, Wednesday or Thursday, but this House has to debate that issue as agreed.

An Leas-Cheann Comhairle: I will deal initially with the first item raised by Deputy Micheál Martin. That is the Private Members' motion on the Defence Forces, which was pushed back to 8.25 p.m. Can the Whip respond to that?

Minister of State at the Department of the Taoiseach (Deputy Regina Doherty): The answer is "Yes" and "No". The timing of these debates is not my decision. It is our decision. We agreed this on Thursday. With respect, there was no dissent noted on Thursday.

Deputy Micheál Martin: A note was sent-----

Deputy Mattie McGrath: As a member of-----

Deputy Regina Doherty: It was not brought up on Thursday, so I could not do anything about it then.

Deputy Michael Moynihan: It was only brought into the Deputy yesterday morning. There was communication from the Business Committee yesterday morning to recommit the amendment Bill and that was the first notice we had of Fine Gael looking for time from our Private Members' business. We objected to it when it was brought to our attention.

Deputy Regina Doherty: It was my first time hearing about it.

Deputy Mary Lou McDonald: A Leas-Cheann Comhairle-----

An Leas-Cheann Comhairle: Does Deputy Mattie McGrath have a proposal to make?

Deputy Mattie McGrath: I was at the meeting too. We agreed on it. I understood that the committee rang yesterday. It rang me as Whip to change this and I understood that there was agreement.

Deputy Darragh O'Brien: There obviously was not, was there?

An Leas-Cheann Comhairle: There is not agreement now.

Deputy Brendan Howlin: A Leas-Cheann Comhairle-----

An Leas-Cheann Comhairle: I call Deputy Howlin.

Deputy Brendan Howlin: We are constantly making announcements on the notion of having a business committee. We cannot have this discussion here. Either we are going to abandon the notion of having a business committee-----

Deputy Mattie McGrath: Hear, hear.

Deputy Brendan Howlin: -----making the decisions on behalf of all of us, because there is no point in having a parallel debate-----

Deputy Micheál Martin: Did the Business Committee decide this yesterday?

Deputy Brendan Howlin: There should be another meeting of the Business Committee if what has been presented by Deputy Mattie McGrath is not what was agreed at the Business Committee-----

Deputy Micheál Martin: There was no meeting yesterday.

Deputy Brendan Howlin: Then there should be another meeting of the Business Committee.

Deputy Micheál Martin: There was no meeting yesterday.

Deputy Mary Lou McDonald: In case I missed something, is this a dispute over timing? What is in the difference?

Deputy Darragh O'Brien: Yes, but we raised it.

Deputy Regina Doherty: Half an hour.

Deputy Mary Lou McDonald: Half an hour. I thought I was hearing things.

Deputy Darragh O'Brien: We discussed that about 20 minutes ago.

Deputy Mary Lou McDonald: We are exhausting this time discussing a difference of half an hour - very productive.

Deputy Darragh O'Brien: The Irish Army is important to us.

An Leas-Cheann Comhairle: I realise what the Deputy is saying. There is another issue which I will deal with, which is the question of speaking time.

Deputy Micheál Martin: I dealt with two issues.

An Leas-Cheann Comhairle: We will deal with that.

Deputy Micheál Martin: Deputy McDonald clearly did not hear properly-----

An Leas-Cheann Comhairle: Speaking time-----

Deputy Micheál Martin: -----when she said she was hearing things because I mentioned the timing-----

An Leas-Cheann Comhairle: We will deal with one at a time-----

Deputy Mary Lou McDonald: Half an hour.

An Leas-Cheann Comhairle: -----and I will take Deputy Martin's next. I will ask the Taoiseach on-----

(Interruptions).

An Leas-Cheann Comhairle: Deputies-----

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Deputy Micheál Martin: On a point of order-----

The Taoiseach: I agree with Deputy Howlin. If there is going to be-----

An Leas-Cheann Comhairle: I doubt it was a point of order.

Deputy Micheál Martin: It relates to the capacity of the House to debate an industrial relations dispute. Has some protocol been established that the House cannot debate it? I ask for clarification.

(Interruptions).

An Leas-Cheann Comhairle: Let us take one at a time.

Deputy Richard Boyd Barrett: The issue I raised was discussed at the Business Committee at length-----

An Leas-Cheann Comhairle: We cannot take the three together. We are taking one at a time.

Deputy Richard Boyd Barrett: I am all for process.

The Taoiseach: There is little point in having a business committee to make decisions for the House if it is going to be changed every time it comes back in here.

Deputy Micheál Martin: Fine Gael has it changed every time.

The Taoiseach: Deputy Micheál Martin might be a little upset that the Private Members' time of his party was being pushed back by 25 minutes. This was agreed last Thursday and there was no problem. There is a problem now.

(Interruptions).

The Taoiseach: Nobody wants to take any-----

An Leas-Cheann Comhairle: The Taoiseach without interruption, please.

The Taoiseach: Nobody wants to take any time from the Fianna Fáil Party's Private Members' business. It is necessary for there to be a motion to deal with the Bail (Amendment) Bill, which is important legislation. The motion is necessary so that certain amendments can be taken on Committee Stage tomorrow. Let me make a suggestion. If the discussion on the Bail (Amendment) Bill is started on that motion, it can be adjourned at 8 p.m., and the Private Members' business of Fianna Fáil can be taken. If there is a requirement after that to continue discussion on the motion of the Bail (Amendment) Bill, it can be done afterwards. That will not discommode Fianna Fáil and it will still have its full time at the appointed hour. It would be better if the Whips had made the arrangements-----

An Leas-Cheann Comhairle: We have a proposal-----

Deputy Regina Doherty: Can I just correct-----

An Leas-Cheann Comhairle: -----from the Taoiseach.

Deputy Regina Doherty: To be fair, because the Taoiseach is not aware-----

An Leas-Cheann Comhairle: The Deputy and Taoiseach would better have their discussions-----

Deputy Regina Doherty: This was not discussed at the meeting last Thursday, so apologies to the Fianna Fáil Whip.

An Leas-Cheann Comhairle: The Taoiseach has made a proposal.

Deputy Regina Doherty: Apparently, it was discussed during phone conversations yesterday, which I did not know about, so apologies for misleading the Fianna Fáil Whip earlier.

An Leas-Cheann Comhairle: The Taoiseach has made a proposal. Is that agreed? Agreed. Deputy Martin raised the issue of time slots, and I presume that is one that must be discussed by the Business Committee.

Deputy Brendan Howlin: It has been discussed and a reform has been agreed.

(Interruptions).

An Leas-Cheann Comhairle: That will not be resolved today. I am sure Deputy Boyd Barrett is aware the Ceann Comhairle has combined three of the Topical Issues on Bus Éireann to accommodate 15 Deputies. Does the Government side or Deputy Mattie McGrath want to make any comment on the debate on Bus Éireann?

Deputy Mattie McGrath: I understood that we had agreed a protocol. I know that Deputy Boyd Barrett had to leave last week. I understood the Ceann Comhairle was firm on what we would do if the strike had not ended, or talks had not taken place.

Deputy Regina Doherty: Deputy Boyd Barrett is correct. Last week we agreed that we would allocate the entire Topical Issue debate to the issue today and that the Ceann Comhairle would make a decision. I understand from speaking to him this morning that he will make the decision as to whether we have a debate on Thursday morning. It is not off the agenda.

An Leas-Cheann Comhairle: We have three days. We are not going to do it today.

Deputy Richard Boyd Barrett: Just so we are clear, this was discussed at length. It was the issue that dominated the Business Committee, and the agreement was that we would definitely have Topical Issues allocated today, three of them completely. However, it was argued strongly that if the strike continued that would not be adequate. It was suggested last Thursday that we could not be certain whether the strike was moving towards resolution and if by Tuesday it was clear that it was not moving towards resolution, then there would be a full debate in the Dáil. That is what was agreed.

An Leas-Cheann Comhairle: I hear what the Deputy is saying.

Deputy Richard Boyd Barrett: Is there a commitment that is going to happen?

Deputy Mattie McGrath: It is for Topical Issues.

Deputy Richard Boyd Barrett: That is not what was agreed.

An Leas-Cheann Comhairle: The Business Committee should decide on this either this evening or tomorrow morning.

Deputy Regina Doherty: People keep looking towards me as if it is my decision to make. It is not. What we agreed on Thursday was that we would have Topical Issues today. The Ceann Comhairle made a ruling this morning that we will wait until Topical Issues today and he will then have a meeting. It is not up to me to decide that we are going to have a debate on Thursday morning. It is up to us to decide.

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

Deputy Richard Boyd Barrett: Sort of.

An Leas-Cheann Comhairle: Is the proposal for dealing with Thursday's business agreed? Agreed. We have 15 minutes left for questions on promised legislation. We should have short, snappy questions and answers to give everybody an opportunity.

Deputy Micheál Martin: On Private Members' business this evening, Deputy Lisa Chambers will raise the situation pertaining to our Defence Forces. I put it to the Taoiseach that, in the context of the programme for Government and its commitment to the Defence Forces that over the last number of years, he has presided over a continuing deterioration in morale in our Defence Forces, and also in capacity and capability. We are now down to about 9,000 personnel, which is about 500 below the agreed strength of 9,500. Army officer numbers have gone down 15%, Naval Service officers are down 7.5%, and Air Corps are down 13.5%. I have met with the representative bodies of the Defence Forces, and there is extreme concern about the Army's capacity, for example, to deal with a major incident or a major event in this country. It has been run into the ground, and there is a lack of status and policy prioritisation being attached to our Defence Forces. Morale is at an all time low. Can the Taoiseach indicate to me when he believes that the commitments in the programme for Government in respect of the Defence Forces can be realised?

The Taoiseach: There is a debate on this matter this evening. The previous Government spent almost three years putting together a detailed White Paper on the future of the Defence Forces. Their budget has increased again this year. I do not agree with Deputy Martin on the issue of morale. The programme for Government and the White Paper are being followed through and it is our intention to keep the Defence Forces as a priority item, as we always have done. There will be further elaboration by the Minister of State with responsibility for this area this evening but Fianna Fáil's Private Members' business calls for a reversal of elements of the White Paper, which would not be in the best interests of the Defence Forces.

Deputy Mary Lou McDonald: In the section of the programme for Government on creating a healthy Ireland, the Government commits to updating the national eye care plan, including an evaluation of the Sligo model for cataract surgery. Anyone who read the account of 87 year old Agnes O'Connor in *The Irish Times* this morning will have been outraged by the failure of the health system to treat her eye deterioration properly or speedily. Thousands of patients with eye problems are at risk of permanent sight loss because of the loss of resources available to the ophthalmology service. This has been described as a hidden scandal. Some 13,000 are waiting for treatment and 3,500 have been waiting for more than a year. The report on the review of primary eye services has been delayed by a year. Can the Taoiseach indicate when he expects the review to be published? Is he prepared to commit additional resources to tackle this scandal?

The Taoiseach: There has been an exceptional allocation of moneys for the health service this year, more than ever before at €14.5 billion.

Deputy Mattie McGrath: It goes into a black hole.

The Taoiseach: The priorities are set out by the HSE with a plan approved by the Minister for Health and eye treatment and services are part of that. It is unfortunate that waiting lists are as long as they are. I do not know the detail of the report to which Deputy McDonald referred but I will find out from the Minister if it has been completed and when it is to be published.

Deputy Brendan Howlin: In last year's budget, the Government promised that an affordable child care scheme would be introduced in September this year. At the time, my party said the approach was not ambitious enough and that is still our view but we regard the introduction of the scheme as the correct overall approach. When will we see the legislation to enable this to happen and is it still a firm commitment of Government that the scheme will be in place for September?

The Taoiseach: The time schedule is tight. We had pre-legislative scrutiny in February and there is further pre-legislative scrutiny tomorrow. The objective is to have it finalised and put through before the summer recess so that it can be effective in September, as we committed to do.

Deputy Richard Boyd Barrett: On page 144 of the programme for Government, under the heading "Promoting Fundamental Rights", it states:

We will promote fundamental rights, the rule of law... We will continue to protect and promote human rights... and to support the work of Human Rights Defenders.

This evening, the Halawa sisters, along with human rights organisations, will gather outside the Dáil because of the critical situation of Ibrahim, who went unconscious over the weekend because he is not accepting glucose injections. His life is literally on the line and human rights organisations such as Amnesty have pointed out that his continued imprisonment represents an inexcusable violation of international and Egyptian law. Given the commitment in the programme for Government, and the critical life-threatening situation of a young man who is the victim of a violation of basic human rights, what is the Government going to do to address this?

Deputy Darragh O'Brien: To back up Deputy Boyd Barrett, I was on a Dáil delegation in January along with Deputy Howlin and others to visit Ibrahim. I call on the Government to send the Minister for Foreign Affairs to Egypt on a humanitarian basis to seek his release. Our understanding from the independent medical examination is that his health has deteriorated gravely.

3 o'clock

The core objective of any Government and, in particular, the Department of Foreign Affairs and Trade, is to protect the welfare and safety of its citizens. I urge the Taoiseach to send the Minister for Foreign Affairs and Trade, Deputy Flanagan, and whoever else is required, to urge the Egyptian Government even to release Ibrahim Halawa on bail under house arrest. This young man has been on and off hunger strike since November. He is a decent young guy for whom I and others can personally vouch.

An Leas-Cheann Comhairle: I have to say-----

Deputy Darragh O'Brien: This situation cannot be allowed to continue.

An Leas-Cheann Comhairle: ----- it is not appropriate to the Order of Business.

Deputy Darragh O'Brien: I know, a Leas-Cheann Comhairle, but this is an exceptional circumstance. I ask for the Taoiseach's urgent intervention.

An Leas-Cheann Comhairle: If it is about promised legislation, the Taoiseach may answer.

Deputy Brendan Howlin: Amendments to the programme for Government.

The Taoiseach: In respect of the programme for Government and the legislation, I was concerned about some reports over the past fortnight. The Government made a decision to send an independent Irish medical doctor to Cairo to talk to and carry out a medical assessment on Ibrahim Halawa. That happened.

The Minister for Foreign Affairs and Trade has been to Cairo on three occasions already. He was to speak to the Egyptian Minister for Foreign Affairs, Mr. Shoukry, last week, but that meeting did not happen because he was held up in Washington on Middle East business. The Egyptian authorities were more than willing to assist in this matter.

While this might not be a normal intervention, it was done because of the comments in respect of Ibrahim Halawa's health. The Government arranged for an Irish doctor nominated by the chief medical officer to go to Cairo last week. He participated in a consular visit to Ibrahim Halawa at the Wadi el-Natrun prison on 29 March with the ambassador. He was there for four hours. They met Ibrahim Halawa for an hour and a half. The doctor observed a medical examination of Ibrahim Halawa carried out by an Egyptian doctor. It is not appropriate for me or any other Government spokesperson to reveal or comment on the details of Ibrahim Halawa's health condition. As the Deputy knows, these matters are private and confidential. However, I can say the Irish doctor, who is a GP, recommended that specialist medical evaluations take place and that Ibrahim Halawa be returned to Ireland for such assessments and on humanitarian grounds.

Last evening I sent another urgent letter to President el-Sisi on the basis that he be released on humanitarian grounds. The case is due to go to court tomorrow. The Egyptian President has been quite clear and very consistent all along that he can only use his presidential powers of pardon after a court case has actually taken place.

Deputy Bríd Smith: That is not true. People were released before the court case despite the same precedent.

Deputy Richard Boyd Barrett: His life is on the line now.

An Leas-Cheann Comhairle: We have had a question and an answer. I have been lenient.

The Taoiseach: We are very concerned about it and it is receiving the most urgent attention of any Irish citizen abroad.

An Leas-Cheann Comhairle: Is it not appropriate to the Order of Business. I call Deputy Danny Healy-Rae to ask something appropriate to the Order of Business.

Deputy Danny Healy-Rae: Housing was supposed to be a priority for this Government. The housing crisis is getting worse. More and more people have to leave their homes. The banks are selling them. Landlords are selling houses. Bureaucracy and red tape are still hold-

ing up the building of local authority housing. The four-stage process demanded by the Department of Housing, Planning, Community and Local Government is holding up local authorities and the building of houses. While they can opt for the one-stage process, in reality they cannot because if they opt for the one-stage process and any extra costs arise, the local authorities have to foot that bill. Therefore, they will not opt for that in the way that it was hoped to be operated.

The Government has announced millions and millions of euro several times and yet very little has been built. I suppose there will be more announcements of funding, but nothing built.

An Leas-Cheann Comhairle: A question on the Order of Business.

Deputy Danny Healy-Rae: What will the Government do about this? What will it do about the Irish banks that are so slow to lend to small builders and developers? Without funding they cannot build houses.

An Leas-Cheann Comhairle: On promised legislation, I call the Taoiseach.

The Taoiseach: That is not to do with legislation.

Deputy Danny Healy-Rae: Of course it is.

The Taoiseach: It is to do with the supply of housing. The Minister for Housing-----

Deputy Danny Healy-Rae: It was supposed to be a priority for the Government and if not, it should give up.

The Taoiseach: The Minister-----

Deputy Danny Healy-Rae: It is in the programme for Government; the Taoiseach knows more about it.

The Taoiseach: The Minister for Housing, Planning, Community and Local Government was clear on supply being the problem. Last week, when I met Deputy Healy-Rae in Firies in County Kerry, he was very complimentary of the work that is going on there and the employment that is taking place.

Deputy Mattie McGrath: Stop it.

Deputy Danny Healy-Rae: That was about a different thing.

The Taoiseach: While I am at it and while I am on my feet-----

Deputy Danny Healy-Rae: Answer the question I asked.

An Leas-Cheann Comhairle: I will move on if the Taoiseach is not listened to.

The Taoiseach: -----I tell Deputy Healy-Rae as a Kerryman that he should be very proud of the achievements of Colm “The Gooch” Cooper over the years. We wish him well in his retirement.

An Leas-Cheann Comhairle: Kerry should be very proud of their luck last Sunday too.

Deputy Danny Healy-Rae: That is very unfair of the Taoiseach. He has made no attempt whatsoever to answer the question he was asked.

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Deputy Mary Lou McDonald: Hear, hear.

An Leas-Cheann Comhairle: I will move on to Deputy David Cullinane. We will not say anything-----

Deputy Danny Healy-Rae: Pull out altogether-----

An Leas-Cheann Comhairle: We will not say anything about their luck last Sunday. I call Deputy David Cullinane.

Deputy David Cullinane: I have asked the Taoiseach on three occasions to confirm that there will be a commission of investigation into NAMA. On two of those occasions, he stated that he would await the publication of the report of the Committee of Public Accounts. It has been published. On the last occasion, he stated that he would wait until statements were heard in the Dáil. Statements were heard in the Dáil. The Taoiseach has run out of excuses. I now want to hear a clear and emphatic response from the Taoiseach that he will set up such a commission. While the Taoiseach is on his feet, will he also inform the Dáil when the Minister for Finance will come back to the House and use the opportunity to retract comments he made about members of the Committee of Public Accounts-----

An Leas-Cheann Comhairle: I call the Taoiseach to respond on promised legislation.

Deputy David Cullinane: -----and to deal with the threat which he apparently made to the Chairman of the committee that he would injunct a constitutional committee on the matter?

An Leas-Cheann Comhairle: There will be another opportunity to discuss that issue.

Deputy David Cullinane: Will the Taoiseach confirm first of all that there will be a committee of investigation?

An Leas-Cheann Comhairle: We cannot allow-----

Deputy David Cullinane: Will he also confirm that the Minister for Finance will apologise to all the members of the Committee of Public Accounts for his conduct?

An Leas-Cheann Comhairle: Deputy, please. There are other Members. I have been very lenient. This is on promised legislation, if the Taoiseach wishes to respond.

The Taoiseach: I received a letter from Deputy Micheál Martin and Deputy Gerry Adams to meet further about the decision in principle that we took to hold a commission of investigation into NAMA. I intend to honour those letters and have that meeting. I have pointed out that such a commission would be limited by jurisdiction and by virtue of some legal impediments, perhaps, to having all of the correspondence and paperwork it might wish to have. I have received two requests for meetings and I intend to honour them.

An Leas-Cheann Comhairle: The last question will be from Deputy Josepha Madigan. I will inform the Ceann Comhairle's office that Deputies Brady, Connolly, Nolan and Kenny will not have an opportunity today and ask that they be considered tomorrow.

Deputy Josepha Madigan: In Copenhagen in 2009, developed countries pledged €100 billion per annum by 2020 to help developing countries deal with climate change. This was also highlighted in Paris. The green climate fund is the delivery mechanism for much of this funding. In that regard, I am inquiring about the green climate fund Bill, which gives effect, as

we know, to the UN framework convention on climate change. Will the Taoiseach apprise me of the status of the Bill?

The Taoiseach: Preparatory work has been under way for some time on it. I will advise the Deputy of the up-to-date position.

Deputy Josepha Madigan: I thank the Taoiseach.

Topical Issue Matters

An Leas-Cheann Comhairle: I wish to advise the House of the following matters in respect of which notice has been given under Standing Order 29A and the name of the Member in each case: (1) Deputy Aindrias Moynihan - the progress of the new primary school for Ballincollig in 2017; (2) Deputies Pat The Cope Gallagher, Pearse Doherty and Niamh Smyth - the impact of the closure of Ulster Bank branches; (3) Deputy Michael D'Arcy - an affordable housing strategy for low to average earners; (4) Deputy Eamon Scanlon - the suitability and condition of Tubbercurry Garda station; (5) Deputy Eugene Murphy - the threatened closure of HSE care centres following the opening of the new centre at Boyle, County Roscommon; (6) Deputies Ruth Coppinger, Mick Barry, Paul Murphy, Robert Troy, Kevin O'Keefe, Michael Moynihan, Imelda Munster, Thomas P. Broughan, Dara Calleary, Bríd Smith, Richard Boyd Barrett, Gino Kenny, Donnchadh Ó Laoghaire and Billy Kelleher - the industrial relations dispute at Bus Éireann; (7) Deputy Pat Buckley - youth worker and counselling services in Rathangan; (8) Deputy Mattie McGrath - removal of the Clonmel to Dublin X7 bus route; (9) Deputy Jackie Cahill - the crisis in the greyhound industry; (10) Deputy Kate O'Connell - measles outbreaks in Europe and vaccination rates; (11) Deputies Timmy Dooley and Thomas Pringle - if the national broadband plan is meeting its target; (12) Deputies John Curran and Barry Cowen - property price increases; (13) Deputy Mick Wallace - a commission of investigation into NAMA's Project Eagle; and (14) Deputy Michael Fitzmaurice - mental health services in Ballaghaderreen.

The matters raised by Deputy Aindrias Moynihan and Deputies Ruth Coppinger, Mick Barry, Paul Murphy, Robert Troy, Kevin O'Keefe, Michael Moynihan, Imelda Munster, Thomas P. Broughan, Dara Calleary, Bríd Smith, Richard Boyd Barrett, Gino Kenny, Donnchadh Ó Laoghaire and Billy Kelleher have been selected for discussion.

Parental Leave (Amendment) Bill 2017: First Stage

Deputy Róisín Shortall: I move:

That leave be granted to introduce a Bill entitled an Act to amend the Parental Leave Act 1998 to extend unpaid parental leave from 18 weeks to 26 weeks; and to provide for related matters.

I seek leave to introduce the Parental Leave (Amendment) Bill 2017. We in the Social Democrats are committed to significantly extending both paid and unpaid parental leave in Ireland. The Bill deals with the extension of unpaid parental leave. It seeks to extend the rights of parents to parental leave from the current 18 weeks to 26 weeks. The Bill would mean that all parents with qualifying children would have an entitlement to six months' parental leave. The six month entitlement would also apply to those parents who have already exhausted their existing leave entitlement once they have qualifying children. In effect, such parents would receive

an additional eight weeks per child.

Parents in Ireland must rely on the European Union institutions rather than this country for parental leave rights because our current parental leave entitlements derive almost entirely from EU legislation. While member states are allowed to go further, Ireland has stuck to just above the bare minimum of leave set down by Directive 2010/18/EU. It is time we legislated for parental leave of our own volition, rather than being prompted to do so by the EU.

The Bill is primarily about work-life balance. Working parents lead very busy lives. For many, there is a constant struggle to do the best they can for their children while trying to hold down a job. For others, the cost of child care is so prohibitive that they forgo their employment because the cost of going to work outweighs their salary. While reducing child care costs is important in itself, another help to parents is extending parental leave. We must, therefore, go much further than the current provision.

Extending parental leave has many benefits for families, employers and society as a whole. It allows parents to hold on to their job while spending more time with their children. It is very much in the interests of young children that they have engagement with their parents from an early age and can make strong bonds with and enjoy sustained attachment to their parents. Various studies have shown that strong parental supports, including parental leave, improve female participation in the workforce. This leave also provides flexibility to parents. With no statutory entitlement to term time leave in Ireland, it can be used, with an employer's agreement, to cover term time.

By reducing demand for formal child care, extra parental leave can help reduce the cost pressures for everyone in this sector. There is no cost to the State and in most cases no net costs to employers. From an employer's point of view, parental leave can be critical in retaining key employees. It can help improve succession planning, reduce absenteeism and boost productivity. Parental leave also opens up opportunities in the workforce for people who are unemployed.

Ireland falls well behind other countries in terms of parental leave, both paid and unpaid. Parental leave is paid in a majority of other European Union countries and only six EU countries, apart from Ireland, do not allow for income replacement when taking parental leave. According to a recent European Commission staff working paper on this issue, the average duration of parental leave among member states is 86.9 weeks. The Bill would begin the process of bringing Ireland closer to European norms.

The Social Democrats are offering this Bill as a starting point. We are open to working with any Deputy who wants to contribute to the legislation and improve it in any way. We look forward to constructive engagement as the Bill progresses. While we would like to go much further in making provision for paid parental leave, Opposition parties are not in a position to do so under current rules. This is, however, an important starting point and we urge Deputies to support the Bill.

An Ceann Comhairle: Is the Bill opposed?

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

Question put and agreed to.

An Ceann Comhairle: Since this is a Private Members' Bill, Second Stage must, under

Standing Orders, be taken in Private Members' time.

Deputy Róisín Shortall: I move: "That the Bill be taken in Private Members' time."

Question put and agreed to.

Sale of Illicit Goods Bill 2017: First Stage

Deputy Declan Breathnach: I move:

That leave be granted to introduce a Bill entitled an Act to make it an offence to purchase illicit alcohol, illicit tobacco and illicit solid fuel; to make it an offence to purchase such goods from an unregistered or unlicensed retailer; to provide for the imposition of a penalty in respect of such offences; to provide for an on-the-spot fine in respect of such offences; and to provide for related matters.

Is mó an onóir domsa é mo chéad Bhille, an Bille um Dhíol Earraí Aindleatacha 2017, a chur ar aithne na Dála inniu. I thank Deputies Robert Troy and John Lahart and Retailers Against Smuggling for their input and help in preparing this legislation. The purpose of the Bill is to provide for the introduction of a series of new measures which are directed at tackling the trade in illegal alcohol, tobacco and solid fuel. One of the key measures proposed is to make it an offence for a person to buy illicit alcohol, tobacco or solid fuel. The Bill also makes it an offence for a person to buy alcohol, tobacco or solid fuel from an unregistered retailer. In addition, it introduces an on-the-spot fine of €100, which will be imposed where a person buys alcohol, tobacco or solid fuel which is illicit or from a retailer who is not registered or licensed.

Illicit trade in Ireland is estimated to have cost the Exchequer in excess of €2.4 billion in 2015. As I indicated, the Bill makes it an offence to purchase illicit alcohol, tobacco or solid fuel or to purchase alcohol, tobacco or solid fuel from an unregistered or unlicensed retailer. It provides for the imposition of a penalty and an on-the-spot fine in respect of such offences. A €100 fine would apply for the following amounts: up to one litre of spirits, and each additional litre or part thereof; up to 200 cigarettes, and each additional 200 cigarettes or part thereof; up to 150 g of rolling tobacco, and each additional 150 g or part thereof; and up to 10 kg of solid fuel, and each additional 10 kg or part thereof. The Bill contains 14 sections and is divided into five Parts, which I do not propose to discuss in detail at this stage.

Lower alcohol tax rates and excise duties in other jurisdictions fuel the smuggling of alcohol into Ireland. The production and distribution of counterfeit spirits is also common. A key driver for the illicit trade in tobacco products is the level of excise duty. Criminals are attracted to the high profitability of this market as taxation policies in Ireland have given rise to opportunities for illegal traders to make profits by not paying domestic rates of duty. From a demand perspective, increases in excise duties and taxes have driven up the final price of cigarette products, with the price of a pack of 20 cigarettes currently standing at almost €11. This has increased the demand for cheaper products supplied by the illicit market.

With regard to solid fuel, the introduction of the carbon tax in the Finance Act 2010 had the effect of increasing prices for fuel products throughout Ireland. This has given rise to a sharp increase in the growth of illicit trade in solid fuel products such as coal, peat briquettes and sod peat. Most of this activity involves cross-Border smuggling and the illegal import of solid fuel

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from Northern Ireland into the Republic of Ireland. The Bill provides a practical solution to the problem of trade in illicit goods.

Small shops are the lifeblood of local economies in towns and villages. In an increasingly homogenised world we need to preserve our small local businesses as their distinctive character is what makes each town and village unique. Locally owned businesses build strong communities and create more jobs in towns and villages. For this reason, we need to protect small shop owners and businesses by creating a deterrent to stop members of the public buying from illegal sources. The Bill makes it an offence to purchase such goods from an unregistered or unlicensed retailer and provides for the other offences I have outlined.

The effects of Brexit, including the significant weakening of sterling and concerns over possible customs and tariffs, will have a considerable knock-on impact on the level of illicit goods smuggled into Ireland. I recognise that Revenue officials and An Garda Síochána will need more resources to combat smuggling in the coming years because Brexit has created a political climate that is likely to make cross-Border smuggling more lucrative, with a fluctuating sterling and potential tariffs. The Bill ensures that a major gap in the legislation surrounding illicit trade is closed. We need to provide legislation in order that retailers and Revenue do not lose yet more money to criminals. Every time a product such as tobacco, alcohol and solid fuel is purchased from an illegal source, not a single cent goes to the State, while the criminals involved in illegal smuggling get richer and richer. I commend the Bill to the House.

An Ceann Comhairle: Is the Bill opposed?

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

Question put and agreed to.

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

Deputy Declan Breathnach: I move: "That the Bill be taken in Private Members' time."

Question put and agreed to.

Visit of Croatian Delegation

An Ceann Comhairle: Before proceeding with business, I wish on my behalf and on behalf of the Members of Dáil Éireann to offer a céad mile fáilte, a most sincere welcome to Her Excellency, Mrs. Kolinda Grabar-Kitarović, President of Croatia, who visits us during her State visit to Ireland. I express the hope that you will find your visit enjoyable, successful and to our mutual benefit.

Establishment of a Special Joint Committee on the Eighth Amendment of the Constitution: Motion

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

That, notwithstanding anything in Standing Orders—

(a) a Special Committee (hereinafter referred to as 'the Committee') is hereby ap-

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pointed, to be joined with a Special Committee to be appointed by Seanad Éireann, to form the Joint Committee on the Eighth Amendment of the Constitution to—

(i) consider the Citizens' Assembly report and recommendations on the Eighth Amendment of the Constitution; and

(ii) report to both Houses of the Oireachtas, in accordance with paragraph (i);

(b) the Citizens' Assembly shall, as soon as is practicable after it adopts its report, forward same to the Clerks of both Houses, who shall arrange for it to be laid before both Houses, whereupon the report shall stand referred to the Joint Committee;

(c) the Committee shall not exceed 16 members of Dáil Éireann as follows:

(i) five members appointed by the Government,

(ii) four members appointed by Fianna Fáil,

(iii) two members appointed by Sinn Féin, and

(iv) one member each appointed by the Labour Party, the Anti-Austerity Alliance—People Before Profit (AAA-PBP), Independents 4 Change, the Rural Independent Group, and the Social Democrats—Green Party Group;

(d) the Ceann Comhairle shall announce the names of the members appointed under paragraph (c) for the information of the Dáil on the first sitting day following their appointment;

(e) the quorum of the Joint Committee shall be eight, at least one of whom shall be a member of the Dáil, and one a member of the Seanad;

(f) the Joint Committee shall elect one of its members to be Chairman;

(g) the Joint Committee may meet in advance of receipt of the report from the Citizens' Assembly for the purposes of electing its Chairman and making practical preparations (such as agreeing its work programme and agreeing on the specialist or technical expertise required to assist it in its work): Provided that the Joint Committee shall not embark on its consideration of the recommendations of the Citizens' Assembly until the report has been referred to it under paragraph (b);

(h) the Joint Committee shall have the powers defined in Standing Order 85(1), (2), (3), (4), (5), (7), (8) and (9); and

(i) the Joint Committee shall report its conclusions and recommendations to both Houses of the Oireachtas within three months of its first public meeting.

Question put and agreed to.

Ceisteanna - Questions

EU Issues

1. **Deputy Gerry Adams** asked the Taoiseach when the last meeting of the Cabinet Committee on European Affairs was held; and when the next meeting is scheduled. [15227/17]

2. **Deputy Joan Burton** asked the Taoiseach if he will report on his attendance at the European Council in Rome on 26 March 2017. [15509/17]

3. **Deputy Micheál Martin** asked the Taoiseach if he will report on the commemoration ceremony for the Treaty of Rome; if he held any bilaterals at same; and the items that were discussed. [16399/17]

4. **Deputy Brendan Howlin** asked the Taoiseach when the Cabinet Committee on European Affairs last met; and when it will next meet. [16423/17]

5. **Deputy Brendan Howlin** asked the Taoiseach if he will report on his attendance and meetings at the event to mark the 60th Anniversary of the signing of the Treaty of Rome. [16729/17]

The Taoiseach: I propose to take Questions Nos. 1 to 5, inclusive, together.

The Cabinet Committee on EU Affairs last met on Wednesday 8 March, the day before the European Council meeting in Brussels. The date of the next meeting of the Cabinet committee has not yet been confirmed.

I attended the Rome Summit on 25 March, as well as an audience with Pope Francis in the Vatican the previous evening. On the morning of 25 March, the 27 EU Heads of State and Government met without the UK in the room where the Treaty of Rome had been signed in 1957. The event included speeches by the Italian hosts, the Maltese EU Presidency, and the presidents of the three EU Institutions. There were no interventions from other Heads of State or Government. We agreed to adopt and then formally signed the “Rome Declaration”. This short document highlights the important achievements of the EU over the past 60 years, the continuing importance of our shared values, and our commitment to addressing our future in a united and coherent way.

In discussions leading up to the event in Rome, and during informal conversations in the margins, I stressed that the EU, founded on the rule of law, democracy and human rights, has delivered peace and prosperity across the continent, and that this is best preserved and promoted through the Union.

I am pleased that, despite some differences, there was a strong sense of unity among EU leaders in Rome. I also highlighted the need to focus on our core values, and to co-operate in areas where we agree, and where Europe can add value such as completing the Single Market and supporting jobs through trade.

I had no scheduled bilateral meetings in Rome. However, I used the opportunity of the summit to engage with my EU counterparts and to reiterate Ireland’s concerns arising from Brexit, specifically around Northern Ireland and the peace process, the common travel area,

and our interwoven economies. The UK triggered Article 50 on Wednesday 29 March. Draft negotiating guidelines have since been circulated to member states, and I am pleased that these reflect Ireland's particular concerns, as, indeed, did Prime Minister May's letter to the European Council. The draft guidelines will be further discussed at senior official and ministerial level over the next few weeks, with a view to agreeing them at a meeting of the European Council on 29 April. We will continue our process of intensive engagement with member states and EU institutions during this period.

I have not met bilaterally with Chancellor Merkel since Article 50 was triggered. However, I will travel to Germany later this week, and am due to have a bilateral meeting with the Chancellor in Berlin on Thursday.

Deputy Mary Lou McDonald: The EU Council guidelines published last Friday reveal what I believe to have been a failure by the Government to stand up for Irish interests. Article 11 deals with the island of Ireland, the peace process and the North, and it is vague and conditional. It contracts starkly with Article 22, which deals with Spain and Gibraltar and gives a determining say to Spain on whether any trade deal beyond Brexit will apply to Gibraltar. After Britain leaves the EU, any future trade deal that cannot be agreed until after Brexit will need the agreement of all members states but Spain is positioning itself by suggesting that the trade deal might only apply to Gibraltar in a situation of joint sovereignty between it and the British. This has resulted in an outpouring of English jingoism not witnessed since the Brexit referendum campaign last summer. Last weekend, former Tory leader, Michael Howard, evoked the memory of Mrs. Thatcher and the possibility of war with Spain. *The Daily Telegraph* went so far as to rush off to analyse which state had the better navy. It would be almost funny if it were not so serious.

The Government must now act on the Dáil motion passed in February which calls for the North to be afforded special designated status within the EU. When will the Government publish its response to the EU guidelines? The Taoiseach has said that he will publish a White Paper or a consolidated paper outlining the Government's negotiating position before the end of the month. Can he be more definitive on when this paper will be published? Will he ensure that the House has the opportunity to fully debate the Government's position before the EU Council meeting on 29 April?

The Taoiseach: As has been the norm for many years, we always have an opportunity to discuss the agenda for Council meetings before they are held and for Deputies to make comments on them. The Government will publish a more detailed document before 29 April. I do not have the exact date now but I will come back to the Deputy with it.

I disagree with the Deputy that the document circulated by the EU in respect of the draft guidelines is a failure. The guidelines are not a failure. They include a very strong acknowledgement of our unique circumstances and special case, the need to protect the peace process and the Good Friday Agreement and our intention to maintain bilateral arrangements with the UK such as in respect of the common travel area. The draft guidelines will be circulated among the 27 member states. The priorities which we have outlined for some time are also referred to specifically in the letter from Prime Minister May to President Tusk of the Council. They are also referenced specifically in the European Parliament paper. The Parliament has to give approval to the negotiated document at the end of the day. From that point of view, chief negotiator Barnier, President Tusk of the Council, President Juncker of the Commission, Prime Minister May and the European Parliament all recognise Ireland's particular, special and unique

circumstances.

It is also fair to say that Gibraltar is a different case from Ireland. Ireland and Northern Ireland, the peace process and the common travel area are all guaranteed by the Irish and British Governments under the Good Friday Agreement and an international legally binding treaty registered with the United Nations. Gibraltar joined the EU with the UK and any change in the status of Gibraltar is a matter between the UK and the Kingdom of Spain. That is a clear position, which is different from what applies here where we have a peace process, a Border, an international legally binding agreement and where the priorities outlined by the Government are contained in the EU draft guidelines, the British Prime Minister's letter and the European Parliament paper. It has taken negotiation and contact on a regular basis to have people fully understand our special status, our unique circumstances and our particular problems.

Deputy Joan Burton: Is the Taoiseach disappointed over the outbreak of verbal hostilities in respect of Gibraltar? Everything he has been saying to us over the past number of months has been sweetly reassuring that he has managed to skate away from the difficulties of the UK leaving the EU after 44 years.

With respect to Mrs. May's letter triggering Article 50, was the Taoiseach disappointed that security issues were specifically tied into it? What implications does that have, in particular in the context of Northern Ireland and the fact that there is a significant British presence there?

The Taoiseach said that the response of the EU in the negotiating document is not a failure as regards Ireland. I can understand that what he has is a lot of soft assurances from different people and I am sure he feels a sense of achievement in gathering them but what will happen now? The Labour Party, Deputy Howlin and I have asked repeatedly whether there will be an all-island dimension to these negotiations because, as the Taoiseach well knows, there has been slippage in tourism, agriculture and agribusiness. We face one of the most difficult historical challenges the island of Ireland and the Republic of Ireland have faced since they came into being.

The Taoiseach: The British Prime Minister wrote in her letter that the United Kingdom does not want to do anything to harm Ireland. It is not a soft assurance. It is written as part of a formal letter never written before in triggering Article 50.

Deputy Micheál Martin: They might have voted differently so.

Deputy Mary Lou McDonald: It is a bit late.

Deputy Joan Burton: The road to hell is paved with good intentions.

Deputy Brendan Howlin: So long as it is Britain first.

The Taoiseach: She also makes points in respect of the Border, the peace process, the common travel area and priorities that have been identified between the Irish and British Government - between Dublin and Downing Street - for quite some time. These are not soft assurances at all. They are written, specific intentions from the British Prime Minister's point of view. That is correlated on the other side by the very clear statement from the European Council. The third element of that is the very clear statements from the European Parliament. The European Parliament should not be forgotten here because it has to give its consent to the outcome of the negotiations. Deputy Burton spoke of an all-Ireland dimension. Deputy Howlin, the leader of

Deputy Burton's party, spoke at both civic forums on an all-island basis and made a valuable contribution, as did many of the other party leaders. There is no Executive at the moment in Northern Ireland. I hope that can come together very quickly so that common objectives and the voice of the North can be heard at these discussions. The opportunity for all-island solutions in respect of water, energy and animal health are all possible. We have a specific set of unique circumstances that apply in the case of Ireland. Deputy Burton also talked about slippage. Unemployment today is at 6.4%, which is down from 15.2% when Deputy Burton and the former Minister, Deputy Howlin, took up duty in the previous Government. It is an extraordinary change in a few short years. There have never been more opportunities in so many ways for creating employment. Brexit is a challenge. It contains uncertainties but these are all matters for us to negotiate hard on. As I have often said, we have prepared assiduously in so many ways with long-term low interest, by hedging forward and with extra trade missions and support for small companies exporting out of here. We will treat this as a very serious matter in respect of the protection of our economy and our citizens' jobs.

Deputy Micheál Martin: I am conscious there is a further debate on Brexit later today and tomorrow during which we can address in more detail the events of the past ten days. Some of the points raised during the Treaty of Rome commemorations deserve comment. In both the United Kingdom's notification and the draft negotiating position, it is fair to say that certain of Ireland's concerns are addressed. It is welcome that no one appears to be in favour of a hard Border but everything else is up for negotiation. We have not really had a definition or fleshing out of what people mean by a hard Border versus any other kind of border. One major point of concern is the failure of the United Kingdom Government to propose any provisions which might be specific to devolved governments. Not only is special status for Northern Ireland not proposed, it appears to be explicitly ruled out. It is looking at a pan-British approach to the relationship with the European Union. Crucially it omits to mention that 1.8 million people in Northern Ireland will retain the right to European Union citizenship irrespective of the settlement. There are a series of issues that we would like to see addressed in more detail in the European Union's negotiating document. The most important is that it must acknowledge the unique position of Northern Ireland and its citizens. Will the Taoiseach commit to seeking an acknowledgement of the EU citizenship of residents of Northern Ireland post-2019 in the EU's negotiating document? It is a simple question. I would appreciate a direct answer to it.

The Taoiseach: When people voted for this in 1998, they voted on the basis of an expectation of the continuation of European Union rights. That applies from the referendum North and South. It is something we want to protect and which will be protected. I want to see in the negotiated outcome the language of the portion of the Good Friday Agreement relevant to the future opportunity that may present itself in Northern Ireland. As the visionaries of the Good Friday Agreement foresaw, there may be a time when the people vote to have a united Ireland. The language of the Good Friday Agreement that allows for that should be included as part of the negotiated outcome so in that eventuality, Northern Ireland would not then be asked to trigger Article 49 to rejoin the European Union. It would be allowed to do so in a seamless transition in the same way as East Germany was able to form the federal republic with West Germany when the Berlin Wall came down. It is important. For those who drafted the Good Friday Agreement, it was quite a visionary thing to put in because that time may come. It will be important that the negotiations include that language as the continuation of the vision and foresight of those who drafted the Good Friday Agreement in the first place.

Deputy Brendan Howlin: By way of clarification, the Taoiseach said the Government will

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publish a detailed list of actions. Will that be a Government White Paper on Brexit? By when will it be published?

The Taoiseach: I said before 29 April. I will give the Deputy the date.

Deputy Brendan Howlin: Will it be a White Paper?

The Taoiseach: I am not sure what colour it will be but it will be a far more detailed document than anything we have published to date.

Deputy Brendan Howlin: Did the Taoiseach have sight in advance of the document that was published by President Tusk? Does the Taoiseach agree with the Spanish position on Gibraltar that Spain will not agree to a free trade agreement with the UK that covers Gibraltar? Has the Taoiseach discussed that with Prime Minister Rajoy or with the Chief Minister of Gibraltar? Does the Taoiseach see that conditionality having any implications for Ireland?

The Taoiseach: I did not see the drafting of the document from the Tusk point of view but we had quite a deal of discussion about it at COREPER diplomatic level, senior official level and so on. Ireland had a direct input into the section of the Tusk paper that refers to our priorities in respect of Northern Ireland and the special and unique circumstances that apply there. When I was in Spain last November and had a meeting with Prime Minister Rajoy, we discussed the difference that applies in the case of Northern Ireland versus Catalonia and Gibraltar. Northern Ireland is a special case with particular circumstances and a unique situation governed by an internationally legally binding agreement. Last week when I was in Malta, I had a meeting with Prime Minister Rajoy. We agreed that any change in the status of Gibraltar would be a matter for the Spanish Government, the Kingdom of Spain and the United Kingdom. It is a separate matter from the-----

Deputy Brendan Howlin: What about the active Spanish veto over trade agreements?

The Taoiseach: We did not discuss any veto. I understand and accept that any change in the status of Gibraltar is a matter for bilateral discussion between the United Kingdom and the Kingdom of Spain. If the Spanish Government goes beyond that in its views, it is a matter for the Government. Any change in the status, from our point of view, is a matter bilaterally between Spain and the United Kingdom. That differentiates just how unique the particular circumstances are that apply here in the case of Northern Ireland, the peace process, the common travel area and so on. The Spanish understand that very clearly. We have a very clear understanding of the position in so far as Gibraltar is concerned.

Cabinet Committee Meetings

6. **Deputy Gerry Adams** asked the Taoiseach when the next meeting of the Cabinet committee on economy, trade and jobs will be held. [15403/17]

7. **Deputy Joan Burton** asked the Taoiseach when the Cabinet committee on economy, trade and jobs last met. [15510/17]

The Taoiseach: I propose to take Questions Nos. 6 and 7 together.

The Cabinet Committee on the economy, trade and jobs last met on 27 February this year.

The next Cabinet committee on economy, trade and jobs is scheduled to take place next Monday morning.

Deputy Mary Lou McDonald: By the way, I do not accept the Taoiseach's logic regarding Ireland, the North and his points on Gibraltar. They are different situations, but I still regard-----

The Taoiseach: They are different.

Deputy Mary Lou McDonald: I am well aware of that-----

Deputy Micheál Martin: Was there any discussion about Rockall?

The Taoiseach: I did not expect-----

Deputy Mary Lou McDonald: -----but that does not in any way relieve the Taoiseach-----

The Taoiseach: -----that the Deputy would accept it.

Deputy Mary Lou McDonald: No, I accept it. Of course I know that Gibraltar, the North and the Irish situation are different. For goodness sake, talk about a statement of the obvious. The Taoiseach cannot be relieved in the way that he has sought of the responsibility that he carries to attain maximum negotiating leverage in respect of the rights and interests of all of Ireland, including the North.

An Ceann Comhairle: Deputy, we have moved on to Question No. 6.

Deputy Mary Lou McDonald: I do not believe that the Taoiseach has arrived at that position.

The Taoiseach: I accept that, Deputy McDonald. Of course.

Deputy Mary Lou McDonald: We will debate that again, I am sure.

The Taoiseach: Do not try to divert the argument. I accept that completely.

Deputy Mary Lou McDonald: I am not diverting anything.

Deputy Brendan Howlin: We will have a full debate.

The Taoiseach: Then what is Deputy McDonald saying?

Deputy Mary Lou McDonald: I am responding to the gibberish that I had to endure for the past couple of minutes.

The Taoiseach: What is the Deputy saying?

Deputy Mary Lou McDonald: If we cannot agree on much else, we all accept that Brexit is a major threat to the economies on this island. A weekend report in *The Sunday Business Post* claimed that the Government was afraid that Irish companies would relocate to Britain to avoid tariffs and currency risks. It also claimed to have received a series of internal Government documents under freedom of information request that showed the breadth of the Government's concerns across a range of sectors, including fishing, research, forestry and agrifood. Apparently, one of the documents revealed the Government's concern about the possibility that, post Brexit, Britain would be in a better position to attract foreign direct investment. Is that true?

The Department of Agriculture, Food and the Marine's briefing notes warn that this State faces "a very uncertain situation related to the management and sharing of a large number of different fish stocks". The British fishing industry wants to exclude all foreign boats, including Irish ones, from its fisheries zone after Brexit. That will directly impact on at least 36% of fish caught by this State's fishing fleet. What measures is the Taoiseach proposing to protect our fishing industry? I will leave it at that because time is against me.

The Taoiseach: I would like it if Deputy McDonald was a little clearer on what it was that she was saying. I accept my responsibilities as Taoiseach in terms of the negotiating mandate and requirement that we have here, and that is why I have kept the Opposition party leaders fully briefed on the preparations for Brexit in that regard.

It is true, and I agree with the Deputy, that we have never been down this road before. Nobody has moved Article 50. Nobody has left the European Union. This is going to have an impact, not just nationally or internationally, but also globally, and it will have an impact on the economies of the island of Ireland. That is why it is very important that the Deputy's own party would work with the other parties in the North and put together the Executive, which will speak for the economic aspects and the businesses and the trade unions and the workers in Northern Ireland.

Yes, I think it is probably true that, over the last number of years, there have been Irish firms that set up subsidiaries or relocated some of their enterprises in Britain long before Brexit ever came. It is also true that, in respect of the interest being expressed in Ireland from financial houses, banks or sectors of them, they are very interested in relocating to Ireland. Many have multiple units at the moment. They will want to continue to be part of the Single Market. They have the second highest busiest route in the world, with connectivity, English language speakers and access to a churn of young talent, which is very important in terms of the products and services that are going to be provided in the future. Clearly, we have lost €500 million in value terms, because of currency fluctuations, in the drinks and food industry, and Enterprise Ireland has been very conscious of this.

Fish stocks will probably be one of the most complicated arguments of all. The Common Fisheries Policy is not something that can be unravelled in individual segments because it has been a traded business over very many years when some countries had no real interest in their fisheries potential, including ourselves, I have to say. While it might be very much in Britain's interests that Brexit would suit it, in that a majority of the quota is caught in British waters, clearly there will be some very complicated negotiations to be held about the fisheries industry and fishery stocks in the time ahead.

Deputy Joan Burton: Clearly, agriculture has suffered some difficulties in the context of an approaching Brexit. This applies in some areas of agribusiness, most notably the mushroom trade, which was partly brought on by changes in the value of sterling. There are other issues, not just with fishing, but also tourism. For the first time in a long while, tourism figures have fallen somewhat, although hopefully not much more. Much of this relates to changes in the value of sterling, with people who have been planning a break in, for example, County Donegal finding that their pound sterling does not go as far.

I am asked a certain question all of the time. I am sure that other Members are as well. What, if anything, is the Government doing to help businesses in agriculture, tourism and so on? I have read everything from Enterprise Ireland and the IDA and I know that the Taoiseach

and Ministers have run a series of conferences, but the Taoiseach just pointed to a key issue. Notwithstanding his acknowledgement that certain areas face difficulties, he referred to Ireland potentially attracting new banking jobs to Dublin, for example, but that is exactly what the crisis is going to be about. Jobs are leaving rural Ireland and tourism areas on the west coast, including in the north west, are facing falls. Those who work in the west and the rest of rural Ireland in fishing, farming, agribusiness, mushrooms in Monaghan or elsewhere will not get those banking jobs in Dublin or Cork city. That is where the disconnect lies. The Taoiseach does not seem to be tied into it.

An Ceann Comhairle: The Deputy needs to conclude. Time is up.

Deputy Joan Burton: What does the Taoiseach propose to do for such businesses, which are facing difficulties? Has the Cabinet sub-committee ever considered this matter?

The Taoiseach: The first thing that I would say to Deputy Burton is that tourism has enormous potential. The Wild Atlantic Way is a concept that has caught on. The lakelands and the midlands districts are seeing a huge surge of interest from abroad, as is Ireland's Ancient East. The Norwegian decision to fly from Cork, Shannon, Belfast and Dublin will do for long haul what Ryanair did for short haul. I expect seriously increased numbers to come in. Clearly, Ireland is seen as a very attractive location from a hospitality point of view.

As the Deputy knows, on the broader scene we are making a joint bid for the rugby world cup for 2023. Advance preparation is very much in train there. The British Open will be coming here in 2019. The Irish Open will for one in three years go to Northern Ireland. The opportunities for the hospitality sector are very strong. It should be remembered that the Minister for Finance reduced the VAT rate during the Deputy's own time in Government, from 13.5% to 9%. That is oftentimes forgotten, but not only did it sustain the industry, it created between 35,000 and 50,000 new jobs.

Unemployment is at 6.4% today. This is almost full employment, as the Deputy recognises. That trend was in the downward direction when both she and Deputy Howlin were in the previous Government. I see Microsoft and Indeed here in Dublin, NGINX in Cork, Allergan in Westport, multiple announcements of jobs in the Limerick area, and the advance factories in Sligo, Athlone, Castlebar and Tralee being completed and seriously investigated in terms of employment opportunities. These are opportunities here for foreign directive investment. That line of investment continues to be strong. When I was in the United States recently I came across many people interested in following through either on initial assessments or existing investments here. When I was in Davos earlier in the year with the Minister for Finance we met 20 chief executives, many of whom are looking seriously at Ireland in terms of investment. On the other hand, we have given Enterprise Ireland additional resources, staff and facilities to help small and medium enterprises to export. There were 100 trade missions abroad this year. We can sell far more in the eurozone, the Nordic countries and beyond. These are opportunities in respect of which we are working hard with the ministries for trade and diplomatic services. Everybody now has a role in selling the brand image of Ireland because of the integrity and quality of what we produce.

An Ceann Comhairle: I will allow a quick supplementary question from Deputies Micheál Martin, Brendan Howlin and Seán Haughey.

Deputy Micheál Martin: The overriding priority in terms of Brexit is trade. It is the issue

that will determine the degree of damage that will be done to the island of Ireland as a result of Brexit. In other words, if a bespoke deal is done with Britain, which maintains, in essence, the Single Market that we currently enjoy, then significant progress may be made in damage limitation in terms of Brexit. In that context, has the Cabinet Committee on the Economy, Trade and Jobs commissioned or produced a position paper or analysis on the impact on trade of a hard Brexit and has it undertaken a sector by sector analysis in terms of the impact of the British decision to leave the European Union? We have some idea of the likely impact on the agrifood sector. The Taoiseach referenced fishing rights in terms of our capacity to fish our quota, a significant amount of which currently takes place in British waters. It seems to me that we cannot take our eye off the ball in terms of trade. I know the European Union will be doing the bulk of the negotiations but surely at this stage there must be a sector by sector analysis by the Cabinet Committee on the Economy, Trade and Jobs and the Department of Jobs, Enterprise and Innovation with a view to our having an idea as to the potential impact of Brexit on trade. Can the Taoiseach confirm whether work has been undertaken on such a paper and, if so, will he commit to publishing it?

Deputy Brendan Howlin: I want to follow-up on the regional impact, which is really important. The analysis suggests that Dublin might do all right out of all of this but there will be regions that will be enormously adversely hit, particularly the midlands and the south east. That is what the ESRI has told us and the Taoiseach directly. We need to be working right now on an export strategy that improves our direct links to the Continent from the island of Ireland. This will require us to have a ports strategy. I am aware of all of the arguments in regard to State subvention to develop ports such as the Rosslare Europort. We need to have a policy platform that will ensure that we greatly improve our direct links. Is the Taoiseach working on such a ports plan? What specifically does he have in mind for Rosslare Europort? The Taoiseach will recall that the Indecon plan referenced a different governance structure for it. Will that be part of the plan?

Deputy Seán Haughey: On the economy, trade and jobs, Dublin City Council is currently finalising reports on Brexit. The indications are that Dublin will not be Brexit ready. The view is that we will not be able to cater for the opportunities for Dublin in terms of financial services and so forth because of a lack of investment in housing, infrastructure, transport and so on and that economic growth will cause problems for Dublin in that we will not be able to meet the capacity. I hope Government Ministers are conscious of those reports. There are small opportunities arising out of Brexit. However, Dublin City Council has produced reports which suggest that we need a lot of investment to ensure we can harness those opportunities.

The Taoiseach: Deputy Haughey's last comment is true. Following on from the collapse of the construction sector during the recession 100,000 jobs were lost and construction came to a stand-still. We are starting from a low base to catch up on that curve. There is €42 billion on the table in terms of the capital programme for the next number of years. The scale of what is to be provided from an infrastructure point of view is exceptionally challenging. Currently, there is approximately 3.5 million sq. ft. of commercial space under development and a further 1 million sq. ft. under refurbishment. As the Deputy will be aware, work in respect of the cross-city Luas project is ongoing, as is work on connecting bridges and extension of the DART line. These are infrastructural issues that are challenging. We also need to address the supply of housing, which is very much on the rear foot, particularly in the social area, and the Government is addressing this as a matter of priority.

We have set out the strategy. There are 14 different sectors being analysed by the Depart-

ment. As has been said, we want to increase our indigenous exports, including food, to €26 billion by 2020, which is a 26% increase on the figure for 2015. We also want to generate 30,000 more jobs in tourism by 2020 and €5 billion in overseas tourism revenues by 2025, all of which is challenging but achievable. We want to secure 900 new foreign direct investments between now and 2019 and to increase our international-----

Deputy Micheál Martin: That is a separate matter. My question was about the impact of Brexit.

The Taoiseach: Yes. We have sectoral analyses under way. All of the different options have been examined. We want to increase our student numbers to 176,500 by the academic year 2019-20 and to intensify and diversify 80% of indigenous export growth to 2020 to be outside of the UK market and to maintain exports of at least €7.5 billion to the UK. These are the issues on which we are following through.

In response to Deputy Martin's question, all of the options have been examined. The Deputy is correct that trade is the issue. In regard to the negotiations that are to take place the nature of the trading relationship is still not clear. The document from President Tusk is going through the 27 and will be signed off on, hopefully, on 29 April. The document sets out the ground work and foundations of what will happen. This goes back to the issue of full membership of the Customs Union, partial membership of the Customs Union, no deal and the consequences of that for tariffs, as pointed out by the Deputy. In terms of where we are now, the letter triggering Article 50 has been put in place; an initial response has been issued by the European Union and the foundation document on the discussions and negotiations that will take place has been issued. It remains to be seen what the eventual outcome will be.

We launched the new trade, tourism and investment strategy entitled, Ireland Connected: Trading and Investing in a Dynamic World. We have also made it clear that 135,000 of the 200,000 to be created by 2020 will be outside the Dublin region. In regard to Deputy Haughey's point that Dublin is not ready for Brexit, I know there will be serious investment here by the different financial sectors but it will not all happen in 18 months. A bank deciding to locate here will have to go through a regulatory process in regard to licensing and so on. The Minister for Finance has made arrangements for the European Central Bank to provide expert personnel if that is needed.

In regard to the ports issue raised by Deputy Howlin, the Minister has already pointed out that following the opening of the European Investment Bank office in Dublin there are opportunities here for major pieces of infrastructure and there will be an income stream to deal with those loans. Again, much depends on the trading relationship and whether tariffs will apply at ports because that could change the economic model of the port to be involved. Rosslare is a case in point.

Deputy Brendan Howlin: We need to be planning for that now.

The Taoiseach: Yes. That is the reason the office was opened in its current location. These matters are under active consideration. The foundation document should be signed off on 29 April. We will then move on from there. The Minister of State, Deputy Eoghan Murphy, is very active all over Europe with the financial houses in promoting Ireland as the best country in the world in which to invest.

4 o'clock

EU Meetings

8. Deputy Gerry Adams asked the Taoiseach his plans for bilateral meetings with other Heads of State or Government in the period up to the end of June 2017. [15404/17]

The Taoiseach: I will meet the President of the Republic of Croatia, Kolinda Grabar-Kitarović, later this afternoon as part of her three-day state visit to Ireland. On Thursday, I will travel to Berlin to meet the German Chancellor, Angela Merkel. I will use the opportunity to participate in trade promotion events in Frankfurt and Berlin. On 29 April, I will attend the European Council meeting of 27 member states in Brussels, which will focus on the guidelines for the Article 50 negotiations on the UK's departure from the EU. As is usually the case, there will be opportunities for bilateral discussions with my EU counterparts on the margins of that meeting. These meetings and discussions are part of the Government's ongoing programme of engaging with the other 26 member states with a view to ensuring there is a good understanding of our unique concerns and particular priorities arising from the UK's decision to leave the EU. They will also allow for discussion of broader EU issues, including the Rome agenda for the future of Europe. Dates for possible meetings with other EU Heads of Government are being explored. In that regard, I have arranged a meeting with Prime Minister Rutte of the Netherlands and Prime Minister Rasmussen. I think it will take place on 24 April next.

Deputy Brendan Howlin: There is no rush out the door.

Deputy Eugene Murphy: He is not going anywhere.

The Taoiseach: These are the three countries that are most affected by Brexit. Confirmation of the meeting, which is not mentioned in the written reply, came through yesterday.

Deputy Mary Lou McDonald: The question asked the Taoiseach to outline his plans up to the end of June 2017.

The Taoiseach: Yes.

Deputy Mary Lou McDonald: He might like to take this opportunity to illuminate us further on whether he will be Taoiseach at that stage.

We discussed earlier the Council meeting of 29 April at which guidelines will be agreed. The Taoiseach and the Government have four weeks in which to speak to our EU partners. I believe it is necessary to amend the existing paragraph 11 guideline we discussed earlier. It is currently cast in a vague and unsatisfactory manner. We now need an assertive, clear and decisive position. Would the Taoiseach be prepared to propose an amendment to paragraph 11? Would he be prepared to discuss a possible amendment to paragraph 11 with the rest of us? Given that the Easter recess will begin at the end of next week, will the Government agree to hold a debate on these EU guidelines next week?

Deputy Micheál Martin: Recent references to Gibraltar have shown that Ireland is not the only country that is lobbying on the various issues at bilateral meetings. Our perspective from the outset of this process has been that the programme of top-level bilateral meetings does not seem to have been near what we would have expected. We felt that a tour like the tour of

capitals that takes place before a country takes on the Presidency of the EU should have taken place to enable the Taoiseach to meet Prime Ministers across Europe in advance of the Brexit situation. That has not happened. I do not have the exact figure, but my understanding is that half of member states have yet to be visited to the requisite standard. This is unquestionably the most important issue in a generation. The trips that are made by various Ministers of State do not tend to get noticed above the radar to the same extent as the visit of a Prime Minister.

Deputy Brendan Howlin: The Minister of State, Deputy Murphy, is doing his best.

Deputy Michael Noonan: He always does.

The Taoiseach: He is all over Europe.

Deputy Micheál Martin: Some Ministers of State might be noticed more than others. I will put it that way. I will not elaborate on which Murphy I am talking about.

The Taoiseach: There are two Murphys.

Deputy Micheál Martin: Will the Taoiseach tell us whether it is intended that every member state will receive a visit at Head of Government level before the most complex issues concerning Ireland arise? My second point relates to staffing. Last week, I asked the Taoiseach about the plans to address the clear lack of staff in key parts of our diplomatic service. In my view, the staffing level is not where it should be, given what is now required in terms of both British-Irish and European-Irish relations. We do not have enough people on the ground.

The Taoiseach: I think quality is more important than numbers in terms of staff. If we need to draft in extra people with specialist knowledge, we have the imprimatur of the House and we will do that. The three most affected countries here are Denmark, the Netherlands and Ireland. I am meeting the other two Heads of Government later this month. Prime Minister Rutte has to put together a Government following the recent Dutch general election. I had a meeting with Prime Minister Rajoy. I am meeting Chancellor Merkel this week. My intention is to get around to them all. I meet them at European Council meetings. I have met them twice in Malta in recent times. I intend to get around to them all to consult with them directly. They know about Ireland's position, as reflected in the European Parliament and indeed in the British Prime Minister's letter triggering Article 50. It received unanimous support in the European Council.

Deputy Mary Lou McDonald: What about the amendment to paragraph 11?

The Taoiseach: Every time I see the two Murphys, they have been all over Europe.

Deputy Mary Lou McDonald: Never mind the two Murphys.

The Taoiseach: The Ministers of State from Cork and Dublin are fighting the case for Ireland vigorously.

Deputy Mary Lou McDonald: I also asked about the amendment to paragraph 11.

The Taoiseach: The Deputy is free to make any sort of proposition she wants to.

Deputy Mary Lou McDonald: I asked whether the Taoiseach is open to amending paragraph 11.

The Taoiseach: I am open to hearing everybody's contribution and everybody's recommen-

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dation. We set out to have our priorities enshrined in the British document and the European Parliament document. They are referenced very clearly in both documents.

Deputy Mary Lou McDonald: The European Parliament resolution is much better. We agree on that point.

The Taoiseach: They are specifically referenced in the document produced by the European Council, which is the deciding body at the end of the day, as the Deputy knows.

Deputy Mary Lou McDonald: I know.

Priority Questions

Insurance Costs

35. **Deputy Michael McGrath** asked the Minister for Finance the status of the second phase of the cost of insurance working group, with particular regard to the increasing cost of insurance for businesses; and if he will make a statement on the matter. [16512/17]

Deputy Michael McGrath: There has rightly been a significant focus on motor insurance in recent times, but there has been less of a focus on business insurance, which is the subject of this question. I am asking about employer liability insurance and public liability insurance, in particular, because businesses across the country are facing an insurance crisis. The cost of some premiums has increased by 30%, 40% or 50%. Unfortunately, it is not uncommon for premiums to double. This is a huge issue across the country.

Minister of State at the Department of Finance (Deputy Eoghan Murphy): The working group on the cost of insurance, having published a report on the cost of motor insurance in January, has now commenced the second phase of its work, which involves addressing the cost of insurance for businesses, specifically employer liability and public liability insurance. As Minister of State at the Department of Finance, I chair the working group, which comprises representatives from the Departments of Finance, Jobs, Enterprise and Innovation and Justice and Equality, as well as the Central Bank of Ireland, the State Claims Agency and the Personal Injuries Assessment Board. The working group intends to build on the work done in the previous phase as it relates to public liability and employer liability claims. It will examine personal injury data and information, the effect of legal costs and litigation processes on insurance costs, current claims compensation arrangements and the cost of claims, and the impact of unlawful activity on the insurance sector. The working group is considering the impact of the cost of insurance on the competitiveness of particular businesses, the impact of health and safety issues on the cost of insurance and other related market issues it identifies.

The working group held its first meeting on 26 January 2017 and met five times so far this year. During this time, it has held extensive consultations with a range of stakeholders, including the Irish Business and Employers Confederation, the Irish Small and Medium Enterprises Association, the Vintners Federation of Ireland, the Licensed Vintners Association, the Retail Grocery Dairy and Allied Trades Association, the Hotels Federation of Ireland and Chambers Ireland. Further consultations are planned. Submissions have been invited from interested parties. Like it did during the first phase of its work, the working group will make recommendations based on its consultations and research. Lead owners will be tasked with the execution

of the actions required to implement those recommendations. It is anticipated at this stage that the second phase recommendations will take the form of an addendum to the existing report, as many of them will build on the recommendations in the report on the cost of motor insurance.

Deputy Michael McGrath: I thank the Minister of State. As I said in my introductory remarks, the cost of business insurance is causing a real crisis around the country. I have a list of examples. A hotel in rural Ireland has seen its insurance costs increase from €22,000 to €40,000. A small pub that serves food has been quoted €45,000 for insurance. An issue seems to have arisen with litigation-based insurance, such as employer liability and public liability insurance, because of the lack of predictability and the inconsistency in court awards. In some cases, businesses are taking the risk of not having any insurance at all. They are being forced to take that crazy risk so that they can stay in business. I need to see a sense of urgency in tackling this issue. We will hold the Government to account on the implementation of the good report that has been produced on the motor insurance issue. We urgently need a similar body of work.

There is some commonality around the injuries board, awards and so on. I ask the Minister of State to understand the urgency and gravity of the situation, which has already closed the doors of many businesses around the country.

Deputy Eoghan Murphy: I thank the Deputy. I understand the urgency of the issue because of the engagements we have had with businesses. For example, the hospitality sector is taking a very big hit when it comes to increases in insurance premiums. It has tried to control this risk by shutting down particular parts of businesses, such as nightclubs or the hosting of weddings. However, such services are part of the viability of businesses in the first place, therefore they cannot portion out that part of their business.

The work we have done to date has identified particular problems, to which the Deputy alluded, regarding certain businesses taking on higher excesses which is difficult for them in terms of managing their bottom line. Self-insurance is on the increase. Businesses involved in self-insuring could be putting their entire business at risk if they encounter a problem in the future against which they had not provisioned. It is a worrying trend.

We are also considering the role brokers might be able to play and expanding the terms of reference to include that. Fraud is also important. We are receiving very good information from businesses on how fraud is affecting their businesses.

We need to examine issues in order to bring greater consistency to this area, such as the personal injuries commission that has been set up already and is working, strengthening the PIAB and in the second quarter of this year, the changes to the legislation on that. Pre-action protocols can help to bring consistency to the awards process.

Deputy Michael McGrath: The Minister of State is correct in identifying the hospitality sector and businesses in the services sector generally, such as pubs, hotels, nightclubs and anywhere there is public footfall, as being where the issue is most acute, given the uncertainty and inconsistency around the level of awards. The matter has to be dealt with.

The quality of cover is diminishing and the issue of excess is becoming more significant. In one case, the excess is €10,000 for each claim in respect of employer and public liability. Brokers are keeping the show on the road, and many are going to extraordinary lengths to represent their clients and get the best deal they possibly can from insurance companies. In many cases, they are struggling to get any quote. By all means, the Minister of State should engage with

them because they have many stories to tell him.

God help any business with an open or outstanding claim which is trying to get a renewal of an existing insurance policy. I will work with the Minister of State on this issue in the spirit of co-operation. It is a significant economic issue which is contributing to the cost base of many businesses. As I said, jobs are on the line. The market is dysfunctional and has to be dealt with.

Deputy Eoghan Murphy: Quality of cover is key. Certain insurance providers are leaving parts of the market, which is leading to the problem of businesses having to self-insure against particular risks. It is dangerous for businesses and, potentially, the market. We will approach this issue as urgently as we approached motor insurance. The actions under the motor insurance plan are already under way and I look forward to continuing to engage constructively with the Oireachtas committee.

The Deputy will be aware that I already gave a preliminary report on our action plan, which referred to the actions that have begun and the current level of progress. I will continue to appear before the Oireachtas committee as we publish our quarterly reports so that the Deputy can hold me to account and we can get something done. As I said in my initial response, in regard to EL and BL, we will introduce a series of actions with a timeline and work with lead owners so that the Government side can be held to account. We will need to work with the Oireachtas when we need to fast-track particular legislation.

Commissions of Investigation

36. Deputy Pearse Doherty asked the Minister for Finance his views on whether a commission of investigation should be established into the sale of Project Eagle, in view of the gravity of the Committee of Public Accounts' report on the issue; and if he will make a statement on the matter. [16621/17]

Deputy Pearse Doherty: I refer to the commission of investigation into Project Eagle. I ask the Minister for Finance to outline his views, given that we have discussed the report of the Committee of Public Accounts on the sale of Project Eagle and, acknowledging the restrictions that were placed on the committee in terms of its reach, that a commission of investigation not be prevented from dealing with fixer fees and so on. Is it now the view of the Minister that he supports the establishment of a commission of investigation into the sale of Project Eagle?

Minister for Finance (Deputy Michael Noonan): Following the publication of the Comptroller and Auditor General's report, the Taoiseach met party leaders in September 2016 and received submissions from them on the issue. At a subsequent meeting with party leaders in October, there was agreement in principle to establish a commission of investigation. That remains the Government's position. It is the Government's policy to establish a commission of investigation.

Since then, the Committee of Public Accounts has undertaken extensive hearings and has received extensive verbal and documentary evidence from NAMA, the Department of Finance, many of the companies involved in the Project Eagle bidding process and me. The committee has published a detailed report which has been discussed in the Dáil. It documents the committee's support for a commission of investigation.

Before the Government makes a decision on how to proceed, it will be important to receive and discuss proposed terms of reference for such a commission of investigation from those parties interested in its establishment. I expect each party, through its respective leader, to contribute to the drafting of agreed terms of reference.

Deputy Pearse Doherty: I thank the Minister. I take it from his contribution that there will be a commission of investigation into NAMA and the sale of Project Eagle. The Minister will be aware that six months ago Sinn Féin provided terms of reference and will engage with the Taoiseach regarding ensuring the terms of reference are robust enough.

At a meeting at which I represented the party, we made the case very strongly that the commission of investigation would have to take a modular approach and Project Eagle be the initial module. However, other areas would need to come under the scope of the commission of investigation. I understand that viewpoint was shared by others at the meeting.

The minutes of the meeting that took place on 4 October stated that a commission of investigation should be established to allow for a modular approach, called for steps to be taken to establish the commission immediately, before the Committee of Public Accounts completed its report, and recommended that the commission not be sponsored by the Department of Finance. Can the Minister confirm that is still the position of the Department and the Government?

Is it the case that the commission of investigation will not be sponsored by the Department of Finance and will be modular? I ask the Minister to outline his views on whether the commission of investigation will be modular, which would allow for other areas outside the sale of Project Eagle to be included.

Deputy Michael Noonan: As I said, before the Government makes a decision on how to proceed it will be important to receive and discuss proposed terms of reference from party leaders and other interested parties. In so far as the Department of Finance is concerned, I would expect that the Department and Minister for Finance will be within the scope of the terms of reference. As a consequence, it would be inappropriate for it to be the parent Department for the commission of inquiry. The intention in October was that the parent Department would be the Department of the Taoiseach.

Deputy Pearse Doherty: The Minister's reply, which I welcome, referred to what is required. Does the Government or the Minister, who will have an input, have a timeframe for the establishment of the commission of investigation? Will it be established before the summer recess or in 2017? Can the Minister give the House an indication of the likely timeframe, subject to agreement with other party leaders and the approval of the terms of reference by the Houses?

Deputy Michael Noonan: Given the manner in which I expect the terms of reference to develop, the Department of Finance would be an interested party and would stand back from the process, which would be the appropriate thing to do. The Deputy should direct any further questions to the Taoiseach to find out what the position might be.

Ireland Strategic Investment Fund Investments

37. **Deputy Michael McGrath** asked the Minister for Finance if he is satisfied with the level and quality of investments made to date by the Ireland Strategic Investment Fund; his

views on whether the fund could play a greater role in providing investment in necessary capital infrastructure here; and if he will make a statement on the matter. [16513/17]

Deputy Michael McGrath: This question relates to the Ireland Strategic Investment Fund, established in December 2014. I wish to establish the views of the Minister on the effectiveness of the fund thus far. We have had about two and a half years of experience with it and it has made a range of investments. It could do a lot more at a time when we are crying out for investment in the economy, in particular capital investment. I look forward to hearing the views of the Minister.

Deputy Michael Noonan: The Ireland Strategic Investment Fund, ISIF, was established in December 2014. The creation of ISIF was a commitment in the last Government's programme for Government. The previous Government gave ISIF a unique double bottom line mandate to invest on a commercial basis in a manner designed to support economic activity and employment in Ireland. This mandate sought to demonstrate that the State was prepared to invest its limited investment funds in projects that would yield a commercial return, thus demonstrating its confidence in the future of the Irish economy. The intention of this investment was to leverage additional private sector investment, which I am pleased to state has been higher than expected to date.

Given ISIF's new and unique mandate as a sovereign development fund and because of the uncertainty regarding investment opportunities in Ireland, it was agreed at the time that a formal review of the ISIF investment strategy would take place after 18 months. This was to allow a sufficient period of time to elapse before considering the operations and impact of the fund. The investment strategy review which is due to be completed shortly is examining the performance and impact of ISIF. The review includes an appraisal of the success of ISIF's mandate to the end of December 2016 and requires engagement by both my Department and the Department of Public Expenditure and Reform as part of the process.

I am sure the Deputy shares my view that ISIF's double bottom line mandate represents a unique strategic opportunity for Ireland. The mandate is designed to ensure that ISIF's investment generates a return, attracts investors and recycles funds. Without wanting in any way to pre-empt the review that is currently under way, I am encouraged by the quality and impact on the Irish economy of ISIF's investments. ISIF has built up momentum already, including through its future pipeline. ISIF has already committed €2.7 billion and acts as a catalyst for other investors to invest in Irish projects. This includes a commitment of €361 million for infrastructure investment essential to the future competitiveness of the economy. In addition, ISIF's ability to attract co-investment from the private sector means that €7 billion of total investment has been committed to the end of December 2016.

Additional information not given on the floor of the House

It is apparent from the investments already in the public domain that, as envisaged at inception, ISIF is utilising its unique investment characteristics of scale, long-term perspective and flexibility to target high economic value investment in Ireland in a way that other funds cannot. ISIF has made investments in the following key economic sectors, namely, housing and construction, SME credit, venture capital and equity funds, connectivity, renewable energy, water provision, forestry and agriculture. The fact that the proceeds of ISIF investment can, unlike State spending, also be recycled to support future economic activity in Ireland illustrates the potential that the ISIF model offers and on which ISIF is currently delivering. I look forward

to receiving the ISIF investment strategy review as it will be a useful opportunity to consider ISIF's work to date and the most appropriate use of the fund to help meet the forthcoming challenges that the State faces.

Deputy Michael McGrath: At the end of 2016, the fund's global portfolio was €6.65 billion. As such, that was money not invested in Ireland. While I know the intention is to wind that down over time and to invest the funds in line with ISIF's mandate, it is nevertheless a very substantial figure. When I look at the investments to date, some of them are very good. Some of them are quite niche in nature, however, and it is clear that more mainstream investments which can meet the terms of the commercial mandate should be explored. For example, is there more we can do in relation to investment in broadband through ISIF? There are many unbuilt roads nationally which we know are to be tolled. Would they meet the terms of the commercial mandate? Similarly, a certain amount of housing has been provided in partnership with funds. Should we be doing more in that area? Public transport passengers pay fares and, as such, investments in this area can be commercial if they are properly constituted. We should be doing more across all of those areas. Having €2.7 billion committed is not the same thing as having €2.7 billion invested, as the Minister knows.

Deputy Michael Noonan: We should give credit where credit is due. It is a very recently established fund, having been set up in 2014. By the end of 2016, an investment of €7 billion in total had been committed. That is the direct investment and the funds triggered by it. It is a significant chunk of money. When one compares it to the overall capital programme, €7 billion is a significant investment. As it moves on from successful investment to successful investment, the fund will attract more co-investors and the scope of investment in the kinds of projects denominated by Deputy McGrath will come into play. The fund is currently investing in housing and construction, SME credit, venture capital and equity funds, connectivity, renewable energy, water provision, forestry and agriculture. As such, ISIF has a significant portfolio. While there is always a concern to ensure that sufficient investment takes place, that is matched by a concern to ensure that scarce money is not wasted on bad investments. While there is a pool of over €6 billion available, ISIF is prudent and exercises, as it must, the double mandate.

Deputy Michael McGrath: There is no question that ISIF must be prudent, but I highlight again the fact that it has €6.6 billion invested overseas. Gradually, that will be wound down and invested in Ireland. While it is an important feature of the fund that it leverages private sector investment, the key challenges we face as a country are in housing, broadband, the road network and public transport where the fund has not done a great deal in terms of its portfolio. ISIF goes after a lot of niche investments, leveraging the private sector. I would like to see more mainstream investments which are visible and which enhance the productive capacity of the economy. Many of these areas of investment can meet the terms of the commercial mandate. I look forward to the investment strategy review and I would appreciate it if the Minister would bear the points I have made in mind when he considers and addresses it.

Deputy Michael Noonan: The Deputy's submission is very reasonable. However, infrastructural investment is divided between social investment and investment in economic infrastructure and it is difficult to be certain of an income stream from the former whether it is schools, health centres, etc. It is also the case that while there is potential in some economic investment such as tolling certain roads, there is no potential in other stretches of road to generate a return. The public private model has worked to some extent. ISIF has made significant progress and I am sure it is aware of this debate today. It is certainly progressive in its thinking and anxious to do more but it is also aware that it has to act prudently and within the mandate.

Corporation Tax Regime

38. **Deputy Joan Burton** asked the Minister for Finance if his attention has been drawn to recent media reports regarding the report by a charity (details supplied) noting that 16 of the top 20 European banks operating here are paying an effective tax rate of 6% or less and that this is well below the levels outlined by the Government and IDA; and if he will make a statement on the matter. [16514/17]

Deputy Joan Burton: What are the Minister's views on the recent report by the Oxfam charity noting that 16 of the top 20 European banks operating in Ireland through the IFSC and so on are paying an effective tax rate of between 2% and 6%, which is well below the corporation tax rate of 12.5%? Is the Minister concerned at such blatant tax avoidance or evasion using Dublin given that the Government has sought to defend its international reputation by pointing to its work, particularly when the Labour Party was in government, to ensure that we supported the OECD tax reform process?

Deputy Michael Noonan: I thank the Deputy for her question. I am aware of the report which was published by Oxfam on 27 March. The report makes a number of comments about the level of tax paid by certain banks in respect of their operations in each country of operation, including Ireland. The report also asserts that 31 different jurisdictions, including Ireland, should be considered tax havens. I understand that the report relies on publicly available data published by banks under the capital requirements directive, CRD IV. The report takes this data and uses it to assert the effective tax rate suffered by banks in the countries in which they operate. While I will not comment on the tax affairs of individual taxpayers, there are a number of reasons that using this data to assert a company's effective tax rate may create a misleading picture.

Calculating a company's effective tax rate requires looking at a company's profits as calculated under Irish tax law and the amount of tax charged on those profits under Irish tax law. This information is not included in the public country-by-country reports. For this reason, caution is needed when using the country-by-country information when commenting on a company's tax affairs. For example, the profit figures filed in the CRD IV reports generally relate to profit calculated for accounting purposes. Companies, however, do not pay tax on their accounting profits, but rather on their taxable profits. There are a variety of legitimate differences in how these figures are calculated in each country. For example, all capital expenditure is treated differently for accounting and tax calculations.

Similarly, the tax on profit or loss figure in the publicly disclosed information may relate to tax actually paid over to Revenue rather than the tax charge suffered by the company. For example, where a company has losses carried forward from a previous year, this would reduce the amount of tax that must be paid over but does not mean the company is not subject to a tax charge on its profits.

Officials in my Department are examining the report in more detail and have arranged a meeting with Oxfam to discuss the report's contents.

Additional information not given on the floor of the House

I would like to point out that all companies in Ireland pay the standard 12.5% rate on their trading profits which are generated in Ireland. Higher rates of 25% and 33% apply to certain

profits. My Department has previously worked with Mr Seamus Coffey, who is currently conducting a review on the corporation tax code, on a technical paper to provide clarity about the seemingly conflicting figures and methodologies for the effective rate of tax paid by companies in Ireland. This paper found that the effective rate paid nationally is between 10.3% and 10.7%.

I strongly reject the report's suggestion that Ireland is a tax haven. There is no clear analysis as to why Ireland would be considered as such and we do not meet any of the vague criteria that the report suggests are indicative of tax havens. The report itself notes that international institutions, such as the IMF and OECD, do not consider Ireland to be a tax haven.

Deputy Joan Burton: As the Minister knows, and he has been quite concerned about it, Ireland's reputation on tax is a very tricky issue, particularly in the context of Brexit. There has been a demonstrable attack on Ireland by various figures from the Commission, and other countries in the EU 27 have made comments on Ireland's tax position. I thank the Minister for the detail in his answer, but it is extraordinary that banking companies which broadly utilise the IFSC for investment banking purposes in a regime where corporation tax is a very attractive 12.5% would be able to achieve a tax rate of between 2% and 6%. This is not good news in terms of what this country has said in respect of our very genuine participation in the OECD BEPS process.

An Ceann Comhairle: Thank you, Deputy.

Deputy Joan Burton: The Minister has not actually denied what is in the Oxfam report. He has made various equivocations on the Oxfam report. We all know the profit calculator for tax for accounting purposes is rather different, but over time the Minister knows, or his officials have told him, in fact this washes out.

An Ceann Comhairle: Thank you, Deputy.

Deputy Joan Burton: Yes, a capital expenditure can be claimed upfront, but ultimately the differences wash out. I am very disappointed in the content of the answer.

An Ceann Comhairle: We will go back to the Minister now.

Deputy Joan Burton: Will the Minister make available a detailed briefing on this issue because it is central to our reputation?

Deputy Michael Noonan: As I said in the course of my reply, we have invited Oxfam to meet the officials to discuss in detail the claims it is making. I agree with the Deputy that a lot of adverse comment has been made about Ireland and the tax regime of 12.5% here. A lot of this is driven by those who compete with us for foreign direct investment and it is not true. Many of the comments by certain Commissioners is misguided and based on a misunderstanding. On the other hand, we have lot of statements, principally from the OECD, which has confirmed that Ireland is to the forefront of its tax reform agenda and that Ireland certainly is not a tax haven and does not subscribe to any of the features of a tax haven. Clearly there is a risk of reputational damage from reports such as this, and my officials and tax people would like to meet Oxfam so it can justify the claims it has made-----

An Ceann Comhairle: Thank you, Minister.

Deputy Michael Noonan: -----and point out to us anything we should be doing if its claims are justified.

Deputy Joan Burton: In terms of the direction international tax affairs are going, the discrepancy between a 12.5% rate and a 2% to 6% rate for foreign banks, which I suspect are largely registered in the IFSC, is very large, and in his reply the Minister seemed to concede this. We deserve a more detailed response on what is actually causing this. I know timing can affect the difference between effective tax rates and rates per accounting profits, but what is it that these companies are doing that they are able to reduce their tax to 2% or 6%? Do they have some extraordinary level of capital or equipment investment which allows them make large capital write-downs?

An Ceann Comhairle: Thank you, Deputy.

Deputy Joan Burton: How can they be doing this in Ireland, given that they do not by and large, as far as I am aware, have a retail presence in Ireland? This is deserving of a very detailed explanation to the Dáil.

Deputy Michael Noonan: I have not agreed at all that the arguments in the Oxfam paper are accurate. What I have said is I am inviting Oxfam to meet my officials so the details of its case can be discussed. For example, Mr. Seamus Coffey, the academic from UCC who is now chairman of the Irish Fiscal Advisory Council, carried out some work for the Department two years ago, effectively to establish if there was a differential between the standard 12.5% rate and the rate paid by companies. His technical paper found the effective tax rate paid by companies was somewhere between 10.3% and 10.7% against the nominal rate of 12.5%. This is the most recent academic research I have available to me. I am not agreeing with the Oxfam data but I know its source and some of it has been misinterpreted. Oxfam may have insights to bring to bear on this so my officials will meet it.

Financial Services Sector

39. **Deputy Stephen S. Donnelly** asked the Minister for Finance the number of UK-based financial services infrastructure providers that have been met by Irish officials; the number that have agreed to move all or part of their operations here; the number of jobs this entails; and if he will make a statement on the matter. [16550/17]

Deputy Stephen S. Donnelly: When it comes to jobs, Brexit is mainly about risk mitigation and protecting as many jobs as we can. As we all know, sectors such as agrifood, tourism, retail and manufacturing are under very serious threat. One area of potential opportunity is financial services, and maximising not just the number of jobs that come over but their sustainability and the total benefit to the sector requires a very strategic approach. This means we need to attract the full ecosystem of financial services. How many infrastructure companies in financial services have been engaged with by the State, how many have agreed to set up operations in Ireland and how many jobs will be associated with this?

Deputy Eoghan Murphy: Since the decision of the UK to leave the European Union, the contingency planning by international financial services firms has increased significantly given the uncertainty surrounding the eventual outcomes. This planning involves examining current business models and information gathering to assess the potential post-Brexit scenario. As part of this information gathering, many firms have been in contact with Government Departments and agencies and the Central Bank. These engagements with officials at home and abroad have involved firms engaged in a wide range of financial services activities. IDA Ireland, which

leads our efforts to attract additional financial services in line with the IFS2020 strategy, has dealt with in excess of 100 queries from businesses about locating in Ireland.

In my role as Minister of State with responsibility for financial services, I have visited London, Asia, North America and other locations on a number of occasions. Furthermore, the second European Financial Forum, which I hosted, was held in Dublin Castle in January to showcase Ireland's offering to an international audience, and highlight the Government's commitment to the development of international financial services. An Taoiseach, Deputy Enda Kenny, provided the opening address. The Minister for Finance, Deputy Michael Noonan, attended the closing sessions of the forum and gave the final remarks. In addition, the Minister for Jobs, Enterprise and Innovation, Deputy Mary Mitchell O'Connor, gave the afternoon ministerial address.

Recently, St. Patrick's Day trade missions saw the Taoiseach, Tánaiste and 27 Ministers and Ministers of State take part in more than 100 business events and high-level political meetings in 27 countries. As part of this, I visited Canada and the Minister, Deputy Noonan, visited Malaysia and Singapore.

Once a relocation recommendation has been made by senior management in a firm, the Deputy will appreciate the board of the firm will have to agree the decision and, in due course, shareholders and current regulators will have to be informed before the actual decision can be made public. Until these steps have been completed, it is not possible for IDA Ireland or, indeed, myself to give any precise information on the potential movers post-Brexit.

Deputy Stephen S. Donnelly: The Minister of State and I would both accept the question I asked did not get addressed. Ireland is an obvious location for financial services firms looking to set up in the EU. We have a common law system, we are English speaking, there are close cultural similarities and there is a big multinational presence here. More and more, the big firms are deciding not to come here. We see announcement after announcement that they are deciding to locate elsewhere in the EU. This is partly because IDA Ireland has not been given sufficient resources. It has been given nine extra people. To put that into perspective, *The Guardian* newspaper has a Brexit team of nine people. It is partly because we are missing some of the key skill-sets. We should be hiring people who are senior financial services players in the UK for a year or two years to come here and help us with this. It is partly because we lack a strategic approach. I ask the Minister of State, specifically on the numbers, what interaction there has been with the financial services companies in the UK, mainly based out of London, that specialise in providing financial services infrastructure to the market.

Deputy Eoghan Murphy: Financial services infrastructure is a very important part of this piece in terms of future-proofing our Irish financial services, IFS, offering, as the Deputy points out. When we look at certain parts of infrastructure and the potential for it to relocate or establish itself here, there are only a few players in the market, so we cannot be precise about exactly what conversations we have had because it will potentially be quite clear which companies we have been talking to.

There are a number of different aspects to infrastructure. Are we talking about the technology and resources of particular entities or firms that are currently operating here? Are we talking about multilateral trading facilities, MTFs? Are we talking about central security depositories, CSDs, or central counterparties, CCPs? There were different elements to supports over the course of the last year. We have been engaging with different firms which are potentially look-

ing at establishing a presence here or relocating a particular activity here. We are then talking to other companies that are not directly financial services companies themselves, but an element of their business is significant enough that they have a subsidiary that might be operating in a particular area, for example, for payments.

We have the IFS2020 strategy, which is a five-year strategy for increasing our international financial services offering. We worked with industry to develop that strategy. As a result of having that strategy in place since 2015, it meant we were ahead of the game in attracting financial services firms into Ireland to allow that continuity of service into the Single Market. Not every company that relocates out of the UK is going to come here. We have to be honest about this. There is going to be a flow to this. From the meetings I have already had and from the decisions that have already been taken by companies, there will be a strong flow to Ireland. It is up to the companies themselves to decide when they want to notify the public, their customers, their staff, shareholders and regulators in jurisdictions in which they are currently based. When they do that, then we will be in a position to comment publicly about that. Companies will be relocating here, but they will also relocate to other jurisdictions in Europe.

Deputy Stephen S. Donnelly: Here is the fear. The IFS strategy basically said that we are going to make two big plays. One is in financial technology, FinTech, and one in another place. Post-Brexit, it was taken back into the Department and it came back out Brexit-proofed. If the pre- and post-Brexit versions are compared, they are pretty much the same. It still says two plays, which is FinTech and another one, which escapes me. Brexit presents a big opportunity, which is now different, which is to say that we are not just going to try to get insurance companies, reinsurance companies, trading firms and so forth. There is a real opportunity to say that we can bring the entire ecosystem over to Dublin or wherever it sets up in Ireland. One of the reasons London is so strong is because it has the full ecosystem.

A core piece of this is the infrastructure. The fear from financial services players in Dublin is that we might bring some of these firms over, but because we do not create a sustainable infrastructure around them, in time they might move to Luxembourg, Frankfurt or elsewhere. The information I have from very well-placed people within the industry is that the infrastructure firms are not being approached by the State and need to be. The infrastructure firms are saying that they are being wined and dined by the French, the Belgians and the Spanish and by Luxembourg, and they are not seeing sight nor sound of the Irish. Nobody is saying that the Minister of State is not busy. We know he is busy. My sense is that we could be more strategic, more clever and have a strategy that encompasses the full ecosystem so that when we get these firms over here, they stay here and grow rather than relocating here temporarily.

Deputy Eoghan Murphy: We share the same ambition here. I like to think that all parties in this House share the same ambition when it comes to the potential opportunities that might come from Brexit. There is no point in being busy if it is not for a strategic objective. I have met with some infrastructure providers on a number of occasions. It is part of the strategy that we are developing to make sure that every opportunity that might come from Brexit is there and available to us to take advantage of. Companies will make relocation decisions based on a number of factors. We have heard we are coming in the top three of companies' potential relocation options across the board. They will pull a trigger for this jurisdiction, but they will also pull it for other jurisdictions and for other legacy reasons, for example. One big international bank has decided to go to Paris. It made sense because a legacy acquisition 12 years ago meant it already had the authorisation for its banking licencee. If one looks at the action plan for 2017 under the IFS2020 strategy, there are two component parts. The first component part is the

Brexit narrative, talking about contingency planning, communications, the Central Bank piece in this and other areas like International Baccalaureate education and what we need to do. The second part is the 40 individual action points and how we are going to address them just in this year alone. There is the matter of IFS and how we plan to grow it for the year. Some points are very Brexit-related and some are less directly so.

No one individual ecosystem in international financial services is going to relocate to another jurisdiction. In insurance, for example, not all insurance companies are going to go to one place and it is good that they do not. It is good that they operate from different jurisdictions, in different markets into the Single Market when they can. The skill-set and having the people here are very important to us. That is why one of the pillars of those 40 action points in the IFS strategy for this year is looking at education, trading and skills development, and also attracting Irish emigrants back home into these high-level jobs that are being created, not just in Dublin but also Cork and other parts of the country.

Other Questions

National Debt

40. **Deputy Thomas P. Broughan** asked the Minister for Finance if his Department has held discussions recently with the NTMA in relation to the national debt repayments which will fall due in 2018 to 2020; his views on the fact that a quarter of Ireland's national debt is due for refinancing in that period; the way this will impact the fiscal position; and if he will make a statement on the matter. [16418/17]

Deputy Thomas P. Broughan: We had a very sobering account of our national debt from the chief executive of the National Treasury Management Agency, NTMA, Mr. Conor O'Kelly, and his head of funding, Mr. Frank O'Connor in the Committee on Budgetary Oversight a few weeks ago. They answered concerns that had been put to me about the refinancing of our debt, particularly in late 2019 and early 2020, when these chimney stacks of debt will have to refinanced. Is the Minister happy with the strategy of the NTMA? Does he think that perhaps they should be lending for longer at the really low rates that we have at the moment? Is it a strategy that the Department of Finance is happy with?

Deputy Michael Noonan: The Department of Finance is in regular contact with officials in the NTMA on a wide range of topics, including the management of the national debt.

Over the period 2018 to 2020, there are five benchmark bonds due to mature. The total balance outstanding on these bonds is currently just over €42 billion. In addition, the majority of the bilateral loans received from the UK, Sweden and Denmark as part of the EU-IMF programme also mature during that period. This brings the total medium-term to long-term debt refinancing requirement over that three year period to approximately €46.5 billion.

The Deputy should be aware that although there are two loans from the European financial stabilisation mechanism, EFSM, totalling €3.9 billion, with contractual maturity dates in 2018, these are due to be refinanced by the European Stability Mechanism, ESM, in light of the maturity extensions granted to EFSM and European Financial Stability Facility, EFSF, loans in 2013. It is not expected that Ireland will have to refinance any EFSM loans before 2027.

The five benchmark bonds maturing over the 2018 to 2020 period carry annual coupons ranging from 4.4% to 5.9%. The expectation is that these bonds can be refinanced at lower coupons based on the current interest rate outlook. The current interest expenditure forecast reflects this expectation. For the period of 2018 to 2020, refinancing requirements have already been significantly reduced in recent years. Following the early repayments to the IMF of December 2014 and the first quarter of 2015 and their replacement with cheaper long-term market-based funding, the liability to the IMF in that three-year period has been reduced by approximately €11.5 billion. The maturity extensions granted to EFSF and EFSM loans in 2013 and bilateral bond switching have also helped to reduce the refinancing requirements over that period by over €7 billion. The NTMA has also built up significant cash balances as part of its pre-funding strategy. These are expected to be of the order of €10 billion at the end of 2017. These transactions leave the Exchequer in a healthy position to fund the 2018 to 2020 refinancing requirement.

Deputy Thomas P. Broughan: Is it really a healthy position? The Minister refers to the ESM and EFSF loans. Are they not really irrelevant at this stage, given that we were allowed to refinance at face value rather than the net present value, NPV? Is the reality not that over 34% of our marketable debt requires refinancing in a very tight period of June 2019 to October 2020? In addition, I am informed that there is a requirement on the Central Bank to dispose of the floating rate note, FRN, instruments acquired on the nationalisation of Anglo-Irish Bank, which will accelerate from €500 million per annum to €1 billion per annum by 2019. Those repurchases have been made by the NTMA and the stock cancelled at prices up to and above 150% of the nominal value.

The key point is that these contracted repurchases add significantly to the amount of debt requiring refinancing in a highly concentrated timescale and, it is fair to say, the percentage requiring refinancing has been lowered by a tiny amount over the last year, given the NTMA's execution on request by market makers of switches. It seems to be always acting reactively and not proactively. Has the NTMA sheltered behind the belief that lower coupons on maturing debt is the same as having efficient debt management from the start? It has watched ten year yields more than treble, from 0.3% to over 0.9% over the last six month, while 30 year yields have risen from 1.3% to 2%, yet it has done nothing to take advantage of that. Is there the possibility of a perfect storm if Brexit goes badly wrong and we do not have a free trade area, along with other things that might happen to the country in late 2019? It will be an issue for the Deputy's successor after a general election, but nonetheless it will be a great issue for our country.

Deputy Michael Noonan: I am quite sanguine about the NTMA's policy. I have discussed the situation with the NTMA quite frequently. One of the strategies of the NTMA is to smooth the profile of debt repayments so that the peaks are reduced and as a consequence the values are increased, if one thinks about it in graph terms. It is doing that very successfully and has managed that very well over recent years.

Our national debt is still very high. Clearly the size of the debt is a matter of concern but I am assured that the NTMA does not expect any difficulty whatsoever in refinancing the debt that becomes due in the three years the Deputy has inquired about, and it also expects to do it at much lower interest rates, or at a lower coupon, to use the term that they use.

Deputy Thomas P. Broughan: Refinancing costs with the historic coupons on bonds sold when Ireland had already entered into the crisis and then hoping that they will still be lower in two or three years' time is not a strategy. That is the core point that I am raising today. Is it

the stated strategy of the NTMA that long-term rates are unlikely to raise above current levels by the crucial period of June 2019 to October 2020? Dr. O’Kelly and his colleague gave us detailed information at the Committee for Budgetary Oversight about the efforts they have made this year and last year and especially since 2015 to refinance the outstanding debt. This is a vast amount of debt overhanging our country. Should we not have a much more proactive policy from the NTMA? Are we just hoping that when quantitative easing ends in December, the concerns about the debt will be inflated away? Is there the possibility that the Minister is leaving his successor in late 2019 and early 2020 with a very serious fiscal problem?

Deputy Michael Noonan: The NTMA tells me that there are a number of variables that impact on interest rates, including yields in other markets at the time, the demand for the relevant maturity at a point in time, the economic and fiscal position of the borrower, credit ratings and the size of issues, among others. The NTMA does not disclose the interest rates at which it could potentially issue debt as to do so could negatively impact the agency in terms of raising funds for the Exchequer at the most competitive rates possible. The five benchmark bonds maturing over the period 2018-20 carry annual coupons ranging from 4.4% to 5.9%, and the current expectation of the NTMA is that these bonds can be refinanced at lower coupons. The NTMA does not share the kind of anxiety expressed by the Deputy. It thinks it is a very strong position to refinance the debt in question at a lower interest rate than what prevails at present.

Credit Unions

41. **Deputy Michael McGrath** asked the Minister for Finance the status of the work of the implementation group concerning the recommendations of the Credit Union Advisory Committee report; and if he will make a statement on the matter. [16414/17]

(Deputy Michael Noonan): The Credit Union Advisory Committee, CUAC, in its review of implementation of the recommendations in the commission on credit unions report, recommended that an implementation group be established for a specified period of time to oversee and monitor implementation of those recommendations in a methodical manner and to advise the Minister for Finance on progress.

Publication of the report in July 2016 was just the beginning of the process. From September 2016 onwards CUAC continued working to enable a coherent implementation plan be devised and the Department worked closely with CUAC on this.

In line with CUAC’s recommendations, the Department invited one nominee from each of the stakeholder groups. The implementation group consists of a representative from each of the following: the Irish League of Credit Unions, the Credit Union Development Association, the Credit Union Managers’ Association, the National Supervisors Forum and the Central Bank. The implementation group also has a CUAC representative and is chaired by the Department. This broad membership will ensure participation and contribution from all credit union perspectives.

The implementation group held its inaugural meeting on Monday 20th February 2017, which was also attended by all CUAC members, and met again on the 22 March 2017. It is intended that each CUAC recommendation will be addressed separately with a view to implementation at the appropriate time. Meetings will continue on a monthly basis with the next meeting scheduled for late April 2017. The term of the implementation group is for one year, which

may be extended at the discretion of the Minister. I look forward to receiving regular progress reports on the implementation of these very important recommendations.

Deputy Michael McGrath: I thank the Minister for his reply. The Oireachtas Committee on Finance held some hearings recently into credit union issues and will be compiling a report. I hope that the report can be agreed by all members of the committee. It will make a series of recommendations to the Minister and to the House.

There is a high degree of frustration within the credit union sector. Some credit union managers and boards are quite demoralised at what they see as the lack of focus on the key issues that are holding them back. If one looks at the CUAC recommendations around tiered regulation, for example, which was not implemented following the commission on credit unions' recommendations, then there is serious concern. There is concern about the overall direction, a loan to asset ratio of just 26%, and the fact that longer loans have been replaced by shorter loans of smaller amounts. There are serious business model issues here which need to be addressed. Can the Minister tell us if he thinks that the CUAC implementation body is the appropriate body to deal with those business model issues?

Deputy Michael Noonan: The role of the Minister for Finance in respect of the credit unions is to ensure that the legal framework for credit unions is appropriate for the effective operation and supervision of the credit unions. The Government has a clear policy to support the strategic growth and development of credit unions in Ireland as set out in the commission on credit union's report and recommendations. The safety of member's savings and the security of the credit union sector as a whole are priorities for the Government, but of course the registrar of credit unions is a role for the Central Bank. They are regulated and supervised by the registrar of credit unions at the Central Bank. The current registrar, Ms Anne Marie McKiernan, under the Credit Union Act 1997 carries out the function of the registrar of the credit unions that are regulated. The primary aim of the regulator is to ensure that funds deposited are safe.

There has been a series of difficulties with credit unions across the country.

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However, there is a commitment to implement the recommendations of the commission and that work is under way now. Credit union representatives of all perspectives are included in the implementation group.

Deputy Michael McGrath: The credit unions themselves are also committed to protecting members' savings and they do so. They take umbrage at continuous references to that priority by the registrar as though it was the sole preserve of the registrar. The key issue is business model development and the CUAC report recommended that credit unions prioritise business model development and consider investing significantly in the development of their business models, either individually or collectively. They say they are doing that but are being frustrated by the Central Bank. They say that when they make proposals for new services it takes forever to get a decision or they are rejected. In the confidence and supply agreement which my party entered into with Fine Gael there is a commitment to develop a strategy for the growth and development of the credit union sector. I do not see anything yet that complies with that and I do not believe the implementation of the CUAC report meets that objective. The Minister should at least request the implementation group to focus specifically on business model development for the credit union sector. The overall trends are not positive and I am sure the Minister does

not want to be the Minister who presided over the decline of a great national movement.

Deputy Michael Noonan: I share the Deputy's admiration for the credit union movement and for the excellent people, both at professional and volunteer level, who manage credit unions so effectively all over the country. The Central Bank is committed to assisting the credit unions in developing their business model. It has informed me, as Minister for Finance, that it is open to working with the credit union sector to ensure that prudent and appropriate development can be facilitated within the regulatory framework. In its role in supporting the sector the Central Bank wants to ensure that any proposed changes in the business model are appropriately structured and implemented. The Registrar of Credit Unions in the Central Bank recognises the strategic challenges facing the sector, including the need to revitalise the business model and to find ways of doing business that better serve members and deliver on their expectations. The registrar is committed to engaging with credit unions and, as part of that process, the Central Bank established sector stakeholder dialogues in November 2015 to facilitate engagement with credit unions. This is with a view to gaining a better understanding of how credit unions want to develop their business model and to identify any changes that may be required to the regulatory framework to facilitate prudent development.

There is a commitment to develop a business model and it involves the Central Bank connecting directly with certain credit unions. If I can facilitate that in any way, I will do so.

Excise Duties

42. **Deputy Brendan Smith** asked the Minister for Finance his plans to introduce further restrictions to the import of fuel products, both fuel for vehicles and household fuel products, from Northern Ireland; and if he will make a statement on the matter. [16394/17]

Deputy Brendan Smith: As the Minister is aware, the State is estimated to be losing €300 million per annum because of fuel smuggling across the Border. Numerous legitimate retailers and merchants are very seriously impacted and adversely affected. It is not confined to activities along the Border and I understand that illicit products are now also going to the southern part of our country, making it impossible for legitimate businesses to compete.

(Deputy Michael Noonan): The free movement of goods is a fundamental freedom of the Internal Market of the European Union and ensures that goods can move freely across intra-union borders. However, the European Union excise regime which governs the production, processing and holding of excisable products imposes certain restrictions on intra-Union movements of these products. These restrictions impact on the importation of mineral oils for vehicle and household use from Northern Ireland. The EU excise regime governing the movement of excisable products, that is mineral oils, tobacco products and alcohol, does not apply to solid fuels such as coal and, as a result, solid fuel is not subject to cross-Border movement controls typical of other harmonised excises such as mineral oil tax and tobacco tax.

I will deal firstly with the importation from Northern Ireland of mineral oils for use as vehicle and household fuels. Persons bringing mineral oil fuel for vehicles into the State from Northern Ireland must pay excise duty, that is mineral oil tax, on that fuel except where the fuel is present in the fuel tank of a vehicle at the time that vehicle is brought into the State or where the fuel is in a single portable vessel with a capacity of not more than 10 litres that is in that vehicle at the time of coming into the State, and where the proper UK excise duty applicable to

the use of that fuel in the vehicle involved has been paid in that jurisdiction.

Persons bringing mineral oil into the State for use other than as road vehicle fuel, for example for heating use or for agricultural tractors or stationary motors, must pay the mineral oil tax on that fuel. In the case of gas oil or kerosene, where a person wishes to pay only the reduced rate applicable to those fuels when intended for use other than as road fuel, the oil must be marked with the fuel markers prescribed by the Revenue Commissioners.

All commercial movements of mineral oil into the State from Northern Ireland are subject to a movement control system. Movements of duty-suspended mineral oil are subject to an EU-wide electronic system, known as the excise movement control system. In the case of movements of duty-paid oils, such movements may only take place under an equivalent paper-based control method. Where a person intends to sell or deal in mineral oils the appropriate mineral oil trader's licence, issued by the Revenue Commissioners, must be held. Other control measures include obligations on oil traders to provide detailed information on their fuel transactions to Revenue. This allows Revenue to monitor mineral oil supply chains to identify suspicious or anomalous transactions and patterns of distribution for investigation.

Additional information not given on the floor of the House

I am satisfied that the current restrictions on the importation of oil for vehicle and household use are comprehensive and support Revenue in tackling any issues regarding the illegal importation of mineral oil.

I will now deal with the importation of solid fuel, and specifically coal, into the State from Northern Ireland. All solid fuel supplied in the State is liable to solid fuel carbon tax. This tax was legislated for in 2010 but its commencement was delayed until 2013 to allow for a mechanism to be put in place to address the risk of coal products with lower environmental standards being sourced from outside the State. Regulations to enable local authorities to regulate and control the type of coal supplied in the State were put in place by the then Minister for the Environment, Community and Local Government and are now the responsibility of the Department of Communications, Climate Action and Environment.

As I already explained, EU law does not require compliance with movement controls for solid fuels for excise duty purposes. Therefore, no excise movement controls apply to imports of solid fuel from Northern Ireland, whether by private persons for their own use or by traders or businesses for commercial purposes. Revenue collects solid fuel carbon tax on a self-assessment basis and enforces compliance by way of audit. Excise law does not give Revenue an authority to stop vehicles and physically inspect loads of solid fuel. Similarly, the transport or possession of solid fuel that originated in Northern Ireland are not, in themselves, Revenue offences and Revenue's officers have no authority to challenge such transportation or possession.

Deputy Brendan Smith: I thank the Minister for his answer. Because of time constraints I only referred to household fuel. In the last Dáil I brought forward legislation calling for the establishment of an all-Ireland cross-Border agency to deal with this type of crime and the illicit trade in fuel, tobacco and drugs. Some agreements were reached between the Northern Ireland authorities and our Department of Justice and Equality to deal with the issues on an all-Ireland basis and I welcome these. I understand that a standard truck carrying 20 tonnes of coal from Northern Ireland to the South, without the application of carbon tax and with a differential in VAT, gives an advantage of more than €2,000 to the person conducting the illicit trade. It is

very hard for the legitimate merchant and retailer to compete. Hardware Association Ireland has put forward some suggestions to the Revenue Commissioners and to the Department, such as the registration of all solid fuel traders provided for in the Environment (Miscellaneous Provisions) Act 2015, which requires a valid tax clearance certificate for such traders to register. The association also called for a public awareness campaign to let the public who buy these cheaper products know that they are illicit and that carbon tax or the proper rate of VAT has not been paid in our jurisdiction. Hardware Association Ireland also recommends very thorough audits by Revenue on the people involved in this illicit trade.

Deputy Michael Noonan: My initial reply dealt exclusively with controls on the importation of fossil fuels. The collection of solid fuel carbon tax is heavily reliant on the regulatory regime for solid fuel put in place by the Minister for Communications, Climate Action and Environment. This regulatory framework covers the marketing, sale, distribution and burning of solid fuels in the State and sets out particular environmental standards for coal supplied here. These environmental standards are higher than those that apply in Northern Ireland. The regulations provide for the enforcement of the relevant environmental standards by local authorities. Local authorities have powers to inspect premises and vehicles being used for the sale and distribution of solid fuel, to collect samples of coal to check for adherence to environmental standards and to prosecute traders involved in selling illicit coal. It is not the Revenue Commissioners who have the responsibility for the illicit importation of solid fuel. It is a matter for local authorities under licence from the Department of Communications, Climate Action and Environment. It has the legal powers, the staff and access to the penalties that apply to prosecute traders involved in selling illicit coal.

Deputy Brendan Smith: The Minister is aware that the change he could effect is to change the differential in the VAT rate between Northern Ireland and our State in respect of solid fuels as well as the application of carbon tax which is not applied on products in Northern Ireland. The differential is more than €2,000 on a 20 tonne truck of coal, meaning there is not a level playing field for many of our genuine retailers and merchants who are trying to survive. I frequently get calls advising that someone is delivering product from outside the State and selling it at a rate that would not be viable if they were paying their legitimate dues as they should be.

This issue needs to be tackled. Over the years I have advocated very strongly in this House that we need to tighten control over activity in the shadow economy. It is not fair on the people running legitimate businesses and trying to survive. It is also robbing the public coffers, in this instance alone of almost €300 million annually.

Deputy Michael Noonan: I again thank the Deputy for his submission. The Revenue Commissioners are not the responsible authority for preventing trade in illicit fuels. However, I will bring the Deputy's views to the attention of the Department of Communications, Climate Action and Environment, which has the competence of law and sanctions that would apply to the prevention of the import of solid fuels. I will see what it has to say.

Help-To-Buy Scheme

43. **Deputy Pearse Doherty** asked the Minister for Finance the estimated cost in 2017 and other years of the help-to-buy scheme based on the latest figures; and the reason no cost containment measures were put in place for the scheme. [16432/17]

Deputy Pearse Doherty: Today the Governor of the Central Bank appeared before the Oireachtas Joint Committee on Finance, Public Expenditure and Reform, and the Taoiseach. When asked, he told us in Sinn Féin and those of us who oppose the help-to-buy scheme that, of course, the help-to-buy scheme was pushing up prices and that a cost-benefit analysis would have been a good idea. We now know, despite the Minister's suggestions that it would not happen and despite assurances he claimed he got from the developers that it would not happen, house prices in the past three months have spiralled out of control, rising by €6,000 per month in Dublin and €4,000 per month across the State. Will the Minister now do the right thing and at a minimum suspend the help-to-buy scheme before more damage is done and house prices go out of the reach of many ordinary families?

Deputy Michael Noonan: The help-to-buy incentive aims both to assist those first-time buyers struggling to save for the deposit required to purchase a house, and incentivise additional building and the provision of extra housing stock. At budget time, my officials estimated that the help-to-buy incentive would cost €40 million per annum but €50 million in 2017 due to the backdating of the relief in respect of properties which became eligible for the scheme since 19 July 2016.

To avail of the incentive involves two stages. Stage 1 is the application stage, wherein prospective applicants can query whether they qualify for the incentive. They can also get clarity on the maximum amount of rebate they could potentially benefit from, based on their tax paid in a four-year period. Stage 2 is the claims stage, wherein applicants who decide to proceed with purchasing or building a qualifying property must provide documentary evidence of the relevant property transaction or their mortgage drawdown.

The estimates for the potential cost of the incentive that have featured in recent media reports are based on the number of applications received by Revenue to stage 1 of the scheme, rather than the number of claims to date. However, many of these applicants may never make a claim to stage 2 for a variety of reasons. These could include individuals who do not go on to obtain mortgage approval, who may decide to purchase a second-hand property, or who are not able to source the new home that they desire.

As of 31 March 2017, Revenue had received 4,698 applications to stage 1 of the help-to-buy incentive. Of these, 1,006 stage 2 claims have been created to date. A total of 534 of these have been approved, at an estimated cost to the Exchequer to date in the order of €8.2 million of the €50 million allocated for the cost of the incentive in 2017.

With regard to the Deputy's query concerning cost containment measures, the help-to-buy incentive is by its nature a demand-led scheme. Therefore, artificially restricting its potential uptake in such a manner would be detrimental to its policy aims and would be unfair to those potential applicants who could lose out as a result. In addition, should the cost of the incentive exceed the original estimate, it could be indicative of an increase in the supply of new homes, which is exactly what I intended to encourage through its introduction.

Deputy Pearse Doherty: Over the past 48 hours since the two reports have been published, households have been asking if we are in some kind of time warp. Are we back in 2007 again when the RTE news and headlines splashed across the newspapers indicate that the price of houses in the capital city is increasing by €6,000 a month? Every analyst and economist worth their salt is attributing part of the blame for that increase on the help-to-buy scheme.

The Minister has repeatedly said that the help-to-buy scheme is about helping people to get their deposit. The Minister, Deputy Coveney, repeated that *ad nauseam* yesterday. The official figures the Minister provided to me indicate that 73% of the applicants approved so far had way in excess of the 10% regulatory deposit required. Only 27% of them actually drew down a loan to value of 90%. There is no guarantee that the 27% needed the help-to-buy incentive to make up the deposit. They may have just decided to go for a 90% loan to value to use money from a mortgage for other purposes as well.

An Leas-Cheann Comhairle: I call the Minister.

Deputy Pearse Doherty: I ask the Minister to acknowledge that this is not a targeted incentive. His scheme is about handing out free money - everybody loves free money.

An Leas-Cheann Comhairle: Deputy, go raibh maith agat.

Deputy Pearse Doherty: We need to remember he is taking that money from the elderly person who is lying on a trolley this morning, from the child who cannot get speech and language therapy this morning-----

An Leas-Cheann Comhairle: Go raibh maith agat, a Theachta.

Deputy Pearse Doherty: ----- or from the creaking infrastructure in rural areas. Does the Minister acknowledge that the spiralling house prices we have seen in the first three months of 10% and 9% across the State-----

An Leas-Cheann Comhairle: I call the Minister.

Deputy Pearse Doherty: ----- is partly as a result of his flawed help-to-buy scheme?

Deputy Michael Noonan: The various indices about increases in house prices are largely applicable to second-hand houses. The help-to-buy scheme does not impact on the price of second-hand houses at all. In any economic model the generation of extra supply should act as a downward pressure, easing the demand for second-hand houses if people can buy new houses instead. Since the scheme is for people principally buying starter homes, then it is an incentive to put a deposit together. Since the house does not exist until the deposit is put together and built - because it is for new builds - it is impossible to argue that there has been an increase in price on a new build. The increases have happened for other reasons and go across the second-hand market. They relate to what everybody knows here - a general lack of supply being driven by demand.

I read the comments of the Governor of the Central Bank to the committee this morning on one of the websites. Without picking an argument with the Deputy, he is not quoting the Governor in full.

An Leas-Cheann Comhairle: I call Deputy Doherty for his second question, combined with Deputy Burton.

Deputy Pearse Doherty: I did not suggest I was quoting him in full. He did suggest that, of course, it was pushing up house prices.

Deputy Michael Noonan: However, he said it would wash out over time.

An Leas-Cheann Comhairle: Please Minister, allow Deputy Pearse Doherty to speak.

Deputy Pearse Doherty: However, it is pushing up house prices, something the Minister denies.

Deputy Michael Noonan: The Deputy did not quote the relevant piece.

An Leas-Cheann Comhairle: Minister-----

Deputy Pearse Doherty: The Minister refuses to acknowledge the facts, which he has put on the record of this House. Some 73% of people who have been approved for the help-to-buy scheme did not need this money at all to garner their deposit. That represents millions of euro being provided, as the Minister says, to help people get a deposit.

The Minister also claims this is about house prices in the second-hand market. I suggest to the Minister that he read the bloody report. He should read the commentary that goes along with the report. He should read the second report that came out yesterday, which very clearly states that house price inflation for new builds is running at double what it is for second-hand ones. The report has made the distinction, so the Minister's argument falls flat on its face but let me put it to the Minister again. When will the alarm bells start to ring in his private office? When will they ring in the Department of Finance? Is it when house prices go up another €6,000 next month and in subsequent months? At what point will the Minister call a halt to a scheme that is about throwing money at a supply-side problem? This is not a demand-side problem and the scheme is only having one effect, which is to push up house prices and put more money into developers' pockets. These are the same developers who asked the Minister for the scheme.

An Leas-Cheann Comhairle: The Deputy has exceeded his time.

Deputy Pearse Doherty: These are the same developers the Minister told he was introducing the scheme before he told any Deputy in the House about it on budget day.

An Leas-Cheann Comhairle: I call Deputy Joan Burton for a short supplementary question.

Deputy Joan Burton: At the time of the budget, I warned the Minister that this would constitute a direct transfer from Fine Gael to builders and developers. It was designed as such and has had the impact that I forecast at the time of the budget. To be honest, at the time the Minister was aided and abetted by Fianna Fáil. Essentially, the Minister is turbo-charging the housing market on an inadequate scale in the context of many builders and developers still being on strike and sitting on large volumes of land. I can understand that the Minister chose to move on this to induce some kind of feel good factor into the housing market. That is the only sense I could make of the Minister for Housing, Planning, Community and Local Government's strange comments yesterday. It is obvious that one part of his head disagreed with it and the other part, probably in the context of the leadership election, did not want to say anything critical about the serving Minister for Finance.

An Leas-Cheann Comhairle: Ceist, Deputy. Other Deputies have tabled questions.

Deputy Joan Burton: I can take the Minister to signboards in my constituency where the cost of houses went up by €20,000 almost immediately after the Minister put this scheme, which he was advised against, into effect. The Minister must take responsibility for it.

An Leas-Cheann Comhairle: I call the Minister for a final response.

Deputy Michael Noonan: I am absolutely amazed that the Labour Party and Sinn Féin are objecting to the Government helping young couples to buy their first home. What kind of a society-----

Deputy Pearse Doherty: Deal with the facts, Minister. That is the kind of nonsense we heard-----

An Leas-Cheann Comhairle: The Minister, without interruption.

Deputy Michael Noonan: What kind of a society will we have if the representatives in the Labour Party and Sinn Féin deliberately come into the House and try to prevent a Government scheme that is working to help young couples to put a deposit together.

Deputy Joan Burton: That is a joke. It is unworthy.

Deputy Pearse Doherty: It is pushing up houses prices by €18,000 in 12 weeks. The Minister is a disgrace.

An Leas-Cheann Comhairle: Deputies, please.

Deputy Pearse Doherty: The Minister would make McCreevy proud.

An Leas-Cheann Comhairle: The Minister, without interruption, or we will move on.

Deputy Michael Noonan: The Deputies are shouting me down now.

Deputy Pearse Doherty: Deal with the facts.

An Leas-Cheann Comhairle: We will move on.

Deputy Michael Noonan: The Deputies are just shouting me down. This time last year there was hardly any starter homes being built in any part of this country-----

Deputy Joan Burton: The Government is creating a housing bubble.

Deputy Michael Noonan: -----except once-off houses in rural parts of Ireland. There are a lot of starter homes being built now and the young couples I am talking about are being assisted by this scheme. It does not apply to second hand houses or anything other than new builds. It is stimulating new builds.

Deputy Joan Burton: It is going directly into the builders' pockets.

NAMA Operations

44. **Deputy Catherine Connolly** asked the Minister for Finance if NAMA is contributing adequately to the social and economic development of the State in accordance with its statutory duty under the National Asset Management Agency Act 2009; if so, the way it is doing so; the consideration that has been given to include obligations on the purchaser to build homes as a measure to alleviate the housing crisis; and if he will make a statement on the matter. [16446/17]

An Leas-Cheann Comhairle: The next question is in the name of Deputy Catherine Con-

nolly. Permission has been given to Deputy Mick Wallace who has 30 seconds to introduce the question.

Deputy Mick Wallace: What kind of a society will we have when the Government of the day allows NAMA to sell housing to vulture funds for approximately half of their cost to build and there are more than 7,500 people homeless? Is there any chance that NAMA would play a stronger role? In any development that it is involved in, it is supposed to be delivering 10% social housing. Given that this is not enough, does the Minister not think that it should be also engaged in providing affordable housing rather than expensive housing?

Deputy Michael Noonan: I thank Deputy Catherine Connolly for tabling the question and Deputy Mick Wallace for acting as proxy and articulating the issue in the House.

I am satisfied NAMA has made and continues to make a significant contribution to the social and economic development of the State. Its principal contribution to social and economic development has been the major progress that it has made in eliminating Irish taxpayers' contingent liability of €30 billion which arose from the Government-guaranteed senior debt issued in order to acquire bank loan portfolios. As of today, 95% of that senior debt has been redeemed and NAMA has indicated that it expects all of it to be redeemed by the end of 2017. NAMA also expects to redeem its subordinated debt by March 2020 and to produce a surplus, which is currently estimated at €2.3 billion, by the time it completes its work.

NAMA has also made a major contribution in driving the development of commercial and residential accommodation in the Dublin Docklands SDZ. This will attract foreign direct investment into Ireland and will create a substantial number of jobs.

NAMA has made a significant contribution to social and economic development in other respects also. I refer the Deputy to NAMA's website, www.nama.ie/social-initiatives/, which contains extensive information on how NAMA seeks to manage its portfolio in a manner that complements the objectives of Government Departments, local authorities, State agencies and public bodies. NAMA's work in this respect includes the provision of homes for social housing and properties for schools and other public uses. NAMA also works closely with IDA Ireland to identify suitable properties for companies investing in Ireland. All this has been managed in the context of NAMA's overriding commercial mandate, as set out in section 10 of the NAMA Act.

NAMA has made a substantial contribution in the social housing sector by working with its debtors and receivers, the Housing Agency, local authorities and approved housing bodies. It established the NAMA asset residential property service, NARPS, as an innovative model to expedite social housing delivery. NARPS has significantly reduced the upfront capital costs for local authorities in delivering to date more than 2,370 residential units for social housing.

Additional information not given on the floor of the House

NAMA also played a key role in the resolution of unfinished housing estates within the State. In 2010 NAMA had exposure to 332 unfinished housing estates. That has now reduced to 11 unfinished estates at this stage and they are expected to be resolved by end-2017.

I would also point out that NAMA is seeking to facilitate the delivery of 20,000 homes over the period from 2016 to 2020, subject to commercial viability. Since 2014, NAMA funding has facilitated the delivery of 4,700 units by its debtors and receivers.

As regards the Deputy's question as to the obligations on purchasers to build homes, I am advised that NAMA contributes to the delivery of housing in three ways. First, as mentioned above, it seeks to facilitate and fund the delivery of 20,000 homes by 2020 through funding residential projects controlled by its debtors and receivers. Second, its debtors and receivers sell sites to the market which enables other developers to contribute to housing delivery. Sites for 40,000 units have been sold since 2010. As the Deputy will appreciate, it is not possible to impose legal obligations on asset purchasers to undertake activity without significant loss in the site values. Third, NAMA enters into licence arrangements with non-NAMA developers which require them to carry out development on sites securing NAMA loans in return for a fee.

Taken together, I hope the Deputy will agree that NAMA has made, and continues to make, a significant contribution to the social and economic development of the State and that it does so successfully within the context of NAMA's overriding commercial mandate, as set out in section 10 of the NAMA Act.

As the Deputy is aware, NAMA does not own property. NAMA owns loans. As a lender, NAMA cannot force a borrower to take action which would reduce his or her repayment capacity such as providing a property for social or private housing where that is not economically optimal. To do so would compromise a borrower's capacity to repay his or her debts to NAMA and would constitute a direct breach of the borrower's property rights, as protected under Article 43 of the Constitution. I am advised that a direction running counter to these obligations is not one lawfully open to me in all the current circumstances.

Deputy Mick Wallace: Section 2(b)(viii) of the NAMA Act provides that NAMA should "contribute to the social and economic development of the State". At the housing committee, Frank Daly of NAMA stated that "the biggest social dividend we can deliver indirectly is to pay this back as quickly as we can". He was speaking of the debt, much as the Minister was now. If NAMA returned what it called a profit of €2 billion or €2.5 billion over the 11-year period, it would be looking at a return of something in the region of 7%. The vulture funds would not dream of buying from NAMA unless they were guaranteed a minimum of 20%. In most cases, they are getting a lot more.

My point is that NAMA is talking about delivering houses for €330,000 each. If 10% of them were social houses, it means that 90% cost more than €300,000 each. Of those in Ireland that need housing today, 90% of them cannot possibly afford a price north of €300,000 which is what NAMA is seeking. Would the Minister consider getting NAMA involved in providing affordable and not just social housing? At the moment, Dublin City Council states that it can provide a three-bedroom house for €205,000.

An Leas-Cheann Comhairle: We are running out of time.

Deputy Mick Wallace: With the NAMA price, a huge profit is built in.

Deputy Michael Noonan: The issue in the question is whether NAMA is delivering on its social mandate under the NAMA Act. I have already stated that it has delivered 2,370 residential units through NARPS. When it began in 2010, there were 332 unfinished housing estates. There is now 11 because it finished out all those estates. It has, therefore, contributed significantly to housing supply. It is also now committed to facilitating the delivery of 20,000 homes between 2016 and 2020 and it has delivered 4,700 of those already. It has also supplied a quantity of sites for primary and secondary schools. It has provided facilities for sports clubs

throughout the country and has worked closely with IDA Ireland to supply premises or sites for companies coming in from abroad that are creating jobs. My point is that NAMA is very strong in fulfilling the social mandate that it was given by this House under the relevant section of the Act.

Deputy Mick Wallace: I do not think many people in the country would agree with the Minister. Speaking of a social dividend, when Dublin GAA failed to get the Spawell complex from NAMA, the CEO, John Costello, stated, “When the legislation went through the Dáil at committee stage the community development provision was added but I can’t find any example of this being taken into account.” We understand the Davy Group is negotiating with and, by all accounts, treating Dublin GAA in a fair manner. If the notion of NAMA providing a social dividend was to have any meaning, the agency would have worked the Spawell facility towards Dublin GAA in the first instance. I do not understand NAMA’s approach of selling the asset to someone who would subsequently sell it on to Dublin GAA. While I do not disagree with Westport House being taken out of the NAMA portfolio, I disagree with the political process surrounding the decision. It makes sense to remove assets that should remain in the hands of the State or a sports body. NAMA did not do that, however, and I do not understand the reason the Government stood idly by in this case.

Deputy Michael Noonan: While I do not wish to comment on individual cases, I have already cited examples of cases where NAMA is fulfilling its social mandate in an extensive manner. I also referred the Deputy to NAMA’s website, www.nama.ie/social-initiatives, where he will find details of the various social initiatives the agency has taken under the Act.

Tracker Mortgages

45. **Deputy Joan Burton** asked the Minister for Finance if he has satisfied himself that the Central Bank’s order to lending banks to return affected customers to an appropriate tracker rate of interest is being addressed; if his attention has been drawn to the fact that banks are free to come up with their own offers of compensation and that many banks are not offering customers effective redress; and if he will make a statement on the matter. [16371/17]

Deputy Joan Burton: This is a simple question on the tracker mortgage process and redress being effected to bank customers. The requirements provide that banks must place customers on an appropriate tracker rate of interest. However, the banks are free to come up with offers of compensation and are not required to ensure customers obtain redress. This is a serious wrong on an issue that has affected many thousands of families and resulted in some families losing their homes. Now that redress must be paid, there is no structure by which the banks must pay the appropriate rate.

Deputy Michael Noonan: The Central Bank (Supervision and Enforcement) Act 2013 has given powers to the Central Bank to direct the payment of redress to customers, where appropriate. However, this provision does not have a retrospective effect and the Central Bank does not have the statutory power to compel lenders to implement redress and compensation programmes in respect of failures that occurred prior to the introduction of the 2013 Act. However, where customer detriment is identified in the tracker examination, the Central Bank has clearly articulated its expectations of lenders to provide appropriate redress and compensation to impacted customers in line with its prescribed principles for redress, as set out in its report dated 23 March 2017.

The principles for redress are designed to ensure that harm is stopped as soon as possible and that impacted customers receive appropriate redress and compensation in a timely manner. In addition, they provide for an independent appeals process to ensure customers have an option to challenge any aspect of the redress and compensation package, including the tracker rate margin they receive from their lender. While the Central Bank expects lenders' reviews to deliver fair outcomes for customers, the bank believes the appeals process is a very important part of the overall framework to ensure there is an independent and transparent process in place for impacted customers. The appeals process, however, is additional and without prejudice to the options available to the borrower to bring a complaint to the Financial Services Ombudsman or initiate court proceedings.

In all, arising from the examination, approximately 9,900 impacted customer accounts have been identified as at the end of February 2017. Lenders have commenced contacting impacted customers and rectified the interest rates applied to such impacted customers' accounts, thus stopping further detriment. The Central Bank has also indicated that, as at the date of its most recent report, interest rates have been rectified on more than 90% of the accounts which require rectification.

I understand this issue was the subject of questions to the Governor of the Central Bank at a committee meeting this morning, at which he provided the most up-to-date information available to the bank.

An Leas-Cheann Comhairle: As the time for questions has almost expired, Deputy Burton may make one supplementary contribution.

Deputy Joan Burton: We have, on one side, a powerful institution, namely, a bank, and, on the other, an individual mortgage holder, usually a family. The Minister has confirmed that unless the mortgage holders are well advised and informed, the interest rate on their mortgages may not be returned to an appropriate rate which gives them the redress to which they are, as the Minister stated, legally entitled. The scheme established by the Central Bank and the Minister's comments leave a significant number of people on the hazard as to whether they receive fair redress from the banks in question. While practices differ from bank to bank, it is essentially up to the individual bank to decide what is fair compensation. Unless the affected customers have read up sufficiently or have expert advice available to them, they will be left in a position of having to take what the bank has to offer.

Deputy Michael Noonan: The Central Bank is insisting that redress is paid by the offending banks to persons affected by this issue, even if the redress obligation arises prior to the 2013 Act. In addition, affected customers do not have to accept the compensation offered and may go through an appeals process without prejudice to their other options of taking a second route of appeal, making a complaint to the Financial Services Ombudsman or taking their case to court. The Central Bank is conscious of this issue and is insisting that full and appropriate address is paid by the banks to all affected customers.

Written Answers follow Adjournment.

Topical Issue Debate

School Patronage

Deputy Aindrias Moynihan: A new school is due to open in Ballincollig in September. This is less than five months from now, which means time is short. Parents are concerned by what they consider to be a lack of certainty and progress on the school. I have repeatedly raised this issue and pressed the Department and Minister to progress the matter. I understand the Minister has on his desk sufficient information to make a decision on who will be the patron of the school. Will he identify the patron to allow it to proceed with the establishment of the school?

In recognition of population growth in Ballincollig in recent years, a new school was announced in November 2015. In September 2015, 448 children enrolled in the town's schools, one of which accepted 94 children and refused almost as many again. Despite this, the next step in the process was not taken until one year later, in November 2016, when expressions of interest were invited to potential patrons. Three patron groups submitted applications by 6 January 2017 and the new school establishment group has been reviewing these submissions in the intervening months. In response to a question I asked the Minister in late February, he indicated a decision on patronage was due within weeks. One month later, a decision has not been made and the school is due to open in less than five months. A great deal of work must be done before September. Staff must be hired and an open and transparent hiring process will add a number of weeks to the process. The building must be finished and enrolments taken, which mean the timetable is very tight.

The position in Ballincollig contrasts strongly with the position of the fourth school in the same school bundle, which is located in south central Dublin. The Dublin school will have 18 months to do the same work as the school in Ballincollig. The new school establishment group has made a recommendation, which is on the Minister's desk. Will he release the name of the patron and allow the patron to establish the school? Locals are concerned and have been outlining their concerns when they call into my office in Ballincollig or meet me on the street. They are asking what is the story with the school and whether there will be a place for their child in September, which is less than five months away. If they have expressed interest in another patron that is not approved, will there be a place for them in the new school?

The school is only taking in one junior infants class. What happens if there is more demand than that? If a second class is required, will provision be made? What will happen regarding children with special educational needs? The Department is currently amending the way in which support for them is allocated. How will SNA supports be allocated for the new school in Ballincollig? Will it be done using the old model or via the new model using a baseline and profile of the area? Given the tight timeframe, it is expected a temporary building will be in use from September. How long with the children be in this building and what facilities will be available to them? Will there be playgrounds, green areas and so on? How soon will the new eight classroom permanent school be built and occupied? These are realistic questions that are concerning for parents and they cannot approach a school authority to get answers.

The New Schools Establishment Group, NSEG, has been reviewing the bundle of four schools for the past three months. Three submissions were made regarding Ballincollig. They

have been reviewed and are on the Minister's desk. Can he release the Ballincollig decision in order that the school can be developed? That would clear up much of the uncertainty that is troubling parents. It would mean the patron could finalise the details of the school building and offer places to children and it would mean parents would know where they stand. There are less than five months remaining for the school to be opened and parents have numerous concerns. I have repeatedly raised the issue with the Minister through parliamentary questions and directly with the Department. Can he release the name of the patron for the new school in Ballincollig and let it get on with establishing the new school?

Minister for Education and Skills (Deputy Richard Bruton): I thank the Deputy for raising this matter. As he rightly recognised, my Department conducted a study of the demographic pressures throughout the country and indicated that four new primary schools and nine new post-primary schools were justified. Under the procedure operated within my Department, when it is identified that there is a demographic need, the Department runs a patronage process to decide who will operate the school. The criteria used in respect of patronage of the new school place particular emphasis on parental demand for plurality and diversity of patronage, with parental preferences from the area to be served being central to the process. In this regard, patrons and prospective patrons must collect and demonstrate evidence of parental demand from the area to be served for the model of provision proposed as part of their application under the process. My Department invited applications for the patronage last November and that closed for applications in January. The assessment stage of the process is rigorous and detailed and it has gone through all the applications, identify whether they are within the catchment and so on.

Once completed, draft assessment reports will be forwarded for the consideration of the NSEG, which is an external independent advisory group set up to oversee the process. Contrary to what the Deputy said, the report has not arrived on my desk. Following its consideration, the NSEG will submit a report with recommendations to me for consideration and final decision. I will then announce who the successful patron of each of the four schools will be. The assessment reports and the NSEG recommendations will be available on my Department's website following the announcement.

I reassure the Deputy that care has to be taken in these matters because when there is a competition between different patrons, it has to be conducted in a fair and balanced way and, therefore, the time has to be taken to do that. I recognise the concerns of parents regarding the delay. However, the memorandum of understanding between my Department and the County and City Managers' Association helps us to identify sites for educational use. My Department has been working closely with Cork County Council towards acquiring a permanent site to meet the needs of the new primary school for Ballincollig. A number of potentially suitable sites were identified and were comprehensively technically assessed. Further consideration is now being given to a preferred site option with a view to advancing the acquisition process.

Given the commercial sensitivities associated with land acquisitions generally, the Deputy will appreciate that I am not in a position to comment further at this time. Officials from my Department will be in contact with the relevant school authorities to inform them of the permanent location for the school once the site acquisition process has been completed. A project for the new primary school is included in my Department's six-year capital programme. Once a site is acquired, my Department will make the necessary arrangements to advance the school project concerned into architectural planning with a view to progressing the project to tender and construction during the period 2019-21, as outlined in the programme. In the meantime the

school will open in September 2017 in suitable interim temporary accommodation.

With regard to the issue of special education needs and how SNA allocations will be made to the school, I will revert to the Deputy as that was not covered in the briefing material, given it is a new enrolment.

Deputy Aindrias Moynihan: Less than five months remain until the school opens in September. It is disappointing that the name of the patron will not be released as quickly as we had hoped. When I tabled a parliamentary question on this in late February, the Minister indicated that an announcement was only a matter of weeks away. He will understand that this is concerning for parents who are left in a limbo not knowing whether their children will have a school place or what the position will be next September. I outlined a number of the parents' concerns in my initial contribution and I seek clarification again. How long it is expected the children will be in the temporary building? If the demand is greater than more than one class, will a second class be provided? If parents have expressed an interest in one of the patrons that is not successful, where do they stand in respect of the other patrons if they are selected?

The special educational needs issue is important. Under the new allocation model, the school will not have a baseline or latest history or any social context as it is starting out new. This issue needs to be addressed upfront. The fact that it was not part of the briefing for a new school is further concerning. It should have been a matter for priority when there were a small number of schools in this bundle. There are only four schools in the bundle that is being reviewed. There were numerous submissions for the other three schools but there were only three for Ballincollig. Can the name of the patron of the Ballincollig school be released in advance if decisions on any of the other schools are holding back such an announcement? If a decision is ready to go on it and the decisions on the other schools are holding it back, can the Minister release the Ballincollig decision?

Deputy Richard Bruton: Generally, when a new school is advertised, the scale of the intake envisaged is indicated. The Department issued an indication of the scale of the school such as an eight classroom, one class intake. It is not envisaged that it would deviate from that arrangement because the scale of the school is based on the identified demographic need. The Department would have established the need based on the catchment area and designated the scale of the school that was needed. The successful patron will decide the admissions policy. As in all cases, the Department has a broad framework relating to admissions but it is up to the patron to adopt the specific admissions policy. That has no doubt been a factor in the choice of parents.

With regard to enrolment and whether special education needs provision will be required by any of the children, that cannot be anticipated until we know the children enrolled in the school but there may be information available when enrolment is confirmed from preschool experience or other data sources the Department uses and I will revert to the Deputy in respect of that. I assure him that if there is scope to release the name of the patron, I will do so. No report has come from the group to me recommending which of the three groups who applied to be patron of this school have been successful based on parental preferences.

Dáil Éireann
Bus Éireann

An Leas-Cheann Comhairle: Each Deputy will have one minute and I ask them to respect that.

Deputy Ruth Coppinger: I welcome the bus workers from Bus Éireann who are in the Gallery. It is welcome that talks have been announced in the Workplace Relations Commission, WRC, tomorrow. It is also very welcome that the workers are maintaining the pickets while those talks take place. Those talks will be absolutely fruitless unless three things happen: first, the Minister, Deputy Ross, increases the subvention that has been systematically cut from Bus Éireann; second, the Minister, Deputy Varadkar, increases the free travel subsidy that has also been cut; and third, that workers have their pay restored. The Minister has overseen the cutting of pay as he is a major shareholder. Routes have been cut as well. The X7 route from Dublin to Clonmel has been cut tonight. How does the Minister expect workers to go back to work when those things are being done to them? They have been implemented. I am sure the Minister has never been on a bus but this is their live livelihoods and that of their families.

Deputy Paul Murphy: He was on one once. He tweeted about it.

Deputy Mick Barry: We were told originally that this was about a €6 million loss at Expressway, but now the chief executive of Bus Éireann is talking about the need for €30 million in savings. Where does the €30 million figure come from? We know that under EU dictat by 2019, some 10% of Bus Éireann services must be opened up to competitive tender. Under this tender, all city services in Waterford will be included. Bus Éireann will be competing for those contracts against private operators, not the small fry but against big British companies. Their costs will be roughly equal except for the fact that Bus Éireann will have higher wage and pension costs. How can the Minister say this is not about a race to the bottom? How can he say this is not about driving down wages and conditions? How can he say it is about a €6 million deficit where the chief executive is looking for €30 million worth of savings clearly aimed at competing against private operators with a yellow-pack workforce on yellow-pack pay and conditions?

Deputy Paul Murphy: I salute the actions of the Bus Éireann workers. They are fighting not only in defence of their own terms and conditions, but for all who work in public transport. They are fighting for a defence of public transport which, particularly at a time of global climate crisis, is essential. Let us be clear that this is not a question of the Minister, Deputy Ross, or the Government being hands off. They are very much hands on. They are hands on with hands around the throats of the Bus Éireann workers as a result of the cuts that have been implemented and the refusal to increase the subsidy. This is an inherently and intensely political issue. Political pressure has to be mounted on the Minister, Deputy Ross, and on the Government to increase the subsidy to reverse the cuts. I turn to Fianna Fáil to ask what it will do to go beyond the words of sympathy that have been issued. What will it do to demand the cuts are reversed and to demand an increase in subsidy happens? Will Fianna Fáil back the strike or will it continue to back up this Government, which is responsible for this situation?

Deputy Kevin O'Keeffe: The time has come for tit-for-tat politics to end. It is time for the Government to lead through policy on Bus Éireann. Is it not enough for our public transport system to be at a standstill for 12 days? What is clear is that we are faced with two possible outcomes where either we find a solution to the current crisis or we see Bus Éireann go into examinership and then almost certainly insolvency.

My party's message is simple. We need to get our bus drivers back to work and our public transport system working efficiently. Nobody is asking the Minister to open a blank cheque book. We are simply asking the Minister to put in place a process to ensure there is a favourable outcome for the workers and the public. The bus drivers need to understand the dangers of examinership. They would have no negotiating position and pay cuts and job losses would be far worse. They need the Minister to come to the table. The Minister has said there are mechanisms in place to deal with industrial relations. However, he must now realise this will not be solved by following a set of guidelines. Flexibility is required.

Deputy Michael Moynihan: I welcome the opportunity to contribute to the debate. This is a huge issue right across the country. The Bus Éireann people have been out for a number of days. It has been well over a week now at this stage. There is no member of the press in the press gallery to report on this very important issue which is affecting rural Ireland as well as every other part of it. There have been threats of industrial action by school bus drivers down the line. This is a very fundamental issue.

The future of Bus Éireann is at stake as is the future of the livelihoods of those who are working within the companies and those who have given loyal service to the company over the years. It demands a greater degree of urgency than has been applied heretofore to try to resolve the issue. It has been long threatened. They have been out on strike for 11 or 12 days. It is simply not good enough. It is affecting the morale and economy of rural Ireland and not only the people who are out on the picket lines whose wages are affected.

Deputy Imelda Munster: The Minister finally awoke from his slumber last Friday morning, if only for an hour or so. There was one reason and one reason only for that - the disruption that was brought to his front door, that is, Dublin - yet the Minister's outsourcing and privatisation agenda takes precedence over the travelling public, over workers' rights and over rural Ireland. Any attempt by the Minister or the Government to decimate our public transport will not succeed. Any attempt by the Minister or the Government to break the backs of workers and their unions will not succeed. We are 12 days into a strike. We have the WRC negotiations starting tomorrow but all along the Minister completely and repeatedly refused to engage. If those negotiations do not work out, the Minister will have to, at this urgent stage, consider and give approval for his Department, the NTA, Bus Éireann management and the unions to enter into negotiations. It is a much bigger picture. It is about protecting and preserving our public transport network.

Deputy Thomas P. Broughan: The Minister's performance on this issue has been appalling and very disappointing. He is clearly a party to what will happen to public transport in the future because he is the Minister for Transport, Tourism and Sport. He is the Minister. He seems to have forgotten that simple fact. He has been prepared to allow 100,000 people to wait morning after morning for this strike to be resolved and for 2,600 workers to have their pay and conditions slashed by 30% or more with threats to hundreds of jobs. He has sat there doing nothing like a hurler on the ditch or like a journalist observing things rather than taking action. He is a party to this; there is no question. Public transport is a public good. We have to provide funding and subventions as every other European country does up to 70%, 80% or 90%. The Minister has slashed the subvention and has not been prepared to come forward and play his role. I welcome the WRC move. The Minister should have appointed an intermediary months ago and got this resolved before there were any cuts.

Deputy Dara Calleary: It is extraordinary how the Minister has managed to sit back for

12 days. I agree with Deputy Munster. It was even more extraordinary how quickly the Minister found the “Morning Ireland” studio last Friday when the commuters in Dublin South were suddenly affected. The Minister has questions to answer about the National Transport Authority. The reason Bus Éireann is in the space it is at present is the damage that has been done to Expressway because it has to do its business on a very different pitch to other operators. The Minister has a responsibility as a member of Cabinet, under the sectoral employment order, to bring decency and fairness for everybody who drives a bus and works in a bus company. The call of the Dáil is for the Minister to answer for that. The Minister also has a responsibility, as a member of Cabinet, to the regional towns and cities which have been absolutely decimated by this action. This is not the fault of the 2,000 workers. It is the fault of Bus Éireann management which has driven them to that and the fault of the Minister as the principal shareholder. The Minister was sitting there fiddling away and laughing to himself while 2,000 families and hundreds of thousands of people working in regional economies are suffering. The Minister should wake up.

Deputy Bríd Smith: I was shocked when I read that the Minister’s billionaire buddy from Ryanair thinks he is playing a stormer. I remind the Minister that this man caused a lockout in Dublin Airport in the mid-1990s because he refused to recognise trade unions.

6 o’clock

It is extraordinary to see him and the Minister on the same side of the pitch fighting ordinary working class people. What people on the picket line are saying about the Minister is that he is literally stepping aside, which is what he is passionately there to defend, namely, Stepaside.

What happened last Friday might have shook the Minister to his toes. He went on “Morning Ireland” with a compulsive reaction to condemn people who are present today to witness what he has to say about them. What they did last Friday was important. Otherwise, the Minister, the rest of the Government and the company would be ignoring what has been happening for 13 days. Shut down the capital and everyone wakes up and smells the coffee.

Deputy Richard Boyd Barrett: I pay tribute to the determination and resolve of the 2,400 bus workers who have spent 12 days on the picket line defending themselves against unilateral and savage cuts to their pay and the public transport system.

In the Minister’s attempt to justify his absence from the pitch and failure to intervene in this matter, he has repeated endlessly the mantra that he does not have a chequebook to solve this dispute. I will make a simple proposal. It was revealed over the weekend that Transport Infrastructure Ireland, TII, had €100 million that it did not expect thanks to a refund from Revenue. It would cost €7 million to €9 million to solve this dispute. That money is going a begging, it is not earmarked for anything and it is under the Minister’s remit. Nothing would be more appropriate than money from TII being used to resolve the Bus Éireann dispute and ensure that these workers and public services do not have to accept savage cuts. Will the Minister use that money to resolve the dispute so that these workers can return to work on fair pay and conditions?

Deputy Gino Kenny: I wish to remark on two comments that were made over the weekend, one by Michael O’Leary, the enemy of the working class, and the Minister for Social Protection, Deputy Varadkar. The Minister basically stated that the company should fold. That is the Government’s ideology. Michael O’Leary praised the Minister, Deputy Ross, for not intervening. This man is the prince of darkness to me. He is the enemy of the working class.

The Government's ideology is to privatise a public service. The House debates rural Ireland and its decline. This is a good public service in rural Ireland that the Government is removing. That is more detrimental than anything else in the world. The Minister must step forward and resolve the strike.

Deputy Donnchadh Ó Laoghaire: There is a bit of a dichotomy in the media between rural and urban Ireland that misses the fact that this dispute has brought Ireland's second largest city of Cork and many other of our major cities to a standstill. The Cork Business Association estimates that footfall in that city has fallen between 30% and 50%. That would not be allowed to happen in Dublin. The Minister's response and that of many other Government representatives on the day of the actions at Dublin Bus reflect that. This is happening on the Minister's watch. It is not the responsibility or fault of workers who are rightly rejecting savage pay cuts of as much as 30%. No worker could accept or tolerate cuts of that level. I put it to the Minister at the transport committee that there was no good reason not to intervene. This is one of the most important pieces of strategic infrastructure in the State. It delivers people to education, work and hospitals, yet the Minister is allowing it to fall idle. This is the Minister's responsibility.

Deputy Billy Kelleher: The Minister has called on people to open their minds and try to find a solution, but he is ideologically predisposed towards not finding a solution or allowing the workers and others to come together in a meaningful forum through which they could address the underlying problems facing Bus Éireann. We all know what they are. The Minister cannot expect the company's problems to be resolved on the shoulders of its bus drivers and workers in general. A strategic plan for Bus Éireann and its national obligations must be put in place.

The Minister must become the relevant Minister. He has been irrelevant on this issue for a long time. He must now step up to the plate. He has shown that he is able to get involved in cronyism and pork barrel politics by opening up the Stepaside Garda station, but on a fundamental issue of national interest, he takes no interest. Please bring everyone together and ensure that there is a viable plan, one that does not mean that every worker must take a large pay cut to fund the company's required restructuring.

Deputy Michael McGrath: The Minister is characterising this dispute as being just like any other industrial dispute, that it is all about the terms and conditions of workers, and asking why the two sides do not just get together, talk it out and negotiate a settlement. As he knows, this dispute is far more complex than that. The message that he is sending to the workers is that they will have to carry the entire burden of this deficit. That is not a sustainable or tenable position. The Minister needs to signal that he is prepared to engage in meaningful talks on a parallel basis with the key stakeholders - the company, the NTA and the Department of Social Protection in respect of the free travel scheme. The Minister's Department needs to be at the heart of that. A proper, sustainable plan for Bus Éireann is necessary, but there is none. The Minister cannot expect the entirety of the burden to be carried by the workers. Deal with that. The Minister should face up to his responsibilities.

The impact on Cork city and its suburbs has been extremely serious for traders, passengers and, not least, the workers, who have been without pay for 12 days. Please deal with it.

Minister for Transport, Tourism and Sport (Deputy Shane Ross): I thank the Deputies for their constructive responses. I welcome this afternoon's announcement that both parties have accepted an invitation from the WRC to recommence discussions. I hope that they can

use this opportunity to agree an acceptable and fair deal. The travelling public in particular will expect that the parties can come to an agreement that allows for an end to this recent period of disruption to transport services.

The core of the dispute relates to how Bus Éireann organises itself and uses its people and resources to deliver the services that it provides. Management and unions agree that there are inefficiencies in that organisation and use of people and resources and that improvements are possible. This is the basis for agreement. These issues are fundamental to resolving the dispute. Most importantly, they can only be resolved by those parties with real insight into the impact they have on the company and its finances, namely, the management and unions.

I do not assume that these reconvened discussions will be easy for either party. There will be a need for flexibility and compromise, but the dispute will only be resolved at these discussions and nowhere else. I am aware of the calls of some for ministerial intervention. Interestingly, I have heard trade union representatives making it clear that they see no role for a Minister in industrial relations negotiations. I suggest that the House might be better served by heeding that insight.

Deputy Bríd Smith: Which trade unions said that?

Deputy Shane Ross: I have intervened where I believe it to be appropriate for me as Minister to do so. I have intervened to secure increased funding for those socially necessary but financially non-viable PSO services. Bus Éireann benefitted from that increase last year and will benefit again this year. I have intervened to state publicly my commitment to increasing that PSO allocation in future budgets as resources allow. I have intervened to ensure that the funding arrangements for the free travel scheme are examined to ensure equity and transparency across commercially licensed bus operators. This examination is almost complete and the issue will be resolved satisfactorily. I have assured rural Ireland that the NTA has the powers and resources necessary to ensure that transport connectivity is maintained when commercial bus services are altered. That assurance has taken a tangible form in the NTA's response to recent Expressway changes with increased PSO services and amended rural transport services being provided. I have stated that I am willing to consider any amendments to the commercial bus licensing system that my Department might recommend. I have shared a copy of an NTA report on the licensing system with the joint Oireachtas committee and invited it to make its own submission. I have also confirmed my willingness to meet with all stakeholders on transport policy issues, but quite reasonably have also stated that those meetings cannot take place against a backdrop of industrial action or the threat of such action. To say there has been no ministerial intervention is wrong. I will reiterate what has been my position from the start. I will not intervene in areas where it is not appropriate for a Minister to intervene. I will not dictate to management and unions an agreement that only they can craft because it relates to issues into which only they have an insight. The Workplace Relations Commission, WRC, and the Labour Court are ready and able to assist both parties in coming to that agreement.

An Leas-Cheann Comhairle: Will the House agree to an additional minute speaking time for the Minister? Agreed.

Deputy Shane Ross: I thank the House. I want a public transport system that delivers for all of society, one that provides the infrastructure and services that a 21st century Ireland demands and requires. I genuinely believe that Bus Éireann has a role to play in that system and I have no wish to privatisate it, as has been alleged in many quarters many times. I believe

the company can continue to serve rural Ireland and our regional cities but to do that there is a need for discussions and agreement between management and unions. The WRC is the correct forum for those discussions. I again welcome that both parties have this afternoon accepted an invitation to recommence discussions in the WRC. I know that both sides and all members of this House want to see this situation resolved. I am sure that the State's industrial relations bodies can help to deliver that resolution.

Deputy Ruth Coppinger: The Minister, Deputy Ross, has come a long way from when he was on this side of the House ranting and raving. Some people were fooled by the label "Independent" in that they actually thought that he was independent. This is a wish fulfilment for the Minister. According to Michael O'Leary, the Minister is playing a blinder. However, he has an ideological opposition to public services and trade unions, as has the Minister for Social Protection, Deputy Varadkar.

Last Friday, workers across the three companies showed solidarity with each other. My response to the people who ask why this was not announced in advance is that years of anti-union laws have made such solidarity illegal - the kind of solidarity on which unions were founded in the first instance and were forged by people like Connolly, Larkin and those who fought in 1913 in this city. Solidarity action across the three companies will be essential to win this dispute. I applaud the workers for respecting and knowing that. We must now fight this industrial relations act in order to bring back workers' power in this country.

Deputy Mick Barry: There is rage at the Minister across the country outside of Dublin, including in Cork, Galway, Limerick, Waterford and the smaller towns and among stranded passengers, including elderly passengers, workers who have to pay for taxis to get to work and businesses that have been hit hard. In an unpopular Government, with unpopular Ministers, the Minister, Deputy Ross, is the most unpopular of all. Those angry people will not tolerate another round the mulberry bush episode at the Workplace Relations Commission which shows no way forward. The way forward is a commitment from the Minister to an increase in subvention for proper public transport services and the agreement of the Minister for Social Protection, Deputy Varadkar, to properly compensate Bus Éireann for its participation in the free travel pass scheme. Without that, all we have is a low pay agenda, a race to the bottom agenda and a privatisation agenda. There is no way people will continue to suffer in silence while the Minister pursues an agenda of this kind. The message from those people and from workers around the country, including Dublin, is, "Resolve this dispute: fund public transport."

Deputy Kevin O'Keeffe: I thank the Minister for his response. At a meeting of the Joint Committee on Transport, Tourism and Sport on 22 February, Ms Anne Graham CEO of the NTA said: "I cannot give an undertaking that the same level of service would be put in place in regard to those routes...". The NTA has a major role to play in this dispute. This dispute would never have come about if the NTA had been more considerate. The NTA has the power to grant licences but it does not have the power to amend them. Some private operators were granted licences on the basis that they would serve particular country towns but when they curtailed their services to some of these towns there was no clawback of the licence. How can we have fair competition with Bus Éireann on those routes?

Deputy Michael Moynihan: When a dispute arises such that people are on the picket lines, it is not right that a Minister would make a statement to the effect that a particular company can be done without, as the Minister for Social Protection, Deputy Varadkar, did in relation to Bus Éireann earlier this week. Bus Éireann is a company that primarily services rural Ireland.

The rural population of this country, as citizens of this State, are as entitled to public transport as citizens in Dublin or any other part of the country. This dispute has been allowed to drift on for 12 days. The Minister repeated again today that he will not intervene in this dispute. The message must go out from Government that Bus Éireann will remain a public service company to provide services for rural communities and that all of Government supports the survival of this company and the staff that man it.

Deputy Imelda Munster: On April fool's day a pay rise of €5,000 kicked in for Deputies. At least 90 Deputies, the bulk of whom are members of Government, snapped up that pay rise with both hands. Those same Deputies think that workers should accept a 30% cut in their wages. They think that it is fair that bus workers would accept a 30% cut in their wages. Those Deputies are hiding behind and, at the same time, backing the Minister, Deputy Ross, in his attempts to run our public transport network into the ground to suit his agenda of privatisation. Public transport, like education and housing, is a public service. There are hundreds of thousands of people who depend on public transport on a daily basis.

If the talks at the WRC do not work out and if the Minister persists with his agenda of privatisation and a race to the bottom of workers' rights the result will be the mother of all strikes. The Minister and the Government will be directly responsible for the chaos that will ensue when that happens.

Deputy Thomas P. Broughan: The Minister's reply is incredibly contradictory. His statement that he has intervened to secure increased funding for socially necessary transport and free travel and that he is reviewing the commercial bus licensing system indicates that he knows he has a key role in the future of our public transport system. The workers and management negotiating need to know these facts. The Minister is the only person who can give them that information. He has a cheek to talk about productivity. Since 2009-2010, when Fianna Fáil and Fine Gael set up the current system of bus licensing which got us into the situation we are in today, there have been massive increases in productivity by bus workers in Bus Éireann, Dublin Bus and Irish Rail despite savage cuts in pay and staff numbers. These workers have been the lifeblood of the public transport system. The Minister has been extremely disrespectful to them this evening.

Deputy Dara Calleary: The Minister assumed office on 6 May last, at which time he was made aware of the difficulties facing Bus Éireann. The Minister has claimed credit for securing an extra PSO but he has done nothing to address the issue of funding within the CIE group. He has not explained why Bus Éireann is paid a lower subvention than Dublin Bus or Irish Rail and he has done nothing about the employment conditions for workers within Bus Éireann or the transport industry generally despite the wish of this House that a sectoral employment order be established. The Minister, in his contribution, did not recognise the damage the strike is doing to regional cities and towns across the country. Towns and cities that should be at the core of the retail business are being absolutely decimated. The Minister has done nothing to recognise that over 2,000 staff and their families have not been paid for 12 days because they are fighting for their rights. It is time for the Minister to wake up and smell the coffee in Stepaside and other parts of the country. He is standing by while our transport system comes to a halt. He needs to get to work.

Deputy Bríd Smith: I agree with Deputy Broughan that the Minister's response illustrated to us that he has changed his tune. He is now acknowledging that as Minister for Transport, Tourism and Sport, he is up to his neck in it. It is a bit ironic for him to say that ministerial

intervention is never required in industrial disputes given that not so long ago, the threat of a blue flu by An Garda Síochána led his Government to intervene by finding €40 million to settle the issue. The provision of that €40 million was announced by the Minister, Deputy Donohoe. It is wrong to say that Ministers do not intervene, as I have mentioned a case in which there was ministerial intervention. Why does the Minister think gardaí are more important than public servants than bus drivers? Why does he think they should get preferential treatment? Why did they not have to go out on strike, given that Bus Éireann workers have spent the last 13 days on the picket line without pay? They have been receiving the brunt of the anger and ire of people who have been discommoded. They have unfairly been described as being, at some level, the worst enemies of this country. Indeed they are not. I would like the Minister to answer the question I have asked about their role.

Deputy Richard Boyd Barrett: I suggest that after this discussion, the Minister for Transport, Tourism and Sport should meet the transport workers who provide the transport service. They will explain to him that this crisis has been manufactured, the game is rigged and the playing field is not level. Everything has conspired to force this dispute. The workers who have been suffering on the picket line for 12 days are determined that they will not be done down to the extent of 30% pay cuts and an assault on our public transport system. The Minister did not respond to what I said about TII's revelation that it has an extra €100 million it did not expect to have. I reiterate that €100 million is going a-begging. What would be more appropriate than spending some of this additional €100 million, which is not earmarked for anything, on the resolution of a national transport strike that is about protecting our bus transport infrastructure and ensuring towns and villages up and down this country have a public service transport infrastructure? The Minister should meet the workers and he should take some money from TII.

Deputy Gino Kenny: I want to state some facts that get to the nub of this dispute. The Belgian Government pays 78% towards the PSO as it is known in Ireland. The equivalent figure is 51% in Switzerland, 49% in Holland and 12% in Ireland, which is in last place. The underfunding of a public service like Bus Éireann was destined to end in a crisis. This crisis is not confined to Bus Éireann. We also need to look at what will happen in Dublin Bus over the next year when 10% of its routes are opened to private operators. The exact same thing that is happening to Bus Éireann workers will happen to Dublin Bus workers. This is an ideological assault on public transport in Ireland. It is time for the Minister to get his finger out.

Deputy Donnchadh Ó Laoghaire: The Minister's policy is wrong because it is crippling Cork, other regional cities and rural Ireland and it is putting workers in an impossible position by asking them to accept outrageous pay cuts. It is monumentally short-sighted because at a time when our cities are becoming more and more clogged up with cars, we need more investment in public transport. Such investment is the right thing to do economically, socially and environmentally. It is difficult not to conclude that the short-sighted approach that is being pursued at present has not come about by accident or on account of laziness, but has been arrived at on foot of deliberate Government policy. The Minister seems to be a fan of paper walls between himself and Bus Éireann and between Expressway and the PSO routes. I would like to compare the operation of the route between Cork and Waterford by a private operator with how it is operated by Bus Éireann. The Bus Éireann service stops in ten places, including small villages. That is a public service and the Minister needs to recognise that. It is only through his intervention that we will be able to have the full conversation.

Deputy Billy Kelleher: We need the Minister to come up quickly with a forum that gives people confidence that he and the Government are committed to public transport. There is no

doubt that Bus Éireann is trying to provide a service with one arm tied behind its back. Unfair advantages are being afforded to private operators that are in competition with Bus Éireann, which is trying to meet its public service obligation. It is quite evident from the figures and statistics that Bus Éireann is not competing on a level playing pitch. Private operators must be obliged to have some public service obligations too. The Government cannot consistently allow routes to be cherry-picked by the private operators, while at the same time wondering why Bus Éireann is having difficulties with its financial viability. We are not asking the Minister for Transport, Tourism and Sport to get involved in the industrial relations side of this matter. We want him to intervene on the transportation side of it to ensure the Government has a proper policy for public service transport.

Deputy Michael McGrath: The Minister has spoken about inefficiencies. The unions have publicly recognised their own responsibilities in that regard. Unions enter negotiations and compromise. That is what they do. Although the Minister is right when he says inefficient work practices have to be resolved by negotiation, he is not fulfilling his own responsibilities. He mentioned that the examination of the free travel scheme “is almost complete and the issue will be resolved satisfactorily”. As we know, Bus Éireann receives far less compensation than private operators in respect of passengers who use the free travel scheme. That is part of the solution. The management of Bus Éireann is staring down the barrel of examinership as it tries to close a deficit. The Minister is saying that part of the solution is almost complete. He needs to deal with that part of the solution to this problem. We have been told that efficiencies were used to find €50 million for the gardaí and a further €120 million to bring forward the €1,000 increase under the Lansdowne Road agreement. Where are the inefficiencies that are now being converted to efficiencies to make savings of €170 million? They are invisible. Against that backdrop, the Minister’s failure to resolve this issue tells us all that there is an agenda at play here.

Deputy Shane Ross: I thank the Deputies again for their contributions. I get the feeling that the prospect of a resolution of this problem does not fill the Deputies’ hearts with joy. Some of the things that were said here this afternoon were foolish and unhelpful to a resolution. I would have expected every Deputy to join me in welcoming the fact that both parties have now gone back to the WRC. That is a very healthy development. It is exactly what we have been looking for. It offers the only prospect of success. I do not think it is a genuine or helpful addition to the debate that is going on outside this House for Deputies to come in here and indulge themselves in condemnations and clichés. I hope the debate in question will intensify at the WRC tomorrow.

I would like to answer some of the questions that have been asked. While much of what the Deputies have said is quite genuine, they have to accept the bona fides of people who think differently. Deputy Barry suggested that I am the “most unpopular” Minister in the country and that I am not very popular in certain areas. I remind him that I am not here to be popular. I am here to make the right decisions. I am not here to jump on bandwagons or to stir discontent before riding on the back of it. I am here to make decisions which I think are in the interests of the taxpayer and the travelling public. That is my job. I was in opposition for a long time and understand from where Deputies are coming. I do not intend to be popular by uttering the same clichés.

Deputy Richard Boyd Barrett: Can the Minister answer the question on Transport Infrastructure Ireland-----

Deputy Shane Ross: If Deputy Martin was as accurate with his accusations as he was with what he said today on Leaders' Questions, it would be helpful. He was completely wrong in what he said on Leaders' Questions today. He should check his facts before he comes into the House and makes statements of the sort he did.

An Leas-Cheann Comhairle: I am being very fair. I ask the Minister to concentrate on-----

Deputy Shane Ross: I accept a lot of what people say about the public transport system. As Deputies Broughan, Bríd Smith and others said, it is my business to get involved in many of the issues they mentioned. I will get involved in those issues. I repeat my public offer to the unions, management, the NTA and all stakeholders that the moment the dispute is over, I will be happy to welcome them to the table to address those issues. That is what I will do.

(Interruptions).

Deputy Shane Ross: I wish to address privatisation because the mantra is repeated time and again. Privatisation is not on the agenda. Those who say it is are deliberately misleading the people in the Gallery. I have no intention of going down that road, nor will I do so.

Deputy Bríd Smith: That is exactly what was happening.

Brexit: Statements

The Taoiseach: As Deputies are aware, a referendum on EU membership was held in the UK on 23 June 2016. Conscious of its relevance for Ireland, the Government played an active role in advance of the referendum. This included working to ensure a far-reaching agreement between the UK and EU last February, with a view to enabling the then Prime Minister, David Cameron, to campaign for a vote to remain in the EU and engage with the Irish community in Britain, who had the right to vote in the referendum, to ensure they were fully aware of the benefits of EU membership and the implications of a withdrawal. The Government was unambiguous in its view that the UK's departure from the European Union would have significant political, economic and social implications for Ireland. Clearly, therefore, the outcome of the referendum was not what we would have wished. However, we fully respect the democratic decision of the UK electorate.

Well before the UK referendum, the Government had started to analyse the main areas of concern and to prepare a contingency framework. Following the referendum, this work intensified and since last summer there has been very extensive engagement with all sectors across the island of Ireland, including 16 all-island civic dialogue events involving over 1,200 representatives, as well as nearly 300 other meetings with individual stakeholders. Restructuring took place, additional resources were put in place and all Departments and agencies were charged with making Brexit a top priority. There is now strong co-ordination on Brexit at key levels across Government.

Through the Cabinet committee on Brexit, which I chair, and which brings together all relevant Ministers and Departments, there has been a thorough analysis of our concerns, an identification of risks, mitigation measures and opportunities and the development of our negotiating priorities. These priorities are to minimise the impact on our trade and the economy, to protect the Northern Ireland peace process, including maintaining an open border, to continue the common travel area with the UK and to work for a positive future for the European Union. Our approach is to work towards the best possible outcome in the negotiations, maintain a close

and constructive economic and trading relationship between the EU and the UK and to continue intensive work to make our economy resilient and future-proof.

We have already taken important steps to repair our economy, including budget 2017 and the Action Plan for Jobs 2017, our new trade and investment strategy. Brexit will, of course, be a critical factor in our longer-term economic strategy. A new ten-year capital programme is in preparation. We are reviewing our 2025 policy to align our enterprise base and policies to reflect new international realities. We are in active discussions with the European Investment Bank regarding a potential increase in investment in the country. In the meantime, the Government's enterprise agencies will continue to work with exporters and potential investors, helping them to deal with issues as they arise, making companies more competitive, diversifying market exposure and upskilling teams.

Last Wednesday, 29 March, as expected, and in accordance with Article 50 of the Treaty of the European Union, Prime Minister May formally notified the European Council of the intention of the UK to leave the EU. This means that we have entered a new phase and the two-year exit process has commenced. I was pleased that our particular concerns, including those relating to the Good Friday Agreement, were acknowledged in some detail by Prime Minister May in her letter. This reflected our engagement with the UK, including my meetings with the Prime Minister through the mechanisms set up under the 1998 Good Friday Agreement and those established following the 2012 joint statement, while of course respecting the principle of no negotiations without notification agreed with our EU partners last June.

Now that Article 50 has been triggered, we will publish before the end of this month a consolidated paper providing more detail about our priorities and approach to the negotiations ahead. On Friday, 31 March, in response to Prime Minister May's letter, the President of the European Council, Donald Tusk, circulated a draft EU negotiating guidelines among the 27 remaining EU Heads of State and Government. These outlined the main issues to be addressed in the withdrawal negotiations and the principles and approach of the EU side. The draft guidelines will be discussed at ministerial and senior official level over the next few weeks, and the 27 EU Heads of State and Government will meet as the European Council on 29 April to agree them.

I am pleased that the draft guidelines include a very strong acknowledgment of Ireland's unique and special circumstances, the need to protect the peace process and the Good Friday Agreement and our intention to maintain bilateral arrangements with the UK, such as the common travel area. It is important to highlight in the House that the resolution on the Brexit negotiations adopted by the European Parliament on Wednesday also contains strong references to our specific concerns. These outcomes bear testament to our programme of strategic engagement over recent months, which has included almost 400 meetings with EU partners and the EU institutions in which we have highlighted, explained and contextualised the unique and special circumstances pertaining to Ireland and the need for these to be addressed in the upcoming negotiations. This programme has included engagement by me as Head of Government, the Minister for Foreign Affairs and Trade, the Minister of State with responsibility for European affairs, other Ministers and our team of experienced senior officials and diplomats.

This engagement has also enabled us to gain a useful understanding of the objectives of other partners and to start to look more closely at potential alliances for the negotiations and more generally for the future. Once the guidelines are finalised, a more detailed negotiating mandate for the European Commission will be agreed by Ministers in May, and negotiations

with the UK can then begin. It is important to note that the European Commission Brexit task force, headed by Michel Barnier, will lead the day-to-day negotiations, but the European Council, that is, the 27 Heads of State and Government, will have constant oversight of the process. They will discuss and review the negotiations regularly, revise the guidelines as required and take all final decisions.

As the member state with, arguably, the most at stake, we are fully engaged in this process and are in regular contact with EU institutions and our EU partners. I have just come from a meeting with the President of Croatia, the most recent EU member state. On Thursday, I will meet with Chancellor Merkel in Berlin.

Under Article 50, the exit negotiations, which will address issues such as the status of EU citizens living in the UK and UK citizens living other member states and the UK's financial commitments to the EU, as well as issues relating to the Border, should be concluded within two years, including time for the agreement to be approved by the European and UK Parliaments. While I believe that the exit negotiations should also include discussions on the future relationship between the EU and the UK, the many complex and important issues involved, including trade, regulatory convergence and sectors such as fisheries, energy and deviation, are unlikely to be resolved for a considerable period of time. It is my strong view, as I have stressed in my discussions, that a transitional arrangement between the exit agreement and the future relationship agreement will be required to ensure an orderly exit and provide certainty for our citizens and businesses. While we have achieved our goal so far, we are only at the beginning of what will be a very long and difficult set of negotiations. We will need to remain united and focused with a view to ensuring that the unique circumstances of Ireland and its particular concerns arising from Brexit continue to be understood and addressed.

In any objective assessment, it is clear that European Union membership is central to the success of our open, competitive economy and the basis for much of our political and social progress. Our place must remain at the heart of Europe and we will work with all our EU partners as part of the EU team to achieve the best possible outcome. These negotiations are not a case of Ireland versus the UK, Ireland versus the EU or, indeed, the EU versus the UK. Many of our EU partners share our concerns and want to achieve as close a relationship as possible with the UK. For our part, we are determined to maintain our strong relations with both the European Union and the United Kingdom. Despite the regrettable lack of agreement to date to establish an Executive in Northern Ireland, we will continue our process of engagement with a view to ensuring that the negotiations take full account of all-island issues and Northern Ireland. Our Ministers understand the business of Europe and the diplomats and officials who support them have extensive experience of challenging international negotiations. We understand our priorities and have our structures in place. We have strengthened our relations with our EU partners and the EU institutions and we are well prepared for the challenges that lie ahead.

Deputy Micheál Martin: In the days before Prime Minister May formally triggered Article 50, the leaders of the EU's institutions and the remaining 27 member states gathered in Rome to mark the 60th anniversary of the signing of the Treaty of Rome. The declaration they issued was full of pious aspirations but very little substance and it is far from clear that there is a shared concept of what the Union's priorities should be. In his speech to the leaders, Pope Francis took a very reflective and important look at the founding ideals of the Union and its current troubles. He criticised what he termed "today's lapse of memory" which he described as being at the heart of how so many are ignoring the sustained achievements of the European Union. In looking to the future, he stated the following as being especially the case in a time of uncertainty

and the exploitation of fears: “Those who govern are charged with discerning the paths of hope – you are charged with discerning the paths of hope”. The next two years represent a moment when we will decide the future direction of our country and of the European community of nations and citizens. It is a genuinely historic turning point. The publication of the negotiating documents marks the end of the phoney war and a move to grapple with the substance of the hard, destructive and narrow-minded Brexit with which the British Government has decided to proceed. While this is a matter between UK voters and their government, it should be noted that the form of Brexit which is now under way is very different from what was promised by the majority of “Leave” campaigners. Exclusion from the Single Market and the customs union was dismissed by the prophets of having one’s cake and eating it. On this matter, the Article 50 notification marks only the first of many times when claims central to the Brexit campaign are casually abandoned.

As I have already addressed the fundamental issue of the future of Europe in other speeches, I turn to address the focused issue of the situation currently facing Ireland and what we can do in the next month before the negotiations begin. The Article 50 notification letter contains some welcome language in relation to Irish-British connections while the draft EU document also contains important reassurances in relation to protecting peace and avoiding elements of a hard Border. However, on balance these documents are not encouraging and they only address one element of a much larger challenge for Ireland. On the most basic level, it is extremely disappointing that the special circumstances of Northern Ireland have not been properly acknowledged. As I outlined in detail in a speech in Belfast last year, post-2019 there will remain in Northern Ireland 1.8 million people who will be entitled to claim EU citizenship. The frustration of their democratic decision to remain in the EU is an important issue which the British Government refuses even to reference let alone address. However, this is an issue not just for the UK, it is one which should be addressed in the EU’s negotiating mandate. It would be unacceptable if an EU citizen were to find his or her rights within the EU to be compromised in any way following Brexit. Only by explicitly acknowledging this in the negotiating document can there be any hope that the final agreement will deal with it. EU citizenship is something which was loudly and aggressively campaigned against by Sinn Féin and our other knee-jerk anti-EU groupings, but it is now a right enshrined in international treaties and it must be protected. We call on the Government to go back to President Tusk to seek the inclusion of a specific reference in the negotiating mandate to the fact that the EU is conscious of the continued citizenship rights of Northern Ireland residents and will seek to underpin them in any exit treaty. We also believe that a form of special status for Northern Ireland and the Border region remains possible. The deep interlinking of social, economic and cultural ties is unique across any border in Europe. It would be absurd and incredibly damaging if basic supply routes across short distances were to be undermined.

The Article 50 notification included for the first time the possibility that the British Government might seek credible transitional arrangements. This includes the possibility that it would accept the continued role of the European Court of Justice in underpinning dispute resolution and enforcement. This potentially opens the way for a transitional arrangement which is specific to the unique circumstances of Ireland. For example, where traceability can be determined, a lengthy period during which we could operate a separate approach to some customs issues could be sought. In particular, a transitional arrangement specific to Ireland which bridges any gap between Brexit and a permanent trade agreement should be sought. A point which is now inescapable is that we have to establish a new approach to working with the British Government on an ongoing basis. Protecting the many dimensions of the common travel area, including not

just employment but also access to health, education, welfare and other services, requires more than a once-off agreement. It requires a permanent and intense working relationship. Currently, we do most of this through common EU policies. Absent these, we need a new forum to ensure our engagement is structured and secure. A new Irish-British agreement dealing with matters other than the peace settlement will be required and we should be progressing it now. Because the British Government has chosen a hard Brexit and will opt-in to the very minimum of programmes, such as Horizon 2020, we know already that we need bilateral negotiations on other areas to define current practice and protect it for the future.

Separate entirely from the Brexit negotiations, the EU needs to develop its own response to ensuring that the impact on member states is minimised as much as possible. The UK Government has already announced a fund to try to move the supply chain in certain industries from EU states to the UK. In effect, it has already fired the starting gun on using direct state aids to poach businesses. Any attempt by the Commission to enforce EU laws in this area would be irrelevant given that such enforcement takes longer than two years. We cannot simply stand by and do nothing, however. At minimum, we should seek an immediate agreement that member states can take action during the next two years to combat any poaching efforts which are incompatible with current state aid principles. This should include the right to support immediately the sectors most threatened by Brexit's disruption.

Given the extent of the attention it has received in recent days, it is worth noting the controversy concerning the Gibraltar sentence in the EU document. The scale of reaction in London merely confirms how little people there had thought through the implications of last year's vote. There is nothing controversial about the Spanish Government's position and the clause merely acknowledges the concessions made by Spain during its accession negotiations. I welcome the comments of the Spanish Foreign Minister relating to Scotland. Should Scotland become an independent country and wish to join the European Union, it should be welcomed without delay. It is a modern, liberal and democratic country which has demonstrated how in the modern world a national revival can happen with generosity to all and without any recourse to violence. The acknowledgement of the Good Friday Agreement in the European Union document removes the need to specify at this stage that Northern Ireland would be immediately incorporated into the EU should a majority vote for unity. This would be similar to the handling of German unification. Some of the worst of the bombastic complacency heard from London since last June appears to have been replaced by elements of realism. The first sense of the Tories trying to avoid a chaotic Brexit has emerged. What we have not yet seen is a willingness to properly engage with the unique situation of Northern Ireland. Equally, we have not begun the intense discussions required to have bilateral issues addressed in time for March 2019. In Europe, the approach proposed by President Tusk is reasonable. His openness and the openness of Michel Barnier to Ireland is welcome. Before the final negotiating document is agreed we need to seek an explicit acknowledgement of the EU citizenship of Northern Ireland residents, and we should propose the immediate commencement of a parallel internal process in which European Union states can agree actions to mitigate the worst impacts of Brexit. Brexit remains a historic mistake, driven by nostalgia for an imperial past and founded on crude attacks on outsiders. There is no beneficial Brexit. It is already causing damage and will continue to do so. For Ireland there has been some progress, but equally we need urgent engagement to address the many serious issues we face but which have, so far, been ignored.

Deputy Gerry Adams: The publication of the European Union's draft Brexit negotiating guidelines demonstrate clearly the failure of the Taoiseach's approach to the threat posed to the

island of Ireland by Brexit. D'éirigh leis an Spáinn cros maidir le Giobrálтар a bhaint amach. Ba cheart go mbeadh an Taoiseach ag iarraidh a leithéid de ghealltanás a lorg agus a bhaint amach ar son na Éireann. Spain has achieved greater negotiating leverage on the issue of Gibraltar with a veto than the Taoiseach has achieved for Ireland in respect of the North. Article 22 of the EU negotiation guidelines are clear and definitive. After Britain leaves the Union, no agreement between the EU and the British Government may apply to the territory of Gibraltar without agreement between Spain and the British Government. This is the type of veto the Taoiseach should have demanded. Let us be very clear. The British Government is seeking to impose Brexit against the will of the people in the North without any care or consideration of its impact across the island of Ireland. Brexit is bad and will be bad for our economy, jobs and trade. It has the potential to impose an EU frontier on the island of Ireland and undermine the Good Friday Agreement and subsequent agreements.

To date we have heard promises from the Government of an understanding at EU level and a shared approach with the British Government, and a lot of meaningless phraseology about friction-free borders. Citizens in the North have the right to Irish citizenship, and as well as this they have a right to European citizenship, but the letter triggering Article 50 and the EU Council's draft negotiating guidelines contain little that is definitive or helpful to these rights or to the rest of the people of Ireland. The EU draft is vague and conditional, and much clearer commitments are required. There is still time to get these clear commitments and it is the duty of the Taoiseach and the Government to secure them. An explicit commitment for the North to be designated special status in the EU is needed. This is not just the position of Sinn Féin, it is supported by the majority of parties in the Dáil and a motion to this effect was passed in February. Is the Government ignoring the will of the Dáil? It is also supported by the majority of MLAs who were elected in the recent Assembly elections. In the past, the EU has shown itself to be flexible in agreeing pragmatic arrangements for dealing with complex territorial situations. Denmark is an EU member but Greenland is outside the Union. It still receives EU funding. The EU has said there must be an innovative and imaginative approach to Brexit. Is eiseamláir de chur chuige mar seo é stádas sainithe laistigh den Aontas Eorpach.

Last week, a task force of MEPs from throughout Europe visited Ireland at the invitation of my colleagues, MEPs Mr. Matt Carty and Ms Martina Anderson. They saw at first hand the hugely negative impact Brexit would have on Ireland, particularly but not exclusively on the Border counties. They met business, civic, agriculture and other sectors, elected representatives North and South and local communities. They clearly acknowledged the need for the North to secure designated status in the EU. Special status in the European Union is a solution that will allow for the economic prosperity, trade relations and jobs on the entire island to be protected and enhanced together. Despite the talk of no return to the borders of the past, it is obvious that Brexit will see the imposition of a hard economic border on the island of Ireland.

The Government has a huge responsibility to defend the Good Friday Agreement and ensure the frontier between the European Union and Britain is not on this island. Brexit threatens to tear asunder the Good Friday Agreement. The British Government has already committed to scrapping the Human Rights Act and ending the jurisdiction of the European Court of Justice and the European Convention on Human Rights. In her letter to the European Council president, Donald Tusk, British Prime Minister, Theresa May, referenced the peace process. She spoke about the need to uphold the Good Friday Agreement, but it is the British Government's refusal to implement past agreements which has contributed significantly to the current political crisis in the North's institutions.

The challenge posed by Brexit must be met with the intensity, urgency and vision that is demanded of this time in our history. This requires a seismic step change from the Irish Government. The Taoiseach must realise, and I think he has yet to realise it, that he has to stand up for the national interests of the people of the entire island of Ireland and that people have an expectation that he should do this. He has a responsibility to articulate and uphold the rights of citizens in the North. They voted to remain. The Government cannot gainsay this vote.

We also want to see the Government publish as a matter of urgency its own negotiating position so it can be debated in the Dáil. If the island of Ireland is to avoid a serious economic crisis arising from Brexit this response must be based on a comprehensive negotiation strategy with clear national objectives to protect citizens, workers and key sectors throughout the island. This means the Government working meaningfully with all political parties and all stakeholders, something they have failed to do thus far. Most importantly, this means the Irish Government must formally adopt the negotiating policy position of designated special status for the North.

Sometimes I cannot hear myself talking because of the back feed from what is obviously a very interesting conversation between the Taoiseach and his colleagues.

The Taoiseach: Actually, the Minister of State, Deputy O'Donovan, was saying Sinn Féin has voted against nine referenda on European issues.

Deputy Gerry Adams: And we were right to do so.

Deputy Patrick O'Donovan: So why do you want to be in it then?

The Taoiseach: Of course, yes. He was reminding me of that fact.

Deputy Seán Crowe: Would you like us on the opposition on this issue? Is that what you are saying?

The Taoiseach: We can hear you very well, sometimes too well.

Acting Chairman (Deputy Declan Breathnach): Ná bí ag éisteacht leis an méid atá á rá.

Deputy Gerry Adams: I thank the Acting Chairman. Tá a fhios agam. Tá mórán le rá acu, ach níl mórán á dhéanamh acu.

Acting Chairman (Deputy Declan Breathnach): Lean ar aghaidh.

The Taoiseach: Anois, a Gheáróid.

Deputy Gerry Adams: Mar a dúirt an seansfhear i mBéal Fheirste, “lean é, ná habair é”.

Acting Chairman (Deputy Declan Breathnach): Tá an t-am ag imeacht.

Deputy Gerry Adams: There are actions the Irish Government can take and it has failed to do so. The reason it has failed to do so is it wants to be diplomatically in tune with the fact the Northern state at this point remains part of the British state. The Government dances around all of this, whereas what our Government needs to do is what they British Government does really well, which is stand up for the national interest, meaning the interests of the people of the entire island of Ireland. This is an absolute necessity if we are to ensure we are ready to face into these negotiations and that we are not divided further and reinforce the divisions already reinforced by Britain's exit from the EU.

7 o'clock

Special status would ensure that the whole island can remain within the European Union. We call on the Taoiseach to make this case strongly on 29 April. Those 27 states will ultimately decide the outcome of the Brexit negotiations, and the Taoiseach needs to be clear, as leader of one of those states, that he is not going to countenance a land frontier on the island of Ireland.

I listened keenly to the Taoiseach's and the leader of Fianna Fáil's initial responses in the wake of the Brexit vote. They were a bit mesmerised by what the British were going to do and used many meaningless phrases and sound bites. The British Government - the English Government - does not give any attention to, or care for, either the people of Scotland or the people of Ireland, specifically the people of the North of Ireland. What we and our Taoiseach need to do is to take the proposition of a special designated status for the North within the EU and promote and actively advocate for that. That is the way to protect the economies and communities of the island and to minimise the disruption Brexit will cause.

Deputy Brendan Howlin: With the formal Brexit process now under way, and no certainty on what the outcome will be, Ireland clearly faces years of uncertainty. The exit of the United Kingdom from the European Union will, as I said previously, present this country and island with the greatest social, economic and diplomatic challenges it has faced since the Emergency. For some time, I have been calling for special recognition of the unique challenges faced by Ireland in the negotiating mandate from Mr. Donald Tusk and the European Council. I want to acknowledge the success of the Government's efforts so far on that aspect of the process. Major diplomatic work went in to securing it and I acknowledge that hard work. However, it appears that Spain has also used the framing of the mandate to table political points against the United Kingdom. This is the first of many hurdles we will face, some of which we have not yet become aware of.

From securing the approval of the European Parliament to ensuring Spain will sign off on any ultimate free trade agreement, there is so much that we do not know yet and so much that is outside our control. However, there are some actions the Government can take, through planning and through specific policy initiatives. Last week, the Labour Party published our own Brexit document. Throughout it, we detail the challenges we as a country will face and what we should do about it. It outlines 20 concrete actions aimed at protecting our society, economy and our highly integrated relationship with Northern Ireland. Every party has been talking about Brexit. Fianna Fáil went to the bother of recruiting a new Deputy, so it could appoint him as a specific spokesman on Brexit. Only the Labour Party, so far, is proposing a tangible action plan that would protect Ireland against a hard Brexit. We support the call made by our sister party the SDLP for special status for Northern Ireland. We supported a resolution in this House to achieve that too. It is an absolute requirement that the special status and circumstances of Northern Ireland be recognised throughout the negotiations from the start.

Brexit will fundamentally alter the relationship between ourselves in this part of the island, Northern Ireland, the UK and the EU. It will disrupt trade on the island, and could imperil the peace process. It will impact every sector in ways that cannot yet be determined. It will dominate public discourse for the next decade and present numerous challenges for all of us involved in politics on this island. Many problems will be resolved as they arise, and there are practical steps Ireland can take to outline specifically what we want to achieve, and what we must secure. Nine months on from the referendum, the Irish Government has only outlined in broad terms our objectives for the common travel area, preventing a hard Border, and protecting the peace

process. We have yet to see the detailed actions and policy priorities that Ireland wants to see implemented and secured. The Taoiseach informed the House today that will happen before the end of the month. At a minimum, we believe a new protocol to the EU treaties will be required to recognise the common travel area, the Good Friday Agreement, and the unique situation presented by the Irish Border.

Europe must also adapt and we have proposed changes in the Stability and Growth Pact and fiscal rules, along with the implementation of a European pillar of social rights. I attended a meeting of all member parties of the Party of European Socialists in Brussels last week to discuss in detail how the fiscal rules issue can be addressed. Those rules are rigid, opaque and complex. Worse, they stop us from making the vital investment we need right now to prepare ourselves for our future, much less what will happen after Brexit. I raised this on Leader's Questions last week and I thought I got the support of the Minister for Education and Skills. We now need to see the experience the Taoiseach and the Minister, Deputy Michael Noonan, have been brought to bear to bring about a change in the Stability and Growth Pact. If the Government agrees, then those negotiations should be under way.

We have also said that the €1 billion rainy day fund must be deployed now for investment. We need the infrastructure now. The Common Agricultural Policy, CAP, budget must also be protected post-2020. From an economic perspective, we have grave concerns about trade and employment. A comprehensive EU-UK trade deal must be a priority for Ireland. This will not happen in the next two years, however. In the meantime, a transitional agreement will be essential to maintain our deep and most valuable trading relationship both on the island of Ireland and with our neighbour in Britain. We have also called for a Brexit early warning system to be put in place. Such an all-island warning system would bring together the trade union movement, employers and other stakeholders. It would help to identify sectors and firms that are experiencing particular pressure points and are at particular risk as market conditions change, currencies fluctuate and so on. We are also calling for state aid rules to be suspended for two years from the date of Brexit. With this, a €250 million Brexit trade adjustment fund should be set up to directly support businesses suffering from trade upheaval.

Regional fora need to be established to help to foster and create new jobs, and to protect current ones. These fora could work in tandem with the early warning system I have outlined in order to Brexit-proof our regions. As the Economic and Social Research Institute, ESRI, has dramatically illustrated, the impact of Brexit will not be uniform on the island. There may be benefits for sub-regions like the greater Dublin area. For some regions, like the midlands, the Border, and my own south-east region, it would be catastrophic. The regional action plans for jobs drawn up in 2015 and 2016 are already out of date because of the new circumstances we face. We need a full analysis of the potential and the risk to employment in our regions consequent to Brexit.

In a worst case scenario, with a hard Border between the North and South of Ireland, an arsenal of funding must be available to support those worst affected. It is no good to have rhetoric saying there will be a friction-free Border or no hard Border if Britain is outside not only the Single Market, but the customs union. Some sort of border will have to exist. Let us be practical about how to mitigate the impact. It could be catastrophic if we do not have clear plans for it. We should be very ambitious in what we need to do and begin to discuss it. The current European Globalisation Adjustment Fund, EGAF, programme is now undergoing a mid-term evaluation. Our Government needs to engage with the European Commission for the rules to change.

We also believe that the Joint Committee on European Union Affairs should hold public hearings on the impact of Brexit. I understand the Seanad has now set up its own Brexit committee, the Seanad Special Committee on the Withdrawal of the United Kingdom from the European Union, with Taoiseach's questions functioning largely as our main way of finding out the thinking of Government and Government strategy as we emerge down the road of Brexit. The Oireachtas needs to speak with one voice, rather than through multiple committees.

We are also concerned at the prospect of the status of the English language being used as a bargaining tool or negotiating point, or even as a political football, before the final agreement is reached. The small spat so far, although we heard one former Tory leader almost launching the gunboats, shows the potential for political point scoring on these matters. Another colleague of his once described him as "a creature of the night". Other issues, such as English remaining as a working language, are important. The current designation of Irish as an official language also has to be protected in that regard. The head of the European Parliament's constitutional affairs committee, Danuta Hübner, a person I worked very closely with when she was head of the regional affairs committee when we negotiated the Structural Funds during our own presidency, has warned that English might not be one of the European Union's official languages once the UK leaves the Union. That might sound like rhetoric, but it is something we must have regard to and address. To remove all doubt, the Irish Government should inform the EU that it also intends to notify English, as well as Irish, as an official EU language. There is no prohibition on having more than one official language. Indeed, many of our EU partner countries have more than one.

There is much to be done. We have to act in concert and with clarity on these matters, and the Taoiseach has the support of my party in supporting Irish interests.

Deputy Richard Boyd Barrett: I am sharing time with Deputy Mick Barry.

Deputy Adams said that Theresa May does not care about the people of this island, North or South, and he is absolutely right. Frankly, she does not care about the vast majority of people in Britain, but she certainly does not care about the people here, North or South. She has allowed, and I suspect she will continue to allow, her cynical leaning on British jingoism, little England outlook, racism and anti-immigrant sentiment to trump any concerns about the potential adverse impacts of hard borders between the North and the South. If that is true, and it most certainly is, Deputy Adams and all the others who rightly say we must have no hard border between North and South and that it must be resisted for all the obvious reasons are much more muted in their criticism of the European Union's role in all of this. The European treaties were mentioned. Why do we have no control over whether there will be a hard border between North and South? The answer is that we signed the Lisbon treaty which ceded our rights on those matters to qualified majority voting, such that Germany and France will decide whether we have a hard border.

While we know we have a problem with a British Government that has racist, anti-immigrant, little Englander policies, we also have a major problem with a European Union that has a fortress Europe policy and will insist on borders. The idea that the enemy of our enemy is our friend, which has been peddled by many people in this debate, is simply not the case. The British Government is parochial, nationalistic, racist in its immigration policy and does not care about what happens to people on this island, but so is the European Union. Some 30,000 people have drowned in the Mediterranean because they insist on borders, and we will have to fight them and demand that there is no border, North or South. It is their rules around state aid that will prevent us doing the sort of things that would be necessary to insulate our economy against

possible adverse effects from Brexit.

We know we have to stand up to Theresa May. Will we stand up to the European Union and tell it that we are just not accepting a border, and that there will be instructions from the Executive in the North, if it exists, and from the Government in the South that we are not co-operating with any border posts and our officials will not man such posts? We should just tell them both to hell with their rules, which are depriving us of our democratic right to set our own borders and to decide our relationships with others. Similarly, we should make our own decisions about what industries and enterprises we can provide support to and aid in order to secure jobs, industry and so on. That is the message that must go out to them if we are to deal with these issues.

From Brexit, Trump and the economic instability across Europe which pre-dates those things, we need to take the big lesson that we must diversify our economy urgently. We do not need to have a strategy which equates to beggar-my-neighbour and see if we can get in some more financial services. To exploit the instability, we need to diversify our economy and to have our own industrial enterprise base, which is indigenous and sustainable in the long term. That is what we need, but that is not what the Government is doing. We require a radical shift in our economic and industrial policy.

Deputy Mick Barry: Again, it is left to us on these benches to bring an explicitly left and working class perspective to the debate on the EU and Britain's exit. One unfortunate aspect of the referendum campaign in Britain is that the justified working class anger at the EU on the sound grounds of its neo-liberal and anti-worker agenda did not find expression in the national debate in the UK. Jeremy Corbyn, whose election to the leadership of the British Labour Party we welcomed and who we still wish well in the struggle against the Blairite wing of that party, made a bad mistake when he put aside his well documented reservations about the EU for the sake of inner party peace, thereby ceding the ground in the national debate to the right-wing, isolationist and xenophobic exit campaign instead of staking out the left progressive case for exit. As a result, a rounded out understanding of the motivations behind the vote, particularly in working class areas of Britain, has been consciously obscured. We should not forget that here too in recent EU referenda both large sections of the urban working class and the rural poor voted "No" to recent treaties. The role of the EU as a driver of austerity here, in Greece and elsewhere, as well as high profile anti-worker judgments by the European Court of Justice, have fed this justified opposition.

In the North, fear of the consequences of a bargain-basement Brexit is being used by the sectarian parties to stir up discontent and create greater sectarian division among the working class. Although a majority in the North voted to remain in the EU, it must be noted and recognised that a majority of Catholics voted to remain and that a majority of Protestants voted to leave. The UK leaving the EU has raised fears among Northern Irish Catholics that a hard border will be an impediment to them achieving their desire for a united Ireland.

Those living in Border communities are rightly concerned that a hard border will impede their travel back and forth to work, school and to visit family. They are fearful that tariffs and custom posts will lead to job losses. The UK leaving the EU raises the potential for Scottish independence and the break up of the UK, which has resulted in greater anxiety among Northern Irish Protestants about their future. The vast majority of working class people in the North do not countenance going back to the conflicts of the past. However, the reintroduction of custom posts and border checks would be a potential target for attack by dissident republicans leading to further instability and the possibility of a return to conflict between loyalist and republican

paramilitaries.

No one on this island, North or South, supports a hard border. The political establishment has it within its power to stop a hard border.

It is time for the Taoiseach and this Government to stand up to the EU. The post-UK exit trade deal must be agreed by all 27 EU member states and their parliaments. The Taoiseach should send a warning to the European Commission and Theresa May that this Parliament will veto any trade deal which contains tariffs on trade between North and South. He should tell the Commission that we will not accept a hard Border and put an end to the uncertainty which is causing widespread anxiety and which is increasing instability in Northern Ireland. The exit of Britain from the EU and resulting trade-based conflict do pose concrete dangers to jobs in this State and the cost of living in certain areas, like energy imports. The debate that will therefore confront us as to whether the Government will adopt an interventionist approach to save jobs and industries that will be hit, such as agri-foods, and if so what type of intervention. We say that it is correct that the State underpin jobs but not via a mechanism of corporate welfare that will typically benefit the biggest companies, but rather through State enterprise initiatives and anti-poverty measures that will raise domestic demand for the products of industry. Instead of this the greater part of the Government's focus seems to be the luring of financial companies from London to Dublin notwithstanding the fact that the impact, jobs-wise, in Ireland has already been demonstrated as negligible, not to mention the fact that their activities are far less socially useful than the other areas of the economy that are most under threat.

These are precisely the values that will not be championed by the EU leaders or this Government but they are the values that are instinctually supported by many millions of working class people across Europe, Britain and here.

Deputy Maureen O'Sullivan: I am sharing time with Deputy Thomas P. Broughan. I acknowledge the preparation done by groups and organisations here, including our public servants. It was difficult because they did not know whether Brexit was going to happen and then, when the vote was taken, they did not know when Article 50 was going to be triggered. It is difficult to prepare for the unknown.

I heard the Prime Minister, Theresa May's words recognising the unique relationship with the Republic and the importance of the peace process in Northern Ireland. However, the UK electorate took an utter gamble with the Good Friday Agreement and there was a lack of thorough investigation and research into what Brexit would mean for the agreement. Whether one agrees with the Good Friday Agreement or not it has ensured peace, ease of movement and no hard Border. A generation of people in Northern Ireland and the Border areas have no memory of having to queue at Border crossings. As a member of the foreign affairs committee and the Joint Committee on the Implementation of the Good Friday Agreement, the concerns and anxieties of Border communities and businesses are obvious in the area of agri-food, trade, education culture, sport, health care, transport and retail, not to mention the implications for North-South bodies. While the Good Friday Agreement is recognised internationally and we hear that there will be no return to a hard Border and there will be respect for freedom of movement and the common travel area, there are no guarantees. That raises concerns because if one leaves an organisation or club one cannot expect to enjoy the same benefits or advantages as when one was a member. Everything is amicable at the moment but Ireland cannot get caught in the crossfire between the EU and the UK.

There are unresolved issues from the Good Friday Agreement and there is a real danger they will continue to be left unresolved. I refer to issues relating to flags and parades, legacy issues such as the continuing wait for information on the Dublin-Monaghan bombings, and prisoner issues. These are very serious and continue to deteriorate. Licences are still being revoked, with Tony Taylor being the most recent case. He has been over a year in Maghaberry and he has a date in May for a parole commissioners' hearing, which may happen but is more likely to be cancelled. The stock-take agreement and the work of the International Red Cross in the prison are being ignored and my fear is that, with Brexit, these human rights issues are going to move further down the scale of importance.

Theresa May spoke of the responsibility to ensure nothing was done to jeopardise the peace process but some issues are jeopardising the process and they are likely to be ignored or treated in a high-handed, authoritarian way because we know how fragile peace is. I was very struck by the evidence of a witness from the University of Ulster who was before the Joint Committee on the Implementation of the Good Friday Agreement recently. He had evidence from divided societies everywhere and the conclusion was that the implications of Brexit for identity and cultural issues may be more significant and potentially more dangerous in the long term than the specific economic consequences. His point was that uncertainty about identity and political issues can rapidly escalate into direct confrontation. We need to look at the potential implications for reconciliation and the need for a specific strand to deal with the protection of the Good Friday Agreement. I do not believe for one minute that there is any comparison between Northern Ireland and Gibraltar.

I am involved in official development assistance and am concerned about the implications for that of Britain leaving the EU. The UK has been a major contributor to the EU's development budget and had a role in formulating development policy. Its eligible share of the general budget was €1.23 billion, out of €9 billion in ODA spending, and its share of the off-budget development fund from 2014 to 2020 was €4.48 billion, which will be a significant loss financially and from the point of view of policy. We need to look at the implications for developing countries of financial regulation and taxation practices because Brexit could bring about changes to tax and regulation which have to be examined. There is a real danger that the work of Irish Aid will be undermined. If international business and finance firms relocate to Ireland we have to look at them in terms of tax transparency because we need to reaffirm our commitment to country-by-country reporting and a public register of beneficial ownership.

Finally, we raised the question of where Britain stood on the European Convention on Human Rights and were assured by British politicians that Britain would not be withdrawing from it. We have met groups who say there is great potential for Ireland from Brexit.

Deputy Thomas P. Broughan: The Taoiseach referred to the EU negotiating guidelines and to how the negotiations would proceed. Ireland needs direct representation at those negotiations because the sad Brexit decision by the UK is so significant for us. The Taoiseach said negotiations will take place under Michel Barnier and his team, who will report back to councils, but they will not necessarily be responsive enough to the minutiae of negotiations. Our vital national interests are at stake. Countries on the other side of Europe, such as Slovakia and Slovenia, have fundamentally different interests from ours. It is on the line for us as this is the most serious thing to have happened to us since the Second World War so it is not enough to be one of 27, as the Taoiseach suggested.

The team comprises Michel Barnier, chief negotiator, President of the European Council,

Donald Tusk, Jean-Claude Juncker from the Commission and Guy Verhofstadt, leader of the alliance of liberals and democrats. One would wonder how, despite the balmy words of President Tusk, those officials will ensure that Ireland's interests are fundamentally protected when the chips are down. Guy Verhofstadt, for example, is a very strong federalist and an advocate of ever closer union - the kind of point of view that ensured the UK would have a referendum in the first place. Jean-Claude Juncker is associated in this country with the LuxLeaks scandal and President Tusk's own Government wanted to recall him so I am not sure I have that much confidence in them. We have clear evidence that the North-South issues have been accepted at European level. The common travel area has to be maintained because we cannot have the Border back in our country. The president of Sinn Féin argued earlier that all of Ireland must stay in the European Union and I am very sympathetic to that viewpoint. We do not seem to have got across sufficiently the east-west aspect of these negotiations. I give credit to the Government for the reflections we have seen in the letter of the British Prime Minister, Mrs. May, and also in the response from the European Commission of the importance of Ireland's interest being protected. I give credit to the Minister of State, Deputy Stanton, and his colleagues for having achieved that. I also give credit to the Department of Foreign Affairs and Trade and our diplomats.

The nature of our interaction with the island across from us is profound in trade, industry and culture. My colleagues referred to culture and sport. We operate as one area in so many respects. Some 40% of all flights from Dublin Airport are to London, one of the busiest routes in Europe and the world. We have massive agrifood exports to the UK and massive energy connections. We have very fundamental east-west connections. If we ended up with a hard Brexit, we would be facing a total disaster and whichever Government might be responsible to this House would have desperate situation to try to pursue.

We need to ensure that a free-trade area is agreed with the UK enabling us to operate as close as possible to the way we operate at present. That has to be our ambition. We need a much more vigorous approach than what the Taoiseach seemed to outline this evening. I feel we should have direct representation.

This has been spoken about as if it was a divorce between people - make the settlement first and then deal with the future. We need to deal with all aspects at the one time. I note that President Tusk seems to be changing his tune on that and has accepted that when issues such as UK payments to the EU and so on are being progressed, there will be fundamental discussion then on the free trade area. These are the most critical issues any Irish Government has faced since the 1940s. I ask the Minister to bear those points in mind.

Deputy Acting Chairman: I now call Deputy Fitzmaurice, who is sharing time with Deputy Danny Healy-Rae.

Deputy Michael Fitzmaurice: I am glad to have the opportunity to speak on this debate. The Europe we joined years ago - many people were in favour of it - was the European Economic Community, EEC. A community in anybody's eyes is a good thing. However, over the years it has changed considerably, some of it good, but an awful lot of it has intruded on the lives of people in different countries. People wonder why the Brits voted to get out. They did so because the ordinary person on the ground is fed up with the rules, regulations and red tape that come from Europe.

It is good that Northern Ireland has been recognised in the document we have seen in the

past week on the negotiating position. It is vital that the peace process is kept going. However, we were found wanting in one area. Spain operated like a super-sub coming on at the end to win the game. It jumped in at the last minute and got a veto on Gibraltar, which was a master-stroke. Regardless of what position papers are in place at the moment, if we believe in democracy, the Irish people in one of the most important decisions of our lives deserve a referendum on this. If this goes pear-shaped, it will have serious consequences for us.

I am concerned that if there is no agreement, we will end up with a hard border. Britain can relax regulations, red tape and all that, and it will put British businesses at an advantage compared with Irish businesses. Not having an agreement would have massive consequences for the beef, dairy industry and sheep industries in this country. To put it bluntly, Britain needs our food and we need the British to buy it. If we end up with a hard border, farming in Ireland will be demolished. Ireland will have to face hard questions. Everybody knows London is no more than one day away from a shortage of food and Britain is a net importer of agricultural products. Agriculture is vital to people throughout this country.

The movement of people over and back has to be recognised irrespective of whether the Europeans like it. The British have talked about this. We should look at Gibraltar, Jersey and northern Cyprus. There can be one section of a country - let us say for the sake of argument Northern Ireland - that does not have to be in the European Union and it should be allowed to trade. This is bread-and-butter stuff for us. Many Irish people, especially those from the west of Ireland where I come from, went to Britain and got good work. They have come home and set up in Ireland after a while. Tourism is also ferociously important to this country.

We are like the hurler on the ditch; we are watching the game but we do not know who is playing. There is a guy called Barnier on one side of the table. The talk at the moment is lovely. Everyone is talking about the Border and everyone is talking about Ireland. However, at the end of the day, they will think about the 27. The Taoiseach should go out there and announce to them that we will hold a referendum on this decision even if it puts their noses out of joint. I think the Irish people should have a referendum. If a hard border comes about and we lose the free travel area, and if there are tariffs on our produce, then we are entitled on a referendum to decide what we will do as a nation. We cannot afford to lose the 40% of our agricultural exports that go to Britain. I urge the Taoiseach to do this in the interests of democracy. Europeans might have a lot of unelected representatives doing things for them, but if we believe in democracy, we will give that opportunity to our people.

Deputy Danny Healy-Rae: I am glad to get the opportunity to talk on this very serious and important matter facing our country. At a presentation in Buswells, IBEC informed us this will seriously affect the regions, as it calls them - I call them rural areas and the farming community - but it may not affect areas around Dublin as much. As Deputy Fitzmaurice said, I do not know how we can avoid a hard border, but I hope we can.

We need our best team to take into account all the ways farmers will be affected if we do not maintain the markets we have had up to now, or at least to maintain most of them. The farming industry is at a crossroads. It will be very hard to maintain farming as we know it where farmers were proud to hand down the farm to their offspring and for them to continue to do the same. There will be a burden on their shoulders to do just that. They need every support. We need to maintain trade with the UK.

As other Deputies stated, we will be severely affected if we have a hard border and cannot

maintain the free travel area. I do not know how it will be achieved. We talk about Gibraltar and other places but will Europe and England listen? The English people voted to protect their borders. Given that Ireland is open to Europe, will we have people coming here to try to access Great Britain by crossing over the Border? There are many challenges to be dealt with and much work needs to be done. I am asking that our best team goes out and puts its best foot forward to ensure our interests are protected as much as possible in the upcoming talks.

This evening we had a presentation from fishermen. They say that if the UK takes back its waters, European fishermen such as the Spaniards will impinge more on our waters and further abuse the ability of our fishermen to survive in places such as Castletownbere, Killybegs in County Donegal and off the Dingle coast. Those people will have a much harder time if this happens.

An awful lot is involved and much is at stake for our country. As I stated, we are at a cross-roads. Farmers are worried that we will lose the UK market. If the UK starts buying food or produce from other countries, farmers' ability to stay on the land will be eroded and rural areas that are struggling to survive will be further decimated. We cannot highlight enough the way farmers and those in rural communities will be hit. As it is, places are very badly hit. Down around the Ring of Kerry, many of the local parishes cannot field a team. They have to amalgamate to put a team out.

Acting Chairman (Deputy Declan Breathnach): Will the Deputy conclude, please?

Deputy Danny Healy-Rae: We are told that the Taoiseach is respected in European circles. We ask him to do his level best to ensure he gets the best deal for the country.

Acting Chairman (Deputy Declan Breathnach): I call the final speaker, Deputy Eamon Ryan, who has just under ten minutes.

Deputy Eamon Ryan: At the outset, I wish to mark how sad an occasion the triggering of Article 50 by the UK Government was. In a sense, in that moment it became clear that the UK intended to leave and that our entire union was being undermined. It was a bad day for everyone in Europe as it means a diminished Europe and a diminished relationship between us and our nearest neighbour, with whom we have built up a very good relationship in recent years. That the UK decided to leave our union and take a different course was a day of sadness.

In my mind, it is not necessarily conclusive. There is still political opposition in the UK from the likes of my Green Party colleague, Caroline Lucas, as well as Nick Clegg and others who seem willing to say, "No, we do not agree with this and think it a fundamental mistake" and are looking to see what ways it might be averted. My colleague, Steven Agnew, has joined with others in the UK and Green Party leaders in the European Parliament to test here whether Article 50 is revocable. It is being taken here in order to be able to get to a European court to make a quick decision should that become a viable or desired outcome. I support their case. We are not taking the case ourselves because it has to come from outside the jurisdiction but we support the application as one of the ways available to fight the worst adverse effects of Brexit.

We are examining it because it has become obvious since the referendum almost ten months ago that what is being delivered is a much harder Brexit than anything that might have been expected or articulated during the referendum campaign. A certain section of the Tory Party and UKIP seem to have control of the narrative and the political impetus in the United Kingdom since the referendum. They have steered their Government in a way that rules out the Single

Market and effectively rules out, it seems, the customs union, although that is not as conclusive, rules out the Court of Justice of the European Union as an arbitration court and articulates the view that no deal is better than a bad deal. It is becoming increasingly clear the longer the process goes on that no deal would, in effect, be a terrible deal. We all have to try to avoid that because a terrible deal for the UK would also be a terrible deal for Ireland. We would be affected by the downturn in their economy that would happen and in terms of the relationships on this island, North and South. Across the board, it would be hugely detrimental to our long-term interests. Therefore, we have a particular obligation to try to avoid that no-deal scenario.

We are in a sense in opposition. It seems to me that those 70 or so Tory MPs, who seem to be driven by the idea of empires lost and national fervour around independence, are willing to go that no-deal route. It seems they would be happy to end up with a crash in the negotiations that are about to take place and exit the European Union in a manner that would be deeply damaging. We must avoid that outcome. There are also those in Europe, on the other side of the negotiating table, who might similarly think that this is a good way of giving a punitive lesson and teaching the UK a thing or two. We have to avoid their desired outcome. We can and should play a conciliatory, intermediary and positive role in the negotiations to try to avoid those outcomes.

What might that mean? What might our negotiations strategy be? In the coming weeks, before the European Union's negotiating position is absolutely finalised in the end of April or early May, I hope that the Government seeks to start discussions around some of the transitional or other arrangements that would follow on from the final completion of the Article 50 exit process. The Minister of State, Deputy Dara Murphy, made a statement during a debate last week that has been proven true in terms of what President Tusk stated, which is that the European Union wants a lag of three to nine months, or whatever it is, between any discussions about future arrangements before we have the discussion around what the Brexit exit Bill might be and how UK and EU citizens might be treated in different jurisdictions. He wants, as it were, the divorce arrangements first.

I understand in some ways how that might be a negotiating position to test the water in terms of how the negotiation process might proceed. However, I think it is a mistake. We should be willing to take the initiative and explicitly say not to start this with all the hard ball stuff and the difficult stuff. For instance, how will we make the issue about how much of a bill is to be paid legally verifiable? Who will be the final arbiter of the bill or how it can be legally tied down? That issue is not the most important issue to get right and to debate. There will be some transitional arrangements and the UK will have to pay costs and certain pensions and there will be many other arrangements. However, it is not the fundamental issue at stake and should not be allowed to be come a stumbling block.

We see this week with the issue around Gibraltar and the threat of military support being withdrawn how quickly this can be steered into a direction of negativity and adversarial conflict. That is not in our interests. It is in our interests to highlight some of the issues where we will need co-operation come what may. I will give a few examples of what those transitional arrangements might be. We are right to put the relationship on this island first and foremost in the debate on how UK and EU citizens will be treated in corresponding jurisdictions. We should be upfront and quick in sorting out the issue of a common travel area on this island as well as east-west travel arrangements between Ireland and Britain. We must also address the rights of European citizens in the North because their ability to work in the South may be a complicated issue. While travel will not be restricted, restrictions may apply in respect of employment and

so forth. The island of Ireland could be used as a test case for addressing some of these issues.

I was fortunate to visit Brussels two weeks ago to attend a major conference on the development of an energy union. It is becoming increasingly obvious that energy co-operation will be essential to the economic interests of the United Kingdom, regardless of the outcome of the Brexit negotiations. The UK recently completed a modelling exercise on its future energy mix in a low carbon world, which we must all move towards. Included in the exercise was a ramping up of its strategy to achieve much greater interconnection. Notwithstanding Brexit, Britain is planning to provide approximately 12 GW of additional capacity of electricity capacity between the UK and the rest of Europe by 2035. Market rules and jurisdictional arrangements are needed should a conflict or dispute arise. It is in everyone's interests, including those of the rest of Europe, to get this interconnection right. We need to share and balance energy, achieve security of gas supplies and adopt common standards to be adhered to should a pollution incident arise in the Irish Sea, for example, from Sellafield. We also have the whole EURATOM issue. We need to get agreement on all these issues very quickly. There is no reason to wait for divorce arrangements to be agreed between the UK and EU before starting negotiations on these issues. Starting negotiations now would be a better European strategy that would wrong-foot the hard-line Brexiteers by focusing on some of the good outcomes co-operation would deliver. This would change the nature of the negotiation strategy.

My advice to the Taoiseach and his officials in advance of the European Council meeting is that he should state to Michel Barnier, his officials and the European Parliament that we should not wait for six or nine months but start now to create a safe space for discussions on these matters and numerous other areas. The Minister of State, Deputy Stanton, for example, faces significant issues on migration which need to be addressed. Why wait or delay? Let us get involved in negotiations now. It would help us to shape our priorities if we played on a European pitch in this way, rather than concentrating only on our national effort.

Bail (Amendment) Bill 2016: Instruction to Committee

Minister of State at the Department of Justice and Equality (Deputy David Stanton):
I move:

That, pursuant to Standing Order 200, Standing Order 154 is modified to provide that it be an instruction to the Select Committee on Justice and Equality that it has power to make provision in the Bail (Amendment) Bill 2016 in relation to:

(a) the Criminal Justice Act 1984, Criminal Justice (Drug Trafficking) Act 1996, Criminal Justice Act 2007 and Criminal Justice Act 2011, of a technical and drafting nature, to update cross references within the Acts; and

(b) the Criminal Justice (Public Order) Act 1994 for detention and release arrangements where an arrested person is intoxicated to such an extent as would give rise to a reasonable apprehension that the person might be a danger to self or others;

and to change the title of the Bill and make other consequential amendments required to take account of the changes above.

The additional provisions to be included in the Bail (Amendment) Bill concern an amendment to the Criminal Justice (Public Order) Act 1994 to allow the Garda Síochána to detain intoxicated persons who have been arrested and who are in custody in Garda stations where those

persons would be a danger to themselves or others if released, and a technical amendment to be made to apply section 5A - questioning of persons detained under section 4 not generally permitted pending access to legal advice - of the Criminal Justice Act 1984, as inserted by section 9(a) of the Criminal Justice Act 2011, to the detention provisions of three statutes, namely, the Offences against the State Act 1939, Criminal Justice (Drug Trafficking) Act 1996 and Criminal Justice Act 2007.

With regard to the proposed amendment to the Criminal Justice (Public Order) Act 1994, the new provision concerns detention of intoxicated persons in Garda stations in circumstances where those persons, if released, would be a danger to themselves or others. The Garda Commissioner has requested that consideration be given to making statutory provision for such detention. It will allow the Garda Síochána to detain intoxicated persons who have been arrested for public order offences under the Criminal Justice (Public Order) Act and who, but for this new provision, would be released. Such persons can be detained for a period not exceeding six hours where the member in charge of the Garda station in which they are in custody is of the opinion that they are intoxicated to such an extent as to be considered a danger to themselves or to other persons if released.

To date, the Garda Síochána has relied on a presumed common law duty of care to intoxicated persons to justify such detention. However, this practice has no statutory basis and the amendment to the Public Order Act will provide for such a statutory basis. I stress that the new provision concerns dangerously intoxicated persons, persons who have been arrested for public order offences under the Criminal Justice (Public Order) Act and who, but for this new provision, would normally be released. The definition of "intoxicated" in the Act is not limited to intoxication due to alcohol consumption but is defined in the Act as including drugs, solvents or other substance or a combination of substances.

This new provision will apply where a person would normally have been released, for example, on "station bail" in accordance with section 31 of the Criminal Procedure Act 1967 or section 68 of the Children Act 2001, but where the member in charge believes that the person is so intoxicated as to be a danger both to himself or herself and to others, if released. The provision also provides for release prior to the expiration of the six-hour detention period. This will ensure a person will be released once he or she is no longer considered a danger to himself, herself or others. A similar provision is contained in section 16 of the Road Traffic Act 2010.

With regard to the technical amendments, these concern the application of a new provision dealing with detention, namely, section 5A of the Criminal Justice Act 1984, as inserted by section 9(a) of the Criminal Justice Act 2011, to the detention provisions of the three statutes mentioned, namely, the Offences against the State Act 1939, Criminal Justice (Drug Trafficking) Act 1996 and Criminal Justice Act 2007. Section 5A concerns the well established right of a person in Garda custody to access legal advice and is aimed at clarifying the circumstances in which questioning may proceed, notwithstanding that a suspect has not yet had an opportunity to consult a solicitor.

It is an established policy principle that relevant provisions of the 1984 Act relating to detentions made under section 4 of that Act should also apply to detentions made under the three criminal justice statutes mentioned. This means the new section 5A, which has not yet been commenced, will have to be applied to these three statutes. Sections 9(b), (13) and (14) of the Criminal Justice Act 2011 apply the new section 5A of the 1984 Act to the three statutes in question. However, difficulties have arisen from the fact that both the Criminal Justice Act 2011 and

Criminal Justice (Forensic Evidence and DNA Database System) Act 2014, known as the DNA Act, amend the same provisions of the three statutes in question and while the amendments contained in the 2014 DNA Act have already been commenced those of the 2011 Act have not. The question of whether provisions which have been amended by a 2014 Act could subsequently be amended by a 2011 Act, in other words, whether the 2011 Act could “trump” the 2014 Act, has been considered. The fact that the provisions of the 2011 Act do not take account of some reformatting of the provisions by the 2014 Act has also given rise to uncertainty as to what will be the final outcome of the amended detention provisions. The Office of the Attorney General has advised that the most prudent way to clarify the matter is to draw up new provisions providing for the application of section 5A to the detention provisions of the three statutes in question and to repeal the existing application provisions of the 2011 Act.

As the Tánaiste and Minister for Justice and Equality is anxious that these provisions should be commenced sooner rather than later, she has decided to include the amendments in the Bail (Amendment) Bill, which is currently before the Houses. Members may recall that she indicated her intention to proceed on this basis during her Second Stage speech on 8 February 2017. The Tánaiste has been advised that this will necessitate changes to both the Short Title and Long Title of the Bill which, following agreement of the amendments on Committee Stage, would become the Criminal Justice Act 2017. I commend the motion to the House.

Acting Chairman (Deputy Declan Breathnach): We must adjourn the discussion at 8 p.m. However, if Deputy Jim O’Callaghan wishes to make a brief contribution, he may do so.

Deputy Jim O’Callaghan: I suspect I will need to speak again when the debate resumes after Private Members’ business.

It is unsatisfactory that the Joint Committee on Justice and Equality, which is due to meet tomorrow morning, is this evening being asked to deal with amendments to important legislation. I note from the Minister of State’s contribution that the proposed amendments are in respect of the Criminal Justice (Public Order) Act 1994. I do not propose to deal with the substance of the amendments now because that matter can be dealt with in committee. Notwithstanding that, there should be a more coherent way for us to do our business. This important legislation. An amendment to the Criminal Justice (Public Order) Act 1994 should have been dealt with in the orthodox way. Notwithstanding that, I recognise the Government wants to insert a form of urgency into this matter. This urgency has not been explained as this matter has been an issue for very many years. It is clear that when gardaí are taking into Garda stations individuals who are very intoxicated and a threat to themselves and others they do so not without the protection of any particular law but because of an *à la carte* system that appears to have operated over the years.

The Government should explain the reason this motion has been introduced with such urgency. While I am happy to deal with the matter, I wish to record my party’s dissatisfaction in regard to this particular issue. We will deal with the substance of the matter tomorrow. My party will not oppose the motion as we are trying to have this matter dealt with promptly.

Acting Chairman (Deputy Declan Breathnach): We must adjourn the debate.

Deputy Jonathan O’Brien: On a point of order-----

Acting Chairman (Deputy Declan Breathnach): I am adhering to the rules of the House. Private Members’ business must commence at 8 p.m. The debate will resume later.

Deputy Jonathan O'Brien: If the motion is opposed, is it correct that the division will be taken on conclusion of the debate?

Acting Chairman (Deputy Declan Breathnach): Yes, that is correct.

Debate adjourned.

8 o'clock

Defence Forces: Motion

Deputy Lisa Chambers: I move:

That Dáil Éireann:

acknowledges the pride that Irish people take in the Defence Forces and the contribution made by the Permanent Defence Force, the Reserve Defence Force and Civil Defence;

remembers those members who have made the ultimate sacrifice in the service of the State, including those on overseas peacekeeping missions;

agrees that the single greatest asset the Defence Forces have is their personnel;

recognises that the dedication and professionalism manifested by the Defence Forces is inspiring;

compliments the Defence Forces on their central role in marking the 100th anniversary of the Easter Rising;

believes that a career in the Defence Forces is a form of patriotism that provides an outstanding example to all of Irish society;

welcomes the publication of a new White Paper on Defence in 2015;

notes that:

- the current allowed strength of the Defence Forces at 9,500 has stretched its ability to fulfil their assigned roles and maintain a credible contingent capability;

- the current effective strength of the Defence Forces is below 9,000;

- the geographical deployment of the Defence Forces is uneven;

- concentrating the majority of the Defence Forces in the east and south of the country removes the traditional place of the military with and from Irish society, ignores organisational linkages and histories, and erodes geographical and family military service traditions;

- the expressed view of one representative organisation in the Defence Forces that there are problems in a range of areas, including commuting, work-life balance and stress, and that morale is at the lowest it has been for some time, with comradeship and brotherhood fading;

- the significant difficulties that the Defence Forces have in the retention of personnel;

and

- the widespread belief that the 2012 reorganisation has not been a success;

further notes that:

- the effective membership of the Reserve Defence Force fell from 2,280 to 2,049 during 2016 and has fallen further to 1,970 this year;

- if the net loss of 200 members, that the Reserve Defence Force experienced last year, continues into the future it will cease to exist by 2026 and it is likely that it will be seen as impractical to sustain long before that; and

- the single force concept has not benefited the Reserve Defence Force; agrees that:

- Ireland needs a defence policy that is measured, fit for purpose and appropriately resourced;

- Irish defence spending is very low, even by the standards of neutral countries;

- at €639 million in 2015, defence expenditure, excluding pensions, amounted to just 0.25 per cent of gross domestic product, GDP; and

- a low level of resources is not ultimately consistent with a credible defence policy;

and

calls for:

- military professionals to be allowed play a meaningful and worthwhile role in the formulation of policy advice to the Government;

- reservists to be allowed play a meaningful and worthwhile role in support of the Permanent Defence Force;

- annual updates on the implementation of the 2015 White Paper to be provided to the Oireachtas Joint Committee on Foreign Affairs and Trade, and Defence;

- consultation with the representative organisations in the Defence Forces on the practicalities of implementing the 2015 White Paper;

- a review of legislation and Defence Forces' regulations governing the Reserve Defence Force;

- regular recruitment campaigns for both the Permanent Defence Force and the Reserve Defence Force and new retention initiatives;

- the reinstatement of Defence as a lead portfolio in the Cabinet;

- the restoration of the Army to a three brigade structure by re-establishing the 4th Western Brigade based in Custume Barracks, Athlone;

- the establishment and strength of the Permanent Defence Force to be increased to 10,500 personnel across the Army, the Air Corps and the Naval Service by 2021; and
- renewed efforts to ensure that the Reserve Defence Force reaches its establishment strength of 4,069.

I wish to share time with Deputies Marc MacSharry, Niamh Smyth and Kevin O'Keeffe.

Irish people take great pride in the Defence Forces and the contribution made by the Permanent Defence Force, PDF, the Reserve Defence Force, RDF, and Civil Defence. We all agree that the greatest asset the Defence Forces have is their personnel - the men and women of Óglaigh na hÉireann who serve the country with distinction - yet the Defence Forces are facing huge difficulties retaining and recruiting sufficient personnel. The organisation is seriously below strength and it is way past time the process of rebuilding began. We have reached a crisis point with critical staffing shortages across all arms of the organisation. The decline in numbers in recent years has left the force with just 9,070 personnel, some 430 below the current agreed strength. Even though a new recruitment campaign was launched last year, in the year up to February 2017, the numbers in the Defence Forces fell yet again. Fianna Fáil believes we should look to increase the force's strength to 10,500 in the coming year but we also believe it is just as important to retain what we have.

This question of why we need the Defence Forces is commonly asked but often poorly responded to. To be a sovereign state with a functioning democracy, we need to have a properly resourced Defence Forces with appropriate capabilities. We take for granted that the Defence Forces are loyal to the State and protect the Republic and our democracy. It may seem trivial to say but other jurisdictions around the globe do not enjoy such a scenario. The Defence Forces provide many vital services, often quietly and with little or no fanfare. They just get on with their job and we take for granted that we have their protection and their loyalty as a state.

The Defence Forces provide aid to the civil power, assist An Garda Síochána when required, work with the Irish Prison Service, respond to bomb threats in the State, assist with flood relief, respond to national emergencies, provide air ambulance transfers for transplant patients, and assist with search and rescue, as was recently done off the coast of County Mayo, all the while fulfilling the State's obligations to the protection of peace and security internationally through UN mandated missions. All these are vital services that citizens expect to be available when called upon. No one is seeking a gold plated Defence Forces but we expect an adequately resourced organisation that can respond to basic needs of citizens. Given the critical staffing shortages currently being experienced, do the Defence Forces have the ability to respond to the needs of citizens and the State? Where now stands the security of the State given we are seriously lacking in sufficient manpower across the Army, the Naval Service and Air Corps?

The State's defence policy, its implementation and resourcing of the Defence Forces must be appropriate. Fianna Fáil is committed to a defence policy that is measured, fit for purpose, and appropriately resourced. The Defence Forces have been an easy target for cost cutting. Their unreserved loyalty and professionalism are perhaps often taken advantage of. Policy has become a matter of fitting the Defence Forces into a particular budget envelope. That is not policy-making but an emasculation of the organisation by stealth. Defence expenditure last year was just 0.55% of GDP. Given the EU average is 1.2%, this represents extremely low defence spending by any standard. With the Defence Forces being reorganised eight times since 1992, there has been considerable upheaval, which has taken its toll. Consistent underfunding

and poor pay and conditions for serving men and women have led to a consistent and ever-escalating loss of experienced personnel. We are haemorrhaging key highly skilled personnel at such an alarming rate that I cannot understand the Government's *laissez-faire* attitude to the situation. What will it take for it to react and implement a meaningful retention policy?

Fianna Fáil has consistently highlighted that the departure of many personnel could affect our Defence Forces' operations and capabilities. That is happening and it has been a clear concern for me as spokesperson for defence since taking up my position only a year ago. I have consistently questioned Government on this issue and, to date, I have not seen an improvement; in fact, the numbers keep dwindling. Does the Government not realise that just over 9,000 members is too low for the PDF? The current agreed strength is 9,500 and at this stage it would be progress to reach that level, but we are fast losing hope that the Government has any intention of attaining this figure. This is hardly acceptable for a force that acts as a guarantor of State sovereignty.

There has been a 15% reduction in officer numbers since 2012 and that is set to worsen if an adequate retention plan is not put in place immediately. It has been reported that last year, 76 officers left the Defence Forces early - a rate which is simply unsustainable. Representative organisations say they have attempted to engage with management to have their concerns addressed but with little success. The Representative Association of Commissioned Officers, RACO, has warned that the military is critically short of specialist officers, including pilots, aeronautical engineers, and bomb disposal experts, and that a contributing factor to this brain drain has been the Department's refusal to honour conditions of service. The bomb disposal service is at half its officer strength and I have been informed that the Army cannot conduct live firing training in Kilworth camp due to a lack of corporals. I am sure the Minister of State will agree that this is astonishing. He will appreciate that this type of training is as close to real life combat as a soldier can get and is vital training for anyone who is to be deployed overseas. I assume the Government has been made aware of this. What does it intend to do about it?

The recent Irish Coast Guard tragedy led to renewed scrutiny of Air Corps capabilities. The Air Corps has been significantly short staffed in its aeronautical engineering department and has only 70% of pilots currently needed. The Air Corps has 211 vacancies and it has been maintained by the Government that the 28 cadets in training, eight of whom are due to graduate later this year, is somehow adequate. The Government will be a long time filling 211 vacancies. Not one of these eight trainees will be qualified to even act as co-pilot of a helicopter or fixed-wing CASA in an Air Corps operational wing until the summer of 2019 at the earliest. A service commitment scheme in respect of Air Corps pilots was in operation until 2010. This gave pilots a €20,000 payment in return for a three to five-year commitment to remain in the corps. It did not bring the salary up to private sector level but it proved sufficient to retain people. This scheme must be reinstated immediately. Given it costs €1.5 million to train a pilot, the scheme would save the State money and retain key capabilities. How has the Minister of State allowed this to get to this stage?

The 2012 restructuring of the Defence Forces continues to generate controversy. The organisation provides a contingency capability for the State across a wide spectrum of operational areas on land, at sea and in the air. The requirement to increase the size of the Defence Forces rapidly in times of national or international emergency and having decreased manning levels in times of less need are essential to that contingency. Maintaining the formation structures to facilitate such expansion is a centuries-old prudent policy. In this light, we cannot ignore the challenges that Brexit might bring and there needs to be proper contingency planning in respect

of the Defence Forces. We should not be reactionary and wait for a problem to present itself before we consider what we might do. We should do what we can now to plan ahead.

I hope we never see a border in this country again but we cannot ignore the possibility. We need Defence Forces that can respond to such a situation. This will likely involve the redeployment of personnel to different locations. The re-establishment of the 4th Western Brigade and an increase in numbers up to 10,500 would certainly be a prudent measure in the short term as we prepare for this potential border. The House should also consider that there has been an additional cost in the loss of the Western Brigade. Troops from Dundalk, Athlone and Donegal carry out routine security duties in Dublin with associated fuel costs, wear and tear on vehicles, increased requirement for vehicle servicing, along with many other costs. There is no doubt, having spoken to members of the Defence Forces, that this reorganisation and the loss of the three-brigade structure has caused hardship for soldiers, with increased travel, poorer work-life balance and less certainty around location. These have all contributed to a decrease in morale across the ranks. Fianna Fáil has called for the three-brigade structure to be restored. The move to a two-brigade structure was ill-advised and ignored long-standing organisational linkages and histories. The savings which accrued were minimal and did not deliver appreciable benefits.

We must also address the matter of defence at the Cabinet. In tabling the motion Fianna Fáil is acting on its belief that the Defence Forces are of critical importance to both the State and society. Sadly, it has not always been clear since 2011 that Governments have sufficiently valued the Defence Forces organisation. The decision in March 2011 to assign the defence portfolio as a subsidiary role to the Minister for Justice and Equality indicated an essential lack of respect for the position. While it was not unreasonable to assign it with another Cabinet portfolio, to do so with the Department of Justice and Equality, one of the busiest Departments, was a retrograde step. We must commit to the restoration of defence as a lead portfolio in the Cabinet. The Minister with day-to-day responsibility for defence policy should be a fully fledged Cabinet Minister, not a Minister of State, as is the case. This would be a very clear affirmation of the value the State must place on the Defence Forces. Overall, the intention of the motion is to convey the respect of the House to the Defence Forces, to recognise the extraordinary contribution every man and woman in the service give to the State, to acknowledge the very difficult period the organisation has gone through in recent years in terms of cuts and reorganisation and to say we hear the concerns of every serving man and woman serving in the Defence Forces and that are committed to addressing these concerns and ensuring the lot of each serving member is improved. We cannot ignore the critical situation in which we find ourselves and the fact that this and the previous Government have allowed us to get to a stage where there is now a critical staffing shortage across every organisation of the Defence Forces. The retention policy must be key. That is why Fianna Fáil is putting the motion to the House in the hope it will generate cross-party support.

Deputy Marc MacSharry: I thank the Minister of State for giving us the opportunity to make a number of points on this issue. I also thank our lead spokesperson, Deputy Lisa Chambers, for sharing time.

Shutting down the 4th Western Brigade was a retrograde step. Now 45% of duties carried out in Dublin are carried out by troops from Finner Camp in County Donegal, just north of Sligo, and from Dundalk. That involves personnel in places like Sligo where many Army personnel live getting up in the morning, driving to Finner Camp, collecting their gear, driving all the way to Dublin to carry out their duties and then returning again. It defies logic. Much

more than that, as we, rightly, obsess here about the impact of a hard border as a result of Brexit, we have neglected the fact that as a result of the closing down of the 4th Western Brigade, the Government, the State and the Oireachtas have lost all corporate knowledge of the Border. The personnel based on it were always the eyes and ears of the nation and carried back the necessary information to us. There is obviously a difficult situation in the North and potential issues arise as a result of Brexit. As Deputy Lisa Chambers outlined, it defied logic, therefore, to shut down the brigade. The two-brigade system has not resulted in real savings but taken fundamentally from the capabilities of the State. We have the ridiculous situation where 45% of duties in Dublin are carried out by troops from the parts of the country I mentioned.

I will make a point about the many thousands who served on the Border during the years. Many medals have been handed out in the past year, rightly, to various people who were deserving of them. Everybody who served on the Border should be entitled to receive a Border service medal on the 100th anniversary of the 1916 Rising. I would like the Minister of State to consider and respond to this suggestion. I am sure it would not cost very much, but its value in terms of the State's acknowledgement of the incredible service given by Army families throughout the entire nation who served on the Border would certainly be priceless.

The Air Corps was mentioned briefly by my colleague. I have a concern about value for money. It costs about €60 million to run the Air Corps annually, including payroll costs. The CHC is costing us €52 million a year for the lease of five aircraft. In effect, there are two overheads. A thorough independent audit should be conducted of the value for money achieved in that regard. It seems there is an awful lot we require in terms of staff and so on, notwithstanding what Deputy Lisa Chambers said about the need for positions to be filled. There are 32 aircraft and the cost is €60 million, including payroll costs, yet we are dishing out €52 million to CHC which does a very good job. We all sympathise following the terrible tragedy.

There has been substantial commentary in the media in recent times on a bilateral air defence agreement between us and the British. I am very concerned about it because I do not recall the issue coming before the Oireachtas since the agreement came into being. I believe it was renewed in August. It is in contravention of Article 15.6 of the Constitution which states only the Oireachtas can make such a move. I ask the Minister of State to check the position and respond to the House in order that we can bring up the matter on the Order of Business another day, if necessary. It was supposed to have been signed by civil servants in the Departments of Defence, the Department of Foreign Affairs and Trade and the Irish Aviation Authority and on the other side by the Foreign and Commonwealth Office and the RAF. The Oireachtas is entitled to know what exactly is going on because the agreement allows British aircraft to enter Irish airspace. While there may be some Deputies and Senators in Fine Gael who would like to see Ireland rejoin the Commonwealth, it will not happen as long as this member of Fianna Fáil is party to a confidence and supply agreement. I would like the Minister of State to inform the House of just what is going on in that regard.

Deputy Kevin O'Keeffe: I commend my colleague, Deputy Lisa Chambers, for bringing this Private Members' motion to the floor of the House. It is vital that the issue of island defence is highlighted. It was neglected by the Government and the previous Fine Gael-Labour Party Government for long enough. The actions of Fine Gael have imposed hardship on members of the Defence Forces and their families. In the past six years we have seen the disbandment of one brigade, three infantry units, two artillery regiments and over a dozen units, while four barracks have been closed. There have also been cuts to the numbers of peacekeepers in Lebanon. It is clear that the Government, while in office in the past six years, has seen the Defence Forces

as an easy target for cost-cutting. The fact that one of the first moves the Government made in 2011 when it took office was to assign the defence portfolio as a subsidiary role to the Minister for Justice and Equality indicated a complete lack of respect for the position and that of the Defence Forces. I say, “Well done,” to Deputy Lisa Chambers for attempting to put a stop to it. The Defence Forces have shown nothing but loyalty and professionalism in carrying out their duties. Not once have they been hit by scandal. The Government needs to be reminded of this.

We need a defence policy fit for purpose. I plead with the Minister of State to review the situation of the Army Rangers wing with regard to the making of the back payment due to them under the Lansdowne Road agreement, for which they have been waiting since 2010. The Minister of State’s Department has sidestepped the issue. Will he find a mechanism to ensure they will receive assurances on the making of that payment? They have not sought an increase in pay; they have only sought the incentives owed to them. The Army Rangers are the men who are called on in the event of a terror threat, a threat which is more likely to arise today than heretofore. The Government’s flagrant disregard of the Defence Forces means that this is one of the most unprepared countries in the western world should there be such a scenario. The motion calls for our military professionals to be allowed to play a meaningful and worthwhile role in the formulation of policy advice to the Government. Their advice on what we should do in the event of a terror attack would be most welcome and is needed. In my county of Cork we are faced with a situation where the naval base in Haulbowline, the only one in the State, is severely understaffed. Last year the Minister of State put politics before protocol and tradition when he chose to hold the Defence Forces international operational service medal ceremony in Rosslare, County Wexford in his constituency.

I recognise the outstanding role the Defence Forces played last year in the national 1916 celebrations. The Government could have made a small gesture by giving retired members of the Defence Forces recognition for past service by awarding the same 1916 medallions as those received by current members and even FCA members. It was an opportunity missed by the Minister of State.

Deputy Eugene Murphy: I take great pride in the Army. Army personnel are wonderful people who, in the view of most in the country, do a very good job. Fianna Fáil has always given priority to the Defence Forces. As pointed out, there has been an alarming fall in the number of Defence Forces personnel which now stands at slightly over 9,000. It is a pity that this and the previous Government failed to give a senior Cabinet position to the Department. That has led, in part, to the demoralised state of the Defence Forces. In recent years, the House has not given adequate time to discussions of defence matters. In the 15 months prior to the February 2016 election, the then Joint Committee on Justice, Defence and Equality discussed defence matters just once. That shows the lack of interest.

The Reserve Defence Force is dying a slow death, with recruitment kept at a low level of just 184 recruits in 2014, a good level of 341 recruits in 2015, but only 47 new recruits trained up to November 2016. Recruitment is crucial to the Reserve’s survival. If it does not increase, the Reserve will be wiped out.

I will conclude on an important point. I commend my colleague, Deputy Lisa Chambers, on introducing this motion. The 4th Western Brigade must be re-established at Custume Barracks, Athlone. It should never have been disbanded. I look forward to the day that it is restored. Its disestablishment and the removal of so many military positions from the midlands, west and north west have meant that no career-oriented military personnel could ever again put down

family roots in those areas. This is another example of government moving out of rural Ireland. I appeal to all Ministers and Ministers of State from the midlands and west to support the motion. We want the re-establishment of the 4th Western Brigade in Athlone.

Minister of State at the Department of Defence (Deputy Paul Kehoe): I welcome the opportunity to contribute on the important issue of defence. The motion has given the Government and the House a valuable opportunity to acknowledge the service of the Defence Forces and to reinforce the policy framework provided by the White Paper on Defence, the significant commitment of funding by this and previous Fine Gael-led Governments to the modernisation of the Defence Forces, the investment in equipment platforms and the continuous recruitment of personnel during the years of the worst recession in the history of the State and difficult economic conditions when the rest of the public sector was not recruiting.

I welcome the recognition by Fianna Fáil, Sinn Féin and the Labour Party of the dedication and commitment of the members of the Permanent Defence Force, PDF, and the Reserve Defence Force, RDF. I also recognise Civil Defence volunteers. We owe a deep gratitude to those who made the ultimate sacrifice in the service of the State. I take the opportunity to recognise their patriotic service.

While it is not covered in the motion or the amendments, I acknowledge the significant contribution that the members of the Defence Forces have made, and continue to make, to peacekeeping. For close to 60 years, the Defence Forces have played a vital role as peacekeepers all over the world, including in Europe, Africa and the Middle East. The Defence Forces's 66,000 individual tours of duty on UN and UN-mandated support missions to date is a tangible demonstration of the country's commitment to the pursuit of international peace and security. Today, just under 600 members of the PDF are serving overseas in various parts of the world, which reflects the Government's continued commitment to our peacekeeping responsibilities. On Thursday morning, the 54th Infantry Group will return from serving with UNDOF in the Golan Heights. I was privileged to meet its members when I visited a few weeks ago and I hope they will enjoy the break with their families and loved ones. A new contingent recently began its deployment with UNDOF. I wish its personnel every success in carrying out their duties.

The White Paper on Defence, approved by the Government in July 2015, provides the strategic and comprehensive defence policy framework for the next decade. It was developed following an extensive consultation process with all interested parties and a comprehensive examination of all defence requirements over a ten-year planning horizon. This policy framework is flexible and responsive, given the dynamic nature of the security environment, and enables the defence organisation to be adaptive to changing circumstances and to use resources as effectively as possible. The development of flexible and adaptive military capabilities is a pragmatic approach to dealing with future uncertainty and the roles assigned by the Government. Capability commitments outlined in the White Paper include maintenance of a PDF establishment of at least 9,500 personnel and the retention of the existing two-brigade Army structure and Air Corps and Naval Service structures. I have indicated to the Oireachtas committee that I will provide updates on the White Paper projects that are under way and that the representative associations will be consulted where appropriate.

I wish to state clearly that the Government is committed to supporting the men and women of Óglaigh na hÉireann, the one and only official Army of the State. They serve the country at home and abroad with great distinction. In 2011, the budgetary provisions for the Defence Forces were such that they risked reducing the numbers serving to below 8,000. That was the

legacy of Fianna Fáil while in office. The then Fine Gael-led Government secured additional funding to stop that happening and to stabilise the Defence Forces at 9,500. It also took steps to ensure that recruitment continued in the Defence Forces even when there was an embargo on recruitment across the public service, something that was introduced by the Fianna Fáil-led Government. Fine Gael's record is one of standing up for the Defence Forces and the men and women of Óglaigh na hÉireann who serve the country with loyalty and dedication.

Budget 2017 delivered an additional €16 million for defence. This provides enough resources to pay for the Defence Forces at a full strength of 9,500. It is an extra €7 million for capital spending, bringing the capital allocation up to €74 million, a 10% increase. It includes an extra €6 million for pensions. However, it is not just the men and women of the Defence Forces in whom we are investing. We are also investing in the equipment and platforms that they have available to them so that they can carry out their duties in an effective and safe manner.

The Naval Service ships replacement programme has delivered three new offshore patrol vessels, which is something that no one has mentioned yet. Last year, the Government signed a contract for a fourth new ship. When complete, the total contract value for the four ships will be close to €270 million. We are also investing in the Air Corps, with plans in place to buy new aircraft. A replacement Pilatus aircraft will be delivered this year, the process of replacing the Cessna aircraft is under way and the White Paper provides for replacing the CASA aircraft.

Earlier this year, I was delighted to award a €50 million contract for refurbishing the Army's armoured personnel carriers, something that has not been mentioned in this debate. Investment is being provided for armoured logistics and utility vehicles, which will further enhance force protection. Capital funding will lead to significant construction works across barracks, including at Baldonnel, the Curragh, Haulbowline, Kilkenny and Limerick and in Cathal Brugha and McKee barracks in Dublin.

At the end of February, the effective strength of the PDF stood at 9,070. The Government is committed to maintaining the establishment of the PDF at 9,500 personnel and recognises that a key challenge for the Defence Forces is to return to and maintain this strength. That is why we are recruiting at historically high levels. This year, the Defence Forces are planning for the induction of approximately 900 new entrants. Both cadet and general service recruitment campaigns are currently active. The cadet campaign covers requirement for line and specialist officers, including engineers for the Army and Naval Service and pilots for the Air Corps. Last year, 590 general service recruits were inducted across the Defence Forces, with 100 cadets between all services. That is the largest cadet class in decades.

Some Deputies wish to portray the Government as not taking steps to reach the establishment strength, but that is not the case. Despite what some say, more people entered the Defence Forces in 2016 than left it. As with other areas of the public service, challenges have arisen in terms of the recruitment and retention of personnel with scarce and highly marketable skills, including pilots and air traffic control staff. However, significant work is under way by civil and military elements aimed at addressing these particular challenges, including a range of actions to improve pilot retention and return to a full level of air traffic control services in the Air Corps. While there are challenges in filling these specific technical posts, the current position is that officer ranks are operating at 87% of the establishment strength. In some areas of the Defence Forces, we bring on board direct entry recruits with specialist skills. I have tasked my Department and the Chief of Staff to consider where else this may be possible, including the

direct entry of those with required skills to the Air Corps, for example, pilots.

The new Public Service Pay Commission has been tasked with providing objective analysis and advice to the Government on public service remuneration, including the Defence Forces, in the context of the FEMPI Acts 2009 to 2015 and is due to report in the coming months. Once this report is available, the Government intends to initiate negotiations on a successor to the Lansdowne Road agreement ahead of budget 2018 considerations. I also want to recognise that the Chief of Staff has raised with me the concerns brought to him by some serving members. I have reassured him that future remuneration of Defence Forces personnel will be dealt with within this process. I welcome PDFORRA's recent decision to sign up to the Lansdowne Road agreement. This will deliver noticeable increases for its members. Regarding additional payments for Operation Pontus, I can confirm that my officials are working with PDFORRA on finalising the conclusion of the negotiated settlement. On my instructions, my officials have been in contact with the Department of Public Expenditure and Reform regarding measures to retain specialist personnel in the Defence Forces, including highly skilled pilots. I assure the House that there is significant work under way in the defence organisation, civil and military, aimed at improving the capacity of the Air Corps.

Recruitment of new personnel is also under way. Currently, there are 27 cadets in three classes undergoing various stages of the Air Corps cadetship to become pilots. Eight were inducted in 2016. There are rolling cadet classes such that we will have additional fully trained pilots this year. The Government continued recruitment in this area during the worst recession in the history of this State. A return to previous levels of capability in the Air Corps will be a gradual process as pilots within the system progress to become aircraft commanders and newly qualified cadets become pilots. Actions are also under way to return a full level of air traffic control services to the Air Corps. Air traffic control training is taking place and options to ensure the longer-term sustainability of air traffic control, ATC, services at Baldonnel are being identified. Some personnel are nearing completion of their training and a new class has recently been inducted. The Defence Forces takes pride in being able to respond to requests for assistance but it must be borne in mind that capabilities are not specifically developed to support other agencies and for civil contingencies but, of course, their utilisation for such tasks maximises the utility of defence capabilities overall and value for money for the State.

Some aspects of the motion and the amendments thereto look to the past rather than the future. The 2012 reorganisation of the Defence Forces was designed to maximise operational capacity and to provide for an organisation that is flexible and can accommodate new or unexpected demands. The reorganisation was carried out on the advice of the then Chief of Staff of the Defence Forces and the Secretary General of the Department of Defence.

An Leas-Cheann Comhairle: The Minister of State's time has expired.

Deputy Paul Kehoe: I ask that the House allow me the latitude to conclude my speech.

An Leas-Cheann Comhairle: This is a two-hour debate. We cannot extend it. Perhaps one of the Minister of State's colleagues might agree to share time with him.

Deputy Paul Kehoe: I will ask one of my colleagues to give up two minutes of their time.

An Leas-Cheann Comhairle: Whatever additional time is taken by the Minister of State will be taken from the time of the Minister of State, Deputy Patrick O'Donovan. Is that agreed? Agreed.

Deputy Paul Kehoe: It replaced the existing under-strength units with a smaller number of full strength units, achieved a reduction in the number of headquarters and brought about the associated redeployment of personnel from administrative and support functions to operational units. As a result, the operational capacity of the Defence Forces has been maintained to the greatest extent possible within the available resource envelope and this has led to an impressive improvement in the deployment and sustainability of the Defence Forces at home and overseas.

The emphasis must remain on maximising operational capacity and not on headquarters structures. It should be noted that no member of the Defence Forces is exclusively or permanently based in any one location. There is a constant through-flow of personnel into and out of their assigned barracks to other barracks. This occurs because military service involves personnel moving into and out of particular postings as they serve at home and overseas and receive training and undergo educational and career development courses. As a result of the reorganisation, there are now more troops stationed in barracks along the west coast. There are now more personnel stationed in Donegal, Galway and Limerick. However, I recognise that there have been issues regarding personnel travelling between barracks and I am working with the military authorities to minimise this.

I restate the Government's commitment to Custume Barracks, Athlone. Since 2009, more than €6 million has been invested in the barracks. Following the reorganisation, the establishment strength was maintained at around 1,000 personnel. Last year, a €2 million project for the planned refurbishment of the kitchen and dining hall complex in the barracks was announced. This went to tender and work on the design is ongoing. It is planned to provide a permanent base for an aeromedical service, which is currently operating from a temporary structure in Custume Barracks. This will involve the construction of a suitable hangar facility. This project is a priority for me and I am working with my officials on it. It is my intention to get it to design-tender stage by the end of the year. However, this is a joint service with the Department of Health and the HSE, and all parties must be involved in the project.

At the beginning of my contribution I mentioned members of the Reserve who give valued service to the Defence Forces. Last week, in reply to parliamentary questions, and recently in committee, I outlined my work with the military authorities to get more people inducted into the Reserve.

Regarding Brexit, it does not give rise to fundamental strategic issues for Defence Forces operations or for Ireland's continuing engagement within the European Union in the Common Security and Defence Policy, CSDP. The outcome of the negotiation process will be considered in the context of existing structures and relationships to ensure the Defence Forces continues to fulfil the roles assigned to them by Government. I assure the House that the Government is committed to funding the Defence Forces and equipping them to do their duties safely and effectively. We are doing this through continued investment, engagement with other countries on an international basis and continued recruitment to the Defence Forces, which we have done even in the most difficult of times.

The White Paper on Defence provides the framework from which we will continue to develop and enhance the Defence Forces in the next decade.

An Leas-Cheann Comhairle: Four minutes will be deducted from the time allocated to the Minister of State, Deputy Patrick O'Donovan.

Deputy Aengus Ó Snodaigh: Tairgim leasú a 1:

1. (a) To insert the following after “publication of a new White Paper on Defence in 2015;”:

“acknowledges that the State has a duty of care to all its enlisted men and women, in terms of health and safety and pay and conditions while they are serving with the Defence Forces, and to ensure their health needs are catered for after serving their full contract especially if it has been affected by the rigours of service, including overseas deployment;”

(b) To insert the following after “effective strength of the Defence Forces is below 9,000;”:

“- the 2015 White Paper on Defence commits to maintaining the strength of the Permanent Defence Force at 9,500 personnel, comprising 7,520 Army, 886 Air Corps and 1,094 Naval Service personnel, yet as of 28 February 2017, the strength of the Permanent Defence Force stands at 9,070, whole-time equivalents, that is, 7,293 Army, 701 Air Corps and 1,076 Naval Service personnel;

- the current efforts to recruit personnel into the Defence Forces is falling well short of what is required and that in total, 590 general service recruits, 501 Army and 89 Naval Service recruits, were inducted in 2016, along with 100 cadets between all services and that to date in 2017, 106 general service recruits, 103 Army and three Naval Service recruits, and ten Air Corps trainee military aircraft technicians have been inducted, which fails to make-up the short-fall from personnel who have retired or left the service, thus negating the impact of any current recruitment drive;

- the significant turnover of personnel in the Permanent Defence Force can in part be directly attributed to cuts in pay and allowances that have contributed to low morale and the loss of experienced personnel in the three services, resulting in a serious skills deficit, particularly in the Air Corps which has lost 12 air traffic controllers since 2012;

- the starting salary for a private in the Army is €21,000 a year and new entrants and enlisted personnel are so badly paid that an estimated 7,000 are in receipt of family income supplement;” and

(c) To insert the following after “reaches its establishment strength of 4,069”:

“- Ireland to remain exempt from having to increase its spending on weapons and military capabilities from 0.6% to 2% of GDP through the European Union Common Security and Defence Policy; and

- the closure of Ireland’s liaison office to the North Atlantic Treaty Organisation, NATO, and the Partnership for Peace delegation saving the State an average of €450,000 annually; and

further agrees to:

- address the disparity in pay for new recruits whose weekly take home pay is under €300 and that this could be achieved by reversing the reduction in new entrants pay and allowances by 10%;

- re-examine:

- the flat rate security duty allowance and related payments which had been paid to Defence Forces personnel at the standard weekday rate prior to the cuts;
- the 10% reduction in certain Defence Forces allowances;
- the voluntary buyout of border duty allowances for enlisted personnel; and
- the additional incremental points in pay scales for new enlisted personnel posts;
- reflect in law the European Court of Human Rights ruling ECHR 280 (2014) which found that the blanket ban on trade unions within the armed forces is a violation of Article 11, freedom of assembly and association, of the European Convention on Human Rights;
- increase the level of female participation, with the goal of doubling the rate of participation from the current 6% to 12% in the next three years;
- allow Defence Forces personnel the option of serving an additional four years' service upon completion of their 21 years contract, as was the case prior to 1997; and
- the development of employment schemes involving the Defence Forces targeting young people in the 18 to 24 age group.”

Ba mhaith liom i dtús báire mo thacaíocht a léiriú don rún atá molta ag an Teachta Lisa Chambers. Gabhaim buíochas léi as an rún seo a chur os ár gcomhair agus, dá réir, deis a thabhairt dúinn déileáil le cursaí na Fórsaí Cosanta anseo, rud nach tarlaíonn go minic seachas nuair a bhíonn ceisteanna againn agusanois is arís os comhair an choiste. Sa leasú ar an rún seo atá curtha chun cinn agam, cuirim béim ar an ngá atá ann ciorraithe pionósacha ar phá agus ar liúntaisí baill na Fórsaí Cosanta - an tArm, an Cabhlach, an tAerchór agus, dar ndóigh, na hÓglaigh Cúltaca, ar a ndéantar dearmad uaireanta - atá i bhfeidhm ó bhí 2009 ann a haisiompú. Measaim go bhfuil an díospóireacht seo an-thráthúil.

This debate is timely coming as it does at a time when the operational capacity of the Army, the Naval Service, the Air Corps and the Reserve has been stretched to breaking point and morale among rank and file personnel has never been lower. The pride people have in the Defence Forces is rightly acknowledged in Deputy Lisa Chambers' motion. Their professionalism and dedication in terms of how they serve the State at home and abroad is inspiring. Despite the high esteem in which military personnel are held, this and previous Governments have implemented policies that have greatly devalued the role of the Defence Forces to the extent that it is a poor imitation of what it should be.

Currently, the combined strength of the Army, Naval Service and Air Corps is marginally more than 9,100 rather than the desired minimum strength of 9,500. Despite the somewhat belated recruitment efforts, there has been a marked failure to make up this shortfall as the significant haemorrhaging of personnel outstrips the minimalist efforts to replace them. Of particular concern is the failure to retain specialist personnel, some of whom take up to five years to train, which means it could be years before the Defence Forces achieve their desired minimum strength. By any objective criteria, the attempts at reorganising the Army have been an unmitigated disaster. When combined with the cutbacks in pay and entitlements, it is not surprising that so many military families are struggling to cope. It is against this backdrop that

there has been an unprecedented drop-out rate, with on average between 50 and 60 personnel of all ranks leaving the three branches of the Defence Forces every month. At the same time there has been an absolute failure to recruit and retain a greater number of females into the Defence Forces, the current percentage being only 6%.

The crisis in the Defence Forces was further highlighted in the recent well-being climate survey which identified how the reorganisation of the Defence Forces had resulted in widespread poor morale, with low pay, long-term isolation from family and home being identified as the primary drivers of the exodus of personnel from the Army in particular in recent years but also the other services. There are, of course, human stories behind these statistics. The plight of military families was reinforced to me recently when I met Women and Partners of the Defence Forces, a group that has been formed to lobby the Government to reverse the punishing cutbacks to the pay and conditions of their military spouses. They explained to me that the starting salary for a private in the Army is €21,000 a year and that a significant number of enlisted personnel are so badly paid that an estimated 7,000 of them are in receipt of family income supplement.

The targeting of rank and file members of the Defence Forces has resulted in families enduring spiralling debt, with many finding themselves in mortgage arrears to the point that house repossession are not uncommon. Poor credit ratings are leading others to an enforced reliance on moneylenders. The financial pressure on families is so pronounced that working in the Defence Forces can no longer be considered a secure career option with good long-term prospects. It is hardly surprising that there is such a high dropout rate for recruits when their service to the State is not deemed worthy of a liveable wage. Sinn Féin believes proper investment needs to be directed at the men and women of the Defence Forces, whose much-lauded peacekeeping role in some of the world's most dangerous conflict zones must be matched by fair rates of pay and adequate allowances.

The impact of Government policy on the operational capacity of the Defence Forces across the ranks cannot be overstated. In the past three years, over 12% of those in the officer ranks of lieutenant, captain and commandant have left the Defence Forces, taking with them the types of essential skills, experience and corporate knowledge that take years to develop. It is not good enough to recruit at the lower levels without also focusing on the retention of those with higher skill levels, which is vital for the continuing ability and capacity of the Defence Forces.

I am informed that some Army units are operating with just 50% of their required or desired officer numbers. As other Deputies have said, the personnel crisis is so acute that troops are being sent from as far away as Donegal to perform routine barrack duties in Dublin. One of the reasons that the Government has been able to impose such unfair cuts to pay and allowances is that the Department has taken advantage of PDFORRA and RACO being prevented from participating in national pay-bargaining bodies. This has given the Government free rein to impose cuts to enlisted personnel and new entrants to the military. The Department is refusing to reflect in law European Court of Human Rights ruling No. 280 of 2014, which found that the blanket ban on trade unions in the Defence Forces is an unacceptable violation of Article 11. Sinn Féin fully supports the efforts of Defence Forces representative organisations to secure the right under the Council of Europe's charter of social rights to membership of representative organisations with the power to negotiate terms, conditions, pay and allowances.

The alarming loss of specially trained personnel has dramatically reduced the ability of the Defence Forces to provide a minimal effective response to a future major security or humanitar-

ian incident. If these reductions continue at their current rate, the ability of the Defence Forces will be further undermined. The impact on the Air Corps has been especially pronounced. As a result of the loss of 12 air traffic controllers since 2010, the Air Corps cannot operate beyond a minimal efficiency outside the hours from 9 a.m. to 5 p.m. The implications of this lack of capacity became apparent in the aftermath of last month's tragic loss of Coast Guard helicopter Rescue 116. The unavailability of the Air Corps to provide top cover during the ill-fated search and recovery mission off the Mayo coast, despite being best suited for carrying out that role, can be directly attributed to the fact that air traffic control services at Baldonnel have been cut to office hours only. I noted the Minister of State's comment that capabilities are not developed just to serve civilian organisations. I believe the ability to provide services in these areas should be developed in light of the role the Defence Forces have played over the years.

The scarcity of technicians and pilots in the Air Corps means it is ill-prepared to respond to major incidents or natural disasters because most of its helicopter fleet is grounded. As recently as 1 December 2016, just eight of the Air Corps fleet of 26 aircraft were serviceable because of a shortage of pilots and technicians. There are vacancies for 32 pilots. This equates to 30% of the required established strength of the Air Corps. It should have 317 technicians available to ensure the safe operation of fixed and rotary-wing aircraft, but it has just 215 at present, which is a shortfall of 32%. The new recruits will support the service, but will not do anything to deal fully with the shortfall. Similar shortages have resulted in just two of the Air Corps' six AW139 medium helicopters being in service at any one time. I understand that one of these aircraft is permanently deployed as an air ambulance in Athlone, with a second on standby as backup.

As a result of this significant reduction in capacity, the Air Corps has been prevented from transporting seriously-ill children to Britain for organ transplant operations when organs become available after 5 p.m. This means that potentially life-saving operations have to be foregone. The State's limited daytime aerial interdiction capability against slow to moderate speed targets no longer exists. This role, which was undertaken by PC9 trainers, was discontinued because there are no radar guided intercept controllers due to the lack of air traffic control staff in Casement Aerodrome.

In debating the motion, it is important to place on record the duty of care the State has to all its enlisted men and women in terms of health and safety and pay and conditions, especially when they are deployed overseas in dangerous conflict zones. Therefore, it is scandalous that despite the possible serious side effects associated with the anti-malaria drug Lariam, it is still routinely administered to service personnel when they are abroad. It is banned or considered a drug of last resort in most other countries. The refusal of the Department of Defence to withdraw Lariam in the face of overwhelming evidence that it causes serious long-term and potentially fatal side effects is a damning indictment of Government policy and a reflection of the head-in-the-sand attitude of the military and health authorities. It points to a worrying failure in the way the State protects the physical and mental health of troops.

It is equally appalling that the State remains dogged in its determination to contest all claims by some of the men and women severely affected physically and mentally by this drug. For this reason, Sinn Féin has placed on the Order Paper a motion that seeks the immediate withdrawal of Lariam. This proposal has been supported by many other Members of the House. We hope we will receive the support of Fianna Fáil when we bring the motion forward shortly. Perhaps the Government will support our request at that stage by sending an instruction to the military authorities to discontinue using Lariam and replace it with Malarone or Doxycycline for personnel serving overseas.

The treatment of Air Corps personnel who served as ground crew at Casement Aerodrome has been equally damning. I refer primarily to young cadets who served from the mid-1990s onwards. As far back as 1995 - this issue might go back even further - serious health and safety concerns were being reported to the Department of Defence about the manner in which highly toxic and dangerous chemicals were being handled at Casement Aerodrome. The extent of the exposure of trainee personnel to highly dangerous, corrosive and cancerous chemicals such as trichloroethylene has resulted in a number of protected disclosures to the Government. These disclosures have highlighted wholly inadequate health and safety protocols at Casement Aerodrome, such as the cross-contamination of chemicals, the lack of personal protective equipment and a wide range of other issues which seriously compromised the health of Air Corps personnel.

In spite of the presentation of overwhelming evidence to the military authorities, successive Ministers for Defence have denied and downplayed the extent of this problem and claimed to have been unaware of what was happening. It is time for an immediate comprehensive health and safety review of existing procedures and protocols at Casement Aerodrome and other military installations where Defence Forces personnel work or have worked with hazardous chemicals and materials. The State must deal with claims from serving and retired Air Corps personnel in a much more compassionate way. The adversarial approach that seems to be the default position of the Department of Defence is unacceptable. The Department and the Government should learn from the Australian military, which has introduced compensation schemes to assist retired and serving air force personnel whose health has been compromised as a result of a similar scandal involving the handling of hazardous chemicals and materials without proper training or equipment.

Irish neutrality is not enshrined in the Constitution even though it is overwhelmingly supported by the people of Ireland. This fact has been exploited by successive Governments when pursuing policies which, in my view and that of my party, have devalued the relevance of Irish neutrality.

Sinn Féin believes our neutral status has greatly enhanced Ireland's status globally over the years, particularly when the Defence Forces preformed honourably and admirably in carrying out their peacekeeping duties in volatile conflict zones under the UN flag. However, we believe the international goodwill from across the world is being eroded by the retrograde policies of successive Governments to associate our international policies with those of the increasingly militarised European Union and its interoperability with the agenda of NATO rather than that of the United Nations. This has been evidenced in recent years by a number of multilateral agreements to allow the Defence Forces to participate in NATO's Partnership for Peace and EU battle groups, as well as the scandalous use of Shannon Airport as a military staging post for US soldiers and munitions and the State's submission to the diktats of the European Defence Agency. A referendum is necessary, therefore, to amend the Constitution in order to enshrine Irish neutrality in *Bureachtaí na hÉireann*, and to withdraw Ireland's participation from the European Defence Agency. The Government must oppose efforts to establish a European army and must cease Ireland's links to NATO's Partnership for Peace.

Mar chríoch ar an méid atá le rá agam ar an rún seo, ba cheart don Aire Stáit agus don Ríaltas i gcoitinne aitheantas ceart a thabhairt don chruachás, do na constaicí agus, go háirithe, do na fadhbanna airgeadais lena bhfuil fir agus mná na Fórsaí Cosanta ag cur suas. Is gá na ciorruithe a cuireadh orthu ón bhliain 2009 i leith a mhaolú agus a scor.

Deputy Brendan Ryan: This is a very welcome motion which contains a lot of very good things. However, we wish to add some important points that we believe are absent. The Labour Party has regularly sought an upgrade of the ability of the Defence Forces to negotiate their terms and conditions of employment. Such an upgrade would, in turn, have an impact on the ability to earn an income without having recourse to family income supplement. We also have concerns regarding the health and safety of Defence Forces personnel, particularly in the context of the use of Lariam. We have raised these concerns in our amendment, which takes the form of an addendum, and hope they will be acceptable to all Members of the House. As I said, the Fianna Fáil motion contains a lot of good measures which we in the Labour Party support. That is why our amendment takes the form of an addendum.

PDFORRA has long held the belief that for truly effective and equitable negotiations to be undertaken on behalf of its membership, affiliation to ICTU is imperative. This would allow the Defence Forces to have access to the Workplace Relations Commission, WRC, for dispute resolution and to be involved in national pay bargaining like other workers. This view has been held by the membership of PDFORRA since 1995, when a vote on the matter was passed unanimously by delegates at its conference. Speaking at the conference in 1995, Peter Cassels, the then ICTU general secretary, informed the delegates that while he recognised that the Defence Forces had a special role to play, members should still have a say on pay, taxation, social welfare and health, and this should be conducted through ICTU. Subsequent attempts by PDFORRA to petition various Ministers on the granting of affiliation status have been rejected. In a not too dissimilar situation two years ago, the Association of Garda Sergeants and Inspectors, AGSI, had a successful petition to the European Committee of Social Rights. PDFORRA reviewed the determination and considered the parallels between the circumstances of PDFORRA and the AGSI, and also petitioned the committee. PDFORRA believes that the protections enshrined within the European Social Charter should apply to its members and the Labour Party supports that call.

National pay agreements have been the norm in this country for many years. In the absence of an ability to highlight matters affecting its members at central negotiations, PDFORRA's effectiveness at negotiation is severely hampered. While there is a conciliation and arbitration scheme in existence for members of the Permanent Defence Force, it is, for a number of reasons, limited in scope and power. It is also identical to the scheme enjoyed by An Garda Síochána, which was the subject of its complaint to the European Committee of Social Rights.

We will continue to push for PDFORRA to have recourse to the WRC. The Bus Éireann dispute is now into its 12th day. Recourse to the WRC has always been available and talks will resume through that channel. Unfortunately, this option would not be open to members of the Defence Forces. This is wrong and needs to be rectified. In our addendum, we ask for this to be rectified and I hope it receives majority support in the House.

The cost of living crisis is not limited to one sector, it affects all sectors. The fact that over 20% - one in five is an incredible number - of the members of the Defence Forces are in receipt of family income supplement highlights a shameful aspect of our economy. The fact that there is an unwillingness or inability on the part of organisations in the private and public sectors to adequately pay their workforces in order that they can meet their basic living needs of housing, light, heat, food and raising children is a shame. If the Defence Forces were permitted to fight their corner in pay negotiations, their members would not have to avail of family income supplement in such high numbers. A plan should be put in place to ensure that pay is commensurate with the needs of ordinary members of the Defence Forces and, in doing so, to ensure the

need for members to rely on family income supplement becomes a distant memory.

On 11 November 2016 an agreement was reached, through an independent adjudicator, that crews serving as part of Operation Pontus in the Mediterranean should be paid an armed allowance of €15 per day. These payments are still owed to the personnel and are long overdue. The Minister needs to rectify this situation with immediate effect.

We recognise the ongoing concerns of personnel and their families due to the continued use of Lariam and the lack of proper support and after-care services for members of the forces. There are very real fears about the impact on people's careers if any mental health side effects from Lariam are noted on medical records. An independent outside review in respect of the continued use of Lariam should be carried out. I have said this to the Minister on previous occasions. It is vital and long overdue.

Every day, the members of our Defence Forces bravely defend vulnerable communities worldwide from exploitation, violence and death. They keep the peace on the most dangerous parts of the planet. They rescue hundreds of refugees from the waters of the Mediterranean, where many perished fleeing violence and persecution. What our addendum and the original motion seek to achieve are relatively modest when weighed against the contribution the Defence Forces make to our security and that in theatres of conflict throughout the world. We ask for support for the addendum.

Deputy Mick Barry: The Minister of State said, "The Fine Gael record is one of standing up for the Defence Forces and the men and women of Óglaigh na hÉireann who serve our country with loyalty and distinction." What he should have said is, "The Fine Gael record is one of treating the Defence Forces and the men and women of Óglaigh na hÉireann who serve the country with loyalty and distinction to a diet of low pay which is completely unacceptable." Low pay is rampant in the Defence Forces. Some 20% of Defence Forces personnel, that is, one in five, are paid such a low wage they are forced to apply for and survive on family income supplement. Has that cohort not served their country with loyalty and distinction? PDFORRA has calculated that, taking into account the long hours they work, naval personnel on tours of duty in the Mediterranean have been working for €9.15 per hour. This is a minimum-wage rate. Is that what the Minister calls standing up for the Defence Forces?

The month of April is upon us.

9 o'clock

Boys and girls around the country are being prepared for their First Holy Communion. It is a costly exercise with clothes needing to be bought and preparations made for the day but parents are prepared to sacrifice to do it properly. How many members of the Defence Forces will be forced this year to seek loans to pay for the communion because their pay is so low? How many will be forced to get loans from moneylenders in towns and villages throughout the country let alone being unable to pay a mortgage or afford a holiday in 2017? Full pension rights in the Defence Forces are reserved for members with 21 years of unbroken service. How does the Minister of State justify the fact that taking one's statutory parental leave constitutes a break in service and means one does not receive a full pension? Is that not unfair, particularly for female members of our Defence Forces?

Against this background, we have seen the establishment of the group of wives and partners of members of the Defence Forces. They have called for protests at barracks across the

country on the part of Defence Forces wives, partners and families on Thursday, 20 April, assembling at gates at 12 noon and continuing the protests until 2 p.m. under the slogan “Pay our forces a fair wage”. These wives and partners stand in the proud tradition of the National Army Spouses Association which rocked the political and military establishment with protests and election challenges to the exploitation of Defence Forces personnel. They were effective. The development of this new group is a positive one, as is their protest. I wish them good luck on their bold initiative which deserves to be a great success.

The motion is extremely watery. It is aimed at making Fianna Fáil look good while putting no real pressure on the Government to address these issues. The addendum and the amendment are good. I support the idea that the Permanent Defence Forces Other Ranks Representative Association should have the right to go to the Workplace Relations Commission, WRC, and the Labour Court and to affiliate with the Irish Congress of Trade Unions. They should have full trade union rights up to and including the right to strike.

Deputy Bríd Smith: A Defence Forces climate survey of 2015 found that staff had broadly become less happy with their work in the military over the intervening years from 2008 when the previous report had been put together. According to the report, there is a perception of a lack of justice in the organisation, especially among the lower ranks, and that the espoused values of the Defence Forces are not effectively enacted daily. The majority of respondents do not feel a sense of belonging and identification with the organisation. While Fianna Fáil’s motion sounds notes of great patriotism and the pride and honour that goes with saying it is a great and wonderful Army and noting the sacrifices it makes, I am left cold when I think about the survey and how this and previous Governments, including those of Fianna Fáil, have allowed the pay and conditions of soldiers to be run down to the point that 7,000 members of the Defence Forces have to claim family income support from the State while PDFORRA has no right to provide them with official representation.

I experienced *déjà vu* when Deputy Mick Barry announced the protest at barracks by wives and families of soldiers. It was the wives and families of soldiers who had to come out and protest in the past at the conditions military personnel were working under. They deserve to be treated as patriots. There is a very good part of the Sinn Féin amendment which states that Ireland should remain exempt from having to increase its spending on weapons and military capabilities from 0.6% to 2% of GDP because of the European common security and defence policy. We should amend that to state that if we have to increase to 2% of GDP, the money should be used to treat soldiers properly, to pay them properly and to get them out of the state of low morale and poverty wages on which they exist. It is shocking.

I feel a sense of pride in our Defence Forces not because I adhere to any policy of war or aggression but because they do wonderful things like go to the Mediterranean and pull refugees from the sea, saving the lives of children, men and women. That is something of which to be enormously proud. It is also something to be proud of when they are involved in rescue missions like the one we saw in the west of Ireland and save people there. However, there is underfunding of the rescue service capacity of the Defence Forces and that needs to be addressed. Our amendment to the motion attempts to address some of these issues. In the context of speaking about the military, we should welcome the opportunity to reiterate the role the Defence Forces can play in saving lives and protecting people from climate change and other disasters. We should also note the attempt by this and previous Governments to rubbish the policy of neutrality in this country by continually allowing Shannon Airport to be used as a stopover by other military powers on their way to death and destruction across the Middle East and elsewhere.

It is not just an abuse of our neutrality but an insult to the idea of our independence and the role our own military should play in maintaining peace and security at home and abroad in the services they nobly provide to save lives due to climate change and war. While I support many aspects of the proposed amendments, I do not support the substantive motion.

Deputy Noel Grealish: I thank Deputy Lisa Chambers of Fianna Fáil for moving the motion on which I am delighted to have an opportunity to speak, two members of my family having served in the military in Galway, as well as two members who also served in the city in the FCA many years ago. I am proud to say I am a great friend of Dún Uí Mhaoilíosa in Renmore, which the Minister of State has visited a few times. I call there regularly and it is great to see a number of the soldiers from the barracks serving currently in the Golan Heights. I thought we might get an opportunity to visit them but, unfortunately, we did not. Members of the Defence Forces are serving on many duties abroad and I note in particular the Naval Service which has saved many lives in the Mediterranean. That must be acknowledged. Irish soldiers command a great deal of respect abroad and that must be acknowledged also. It is a pity one hears so many Members talk about the terrible pay and conditions they have and that some of them are availing of family income supplement. I ask the Minister of State to address the issue of their pay.

The role of the Defence Forces was central Ireland's memorial celebration of the centenary of the 1916 Rising last year and its members were magnificent in the execution of their duties. They represented the Defence Forces at local unveilings of commemorative stones and memorials, as well as at the impressive formal ceremonies of Easter week. I was in attendance at Dún Uí Mhaoilíosa when the Minister of State gave serving members the special medals which had previously been awarded to those who had taken part in the Rising. However, what should have been a joyous celebration left a sour taste in the mouths of former and retired members of the Defence Forces who were not included. Those soldiers, sailors and Air Corps personnel who also gave great service to the country feel very aggrieved that they were excluded from receiving those 1916 medals. Some members of the Defence Forces had only served for a matter of weeks when these medals were awarded whereas retired members who had given over 40 years of service at home and abroad were not awarded a medal. I ask the Minister of State to look at that matter again. It would surely cost the Government comparatively little to right this wrong now, and in doing so acknowledge the valuable contribution to the security of the country made by those not currently serving. It would mean a lot to them.

I am already on the record as saying the reorganisation of the Army structure into two brigades in 2012 has been an unmitigated disaster resulting in endless problems and a suspected fall in morale among members of the Defence Forces. I fully support the motion to restore the fourth brigade based in Athlone, encompassing Dún Uí Mhaoilíosa barracks in Galway. The first infantry Battalion stationed in Galway is now overseen operationally from a regional headquarters in Cork, which is just ridiculous. I suspect the reorganisation of 2012 was a significant factor in the negative findings of the well-being in the Defence Forces survey of 2015. This study found that less than half of serving members were satisfied with their life in the military. Significantly, the study found that satisfaction has dropped greatly, from 64% in 2008 under the old three brigade structure to 48% in 2015, three years after the changes.

The falling strength of the Defence Forces in recent years is also undoubtedly affecting morale. Staffing shortages caused by the voluntary outflow of trained personnel has resulted in operational units being unable to deploy sub-units to platoon-sized strength, 30 persons of all ranks, which is compromising operations.

A total of 45% of Dublin-based security duties must be conducted by regional units. Units such as those in Donegal, Dundalk and Athlone are like Grand Central station, with troops being transported to and from Dublin. The majority of Army units are now concentrated in the east and south of the country, leaving the Border with Northern Ireland bereft of troops at a time of political uncertainty there and the upcoming upheaval of Brexit.

Deputy Michael Fitzmaurice: I thank Deputy Noel Grealish for sharing time and I compliment Fianna Fáil on tabling the motion.

We need to salute the soldiers throughout the country and the work they do. We have seen the work they have done rescuing people in foreign lands. It would make one proud to be Irish. They have worked with the United Nations on peacekeeping duties for many years and the Irish soldiers have stood out.

It is important to ensure the number of personnel is maintained. There is a shortage of pilots. I know we cannot train pilots overnight, but I question the figures I hear on how much it costs to train them. We need contracts to keep them in the Defence Forces to recover the cost of training. Figures of €1 million and €1.2 million are thrown about, given everything that is involved. We need to ensure we entice these people to stay in the Defence Forces because they are important. Some pilots may go to foreign lands for a while. We are stuck for personnel and the Army should be open. We should ensure there is a transparent way to allow people to return to the Defence Forces. I hope the Minister of State will address this issue.

Last year when flooding was at high peak, in fairness to the Army it went to various places which were in trouble. When an area in County Roscommon was under pressure the Army came from Galway but Athlone was up the road. Deputy Noel Grealish stated that for some duties personnel travelled from the four corners of Ireland to Dublin, which makes it a little nonsensical. Some thinking needs to be done or something needs to be sorted out.

Athlone barracks has been discussed. The air ambulance is in Athlone, and this has been helpful, but it cannot fly at night which is an awful drawback. If a hospital in a county is closed, and for all citizens in Ireland, it is important this facility is there day or night so if someone is badly injured or has to be rushed to a distant hospital in an emergency we have helicopters which will do this. The Department of Defence was brought into this, but perhaps it should be the Department of Health which should look after it. As the Minister of State has responsibility, I ask him to examine this issue.

The numbers in Athlone barracks need to be kept stable. It is a rural part of Ireland, no more than Galway, Donegal and other places, and it is important that Army bases are held and the numbers are maintained. We do not know what it will be like in six months time or two years time, when the Brexit talks have finished. Will we be back to the same ding dong as before? We must ensure we have an Army that is ready at any given time. I know there is not money to throw at everything, and I am not unrealistic, but we need to ensure as a nation we put the best possible resources into the Army.

Deputy Brendan Smith: I compliment my party colleague, Deputy Lisa Chambers, on tabling this very important motion. It is a comprehensive motion, and those of us who participate in the Joint Oireachtas Committee on Foreign Affairs and Trade, and Defence, and Deputy Noel Grealish is a member, know Deputy Lisa Chambers has consistently highlighted the issues of concern to the Permanent Defence Force and to us as a society. There is an obvious need, as

the motion points out, for recruitment and retention of personnel. I am told quite a number of people leave the Permanent Defence Force and join the British Army. I do not know whether this is a case of pay and lack of remuneration but I sincerely hope it can be addressed. Other speakers have outlined the need for better pay and conditions. I sincerely hope these issues can be addressed. There is no point in all of us speaking about the value, importance and great standing of the Permanent Defence Force if it is not adequately resourced.

Deputy Noel Grealish quite rightly pointed out the reorganisation of the Defence Forces in 2012 and 2013. At the time, the Minister of State participated in some of the debates in the Dáil as Government Chief Whip. We trenchantly argued against the closure of Dún Uí Néill barracks in Cavan and other barracks. If we take the northern half of the country, we have one barracks in Finner, south Donegal, and the only other barracks along the Border is Aiken barracks in Dundalk. We have a huge central Border area with no Army military installation. This was a very retrograde step. It was deplorable that the then Government decided to close the most modern purpose-built barracks in Europe. The Minister of State may recall, and the statistics are available to him, it was the most efficient barracks. It was the cheapest to run because of modern facilities and good management. It was a very backward step for the Permanent Defence Force that Dún Uí Néill barracks was closed at the time.

Last week at the Estimates meeting, the Minister of State will recall we discussed participation by Irish Permanent Defence Force members with the United Nations. At the meeting, Deputy Lisa Chambers proposed we should have a full debate in the Dáil, on the service by the Defence Forces with the United Nations. I supported this proposal, as did all other committee members. The most recent report on this applies to 2015. We do not have discussions in the House near often enough on the Defence Forces and their importance, their role and the respect in which we all hold them. I sincerely hope we can have this debate at an early date, with the agreement of all the party Whips.

All of us are proud of the very considerable role played by members of the Permanent Defence Force in United Nations missions in many difficult and troubled areas of the world. One of the best public occasions I attended as a public representative was a number of years ago, in my county town of Cavan, at the official ceremony marking the departure of a large number of people to Lebanon at Dún Uí Néill Army barracks. It was a magnificent occasion. The formal part of the proceedings for the departure was held in Cavan town. Thousands of people turned out to show their appreciation of the role those people would go on to play in troubled places in the world and the role so many people from our own area have played in peacekeeping missions over the years. It is an area in which we need to continue to have full involvement.

The Minister of State will also recall that at the committee in the past year we have discussed the lack of numbers in the Reserve Defence Force on a number of occasions. The submission made by the Reserve Defence Force Representative Association painted a very grim picture with regard to the maladministration, the way recruitment to the Reserve Defence Force is conducted and the delay in inducting people into the Reserve Defence Force. We sincerely hope those issues which were very well amplified by the president of the association and the general secretary will be addressed without delay. The Reserve Defence Force Representative Association has played a very important role in society over the years. I consistently highlight the fact that I know many young people who would have been vulnerable at the time to be targeted by paramilitary groups and other thugs. The Reserve Defence Force Representative Association provided an outlet to those young people who were vulnerable and who went on to play a meaningful and important role in society. There is a role for the Reserve Defence Force Rep-

representative Association and I sincerely hope it will be treated with the respect that it deserves.

Deputy Fiona O'Loughlin: I pay tribute to my colleague, Deputy Lisa Chambers, for the very robust motion that she has put before the House today. I come from south Kildare where people are very proud of the fact that we have the home of the Defence Forces training centre in the Curragh. All of the Defence Forces officers that we have were educated and trained in the military college there. There is a huge military tradition in the county, and I acknowledge the pride that Irish people, those from Kildare in particular, have in our Defence Forces and the contribution that is made by the Permanent Defence Force, the Reserve Defence Force and Civil Defence to society. In Kildare, we regularly remember those members who have made the ultimate sacrifice in the service of the State, in particular those on overseas peacekeeping missions. The Organisation of National Ex-Servicemen and Women, ONE, plays a remarkable part in annual services throughout the county, especially Mr. Philip Coy. I acknowledge the great work of the Representative Association of Commissioned Officers, RACO, and the Permanent Defence Forces Other Ranks Representative Association, PDFORRA. One of the first public meetings that I was ever involved in was back in the early 1990s with Mr. Jim Lucey and Mr. Jim Brady at the inception of that organisation, which continues to do tremendous work on behalf of its members.

Being from Kildare, I continually meet soldiers' families and I am acutely aware of the many areas of concern within the forces at present. Many personnel are not happy with their work situation. This has resulted in over 10% of commissioned officers and 25% of enlisted personnel leaving the Defence Forces since the 2013 reorganisation, leaving significant gaps in capability, expertise and unit manning levels. This is particularly alarming. My party has always been committed and continues to be committed to a defence policy that is measured, fit for purpose, appropriately resourced and which allows the Department of Defence and the Defence Forces to go forward with confidence in an ever-changing world of new and emerging threats. "Fit for purpose" is the appropriate phrase that has to be used here. It entails personnel being fit for purpose using equipment that is fit for purpose. With so much turmoil and reorganisation in the Defence Forces, one must ask if the organisation is able to meet all of its commitments. The Minister never ceases to make promises that the Defence Forces are in a position to meet and to face current threats. Late last year, as we were 24 hours from all-out industrial action by An Garda Síochána, we were assured in the House that the Defence Forces could fill the void. Are we sure the Defence Forces have that capability at this point in time? Are the Defence Forces currently able to meet the terrorist threats which are faced in modern Europe? Are we leaving ourselves open to risk as a society?

It seems that with the lack of expenditure and investment, which amounted to just 0.25% of GDP this year, Ireland is lacking the minimum conventional capability to provide a credible defence based on deterrence. The Defence Forces should have a designated strength of 9,500, but their numbers have now fallen well below that. With 12% to 13% of military personnel in full-time training or education at any one time, which is required to prepare for and perform the range of operational tasking assigned to the Defence Forces by Government, the numbers have fallen well below what is required to carry out operational tasks. The Defence Forces have had eight reorganisations and reviews since 1992. That is an average of one every three years. The exploitation of the loyalty of the members has resulted in turmoil, relocation, uncertainty and confusion for members of the Defence Forces and their families. Such tensions and family displacements are not conducive to optimal operational viability, certainty and good morale. I meet families in south Kildare every week who are victims of this turmoil. The Defence Forces

have been an easy target for cost-cutting. Its unreserved loyalty and professionalism has perhaps been taken advantage of.

Minister of State at the Department of Transport, Tourism and Sport (Deputy Patrick O'Donovan): I am sharing time with Deputy Tony McLoughlin.

I welcome Deputy Fiona O'Loughlin's contribution. She mentioned confusion. There is utter confusion in Fianna Fáil, because in 2010, when it was last in government, it provided for 8,000 members of the Permanent Defence Force, which would, as the Deputy quite rightly suggests, have left us in an even worse position. When Fianna Fáil's spokesperson takes the opportunity to sum up on behalf of the party, there might be an apology for the state Fianna Fáil left the Defence Forces in when it was last in government and the morale which it ran into the ground when it drove the country over the cliff. I would welcome that also. I am sure the other members of the Defence Forces around the country and those people who could not join the Defence Forces because of Fianna Fáil's stance in its time in Government would welcome it too. That was only in 2010. I welcome that the Deputy said there was confusion. There seems to be utter confusion in Fianna Fáil.

Not to spare the opposition entirely, I note the presence of the Sinn Féin spokesperson on defence. I welcome Sinn Féin's Pauline conversion also. It was not so long ago that Sinn Féin and its colleagues in the IRA viewed the members of the Defence Forces as traitors. I am not sure whether Sinn Féin still recognises the Defence Forces. Its representative might take the opportunity in his contribution here to state on the record of the House that there is only one Óglaigh na hÉireann.

We have heard some extremely important points in the House. I recognise the Deputy's genuine concern to ensure the approach to defence is undertaken in ways which respect the wishes of the people. I recognise the high esteem in which the Defence Forces are held and the appreciation of the often dangerous work they do at home and overseas. Several Deputies have referred to this and, in acknowledging the positive features of the debate, it is important to point out that it is the Executive, that is the Government which has to seek practical policies that are feasible in the interests of citizens and taxpayer. In the interests of any democracy, management of defence through the civil and democratic control of the armed forces is paramount.

Irish people have a realistic and well grounded sense of expectations for defence. It is a matter for Government to deliver. The amendment that is tabled by the Government is realistic in its approach and takes cognisance of the actual position with regard to the Defence Forces as it currently stands. The Government has a record of investing in the Defence Forces, unlike its predecessor that drove the country over the edge in 2011.

Deputy Tony McLoughlin: I am dividing my time with Deputy John Paul Phelan.

I welcome the opportunity to address the issues raised in this motion about the strength of the Defence Forces. The position is that, at the end of February 2017, the effective strength of the Permanent Defence Force stood at 9,070. The Government is committed to maintaining the establishment of the Permanent Defence Force at 9,500. It is recognised that a key challenge is to return to and maintain this strength. It is important to clarify that, in total, 590 general service recruits were inducted in 2016, with 100 cadets between all services. Recruitment remains a priority in 2017 and, significantly, more personnel will be recruited this year, with funding secured to ensure delivery of this outcome. Both cadet and general service recruitment

campaigns are currently active, with historically high levels of recruitment being pursued. The Defence Forces are planning for the induction of 900 new entrants in 2017. While the Fianna Fáil motion fails to recognise that the Defence Forces are the only arm of the public service in which there was continuous recruitment and promotion during the years of austerity, it does include a call to increase the establishment strength of the Permanent Defence Force to 10,500. However, it is important to remember that there are challenges, particularly in the Air Corps, in filling certain posts not related to the establishment figure of 9,500.

As in other areas of the public service, challenges have arisen in the recruitment and retention of personnel with scarce and highly marketable skills, including pilots and air traffic control staff. Significant work is under way aimed at addressing these challenges. While there are difficulties in filling specific posts, the position is that officer ranks across the Defence Forces are currently operating at a figure of 87%. Any increase in numbers must, in monetary terms, be supported by spending adjustments in other areas, including military equipment and support services. The cost implications would have a multiplier effect, in that each additional member of the Defence Forces employed would involve the incurring of costs in other areas of defence spending. Therefore, any decision to increase the establishment figure of 9,500 must be considered in the light of the total cost the taxpayer would incur, not simply pay and allowances. The cost of an increase of 1,000 personnel, expressed in terms of pay and allowances only, is estimated at almost €50 million. When the costs of training, equipping and maintaining and other expenses are added, the figure will far exceed €50 million per annum. It is recognised internationally that the pay to non-pay ratio of military spending should be no lower than 70:30; thus every €50 million increase in payroll costs needs to be matched by the expenditure of at least another €21 million. That is an important aspect to be considered in this debate.

The White Paper also takes a developmental approach to the Reserve Defence Force. It confirms its role as augmenting that of the Permanent Defence Force in a crisis and contributing to State ceremonial events. At the end of February the effective strength of the Reserve Defence Force stood at 1,970. Recruitment to both the Permanent Defence Force and Reserve Defence Force remains a priority in 2017. Membership of the Reserve Defence Force is voluntary and the quest for recruits must compete with that of other organisations within the voluntary sector. These conditions, with the unique demands imposed by military service, make attracting recruits challenging at the best of times.

Deputy Lisa Chambers: I am sharing time with Deputy Niamh Smyth.

Deputy Niamh Smyth: I welcome the opportunity to speak on this important issue. I compliment Deputy Lisa Chambers on tabling this important motion.

As someone who comes from the constituency of Cavan-Monaghan, the Government closed four provincial military barracks, namely, the facilities in Cavan, Mullingar, Clonmel and Castlebar. The majority of the 540 staff affected were Army personnel who were relocated to other facilities further afield. Of the affected personnel, 136 were based in O'Neill Army Barracks in County Cavan. They were redeployed to Athlone following the announcement. At the time the move by the Government caused huge angst, worry and upheaval for local families. There was as a result a significant downside. The decision resulted in turmoil and relocation, uncertainty and confusion for members of the Defence Forces. Such tensions and family displacements are not conducive to achieving optimum operational viability, certainty and good morale.

The Defence Forces have been an easy target for cost-cutting, with perhaps their unreserved

loyalty and professionalism being taken advantage of. Policy has become a matter of fitting the Defence Forces into a particular budget envelope. We all agree that the single greatest asset of the Defence Forces is their personnel, yet the Defence Forces are facing huge difficulties in retaining and recruiting sufficient personnel. They are seriously below strength and it is time to rebuild significantly. The decline in recent years has left them with just 9,000 personnel, 430 below the agreed strength. The exit from the Defence Forces, at all ranks, is ongoing, with the number running at between 40 and 50 a month.

In the light of Brexit, possibly the single biggest issue facing the Government in the history of the state, it is time to give the Department of Defence the focus and importance it deserves. The decision in March 2011 to assign the defence portfolio as a subsidiary role to the Minister for Justice and Equality indicated an essential lack of respect for the position. While it was not unreasonable to assign it with another Cabinet portfolio, to include it with the Department of Justice and Equality, one of the busiest Departments, was regressive.

I come from a Border constituency where Brexit and all of the concerns associated with it are to the forefront of everyone's mind, including checkpoints, a need for security or worse and a return to smuggling and criminality in the Border region. Ireland needs to recommit to the Defence Forces. Fianna Fáil believes we should seek to increase the strength of the Defence Forces to over 10,000 in the coming year. We also believe it is important to retain what we have. The State's defence policy, its implementation and resourcing, must be appropriate. For our part, Fianna Fáil is committed to a defence policy that is measured, fit for purpose, appropriately resourced and which allows the Department of Defence and the Defence Forces to move forward with confidence in an ever-changing world, with emerging threats such as those I have outlined. In tabling the motion Deputy Lisa Chambers is acting on the belief the Defence Forces are of critical importance to both the State and Irish society, not to mention the Border region. Fianna Fáil consistently raised this issue between 2011 and 2014. It is welcome that the Minister for Defence is also not the Minister for Justice and Equality. However, we believe we must move forward and commit to the restoration of defence as a lead portfolio in the Cabinet. The Minister with day-to-day responsibility for defence policy should be a fully-fledged Cabinet Minister, not a Minister of State, as is the case. That would be a very clear affirmation of the value the State must place on the Defence Forces.

Deputy Lisa Chambers: It is a pity the Minister of State, Deputy Patrick O'Donovan, decided to exit the Chamber so quickly. He appeared to be confused in supporting a non-existent Government amendment. Perhaps his colleagues might inform him of same.

The suggestion the motion is somehow inconsistent with the White Paper needs to be considered in the light of the fact that the failures of the reorganisation in 2012 did not manifest until 2014. The Green Paper consultation process commenced in 2013. No consultation took place after this until the final consultation forum prior to publication of the White Paper in 2015. The current human resource failures and the financial resourcing inadequacies confirm the requirement to revisit the White Paper in the light of current circumstances where it has been clearly demonstrated that the Defence Forces are unable to meet the demands of the State.

During Leaders' Questions today the Taoiseach stated morale in the Defence Forces was high. Is he contradicting or contesting the findings of the University of Limerick climate survey conducted in 2016? The Minister of State knows from many discussions in this Chamber in the past year that morale is not high. In fact, it is quite low.

The Minister of State touched on the issue of recruitment and the retention of personnel. We have to acknowledge that the skills required in the Defence Forces need to be grown organically as we cannot recruit externally. We have to train people from scratch. This takes a considerable period of time and in the absence of a clear retention policy the Defence Forces are going to continue to haemorrhage personnel. The Minister of State has done nothing to show me or any other Deputy what the plan is to ensure retention. He is rumbling through and speaking about recruitment campaigns, which is fine. Last year's recruitment campaign actually resulted in a net loss of Defence Forces personnel. Defence Forces numbers are down again.

The White Paper is a soft strategy. Its real test is the operational results. Is it true that the White Paper project team had to redesign its approach after establishing that the Defence Forces could not meet the identified threat analysis?

The Minister of State mentioned the purchase of key equipment by his Department. We all welcome that but is the Government financing the purchase of those items with payroll savings? That appears to be where the savings are being made and the money is coming from.

Fine Gael made a poor attempt to have a pop at Fianna Fáil in this debate but it is Fine Gael which has downgraded the Defence portfolio and removed it as a full Cabinet portfolio. We did not do that. Fine Gael did that and it has continued with that policy. The Minister of State said the Fine Gael record is one of standing up for the Defence Forces but there would have been a mass rolling of eyes across the country as people listened to that statement. The Fine Gael record is low morale, haemorrhaging of key and highly skilled personnel and persistent under-resourcing and understaffing of our Defence Forces. That is Fine Gael's record to date.

Did the Minister of State review the Department's submission to the Low Pay Commission? Did the four pages reflect the significance of the remuneration issues that exist in the Defence Forces? Did the submission comment on the retention crisis? The answer is "no", so where in that submission has the Minister of State or Fine Gael stood up for the Defence Forces? What does the Minister of State think members of the Reserve Defence Force are going to feel about Government support for their organisation? They are currently at below 2,000 effective members when the figure should be more than 4,000. I have made numerous suggestions in questions in this Chamber and on Committee Stage on how we might address the issues affecting the Reserve Defence Force. I did this because the Minister of State asked me to do so. I have made very reasonable suggestions for things might work but the Government has yet to implement any one of them. The Minister of State will excuse me if I do not feel his commitment to the Reserve Defence Force is obvious, because it is not.

The Minister of State said the reorganisation of the Defence Forces was designed to maximise operational capacity and provide for an organisation that is flexible and can accommodate new or unprecedented demands. Does he really believe the 2012 reorganisation has achieved this? In my view it has failed miserably. The removal of headquarter structures has removed critical layers of management and officer levels are at 50% in some units. Command and control are key to maintaining an operational Defence Forces. To have command and control, one needs to be close to one's troops but that is not the current situation in the Defence Forces. This is a clear example of where the Department of Defence and the Defence Forces organisation have diverged, with the Department clearly winning out in this case.

I thank every Deputy who contributed sincerely to this debate. I acknowledge the constructive nature of Labour Party and Sinn Féin amendments. Neither proposed to delete anything

from the Fianna Fáil motion and only sought to add to it. In that spirit I wish to be as accommodating as possible. This motion is not about me or any party but about the Defence Forces and those who serve in them. It is a shame that Deputies Mick Barry and Bríd Smith who exited the Chamber fairly swiftly did not appreciate that and are more concerned as usual with having a go at Fianna Fáil than with making a genuine contribution to the issue at hand. There is a lot of merit in the Sinn Féin amendment and I am happy to accept parts (a) and (b), as previously discussed, but unfortunately I, on behalf of the Fianna Fáil Party, will not be able to accept part 1(c). If Sinn Féin had inserted a part (d) to the amendment about the domestic terms of employment of the Defence Forces, we would have been happy to accept it.

There is clearly a crisis in the Defence Forces. This has come to the fore in recent years. I appreciate that it was not all the Minister of State's doing. He was handed a very depleted organisation by his predecessor, the Minister, Deputy Simon Coveney, who has happened to walk away scot free on this. The Minister of State will have been made aware by me and other Deputies in the past year of the serious deficiencies in the Defence Forces and the fact we are lacking key skilled personnel. We are haemorrhaging people at an alarming rate, but to date the Minister of State has not put forward any retention policy to show how he is going to address that issue. We will not sit here and hear him talk about the ongoing efforts of the recruitment campaign. While it is commendable and necessary, it does not address the lack of a retention policy in order that we can keep the personnel we need. In the light of Brexit, an ever-changing international defence environment and emerging threats that the Minister or I may not be able to see at the moment but could be there tomorrow, we need to ensure the Defence Forces are adequately resourced, fit for purpose and able to adapt and respond to the challenges our country may face. In the light of this, the motion is broad and comprehensive and deals directly with those deficiencies. We call for the re-establishment of the 4th Western Brigade, increased enlistment up to 10,500 and monitoring of the implementation of the White Paper. All these are very sensible and reasonable suggestions and I commend the motion to the House. Fianna Fáil is willing to accept parts 1(a) and 1(b) of the Sinn Féin amendment but not part 1(c).

An Leas-Cheann Comhairle: Is the Deputy proposing that the amendment be amended by the deletion of part 1(c)?

Deputy Lisa Chambers: Yes.

Amendment to amendment put.

An Leas-Cheann Comhairle: In accordance with Standing Order 70(2), the division is postponed until the weekly division time on Thursday, 6 April 2017.

Message from Seanad

An Leas-Cheann Comhairle: Seanad Éireann has passed the Knowledge Development (Certification of Inventions) Bill 2016 without amendment.

4 April 2017

Bail (Amendment) Bill 2016: Instruction to Committee (Resumed)

The following motion was moved by Deputy David Stanton on Tuesday, 4 April 2017:

That, pursuant to Standing Order 200, Standing Order 154 is modified to provide that it be an instruction to the Select Committee on Justice and Equality that it has power to make provision in the Bail (Amendment) Bill 2016 in relation to:

(a) the Criminal Justice Act 1984, Criminal Justice (Drug Trafficking) Act 1996, Criminal Justice Act 2007 and Criminal Justice Act 2011, of a technical and drafting nature, to update cross references within the Acts; and

(b) the Criminal Justice (Public Order) Act 1994 for detention and release arrangements where an arrested person is intoxicated to such an extent as would give rise to a reasonable apprehension that the person might be a danger to self or others;

and to change the title of the Bill and make other consequential amendments required to take account of the changes above.

Deputy Jim O'Callaghan: I re-emphasise that it is unsatisfactory that members of the Committee on Justice and Equality who are meeting tomorrow at 9 a.m. are being asked to deal with wholly new amendments in respect of the Bail (Amendment) Bill. The amendments are such that the Tánaiste has seen fit to amend the Title of the legislation, and instead of the Bail (Amendment) Bill, we will now be dealing with a Criminal Justice Act 2017 if it gets through the Houses of the Oireachtas. The Minister of State, Deputy David Stanton, gave two reasons for the urgency that has been inputted into this matter. First, the Garda Commissioner has requested that consideration be given to making statutory provision for detention under the Criminal Justice (Public Order) Act 1994 of individuals who are severely intoxicated. The Minister of State has also said that it is the Tánaiste's wish that these provisions be commenced sooner rather than later. These may be genuine objectives on the part of the Garda Commissioner and the Tánaiste but it is unsatisfactory that such significant amendments and such changes to legislation are being made in this way. Notwithstanding that, it is important that we get on with our business tomorrow morning at the Committee on Justice and Equality. I will deal with the substance of the amendments tomorrow morning, should this motion be approved. I express my dissatisfaction and that of Fianna Fáil with the manner in which this has been dealt with.

Deputy Jonathan O'Brien: I also express our dissatisfaction at the way this has been handled. We are not talking about minor technical amendments but amendments which will change the very nature and Title of the Bill. While I recognise the fact the Minister did flag on Second Stage her intention to bring forward these amendments, it is unfortunate that less than 12 hours before the committee meeting, we are dealing with a motion to allow that to happen. We are not dealing with the amendments tonight but the motion to allow the Minister to bring forward the amendments tomorrow. We will support the passing of the motion and deal with the amendments tomorrow at the committee meeting.

Question put and agreed to.

The Dáil adjourned at 9.50 p.m. until 12 noon on Wednesday, 5 April 2017.