



DÍOSPÓIREACHTAÍ PARLAIMINTE  
PARLIAMENTARY DEBATES

**DÁIL ÉIREANN**

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

*Insert Date Here*

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# DÁIL ÉIREANN

*Dé Máirt, 9 Bealtaine 2017*

*Tuesday, 9 May 2017*

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

***Paidir.***  
***Prayer.***

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## **Leaders' Questions**

**Deputy Micheál Martin:** The health system is in a terrible crisis right now. It is a human resource crisis, with nurses leaving the system on a consistent basis and up to 75% of graduates leaving the country. Accident and emergency departments are in continual crisis. There is a general human resource shortage across the board in respect of doctors, psychiatrists, therapists and many more.

The latest waiting list figures reveal a dramatically worsening situation in all the categories and in all the hospitals. There are now approximately 666,000 patients on a waiting list - a national record, and dare I say, a national scandal. The number of outpatients waiting for 12 months or longer is more than 109,000. The total outpatient waiting list has 473,000 people. The total number of inpatient and day cases is 85,000 plus. Then there is the pre-admit list of 26,000, plus the 61,000 on the planned procedures list, which do not get into the official lists. We have shocking waiting lists for diagnostics, for endoscopies, CT scans etc. and most shocking of all, there are 10,000 children who have been waiting for more than 12 months for an appointment in the Dublin hospitals.

If one goes through the categories by hospital, Waterford, for example, needs serious attention. The outpatient list in Waterford of those waiting over 12 months is up 443% since 2014. I do not know what is going on there but it is incredible. Its inpatient waiting list is up 159%. Since the change and the downgrading and undermining of Waterford hospital, the waiting lists have soared in that hospital. For outpatient waiting lists, the Mater hospital is up 55%, St. Vincent's hospital is up 56%, Louth is up 96% and Limerick is up 108%.

A commitment was given that the National Treatment Purchase Fund, NTPF, would be given back responsibility for waiting lists. That has not happened yet. The NTPF has not started its work yet and I want to know why. In the last year when the NTPF was operating, it provided operations for approximately 33,000 patients. It facilitated approximately 200,000 patients in all up to 2010 and the median waiting time was down to 2.4 months. There seems to be an incredible inertia and lack of urgency attached to the crisis in waiting lists and the situation is

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getting worse. When will the Government show some urgency in tackling what is clearly an unacceptable crisis in terms of people waiting for urgent appointments and surgery?

**The Taoiseach:** The Government has shown priority in the funding it has allocated to the health area for 2017 which, as the Deputy will be aware, is €14.5 billion. The Government allocated €20 million to the National Treatment Purchase Fund for 2017, rising to €55 million in 2018. Last December the Minister, Deputy Harris, granted approval to the National Treatment Purchase Fund to dedicate €5 million of its funding to a day case waiting list initiative with the aim of ensuring that no patient would be waiting for more than 18 months for a day case procedure by 30 June 2017. In excess of 2,000 cases will be managed through the process and those patients are already receiving appointments.

In order to reduce the numbers of long-waiting patients, the HSE was asked to develop the waiting list action plans for 2017 in the areas of inpatient, day case, scoliosis, and outpatient services. Those plans have now been finalised and will be acted on shortly. The HSE and the INMO both agree that the time patients spend on trolleys waiting for beds has decreased. I acknowledge the work front-line staff have put into that initiative. Notwithstanding those improvements, the figures are too high and the Department continues to work with the HSE to identify further measures that can be taken.

In respect of Deputy Micheál Martin's comment about nursing and midwifery, management has committed to increasing the nursing and midwifery workforce in 2017 with 1,208 additional permanent posts; the conversion of agency-employed staff into HSE direct employees; maternity leave cover; offering all graduating nurses and midwives full-time contracts; a career break scheme; 130 additional undergraduate places this year and offering nurses and midwives improved educational opportunities and career pathways.

The HSE has developed an inpatient day case waiting list action plan with engagement from the Department and the NTPF. The plan focuses on reducing the number of patients. It is estimated that there are 39,000 patients to be treated by the end of October 2017 and the plan sets a target to remove approximately 75% of those patients from the waiting list, that is, 29,000 patients, through a combination of normal hospital national service plan-funded activity, as well as resourcing and outsourcing initiatives utilising the remaining €10 million of budget 2017 funding. That represents a 30% increase in activity, which demonstrates the priority attached to it.

Our hospitals are now carrying out four times more procedures on patients aged 65 and over, and twice as many in the under-65 age group since 2000.

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

**The Taoiseach:** This is my final point, a Cheann Comhairle. In 2016 alone there has been a 4% increase in inpatient and day case activity over 2015. Last year, almost 1.69 million patients received inpatient or day case treatment in hospitals, which is an increase of almost 40,000 on the previous year. That demonstrates the urgency and priority attached to the issue, while admitting that the waiting lists are too long. Serious action is being taken to address those problems.

**Deputy Micheál Martin:** Twelve months ago the Government agreed in the confidence and supply agreement to re-establish the remit of the National Treatment Purchase Fund to deal with waiting lists. Nothing has happened since then. The €20 million has not been spent by the

NTPF and we are now into May 2017. Those are the facts. There has been a lack of urgency. We all saw the scoliosis crisis but it should not have to have been revealed in such a telling and effective manner on RTE. There are still more than 4,500 children who have been waiting in excess of 18 months for an appointment in the three children's hospitals in Dublin. It is scandalous. We are talking about all-time records. The former Minister for Health, now Senator James Reilly, got rid of the National Treatment Purchase Fund. We are back to the same mas-saging of figures that he engaged in, widening the timelines and saying that the Government will concentrate on those waiting more than 18 months.

The National Treatment Purchase Fund should be restored. Rather than micromanaging it, we should get its systems back into play with the forensic way in which it tackled waiting lists in the past. Too many people, in particular too many children, are waiting far too long. The execution and delivery of a resolution to these crises is simply not happening in the health area. Waiting lists and times are getting longer every time the figures are published. There is no appreciable gain or sense that the Government is getting on top of the issue.

**The Taoiseach:** In the negotiations and discussions we had about the formation of a Government, it was agreed, indeed at the Deputy's own suggestion, that the National Treatment Purchase Fund would be restored. The restoration was costing €20 million for 2017, rising to €55 million for 2018. It is not true to say that nothing is happening. The NTPF has now commenced the initiative of €5 million for the day case waiting initiative which was approved last December. It is expected that in excess of 2,000 patients will receive treatment under this initiative. They will thus be off that waiting list.

In respect of the outpatient waiting list, it is estimated that there are more than 190,000 patients who fall into this category. The plan sets a target to remove over 50% of these from the waiting list, that is, in excess of 95,000 patients. That represents around 5,000 extra patients or a 5% increase in activity since last year in that particular patient cohort.

In respect of the NTPF and the inpatient day case waiting list action plan, we hope to have 39,000 persons treated by the end of October. The plan sets a target to remove 75% of these patients from the waiting lists, that is, more than 29,000 patients between the normal hospital service plan funded activity, as well as insourcing and outsourcing initiatives utilising the remaining €10 million of the budget for 2017. The money is being spent and is making serious inroads into the numbers, as I have already outlined, on the initiatives undertaken by it.

**Deputy Gerry Adams:** I understand that documentation has been given to the Committee of Public Accounts by Mr. John Barrett which completely contradicts and undermines the account given by Commissioner O'Sullivan last Thursday about her conversations with Mr. Barrett over financial irregularities in Templemore. This latest development today comes after contradictory statements from Commissioner O'Sullivan and the executive director of human resources, the aforementioned Mr. Barrett.

Why will the Taoiseach not end the never-ending crisis and scandal surrounding the senior management of An Garda Síochána? This latest controversy follows scandals involving homicide figures, the falsification of 1 million breath tests, and the 14,700 unsafe convictions for driving offences. The Taoiseach will recall that all of this was preceded by allegations of a smear campaign against the brave whistleblower Sergeant Maurice McCabe.

I am also concerned about the Taoiseach's refusal to act on detailed information which I

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gave him 18 months ago about the killing of Garda Tony Golden and other issues arising from that dreadful event. The Taoiseach and his Government have resisted all attempts directed by these matters to bring in the deep-rooted reforms that are required. The Taoiseach may say he is bringing in reforms now, but he has done so with extreme reluctance and only after serial scandals. His reforms do not go far enough. The last Government led by the Taoiseach voted against a detailed submission by Sinn Féin for root and branch reform of An Garda Síochána, including an independent policing board similar to that proposed by the Patten Commission in the North.

Let us be clear, the Taoiseach was not on his own in all of this. Way back in 2005, Teachta Ó Snodaigh made the same case to a Fianna Fáil-led Government and to the then Minister, Michael McDowell. At that time, Michael McDowell argued that there was not a level of corruption, incompetence or bad faith within An Garda Síochána which would warrant this. The Taoiseach made exactly the same argument ten years later. Now, in 2017, he has reiterated his confidence in the Garda Commissioner. The Commissioner's position is untenable. It is not easy to understand why the Taoiseach will not remove her from office. There is no rational explanation. The majority of parties in Leinster House want the Commissioner to go. The Taoiseach needs to act in the best interests of An Garda Síochána and for the sake of the people of this State. The Commissioner needs to go now. Will the Taoiseach finally accept this reality and relieve Nóirín O'Sullivan of her duties as Commissioner if she refuses to resign?

**The Taoiseach:** As Deputy Adams well knows, the Committee of Public Accounts is removed from the influence of the Oireachtas. I am not aware of the papers he to which he refers being given to that committee. They have certainly not come into my possession, nor should they if they were given directly to the Chairman or a member of the Committee of Public Accounts. I have confidence in the Garda Commissioner to do her job. This morning, the Cabinet approved the nomination of Kathleen O'Toole, the chief of police in Seattle, to chair the review body dealing with An Garda Síochána. She is an outstanding person of great experience in both legal and policing terms and has a deep understanding of the situation that applies here in Ireland. I expect that nomination to be ratified by Cabinet next week. In addition, the Cabinet also approved the terms of reference for the investigation into Project Eagle this morning, a matter which has been raised by Members on a number of occasions. Following receipt of further observations from the Fianna Fáil Party and from Deputy Wallace, I took those observations into account and had approval given for the terms of reference for that investigation. These actions are being taken by Government in respect of matters of public concern.

I expect Garda Commissioner O'Sullivan to do her job. She is expected to appear again before the Committee of Public Accounts. I understand that she is to go back for further discussion with the committee later this month or next month. I am not quite sure of the date.

I referred previously to the sad, unfortunate and tragic death of Tony Golden. I told Deputy Adams that there are two parallel investigations ongoing in respect of that murder. All of the evidence that Deputy Adams gave to me and to the Tánaiste and Minister for Justice and Equality has been transferred to those dealing with the matter. Obviously, it is important that the investigations into this sad and tragic case are allowed to be followed through on and that they take the information that the Deputy supplied into account. As to whether that information can stand up, it is not for me to comment on its veracity. I am sure the Deputy would not have given it to me without a good reason to do so.

**Deputy Gerry Adams:** The big problem for many people is that no one in the upper ech-

elons of this State is ever held to account. I know that politicians might get their comeuppance at an election if that is the will of the electorate. However, the big issue is the lack of accountability on the part of bankers, financiers, developers, senior public officials and policymakers. People are asking who is held to account in the context of the mistreatment of children, women and people with disabilities, the homelessness crisis, the health service and the administration of policing and justice. The Taoiseach's Government retained the right to appoint the Garda Commissioner. It did not have to do so. It could have accepted the motion Sinn Féin tabled. That is why I ask the Taoiseach to remove the Garda Commissioner. We have a situation where Fianna Fáil says it has no confidence in the Commissioner but that it supports the Government, which continues to express confidence in her. This is not new politics. This is more of the same old story. The Taoiseach has set his face against removing the Commissioner. He has just said he has confidence in her. Have he and the Fianna Fáil leader discussed this issue?

**The Taoiseach:** The answer to the last question is "No".

**Deputy Richard Boyd Barrett:** Today we saw yet another damning piece of evidence, in the form of the *daft.ie* report, of the abysmal failure of the Government to deal with the spiralling rental, housing and homelessness crisis. The report shows that rents have jumped by a record 13% in the past year - €134 per month on average over the course of a year - guaranteeing to escalate that crisis and lead to more emergency situations, more evictions and more people in homeless accommodation. Typically, the Taoiseach or the Minister says that the Government inherited this, that it takes time to deal with the problem and that the Government is on it.

I will cite a very concrete example of how decisions the Government made in the past six months have contributed directly to this shambles and the hardship that follows. Robin Hill, a development of apartments in Balally in Sandycove, was originally built by the McEvaddy brothers in 2008. The development, which consists of 52 apartments, went into NAMA at some point. For most of the time it has been in NAMA, at least 15 and possibly as many as half of the apartments have been empty while the housing crisis spirals out of control. In May 2016, Dún Laoghaire-Rathdown County Council asked whether it would purchase 15 of the vacant units. It was told that it could only buy the entire block. Shortly after the Project Eagle scandal broke in September, NAMA agreed the sale of Project Gem, which included these apartments, to the vulture fund Cerberus. The sale, which was one of the biggest sales of property in the history of the State, went through. Since then, Cerberus has moved to start evicting the tenants in a block that is still half empty. Of the 21 remaining tenants I have met, five are to be evicted in June. Others whom Cerberus feels it cannot evict straight away have been told they must pay an extra €250 per month in heating and hot water charges that were previously included in the rent. They were never charged for that previously. In other words, this is a back-door rent increase of about 20%.

These empty units are sitting there while we have record numbers in homeless accommodation with evictions to follow. This would have been avoidable if NAMA had not sold this development to a vulture fund but had given it to the local authority as it requested and if the Minister for Housing, Planning, Community and Local Government had ensured his Bill before Christmas included a provision to prevent new owners from evicting tenants when apartments are sold, as we warned would happen, or finding back-door ways to ratchet up rents. Is it not the truth that the crisis is avoidable and has resulted from the Government's policy failures?

**The Taoiseach:** No, it is not the truth. The problem here is the supply of houses throughout the country. Anyone can understand that there is real pressure in certain segments of the hous-

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ing sector. The Deputy can nod his head if he likes. I read a report this morning that said that 49 houses priced between €400,000 and €700,000 were snapped up inside a day by those who could afford them. There are no difficulties in certain areas.

It is true to say that there is a serious issue here. A total of 40,000 vacant units have been bought by the State in the past five years. If the Deputy had given me the details of the situation about which he spoke, I could probably have given him an accurate answer but I can say to him that the report about rental prices and rent pressure zones shows that rent inflation has slowed over the past quarter. The rate of increase in Dublin rents between quarter 4 of last year and quarter 1 of this year was significantly lower than the rate of increase over the year. Quarterly inflation registered in quarter 1 of 2017 was 0.7% in south County Dublin, 1.4% in west County Dublin, 1.6% in north County Dublin, 1.5% in north Dublin city, 2.1% in Dublin city centre and 1.4% in south Dublin city. I am sure the Deputy will be interested in the figure of 0.7% for south County Dublin.

There is also strong rent inflation in the commuter counties. The increases are placing huge pressure on tenants, particularly those seeking new accommodation. The *Daft.ie* report notes that rent increases faced by sitting tenants have generally been lower than for those seeking new accommodation. Rebuilding Ireland and the Government's strategy for the rental sector state that severe shortages in supply in key locations are driving these rent rises. That is why the housing programme prepared by the Minister for Housing, Planning, Community and Local Government, Deputy Coveney, emphasises the need to deal with the question of supply. On several occasions in this House I have given details of the initiatives, opportunities, Government action and money that is being provided for local authorities and both public and private developers to deal with the housing supply issue. There are cases of objections and this, that and the other but this is the real issue that Government is trying to address. Deputy Boyd Barrett knows as well as I do that to go from 90,000 houses being built per year to less than 9,000 takes some recovery. The Deputy mentioned NAMA acquiring properties. It was a portfolio worth €80 billion. NAMA will have done its job when it gives the taxpayer approximately a €2 billion-plus surplus within the timescale involved. Those who acquire those houses are subject to the law of the land.

**Deputy Pearse Doherty:** The Taoiseach's figures are all wrong.

**The Taoiseach:** The number of vacant properties since 2011 is 40,000. The action taken by the Minister in respect of the second point raised by Deputy Boyd Barrett was on foot of legal advice received from the Attorney General.

**Deputy Richard Boyd Barrett:** A fantasy figure has just appeared, namely, that the State has apparently purchased 40,000 houses. The more accurate truth is that NAMA has flogged off thousands of homes or, worse, as the Balally example indicates, has sat on empty properties in public ownership and when local authorities sought to purchase them, it refused and chose to sell them to a vulture fund instead. The vulture fund is now moving to evict people, bypass the Minister's totally inadequate legislation and ratchet up the rent on tenants it cannot immediately evict. I suspect, and the tenants fear, that they will be evicted in phases because under the Tyrrelstown amendment, no more than ten tenants may be evicted at one time, which is leading to landlords evicting tenants en bloc. That is almost certainly the case and the Taoiseach allowed it to happen by selling apartment blocks. How many more Balallys are there? How many more in Project Gem? How many more people will get eviction notices from vulture funds to which NAMA sold properties at a massive discount rather than give them to the local authori-

ties. There are 50,000 empty properties in Dublin. The Balally situation indicates why there is a supply problem in spite of that. That is the real issue. It is not an absolute supply problem, it is a man-made one resulting from the behaviour of NAMA and the vulture funds, which are sitting on empty properties, evicting people to inflate property prices and rents and make more profit from the misery of those they evict or who cannot afford to rent such properties.

**The Taoiseach:** Let me clarify what I meant when I said that 40,000 properties have come back into use.

**Deputy Bríd Smith:** That is not what the Taoiseach said.

**Deputy Pearse Doherty:** That is not what was said.

**The Taoiseach:** I take the Deputy's point. One thousand properties were purchased by the State at a cost of €203 million.

**Deputy Pearse Doherty:** One thousand.

**Deputy Aengus Ó Snodaigh:** That is 39,000 fewer than the original figure the Taoiseach gave.

**The Taoiseach:** The others are through the normal churn of reconstructions, sales, local authority purchases and so on.

**Deputy Caoimhghín Ó Caoláin:** It is almost like a figure for breathalyser tests.

**The Taoiseach:** The Minister will soon launch the strategy for the return of vacant dwellings to habitable use. There are approximately 34,000 vacant units in Dublin. There is a list of vacant apartments and dwellings to be returned to use.

**Deputy Richard Boyd Barrett:** What is the Taoiseach going to do for these people? He should enforce a compulsory purchase order on those apartments.

**The Taoiseach:** Even Deputy Boyd Barrett understands that these apartments cannot be returned to a habitable state overnight in order to be allocated to people.

**Deputy Richard Boyd Barrett:** The Taoiseach could start that process.

**Deputy Dessie Ellis:** Some properties have been vacant for years.

**The Taoiseach:** Deputy Boyd Barrett has pointed out to me in the past number of weeks that people have been sent 10 km or 12 km to hostels or hotels because the local accommodation was unsuitable. The strategy that the Minister, Deputy Coveney is to introduce in the next couple of weeks is to deal with that very issue.

**Deputy Richard Boyd Barrett:** The State was sitting on empty properties.

**The Taoiseach:** Vacant units, apartments and houses in the Deputy's area and every other area have to be the subject of a strategy to return them to habitable use for people in order that they can raise their families in them.

**Deputy Maureen O'Sullivan:** I want to begin with a quotation that is relevant. It comes from a writer-director who wrote "The generation that won ... Independence lives in the ideas we honor, the architecture we preserve and the battlefields we yet can save." This is quoted

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at the start of the report from the Moore Street consultative group, which was presented to the Minister for Arts, Heritage, Regional, Rural and Gaeltacht Affairs, Deputy Humphreys, on 29 March, 2017. Someone said to me recently that we are much better at recognising defeats than victories. I acknowledge the victory and success that came with the report from the consultative group. The Minister had set up that group in late September 2016, part of which is made up of representatives from Fine Gael, the Labour Party, the Green Party, Sinn Féin, People Before Profit and from the Independents. There are other Deputies and councillors on the group, as well as 1916 relatives, the Save No. 16 Moore Street committee members and the Moore Street traders. Under a very able chairman, we went through a public consultation process, submissions, expert advice etc. At the end of the process we were all on the same page. We all agreed and we all endorsed the report and the vision for the development of the Moore Street battle site as part of a historic cultural quarter to capture that moment-in-time experience such as that in Kilmainham Gaol and other places and to capture the sense of what it was like for those who evacuated the GPO and for those who lived and worked on Moore Street. It would also recognise the fact that five of the signatories spent their last few hours there. We all endorsed the proposals to preserve the streetscapes, the lanes and the regeneration of the Moore Street market for the traders. There has been so much progress and so much success, with very clear recommendations that can be realised. These recommendations have been laid out, starting with the State - as the custodian of our history and heritage - and then the advisory group, under an independent chairman with the resources to do the work. The Minister response was to state she was fully supportive of the constructive approach and that she wants to see the work of the group being built on "so we can progress to the next stage". I want to know what exactly that means in real, practical terms in order that we can move on the recommendations of the report within the clear timeframes. We know there have been years and years of neglect and decline and of indifference to the battlefield site. There also has been indifference to the difficulties to the livelihoods of the Moore Street traders. When will phase two begin, what are the Government plans in this respect and has the report come to Cabinet yet?

**The Taoiseach:** It means that agreement is required. Obviously there are a number of different parties here; the State, the city council and private property owners. The Government made a decision by the end of 2015 to purchase Nos. 14 to 17 Moore Street and to keep the site permanently in the State's hands for people to understand the historic importance of the buildings and their part in Irish history. This was an important decision, at considerable cost, made by the state and the State now owns it. Clearly, emerging from the side door of the GPO and turning left, moving down towards Moore Street and up towards the Rotunda are - as I have often said - the lanes of history. Dublin City Council has a responsibility here also and elements of the buildings on either side were private property. As part of the overall sensitive and comprehensive centenary commemorations, the Government has set out to ensure that the Nos. 14 to 17 Moore Street national monument would be restored in the most sensitive way possible, given the circumstances that apply around it. There was not agreement about that. It is impossible to proceed with a proper structure and a plan unless there is agreement. Agreement always requires compromise from the set positions that people may wish adopt. I recall being involved centrally in saying that this building must be purchased for the people and for the use by the people for all time. I thought that it might have been of some assistance in the overall programme. There was disagreement about the extent of the buildings purchased given the importance of all of the buildings in that street, and whether and how one might restore the laneways up to the Rotunda where the formal surrender actually took place. I will have the Minister, Deputy Heather Humphreys, respond to Deputy O'Sullivan about the current position and the extent to which further progress can be made. She will appreciate that there has been

a considerable measure of progress made, the site being within the north inner city, where the State has taken an interest in dealing with issues of neglect for many years. I hope we can have agreement on an outcome between the different parties involved, namely, the State with its responsibility in so far as the national monument is concerned, Dublin City Council, the planning authorities and private enterprise. Together, we may come to a solution that would enhance the area while retaining the context of this historic location and the part it played in a seminal moment in Irish history, which helped us on our way to economic and political independence.

**Deputy Maureen O’Sullivan:** There has been a lot of agreement, on which we should start to build. The Taoiseach is a cyclist and knows that if he keeps cycling, he will build momentum but if he stops, he will start to wobble and will eventually fall off the bike. The consultative group has been doing a lot of cycling. We have been building up momentum and should keep going with it. The Government owns the structure at Nos. 14 to 17. There has been considerable money spent on protecting and securing that structure. It would be much better if the money could be going into the restoration but we do have to keep the structure secure for the foreseeable future. I would like a commitment on that.

The Moore Street traders have played a major role on the committee. Their livelihoods have been under severe threat in the past years and will remain so with the works that are to come on stream. It is imperative that we make a start. Could we have a date for the meeting on the next phase and the appointment of the chair?

**The Taoiseach:** I recall speaking to experts in restoration about the structural condition of the building. It was clear that we could not proceed to do sensitive restoration work without the building being structurally sound. It is for experts and engineers to determine how that should be done. I take the Deputy’s point. There is a measure of agreement here. Having made a major move in purchasing Nos. 14 to 17 for the good of the people of Dublin and Ireland for all time, I would hope that we could build on that agreement in determining what the next appropriate and proper step should be. I will consult with the Minister, Deputy Humphreys, and come back to Deputy O’Sullivan.

I had genuinely thought that we might have been in a position to have Nos. 14 to 17 restored and opened to whatever small numbers could go through at any one time, as part of the restoration of the GPO, Kilmainham, the military archives and so on. However, because of the situation that arose it was not possible. The good thing is that it has been purchased and is now owned by the State. It is secured and that at least is an important point from which we can move towards a conclusion in the interests of the city and the country, and not least of those who live in the locality.

### **Order of Business**

**An Ceann Comhairle:** I call on Deputy Jim Daly to announce the Order of Business for the week ahead.

**Deputy Jim Daly:** Tuesday’s business shall be No. 4, motion re framework agreement between the EU and Mongolia, referral to committee without debate; No. 5, motion re PQ rota change, without debate; and No. 11, statements re Ireland and the negotiations on the UK’s withdrawal from the European Union. Private Members’ business shall be No. 101, motion re sale of AIB shares, selected by the Labour Party.

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Wednesday's business shall be No. 5a, motion re exchange of views with Mr. Barnier in joint committee with Seanad Éireann, without debate; No. 11, statements re Ireland and the negotiations on the UK's withdrawal from the European Union, resumed if not previously concluded; No. 1, Civil Liability (Amendment) Bill 2017 [*Seanad*] - Second Stage; and No. 2, Companies (Amendment) Bill 2017 [*Seanad*] - Second Stage. Private Members' business shall be No. 102, motion re. Dublin transport, selected by Fianna Fáil.

Thursday's business shall be an exchange of views with Mr. Michel Barnier, chief negotiator of the task force for the preparation and conduct of negotiations with the United Kingdom (in Committee of Dáil Éireann and Seanad Éireann) and No. 2, Companies (Amendment) Bill 2017 [*Seanad*] - Second Stage. Second Stage of No. 23, Sale of Tickets (Sporting and Cultural Events) Bill 2017 will be debated in the evening slot.

I refer Members to the report of the Business Committee dated 4 May 2017. In respect of today's business it is proposed that:

(1) the motion re referral of framework agreement and motion re PQ rota change will be taken without debate and that any division demanded thereon shall be taken immediately; and

(2) statements re Ireland and the negotiations on the UK's withdrawal from the European Union shall be brought to a conclusion after 10.15 p.m. on Wednesday, if not previously concluded.

The statements of party and group leaders, or a Member nominated in their stead, shall not exceed ten minutes each. A Minister or Minister of State and the main spokespersons for parties or groups, or a Member nominated in their stead, shall not exceed ten minutes each and statements of all other Members shall not exceed ten minutes each. There shall be a five minute response from a Minister or Minister of State and all Members may share time.

In respect of Wednesday's business, it is proposed that the motion re exchange of views with Mr. Michel Barnier in joint committee with Seanad Éireann shall be taken without debate and that any division demanded thereon shall be taken immediately.

In respect of Thursday's business, it is proposed that Leaders' Questions shall be taken at 2 p.m. and that, notwithstanding anything in Standing Orders, any division that would normally be taken at the weekly division time on Thursday, 11 May 2017 shall be taken in the weekly division time on Thursday, 18 May 2017.

**An Ceann Comhairle:** Thank you very much, Deputy Daly. There are three proposals to be put to the House today. Is the proposal for dealing with today's business agreed to? Agreed. Is the proposal for dealing with Wednesday's business agreed to? Agreed. Is the proposal for dealing with Thursday's business agreed to? Agreed. It is great to see consensus breaking out. On proposed legislation, I call Deputy Micheál Martin.

**Deputy Micheál Martin:** In the programme for Government, there is a good provision for the facility to evaluate progress in a transparent and accountable fashion – this relates to progress on the programme for Government.

This section of the day is about Deputies asking when specific legislation will be brought forward by the Government in respect of specific issues. However, the time is coming fast

when it will become a fairly redundant exercise, given that 140 Bills are languishing on Committee Stage in this House. To be fair, I know the Ceann Comhairle has taken an initiative in this regard but there are responsibilities on Government as well. The Government has produced but 23 items of legislation. Some of those are not comprehensive or earth-shattering in the sense that they are rather technical Bills. Clearly, there is room for Government to improve. Some of these Bills have been simply left there by the Government. I do not know why the Government has not engaged in the education field and so on. We are reading reports that some public servants are of the view that they are not pushing forward Bills because the Dáil might get at them. This is a parliamentary democracy. I respectfully suggest that people in the public service or elsewhere have to accept the reality of the Dáil as it is.

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

**Deputy Micheál Martin:** I call on the Government to publish the legislation and engage with the Opposition on the issues to get the legislation it might want passed actually passed rather than have it waiting interminably.

**An Ceann Comhairle:** Thank you, Deputy. Time is up.

**Deputy Micheál Martin:** As for some of the Bills on Committee Stage, there was an agreement that there would be a more practical approach to money Bills and money messages. The Government is holding back on that. The Government is not fulfilling its commitments in respect of money messages. The Coroners Bill is still with the Select Committee on Justice and Equality, for example, as well as other Bills. Deliberate acts by Government are preventing the advancement of some of the Bills currently languishing on Committee Stage. This requires action. The Government has to come to the table with some definitive action.

**An Ceann Comhairle:** Thank you, Deputy. We have 20 Members offering. We will not be able to call them all unless we can be concise in our questions and answers.

**The Taoiseach:** We should get something very clear here, first of all. This is a very different working Dáil to previous Dáileanna because the Government does not control the full agenda here. One of the changes that we made was to give backbench Deputies the right to put forward opportunities for Private Members' Bills. That is an important facility in any democracy.

**Deputy Micheál Martin:** We always had that.

**The Taoiseach:** We had but, as Deputy Martin knows, few of them came through.

**Deputy Brendan Howlin:** None of them came through.

**The Taoiseach:** We did not have a backed-up list of 140. In my time in here, few Private Members' Bills have passed – I could count fewer than a dozen in any particular year, although maybe I am wrong.

We now have 140 of these Bills backed up. It is easy for a Deputy to say an issue should be addressed and that he or she should get a Bill drafted on it. What happens is that the Minister responsible, especially in the area of justice, then has to take that Bill and amend it properly to deal with all of the issues that arise from it and that might not have been considered by the Deputy with the best intentions in the world.

**Deputy Brendan Howlin:** It is called parliamentary democracy.

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**The Taoiseach:** Some of the Bills that are being taken have to be amended extensively by the Office of the Parliamentary Counsel to the Government to make them into a Bill that is fit for purpose-----

**Deputy Aengus Ó Snodaigh:** They have not been amended at all. That is the problem. They are in committee.

**The Taoiseach:** -----and taking into account issues that might be far beyond the central issue.

**Deputy Micheál Martin:** They have not got to the Office of the Parliamentary Counsel to the Government.

**The Taoiseach:** For instance, we have-----

**Deputy Micheál Martin:** What about the Government's Bills?

**The Taoiseach:** Currently, there are perhaps 20 Bills before the Dáil. Some are on Report Stage while others are on Second Stage or Committee Stage. A similar situation arises in respect of the Seanad Order Paper. The Deputy is around a long time and knows that the Constitution is clear in respect of money messages. Article 17.2 states:

Dáil Éireann shall not pass any vote or resolution, and no law shall be enacted, for the appropriation of revenue or other public moneys unless the purpose of the appropriation shall have been recommended to Dáil Éireann by a message from the Government signed by the Taoiseach.

**Deputy Micheál Martin:** Yes.

**Deputy John Curran:** We are waiting for those.

**Deputy Micheál Martin:** We are waiting for those.

**The Taoiseach:** If we are to have 140 Bills-----

**Deputy Micheál Martin:** Not 140, Taoiseach. I did not say 140.

**The Taoiseach:** The point is-----

**An Ceann Comhairle:** Deputies, please.

**The Taoiseach:** Let me make my point.

**Deputy Micheál Martin:** There is some very low hanging fruit there, Taoiseach.

**An Ceann Comhairle:** Let the Taoiseach answer.

**The Taoiseach:** Let me make the point. For instance, take the Coroner's Bill-----

**Deputy Micheál Martin:** The Taoiseach is abusing----

**Deputy Aengus Ó Snodaigh:** Clare Daly's one.

**The Taoiseach:** -----which is currently being dealt with by Deputy Ó Caoláin. The charge involved is approximately €12 million. If that were to be allowed through, it is €12 million

of the Vote for that particular Department. Taking ten Bills or whatever one wants out of the 140, the charge is then taken off the Vote that has gone through from the relevant Minister. We all learn lessons, do we not? Perhaps we should, as the Minister for Finance, Deputy Noonan, made the point to me, leave aside €100 million for Private Member's Bills which could compete on priority for money messages that might be necessary to put those Bills through.

**Deputy Micheál Martin:** That is not the point. That is not the way it works and the Taoiseach knows it.

**The Taoiseach:** However, I am not in a position to accede to requests such as this one-----

**Deputy Brendan Howlin:** Is the Taoiseach saying that there will be no money messages?

**Deputy Micheál Martin:** The Taoiseach is rowing back on what he committed.

**The Taoiseach:** -----which is that we should respond by having money messages signed by the Taoiseach in accordance with the Constitution, when we know the outcome.

**Deputy Brendan Howlin:** All those Bills will be dead. Is that what the Taoiseach is saying? There is no point-----

**The Taoiseach:** It was a good thing that any Deputy would be able to put forward a Private Member's Bill, but perhaps we on all sides did not think it out clearly enough and ask what we meant by it. We cannot put through a Bill that is inadequate, inferior or will not work.

**Deputy David Cullinane:** The Government does it often enough.

**The Taoiseach:** Therefore, while the thought or the intent might have been good, the Minister involved might have to amend the Bill extensively. If there is a money charge, it does not fall into line with the expenditure intentions and priorities of the Department.

**Deputy Aengus Ó Snodaigh:** What about the ones with no money charges? Absolute balderdash.

**The Taoiseach:** Perhaps that is an issue that we should discuss. In respect of the 140 Bills, I know that there is a discussion to be had through the Ceann Comhairle's chairmanship as to what the parties want as their priorities out of that 140.

**An Ceann Comhairle:** It appears that the Business Committee will need to engage with the Taoiseach's Department to try to resolve those matters.

**Deputy Micheál Martin:** It is broader than that, Taoiseach.

**An Ceann Comhairle:** I call Deputy Gerry Adams.

**Deputy Gerry Adams:** The programme for Government commits to holding a number of constitutional referendums, including one on Article 40.6.1 on the offence of blasphemy. This arises from the good work of the Constitutional Convention. The Taoiseach will recall that an English actor, Stephen Fry, gave an interview to Gay Byrne on the issue of faith and God and, as a result of a single complaint, we had the spectacle of Mr. Fry being investigated by the Garda Síochána on a criminal charge of blasphemy. That investigation is not now going ahead, which I welcome, but this story was widely reported in the international media with appropriate mocking commentary and some disbelief.

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Blasphemy should have no place in the Constitution. The Minister for Housing, Planning, Community and Local Government, Deputy Simon Coveney, indicated several days ago that the Government may hold a referendum day next year to deal with the repeal of the eighth amendment and the extension of the vote to citizens outside the State. Will the Taoiseach give a commitment that the removal of blasphemy from the Constitution will also be dealt with or that a separate referendum will be held as soon as possible? Will he give citizens the opportunity to say clearly, “Down with that sort of thing”, and allow Stephen Fry and everyone else to express an opinion without the threat of criminal proceedings?

**The Taoiseach:** I note the comments in the current controversy about this matter. I understand that there have been no public prosecutions for blasphemy under the 2009 Act. I also understand the last prosecution for blasphemy by public authorities in Ireland is thought to have been in 1855, which is quite a distance back. The current statutory provision for the offence of blasphemy is section 36 of the 2009 Act, which defines what constitutes blasphemy and what defences and penalties apply. My party opposed the inclusion of the offence of blasphemy in the Bill at the time, but the Act was introduced following the advice of successive Attorneys General that it was required following the Supreme Court’s decision in what is known as the Corway case in order to give legislative effect to the offence of blasphemy contained in Article 46.1.1° of the Constitution. The Defamation Act abolished the possibility, formerly available under common law, of a private individual bringing a prosecution for blasphemy. The Corway case was a rare example of such a private prosecution but was unsuccessful.

Deputy Adams quite rightly raises the point that a referendum must be held to deal with this matter. The Constitution adopted in 1937 provides in Article 40.6.1° that blasphemy is a criminal offence. This article describes the constitutional right to freedom of expression and its limits and states: “The public utterance of blasphemous, seditious, or indecent matter is an offence which shall be punishable in accordance with law.” The previous Government agreed a referendum should be held on blasphemy. It is a case of Government finding an opportunity to deal with this. A number of other matters arise from the Constitutional Convention that are well recommended and on which it is agreed referenda should be held. Clearly, in respect of the Citizens’ Assembly, a referendum will be required in due course on Article 40.3.3°.

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

**The Taoiseach:** I had originally thought it might be possible to hold a number of referenda on the one day, but when one gets into these matters and people begin to understand the fors and the againsts, the yes and the no-----

**Deputy Aengus Ó Snodaigh:** There will not be any fors.

**The Taoiseach:** -----it is not as simple as it might sound. There are quite a number of referenda backed up, and they take time-----

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

**The Taoiseach:** -----with referendum commissions to be independent in their analysis and give people full information so they can vote Yes or No to whatever question is asked, and the matter of blasphemy is one such question.

**Deputy Brendan Howlin:** The journalist Gavan Reilly pointed out in an analysis piece published yesterday that although there are currently nine sitting justices of the Supreme Court,

Ms Justice Mary Laffoy and the Chief Justice, Ms Susan Denham, are both due to retire this year. Meanwhile, Mr. Justice Peter Charleton will obviously be completely occupied by the disclosures tribunals for the foreseeable future. This will reduce, by August, the number of sitting Supreme Court judges available to six. Obviously, it is not acceptable for the capacity of the Supreme Court to be cut by a third. I ask the Taoiseach when the appointments will be made, when the legislation, more importantly, will be agreed by these Houses and when the Government position will be clear on judicial appointments so that we can fill not only these vacancies that will arise in the coming months, but also the other vacancies that arise in other courts which now need to be filled as a matter of urgency.

**The Taoiseach:** Deputy Howlin raises a valid question. As he is aware, vacancies are recommended for filling by a process to the Minister for Justice and Equality. One vacancy arising from the death of an esteemed Supreme Court judge was not filled, and was not recommended to be filled, because the Court of Appeal was taking quite a number of cases that would normally go to the Supreme Court. That was the purpose of the setting up of the Court of Appeal. As per the normal course of events, a number of members of the Judiciary have been appointed recently on foot of the recommendations that have come in reduced numbers from the Judicial Appointments Advisory Board. I expect that the legislation dealing with judicial appointments will come before Cabinet next Tuesday.

**Deputy Michael Healy-Rae:** Today, 3,099 farmers are waiting to be paid their GLAS payments. This has gone on for far too long. Farmers are being punished for IT failures within the Department, which is simply not fair. I urge the Taoiseach and the Minister for Agriculture, Food and the Marine to put farmers out of their financial misery and finally pay them their hard-earned money. There are 187 farmers in Kerry struggling to pay their bills and awaiting this money, and I know every one of them. I would very much like the Taoiseach and the Minister to get them paid as a matter of urgency.

**An Ceann Comhairle:** This is more suited to a Topical Issue debate. The Taoiseach-----

**Deputy Michael Healy-Rae:** No. It is clear from the programme for Government - I have studied it and was there for the negotiations on it - that the Taoiseach is entitled to respond to my comments, and he should do so.

**Deputy Micheál Martin:** The Deputy knows both its written and unwritten parts.

**The Taoiseach:** It seems Deputy Michael Healy-Rae knows them all as well. I do not know whether they cashed or they are a stroke for him but good luck to him in that regard.

**Deputy Brendan Howlin:** If the Taoiseach gives him the cheques, the Deputy will deliver them all.

**The Taoiseach:** I raised with the Minister for Agriculture, Fisheries and Food this morning a number of cases from different counties that had been raised. I understand more than 90% of payments have been made. I do not know whether the difficulty lies with the Department or the application or whether, as the Deputy stated, it is related to information technology. However, the Deputy can take it that the Minister is working to get payments to the farmers who remain to be paid, including those whom he knows, and the problems associated with them sorted out in order that people can get the money that is available and ready to be sent to them. The Minister is working actively to ensure the issues, whatever they are, are sorted out and the farmers paid.

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**Deputy Pat The Cope Gallagher:** While I cannot cite the relevant page in the programme for Government, I understand it is proposed to centralise partially nursing home support scheme offices - the fair deal offices in short - which will be reduced in number from 17 to five and located in Naas, Ballymun, Cork, Limerick and Tullamore. Lo and behold, people in Donegal will have to travel to Tullamore to deal with a fair deal application, as they must travel to Dublin for a passport. Given the modern communications available and the implications of Brexit for County Donegal, what are we doing? Can people in Donegal not deal with people from other counties? Are we not competent enough to have a centre located in the county? While I do not expect the Taoiseach to be able to answer my questions, I ask him to address the issue and speak to the Minister for Health about having a sixth location for fair deal offices. We should not fix what is not broken but if a sixth office is to be provided, it should be located in Donegal where staff are well capable of dealing with other offices. This decision is inexcusable and unacceptable. I ask the Taoiseach, as a west of Ireland man, to put on his north-west hat.

**Deputy Micheál Martin:** The proposal is in chapter 4 of the programme for Government.

**The Taoiseach:** Deputy Gallagher is in a commanding position when he moves down to the floor. I will bring his comments to the attention of the Minister for Health and find out the position. The good people in the Donegal office are well capable of dealing with applications from their county and many other counties. Many State services are vested in the county and they do a very good job.

**Deputy Fiona O'Loughlin:** Court proceedings commenced in the High Court this morning in a case taken by Element Power against An Bord Pleanála in respect of a wind farm application in County Kildare. This issue is of grave concern to the people I represent and many others in other counties. The previous Government committed to reviewing and updating the wind energy guidelines for planning five years ago. The current guidelines, which date from 2006, are obsolete as they do not take into account the serious concerns of communities, particularly in respect of noise, shadow flicker and distance from homes. People in my county are especially concerned because we have a strong equine industry. When will the new guidelines be published? The Government should impose a moratorium on all such applications while we await the updated guidelines.

**The Taoiseach:** I am assured by the Ministers involved that the position regarding guidelines for wind farms should be brought before the House in the next couple of weeks.

**Deputy Robert Troy:** We have been listening to that for months.

**The Taoiseach:** It is true that this has gone on for a very long time. Agreement could not be reached between two Ministers in a previous Government. I am very confident that agreement will be reached between the two Ministers involved in this case.

**Deputy John Curran:** The programme for Government features a section entitled "Giving Vulnerable Young People the Best Chance in Life" which states, "The new Partnership Government has an opportunity to change our approach from expensive reactive interventions to proactive supports". It notes that prevention "will also help to alleviate pressure on our vital public services". Underpinning this, the document states the Government supports the expansion of local drugs task force projects. Those involved in these projects have informed me they are struggling to maintain existing services. I reviewed the expenditure on local drugs task force projects and found that it stood at €29.5 million in 2012 and €28.2 million in 2013. In each of

the past four years, however, expenditure has stood at €27.648 million.

I accept that there have been economic challenges, but at a time when the economy is beginning to recover, there is no sign of recovery in the funding for task force projects. They have the potential to be proactive in terms of prevention while offering value for money, but there is no indication that these vulnerable people are seeing an increase in expenditure or activity in this regard. Does the Taoiseach still stand over that commitment?

**The Taoiseach:** Deputy Curran raised the additional expenditure issue. He knows about this. Clearly, the Minister of State, Deputy Catherine Byrne, is dealing with this area. She obviously has a very genuine interest in and has made quite a substantial amount of progress on it. Some of the drug task forces throughout the country have been outstanding; others not so. It is not always about the level of money that is allocated - it is about the work and the progress made within each of the task force areas.

*3 o'clock*

I can have the Minister of State, Deputy Catherine Byrne, respond to Deputy Curran or perhaps he might like to raise this as a Topical Issue, with the consent of the Ceann Comhairle.

**Deputy John Curran:** It is this Government's programme for Government.

**The Taoiseach:** Yes, I know that.

**Deputy Carol Nolan:** As the Taoiseach will be aware, the programme for Government, on page 70, contains a clear commitment to improve services and increase supports for people with disabilities, particularly in terms of early assessment and intervention for children with special needs. The families of three young children have launched High Court proceedings over the delay in attaining assessments of need. One of the children has been waiting for an assessment since January 2016. That is unacceptable.

I received figures from the HSE last month showing that more than 1,000 complaints had been filed under the Disability Act for failure to carry out an assessment within the stipulated timeframe. Of the processed claims, 88% were upheld. What action is the Government going to take to ensure that the basic rights of children with special needs are upheld and that the provisions of the Act are implemented in full?

**The Taoiseach:** The first thing I would say is that the Government appointed a Minister of State with responsibility for disabilities, Deputy Finian McGrath, and provided a substantial budget. Early intervention services and services for school-aged children with disabilities need to be improved and organised more effectively. This is a process that is well under way under the direction of the Minister of State. The HSE is currently engaged in a reconfiguration of existing therapy resources to geographic-based teams for children from nought to 18 years, and the objective of this new model of assessment, which I support, and intervention is to provide a single, clear referral pathway for all children nought to 18 years irrespective of their disability, where they live or the school that they attend. Evidence from areas shows that the implementation of this programme will have a positive impact on waiting lists for both assessments and therapies, and full implementation of the progressing disability services for children and young people programme is expected before the end of 2017.

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

**The Taoiseach:** Two final points, a Cheann Comhairle. Some €8 million in additional

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money was invested in 2014 and 2015 in order to fund 200 additional posts to support the implementation of the new model. A further €4 million in additional funding was provided for 75 therapy posts in 2016. It is expected that this reconfiguration will have a very significant impact on the HSE's ability to meet the needs of children and young people in a more efficient, effective and timely manner.

**Deputy Danny Healy-Rae:** Somewhere in the bundle of Bills down in the basement or wherever they are that are to be gone through is legislation to allow elderly people who wish to stay in their homes rather than go into nursing homes to get money from the fair deal scheme. Time is not on their side. I ask that the Taoiseach root out the Bill and bring it before the Dáil. People who wish to stay in their homes cannot do so because they are unable to get enough home-help hours. We were promised that something could be done so that these people could access money through the fair deal scheme and use it to find more home-help hours and stay in their homes. I know one such person who is very well but, because he needed a bit more home help but could not get it, has had to go into a nursing home. He is practically crying and asking every day about returning home.

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

**Deputy Danny Healy-Rae:** Will the Taoiseach bring this Bill out of the bundle so it can be dealt with here in the Chamber?

**The Taoiseach:** It is actually out of the bundle because the Minister of State at the Department of Health, Deputy McEntee, is carrying out a public consultation on this very issue, namely how best to provide services in their own homes for people who want to stay there. The Deputy will know that the last person often asked where they want to be is the person who wants to stay in his or her own home. Why would he or she not want to stay in his or her own home? For years, we have had the disabled persons grant and we have had assistance through the local authorities to convert houses to make them suitable for people who might have particular challenges, for example, by doing work upstairs or in back rooms, or by providing more suitable and appropriate sanitary facilities in bathrooms and so on. I would make the point that the home care package numbers have increased and that where they work, they work exceptionally well. The Minister of State is carrying out this public consultation to see what people want and how best that might be facilitated. The Deputy's point is opportune but the Bill is out on the table and is actively being pursued by way of public consultation by the Minister of State.

**Deputy Robert Troy:** Earlier, in reply to my party leader, the Taoiseach said the reason much of the legislation has been stalled is because of the potential cost to the Exchequer. We know that some of the Government's own legislation and, indeed, legislation that was published during the lifetime of the previous Government, has been stalled. I am talking, in particular, about the Technological Universities Bill. When we ask a question in respect of this Bill, the Taoiseach portrays it as being the committee's fault that it is not progressing. However, the fault is with the Minister because consensus cannot be found in the context of how this legislation will progress. The continuous delay of over 18 months is preventing the many institutes of technology which meet the criteria that have been set down being upgraded to technical university status. When will we finally see movement from the Department to the committee so this critical legislation can be debated and enacted, and the institute of technology sector is rewarded for the good work it is doing by being promoted to university status?

**The Taoiseach:** I thank Deputy Troy. The Deputy has gone beyond my words. What I said

was that there are 140 Private Members' Bills on the list at the moment which were brought forward by Deputies from all parties. Many of those Bills have to be amended very extensively by the relevant Minister or Department involved.

**Deputy Micheál Martin:** The Taoiseach should deal with the Bill raised by Deputy Troy.

**The Taoiseach:** It is not the actual cost that is stalling these Bills, rather it is the requirement to introduce amendments in order to make them compatible with what is legislatively acceptable. If they were to go through, a cost would accrue and would be taken from the Vote of each individual Department. I have read out the constitutional piece for Deputy Micheál Martin in that regard.

**Deputy Micheál Martin:** The Taoiseach is playing down the clock.

**Deputy Brendan Howlin:** We might as well not bother.

**The Taoiseach:** In respect of the Technological Universities Bill, I will ask the Minister for Education and Skills, Deputy Bruton, to deal with this as it is not he who is holding it up. He will explain why to the Deputy.

**Minister for Education and Skills (Deputy Richard Bruton):** I thank Deputy Troy for raising this issue. This is very important legislation because, as he knows, we want to underpin regional development by creating consolidated technological universities which have the breadth and strength to build and drive regional development. There have been problems but I am glad to report that we have entered into discussions with the TUI and that discussions are taking place in order to create a framework for working out some of the details that have caused a particular problem for that union. Clearly, we need to progress that. As the Deputy knows, on the previous occasion it was around such issues that it failed.

**Deputy Micheál Martin:** The Minister did not push it politically.

**Deputy Richard Bruton:** We also want to ensure that, as we develop the proposals, each of the regions have concepts that can be driven forward. There is no unnecessary delay but it has been difficult and there is no point in proceeding with it until-----

**Deputy Robert Troy:** When will it be back before the House?

**Deputy Richard Bruton:** As the Deputy rightly said, we need a level of consensus to implement this Bill.

**Deputy Micheál Martin:** The TUI is stronger than the Dáil.

**An Ceann Comhairle:** I call Deputy Cullinane.

**Deputy David Cullinane:** On a point of order, I had signalled well in advance of many of the Members who came in but I will take my opportunity now and will raise that matter directly with the Ceann Comhairle later.

Last week, I raised with the Taoiseach the issue of his failure to deal with the issue of equal pay for equal work in the public sector and the impact that is having on services in hospitals and other public services across this State. I gave him the example of a ward that was closed in a hospital in Dungarvan, County Waterford. The director of community services in the HSE has said that the only reason those beds are closed, including rehab beds for stroke victims, is

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because the hospital cannot recruit nurses. We cannot recruit nurses because of the failure of the Taoiseach and the Minister for Public Expenditure and Reform to accept even the principle of equal pay for equal work. The report of the Public Service Pay Commission has now come before Cabinet. Can the Taoiseach clarify for public sector workers that in the context of any new pay talks, he will deal once and for all with the issue of equal pay for equal work, restore the public service to a single-tier structure and enable the recruitment of the staff needed to open beds that have been closed right across the State?

**An Ceann Comhairle:** Deputy Ó Caoláin and Deputy Mattie McGrath, on the same issue. I ask them to be brief.

**Deputy Caoimhghín Ó Caoláin:** It is not the same issue.

**An Ceann Comhairle:** I call Deputy Mattie McGrath.

**Deputy Mattie McGrath:** Dungarvan, of course, has been mentioned by Deputy Cullinane. In Cashel, last week, we all got the same news that wards were closing down - valuable respite beds and recuperation beds. It is putting huge pressure on Waterford, as was mentioned earlier today, and South Tipperary General Hospital.

It is not a new development that we cannot recruit nurses. I am a businessman and if I said to my customers that I cannot recruit staff, it would not stand up. It is merely incompetence in the extreme by the HSE. There are too many managers. Will the Taoiseach relieve some managers of their jobs and hire the nurses? There is a difficulty in hiring them because there is bedlam in the hospitals due to bad management.

**The Taoiseach:** I have already referred to the situation in so far as the Department of Health is concerned. The Minister for Health is now in a position with the HSE to offer permanent contracts to every new nurse coming out. The Minister is offering incentives for nurses to come back home. The Minister is offering enhanced educational opportunities for nurses who are currently working. There is a range of incentives to give young trained nurses the opportunity to work at home here.

In respect of Deputy Cullinane's question, the report of the Public Service Pay Commission was approved by Government today for publication. It contains a detailed range of issues that have to be addressed. These will be addressed by the Minister for Public Expenditure and Reform in respect of dealing with an extension of the existing Lansdowne Road agreement that would be fair, fiscally sustainable and capable of being met by the economy. Subject to the approval of the Government, which was given today, the Minister for Public Expenditure and Reform will initiate discussions with the public service staff representatives to negotiate that extension to Lansdowne Road in the coming weeks.

All these issues are set out in the Public Service Pay Commission report. It is not a recommending body for pay increases but it does set out some really relevant truths about the situation that has to be faced into by Government here. Deputy Cullinane will appreciate that.

**An Ceann Comhairle:** Sin-----

**Deputy Caoimhghín Ó Caoláin:** Can I have just one word from the Taoiseach? That is all it would require.

**An Ceann Comhairle:** Go on.

**Deputy Caoimhghín Ó Caoláin:** Go raibh míle maith agat.

**Deputy Dara Murphy:** That is four words.

**Deputy Caoimhghín Ó Caoláin:** The programme for Government refers, I believe, on 15 occasions, to commitments to women that claim to empower them and to tackle the inequalities experienced by them in our society and internationally. Last week, the Government refused to reveal how it voted in the election of Saudi Arabia to the UN Commission on the Status of Women-----

**An Ceann Comhairle:** That has already been discussed here.

**Deputy Caoimhghín Ó Caoláin:** -----and I am asking the Taoiseach did he vote - Yes or No - to allow Saudi Arabia take a seat on the Commission on the Status of Women.

**An Ceann Comhairle:** I do not imagine the Taoiseach voted at all. Did you, a Thaoisigh?

**The Taoiseach:** Ireland has had a very strong record in respect of defending women's rights.

**Deputy Caoimhghín Ó Caoláin:** It is merely a "Yes" or "No".

**The Taoiseach:** This committee at the United Nations will be chaired by the incoming ambassador, Ms Geraldine Byrne Nason, on behalf of Ireland next year and the Deputy can rest assured that the question of women's rights will be one that will be foremost in her mind at that committee.

It has already been made clear by the Minister for Foreign Affairs and Trade that not since 1947 have any of the secret ballots been divulged. There are very good reasons for that. Clearly, the issue that arose here was that a panel of five countries-----

**Deputy Brendan Howlin:** Did the Taoiseach tell Deputy Ross?

**The Taoiseach:** -----were put forward: Turkmenistan, Korea, Japan, Iraq and Saudi Arabia. There were five nominations for five places. Obviously, there was a place for every country involved.

**Deputy Mattie McGrath:** No competition at all.

**The Taoiseach:** The important issue here is the functioning of the United Nations, the mechanics of how it actually works. In my view, it needs fairly serious reform. Be that as it may, these votes occur on a regular basis-----

**Deputy Caoimhghín Ó Caoláin:** Precedence.

**The Taoiseach:** -----every year, as they have since 1947.

**Deputy Caoimhghín Ó Caoláin:** Precedence is no excuse.

**The Taoiseach:** This is the first time that Saudi Arabia has been on this committee. This will be a committee focused on women's rights. Obviously, Saudi Arabia will have to hear some home truths and will have to play its part.

**Deputy Caoimhghín Ó Caoláin:** It will be a great comfort to the women of Ireland, and internationally, that Saudi Arabia is there.

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**The Taoiseach:** I support the Minister, Deputy Flanagan, here in this matter. For those who wish that there would be a big row about this inside Cabinet, let me say that the members of the Independent Alliance were quite happy to say we need to have the opportunity to ask relevant questions and be better informed-----

**Deputy Brendan Howlin:** Did the Taoiseach tell them?

**Deputy Mattie McGrath:** Dúirt bean liom go ndúirt bean léi.

**The Taoiseach:** -----about votes that are coming up at the United Nations by the Minister for Foreign Affairs and Trade, and that is the case. Clearly, since it was formed in 1947-----

**An Ceann Comhairle:** We need to conclude. We are way over time.

**The Taoiseach:** -----we have never had cases of divulgence of secret votes. Deputy Ó Caoiláin knows how important they are.

**Deputy Caoimhghín Ó Caoláin:** It is time to break the precedent.

**Deputy Brendan Howlin:** On a point of order-----

**An Ceann Comhairle:** What is the point of order?

**Deputy Brendan Howlin:** It is the same point of order as I raised last week. Before the Minister for Education and Skills leaves, we constructed the Order of Business to allow all Cabinet members respond to questions. Many of the questions the Taoiseach responded to would be much better responded to Members if all members of Cabinet were here.

Last week, when I raised it, there was one additional member of Cabinet to the Taoiseach. There is still one additional Cabinet member. I will keep raising this until at least as many attend as are available.

**An Ceann Comhairle:** Deputy Howlin's point is well made. I would appeal that it would be helpful if we could have more Ministers but it would also be helpful if Members could stick to the one minute that is provided because there are seven Members today who should have been able to get in and who did not.

**Deputy Martin Kenny:** On a point of order, between the first question and answering the first question, it took seven minutes.

**An Ceann Comhairle:** I am well aware of that.

**Deputy Martin Kenny:** We all are waiting to get in. It is unfair to Deputies who are waiting.

#### **Framework Agreement on Comprehensive Partnership and Cooperation between the EU and Mongolia: Referral to Select Committee**

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

That the proposal that Dáil Éireann approves the terms of the Framework Agreement on Comprehensive Partnership and Cooperation between the European Union and its Member

States, of the one part, and Mongolia, of the other part, signed at Ulaan Baatar, Mongolia, on 30th April, 2013, a copy of which was laid before the Dáil on 11th April, 2017, be referred to the Select Committee on Foreign Affairs and Trade, and Defence, in accordance with Standing Order 84A(3)(b), which, not later than 25th May, 2017, shall send a message to the Dáil in the manner prescribed in Standing Order 90, and Standing Order 89(2) shall accordingly apply.

Question put and agreed to.

### **Ministerial Rota for Parliamentary Questions: Motion**

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

That, notwithstanding anything in the Order of the Dáil of 6th May, 2016, setting out the rota in which Questions to members of the Government are to be asked, Questions for oral answer, following those next set down to the Taoiseach and Minister for Defence, shall be set down to Ministers in the following temporary sequence:

Minister for Finance

Tánaiste and Minister for Justice and Equality

whereupon the sequence established by the Order of 6th May, 2016, shall continue with Questions to the Minister for Education and Skills.

Question put and agreed to.

### **Ceisteanna - Questions**

#### **Cabinet Committee Meetings**

1. **Deputy Gerry Adams** asked the Taoiseach when the Cabinet committee on housing last met; and when it is scheduled to meet again. [20717/17]

2. **Deputy Brendan Howlin** asked the Taoiseach when the Cabinet committee on housing last met; and when future meetings are planned. [21872/17]

**The Taoiseach:** I propose to take Questions Nos. 1 and 2 together.

The Cabinet committee last met on 10 April 2017. It is scheduled to meet again next Monday, 15 May.

It will continue to meet regularly and consider progress in implementing Rebuilding Ireland - Action Plan for Housing and Homelessness, which is a priority issue for the Government.

**Deputy Gerry Adams:** When did it last met?

**The Taoiseach:** It will continue to meet regularly and consider progress in implementing Rebuilding Ireland - Action Plan for Housing and Homelessness, which is a priority issue for

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the Government. It last met on Monday, 10 April 2017, and it is scheduled to meet again next Monday, 15 May.

**Deputy Gerry Adams:** The Taoiseach will be aware that this morning, *daft.ie* published its latest rent price report and the details are alarming. Average rents have soared to a new record high. Rents across the State increased by 13% in the past 12 months. Supply remains at an all-time low. There are only 3,084 properties available to rent across the entire Twenty-six Counties. The introduction of rent pressure zones last December was supposed to restrain rents and limit annual increases but that is not working. In fact, there is now a two-tier rental sector and the struggling renters are caught in the middle. In the meantime, 91,000 families are on local authority housing lists, 4,875 adults and 2,546 children are in emergency accommodation and five families a day are losing their homes. Currently, I am trying to help a pregnant mother. Her current accommodation will not be suitable after her baby is born and she is desperately seeking more suitable accommodation as she has two other children. She has been on the housing list for seven years. Another citizen with two children is living at home with her parents and her sister in a three-bedroom house. She is sharing a small bedroom with two children and has been on the housing list since 2013. Every Deputy here could tell such stories. My questions are simple. When will the Government release the funds to allow local authorities to deliver 10,000 real social housing units a year? When will the Government introduce real rent certainty to stop spiralling rents? When will the Taoiseach instruct the housing Minister to introduce the Focus Ireland amendment to stop the flow of rental properties from the market and stop renting families being pushed into homelessness? Have these issues been discussed by the Cabinet housing committee?

**The Taoiseach:** I have already dealt with the Government's response to the latest *daft.ie* data on rents. They show that asking rents rose by 13.9% in Dublin over the year to the first quarter of 2017. I pointed out to Deputy Adams and others that the rate of increase in Dublin rent prices between quarter four 2016 and quarter one 2017 was significantly lower than the rate of increase over the year.

Supply is the central problem. We cannot ignore the high and rising level of rent in certain areas of the country. That is why the Government has introduced the rent predictability measure and established the system of rent pressure zones. Money is available to local authorities like never before and incentives have been introduced like never before in terms of dealing with many of those issues. There are 504 housing construction projects around the country. They include Rath na Gloine in Louth; eight houses in Aston Village; ten houses in Clos na Manach, Carlingford; 15 houses in Scarlet Street, Drogheda; 14 houses in Castlecourt, Castlebellingham; 41 houses in Liscorrie, Bog Lane, Drogheda; 22 houses in Coulter Place, Dundalk; 35 houses in Rathmullen Road; 35 houses in another project on Rathmullen Road, Drogheda; 14 houses in Cox's Demesne phase 2a; seven houses in Cox's Demesne phase 2b; seven houses in Tierney Street, Ardee; ten houses in Barrack Street, Dundalk; 11 houses in Clontygora, Dundalk; one house in McArdle Green; 23 houses in phase 2 Boice Court, 20 houses in Boice Court phase 3; 20 houses in Fr. Finn Park phase 2 and so on.

Deputy Adams will know whether the houses are at an advanced stage of construction. The real problem is supply and every effort is being made to deal with it. That is why local authorities have been given money, incentives and opportunity to buy houses, restore vacant units and boarded up houses and there are other incentives to encourage people to bring houses back into habitable use that can be rented for a period, together with opportunities to build social housing directly by local authorities. In a number of cases private enterprise is allowed to build on local

authority property. In addition, direct moneys have been put into opening up sites that were heretofore off limits.

**Deputy Brendan Howlin:** I entirely agree with the Taoiseach. It is a matter of supply because much of what the Government is trying to do, and we tried to do in our time, is tinkering with the fundamental issue, namely, that we need to have more houses. One of the early wins we thought we could have is to get the voids back into play. The Taoiseach will recall that in our time in government we put in place a vacant properties programme to turn around council voids. On Friday last, several years after we identified getting voids back into play, as a first priority, we were told €24 million is now being allocated to refurbish 1,400 council voids, including 112 in Cork and 539 in Dublin. How can that still be the case if the whole issue of getting houses back into serviceable use is the No. 1 priority? How is it that such a scale of empty houses is still there to be addressed?

It is suggested by the National Oversight & Audit Commission that some local authorities are leaving units vacant until they assess what central Government will do and they will not use their own resources for that purpose. Those involved in that forum seem to think that local authorities may be purposely delaying the refurbishment of vacant homes to avoid using their own resources. There needs to be a very clear directive from Government, with a clear timeline that the normal turnaround period should be a matter of weeks unless there is very serious refurbishment to be made, and each of those should be individually notified to the Department of Housing, Planning, Community and Local Government. I ask the Taoiseach to deal with the issue as a matter of urgency.

My second question relates to the proposal to allow developers to build on State lands. Perhaps that has great merits but we need to know exactly what lands are going to be used and for what purpose. We need to know what developments are planned and what social good will accrue because developers have been invited to build homes under a licence agreement and there is a variety of other mechanisms to be deployed. We would like to see specific site-by-site programmes to ensure we are getting the best social value because such land needs to be developed in the public interest, hopefully, by local authorities.

**The Taoiseach:** Deputy Howlin raised a number of important points. The Rebuilding Ireland housing land map was launched by the Minister, Deputy Coveney, on 27 April. It is the first national map of its kind. By far the best way to track progress under Rebuilding Ireland is through such a map. It represents both the opportunity to deliver housing and also the individual data on active delivery from sites around the country. In other words, one knows what is going on. The mapping exercise is a vital, initial strategic step in the new State housing land management strategy being developed under Ireland 2040, the national planning framework. No doubt the map will evolve as we interface with key developers and stakeholders in the public and private sectors who are actively delivering housing. Some 2,000 ha of land were identified and there are approximately 800 sites between local authorities, the Housing Agency and other State and semi-State bodies. Taking a conservative estimate of 25 units per hectare, that is potentially 50,000 homes. In terms of Rebuilding Ireland it is fundamental that the State and in particular housing authorities do everything in their power to deliver quality social and affordable mixed tenure housing from those sites.

There are four key sites that can deliver 3,000 badly needed homes. South Dublin County Council intends to deliver approximately 900 social and affordable homes at Kilcarberry, Clondalkin. A Dublin City Council housing land initiative has sites at Infirmity Road, also

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known as O'Devaney Gardens, St. Michael's Estate on Emmet Road, and Oscar Traynor Road which will deliver approximately 2,000 social and affordable houses. The State will also fund 30% of social housing on those four sites, which is approximately 900 newly built social houses. They will be fully integrated into brand new housing schemes in various locations in Dublin. A total of 30 sites have been identified on State and semi-State lands amounting to 200 ha in prime locations such as Galway Port, and 18 acres at the CIE-Ceannt Station site right in the centre of Galway city which is being master planned. All of those details are available for Deputy Howlin to examine.

I met the chief executive of Deputy Howlin's local authority the other day. I understand that in Enniscorthy where planning permission has been granted and everything else is ready to go the local authority has been able to provide three-bedroom social housing in approximately 13 weeks. If that is true, which I hope it is, that is an incredible operation. That suggests we might be falling foul of public procurement issues, objections and other issues causing delay in other places. When rapid build was first introduced for housing it seemed to take an inordinately long time. However, if in some local authorities, one of which I came across myself by chance, it is possible to do that if all systems are go and one can build house X and house Y in such a period the question is why we cannot do it elsewhere. The Ministers are looking at the issue with the housing unit to examine whether there are delays that could be avoided. That was the case when Deputy Howlin was in government. For one reason or another when we started to use rapid build housing it took a long time.

Deputy Howlin also inquired about Government measures and funding being made available. One would get lost in the figures sometimes.

**Deputy Brendan Howlin:** Could the Taoiseach respond about the voids and putting on pressure to bring them back into use?

**The Taoiseach:** A total of €98 million was allocated in 2017 for the Rebuilding Ireland initiative. There is a target that by mid-2017 the use of hotels for emergency accommodation would be eliminated. I am assured by the Minister that the target can be met. I agree it will be a very tight timeframe.

**Deputy Brendan Howlin:** What about refurbishing hotels and calling them something else?

**An Ceann Comhairle:** I thank the Taoiseach. We are over time.

**The Taoiseach:** I am sorry, a Cheann Comhairle.

**Deputy Micheál Martin:** I just heard the Taoiseach say that he came across a local authority "by chance" and that one would get lost in the figures. That is exactly the problem. A major lesson the Government should have learned in the past six years is that a policy of over-hyping and under-achieving will catch up with one. That is what has happened in relation to housing. The Taoiseach will recall that various Ministers for the Environment in recent years have all had different strategies and have announced a long series of actions. In concrete terms, however, it has meant very little on the ground - about 8,000 new builds over the last four to five years. The CSO's figures have blown a hole in all of the announcements and various claims made for new house builds.

I can remember the former Minister, Deputy Alan Kelly, saying everything was in hand; that they were on top of it and were going to have great results. It goes on. Self praise and

exaggerated claims pale in comparison with the reality on the ground, including what has happened over the last 12 months. Social housing lists continue to grow and housing supply is at historically low levels, while house prices are increasing well ahead of most people's ability to afford them.

It has been revealed today that rents have climbed dramatically, while supply is only a fraction of demand. It is feeding into a sense of helplessness regarding the homelessness crisis. The Taoiseach and the Government need to admit that they are not getting on top of this matter. Government policies are not penetrating with the required degree of urgency. The Cabinet sub-committee on housing must acknowledge that it has not delivered. Some alternative proposals should now be considered, particularly in terms of reducing the cost of building, including VAT and other costs.

The help-to-buy scheme has inflated house prices, which is its fundamental contribution to the situation. It has increased the price of housing generally and has not added to supply in any shape or form. The Government's execution and delivery proposals are failing abysmally. We do not need any more plans or strategies. We need to start building and getting some action on the ground.

**The Taoiseach:** I have here a list of 504 housing construction projects all over the country. This makes real sense because it puts figures and details on locations. The list is available for everyone to see on the Department's website. Instead of talking about €98 million being available for rebuilding in Ireland in 2017, one can go through the individual units that are being constructed in groups of 20 to 50. That makes real sense for people who are going to live in these houses and know that the houses will be allocated to them. Therefore I do not accept what the Deputy has said.

Some 3,000 households came out of homelessness in 2016, which is a substantial increase on what was there before. The moneys that have been allocated include Dublin City Council's winter initiative which delivered 200 extra beds for rough sleepers on the streets due to high rents, and others in hotels and hostels. All of these initiatives are part of the action plan.

I do not want to read out the figures for the millions being allocated, but previous measures taken by government to tackle the costs associated with the provision of housing included reduced development contributions, a development contribution rebate scheme, changes to the Part 5 regime and new apartment guidelines. They were all brought in to reduce costs because we met with the Construction Industry Federation and so many others.

The Deputy knows that this city is creeping northwards, north-westwards and westwards. In another 15 years, if it continues like that, it will be out near Mullingar with single houses. Dublin City Council has its views on this. Every city in the world has buildings which exceed the maximum height allowed in Dublin. It is not for me to set a fix on this. If developers and others involved in construction say they cannot make a profit given the guidelines and height restrictions, then we should give serious consideration to building somewhat higher in order to reduce the cost of development. Profit is not a dirty word in this context because it is about providing housing accommodation for people. One cannot sell a single apartment until the block is ready for sale, however.

The Deputy asked about the reduction of costs but that was dealt with in reduced development contributions, the rebate scheme, changes to part 5 and new apartment guidelines. It is all

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about supply and more money than ever before has been allocated in a variety of ways to make an impact on this. It is working but obviously we are catching up on a big curve here.

### **Cabinet Committee Meetings**

3. **Deputy Gerry Adams** asked the Taoiseach when the Cabinet Committee on Regional and Rural Affairs last met; and when it is scheduled to meet again. [18226/17]

4. **Deputy Joan Burton** asked the Taoiseach when the Cabinet Committee on Regional and Rural Affairs last met. [20443/17]

5. **Deputy Mattie McGrath** asked the Taoiseach the number of times the Cabinet Committee on Regional and Rural Affairs has met since the formation of the current Government. [21839/17]

6. **Deputy Micheál Martin** asked the Taoiseach the number of times the Cabinet Committee on Regional and Rural Affairs has met; and when it next plans to meet. [21846/17]

**The Taoiseach:** I propose to take Questions Nos. 3 to 6, inclusive, together.

The Cabinet Committee on Regional and Rural Affairs provides a whole of government approach to growth in the rural economy as well as supporting quality of life and local service delivery in the regions. In particular, the committee is responsible for overseeing the development and implementation of the Action Plan for Rural Development.

The committee has met four times to date. It last met on the 12 December 2016 and is due to meet again later today. A monitoring group for the Action Plan for Rural Development, chaired by the Minister, Deputy Humphreys, met on 23 March and will meet again on 20 July.

The committee will continue to oversee implementation of the plan, as well as considering specific policy issues of concern to rural Ireland

**Deputy Gerry Adams:** It is quite a long time ago, 12 December 2016.

**The Taoiseach:** Brexit took up my time.

**Deputy Gerry Adams:** The Taoiseach will know that the lack of quality infrastructure, including roads and broadband, is the biggest impediment facing people in rural Ireland. It is hampering growth and economic prosperity. If people are unable to access links or communications easily they cannot live and do business in rural Ireland and rural areas cannot grow.

The Taoiseach has described the urbanisation process, particularly of the greater Dublin region, with a consequent rise in rent, house prices, traffic gridlock and public order issues. No moves are being made to counter this, however. This view was echoed by the former chairperson of the Western Development Commission, Mr. Paddy McGuinness. He asked not to be considered for reappointment, stating: "I believe strongly that there is absolutely no commitment at either political or administrative level to balance regional development, nor is there any worthwhile plan to redress rural decline."

That is matched by a chronic lack of capital investment in infrastructure. The increase of €300 million in last year's budget was one tenth of what was recommended to the Department

of Transport, Tourism and Sport just to repair the secondary road network. According to the Fiscal Advisory Council our infrastructure spend is the lowest in the EU.

The loss of rural post offices is causing significant concern. The programme for Government states that the Government will act swiftly on the recommendation of the post office business development group in advancing a new model of community banking. Can the Taoiseach tell us when this will happen?

**The Taoiseach:** This is an important question. The document, *Realising Our Potential in Rural Ireland*, is a comprehensive statement on all the Departments and agencies covering the country outside the major urban centres. It does not just include isolated parts of rural Ireland but also covers the Irish language and investment in capital infrastructure.

The Deputy will be aware that there is a €42 billion capital programme to 2025, which is currently being reviewed. A number of major roads have to be finished, such as one to the northwest, including Sligo, and also to Limerick, Cork and a number of other areas. We also need to cater for future developments with the metro and the possibility of other light-rail systems in various parts of the country.

That is why in addition to all of that capital money, a European Investment Bank office has been opened in Dublin. They are now examining the feasibility of quite a number of major projects as to whether or not they can go ahead, on the basis that there will be an income stream to deal with the loan repayment requirements. That would remove a major section from normal Exchequer funds which would allow for that kind of development to take place.

The Minister of State, Deputy Ring, brought forward the final report of the post office hub working group to the Government. That recommended four pilot projects based on the share value and co-location model of post offices, the approval of which has been granted by the Government. While those projects have not yet been initiated, I expect they are now in the process of being considered. As Deputy Adams is aware, everybody understands the importance of the national broadband plan. The Minister, Deputy Naughten's Department is very actively engaged in the procurement process for the provision of high-speed broadband services. The timeframe for roll-out depends on a number of factors, including the complexities that may be encountered by the procurement team and bidders during the process. A timeframe of three to five year is envisaged for the roll-out once contracts are in place. A detailed roll-out plan for the network, including a prioritisation programme to target areas of particularly poor service, areas with business needs and areas of high demand, will be published once the contracts are in place. Eir set out certain commitments under the agreement announced by the Minister, Deputy Naughten. It plans to provide broadband to an additional 300,000 premises in rural areas on a commercial basis. It has committed to completing the roll-out over a 90 week period, passing an average of 500 premises per day. In line with the published agreement there are regular review meetings, the purpose of which is to monitor this roll-out to ensure Eir meets its obligations under the agreement. My understanding is that there will be penalties for Eir if it does not measure up to what it has already agreed, though I like to be updated regularly on the 500 premises that are passed every day. The roll-out for high-speed broadband is a necessary part of the programme.

**Deputy Joan Burton:** I ask the Taoiseach whether any advance has been made in respect of the proposal made by myself and a number of other Deputies regarding the Luggala estate in County Wicklow. The Taoiseach may have heard a very nice programme on RTE on Sunday

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Morning. On “Sunday with Miriam” Garech de Brún and Paddy Moloney of the Chieftains were talking about the enormous role Luggala has played in the cultural history of Ireland over recent decades, from films being shot there to music being recorded there. The Guinness Trust has put the estate up for sale. It is interested in selling to the State. I understand the initial indicative price was quite high, but I think that is negotiable. A purchase would also allow Garech de Brún, in the context of all his contributions to Irish music and culture, to occasionally reside in the house but in particular would allow the State to acquire the 5,000 acres. The Taoiseach has just spoken about the expansion of Dublin. This is an amenity for the people of Leinster, but also for visitors to Ireland who are on the eastern side of the country. Thankfully we have many.

Has the Cabinet committee on regional and rural affairs had an opportunity to discuss Luggala? An initiative on the part of the Taoiseach to bring Luggala into public ownership would be a very historic achievement for him. It would make the Wicklow Mountains one of the biggest regional public parks and wild parks in Europe. It would be an enormous boon to the country’s capacity to attract cyclists and walkers, which Luggala already does. If it was bought by private interests, a very significant part of Wicklow would potentially be closed off and become entirely private.

**The Taoiseach:** The Cabinet sub-committee has not considered the question of the purchase of Luggala. I recall the Minister, Deputy Ring, making the comment that he would be interested in negotiating or discussing the possibility of a purchase of this estate. I have never been to Luggala. I have obviously seen the pictures of it.

**Deputy Joan Burton:** The Taoiseach has probably walked around it.

**The Taoiseach:** I believe it is a magnificent house and location. The State acquired substantial grounds in that area for an expansion of the national park. Clearly when the Deputy makes her point she looks to the expansion of Dublin over the next 20 years. The Wicklow Mountains and the environment are going to be of particular importance like the Lake District is across the water, where very substantial numbers of people travel every weekend. Hopefully they observe the country code and leave nothing behind but their footprints. The State acquired another premises belonging to the Guinness Trust a number of years ago, Farmleigh, which is used extensively for everything from the Bloom festival to the country markets. The big house is available for heads of state who might stay there. I will take the Deputy’s suggestion. I am quite sure that if the State were to announce that it had acquired this fine estate there would be people saying that the money should be spent on social housing. It is always about a balance.

**Deputy Joan Burton:** No, because there would be a lot of employment generated which would enable some of those people to buy their own houses.

**The Taoiseach:** It is an important consideration. I will have Deputy Burton’s view brought to the Minister and see if he is willing to continue on from his initial comment. I did not hear the programme that the Deputy mentioned, but I admire Paddy Moloney and the Chieftains. He seems to have been around forever and ever.

**Deputy Joan Burton:** John Boorman was there as well.

**The Taoiseach:** He seems to get better with every performance. Matt Molloy and all of the members of the Chieftains are wonderful ambassadors for the country.

**Deputy Mattie McGrath:** We will have to go to visit because it was said that it was daylight when they left the house after parties. I heard the programme too. Good Irish cultural music and heritage is important.

I asked how many times the Cabinet committee on regional and rural affairs has met since the formation of the Government. I am disappointed to hear the Taoiseach say that it has met four times last year and none this year. We are four and a half months into this year and that shows scant regard for the issues. The Taoiseach relied on many of my rural colleagues during those talks to form a Government that lasted for so many days last year. We pressed hard for a Minister and we expected a minister for rural affairs. What did we get? As I said the other night, we got the hind tit. We got a Minister for Arts, Heritage, Regional, Rural and Gaeltacht Affairs. Rural affairs was tagged on. That was a major disappointment. In every aspect, we are failing the people of rural Ireland.

I see the Minister with responsibility for broadband has arrived. I want to ask him about the state of the tender process. On regional development, the Minister, Deputy Ring, had people looking at our post offices. When their report came out, what did the Minister, Deputy Ring, do? He did the greatest Pontius Pilate impression that was ever done in any church, never mind in any parliament. He washed his hands of it and handed it over, lock, stock and barrel, to the Minister, Deputy Naughten. It was a disgrace. It was two weeks before Holy Thursday. I could not get over it. I know he is a religious man but - my God - that was a bit fast. We are also losing out terribly with the spatial strategy.

On Bord na Móna, I am glad the Minister responsible is here. He abandoned us with a shot in the dark. He turned the lights off on it last Thursday evening. I actually heard about it in the Dáil at 1 p.m. and at 2 p.m. the plant in Littleton was switched off. It was there since the late 1940s. The Minister should have been more vigorous and understanding. He should sell the peat briquettes that are there at a low cost to get some money in the company and be innovative in ways of putting in other business there. We told the Government when the carbon tax was brought in, and when it was not being brought in in Northern Ireland, that the factories would close down and jobs would be lost. There was a direct effort by this Government to close down peat plants because of its carbon tax and the way it was forced through in the last Government. The Taoiseach is reaping the rewards. Rural Ireland is quickly becoming a desert and a wasteland. I want to know what the Taoiseach is going to do about it.

**The Taoiseach:** We have published-----

**Deputy Mattie McGrath:** The Taoiseach publishes everything.

**The Taoiseach:** -----our action plan for rural development, “Realising our Rural Potential”. It is divided into five pillars. The first is about supporting sustainable communities and includes: making rural Ireland a better place to live in, enhancing local services, empowering local communities and building better communities. Pillar two is about supporting enterprise and employment and includes: growing and attracting enterprise, supporting sectoral growth, skills and innovation, supporting rural jobseekers and protecting incomes. Pillar three is about maximising our rural tourism and recreation potential and includes: supporting targeted rural tourism initiatives such as the Wild Atlantic Way, the midlands and lakelands district, Ireland’s Ancient East; developing and promoting activity tourism and developing and promoting our natural and built heritage. The fourth pillar is about fostering culture and creativity in rural communities and arises from the evidence of the commemoration of 1916. This pillar includes

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increasing access to the arts in rural communities, enhancing culture and creativity in rural Ireland and promoting the Irish language as a key resource. The fifth point is about improving rural infrastructure. That includes the capital investment plan 2016-2021, the broadband and mobile phone access to which I have referred, rural transport and flood relief measures together with all the other issues that apply from the Common Agricultural Policy right through to every part of the country. This is the document. It is very comprehensive.

**Deputy Mattie McGrath:** The Taoiseach should put it into practice.

**The Taoiseach:** I do not know whether Deputy McGrath has read it but I have covered a few subjects-----

**Deputy Mattie McGrath:** The Taoiseach should put it into practice.

**The Taoiseach:** -----that would be of genuine interest to the people of Tipperary-----

**Deputy Mattie McGrath:** They want action.

**The Taoiseach:** -----from rural tourism to the beautiful mountains over which I have had the privilege of walking over the last number of years and opportunities to empower local communities to avail of small and medium enterprises, local jobs and local communities. It is all contained in here, along with money to back it up. The question is making it happen.

**Deputy Micheál Martin:** Over the past five or six years, we have consistently raised the new pressures on rural Ireland and the regions and the degree to which large sections of the country have felt alienated from the centre and have not experienced the level of economic development that they could have had and that they need. It must be said that the proposed rural action plan is a damp squib. The plans for towns and villages are devoid of any concrete actions. In fact, the plan for towns basically calls on local communities to sort things out for themselves by using a brief planning guide. I heard the Minister for Jobs, Enterprise and Innovation speak about steps one and two in an interview. People do not need that patronising guide on how to develop.

The threat Brexit poses to rural and provincial Ireland, particularly the agrifood industry, is of an entirely new scale. The bulk of merchandised goods exported to Great Britain are located in regions outside Dublin, as was pointed out in the ESRI and the Department of Finance reports. Again, if we look through the Article 50 document published, we do not find any new proposals or funding to help the worst impacted areas or industries. If we look at the equine industry, we can see that there has been no affirmative action by the Government. Tillage farming presented a perfect opportunity to do something early this year, but nothing was done for tillage farmers. We are blue in the face from hearing about broadband. The Taoiseach mentioned procurement. Has the tender been issued?

**Deputy Denis Naughten:** We are passing one house every minute of every working day as we speak with 1,000 megabits per second.

**Deputy Micheál Martin:** Has the tender been issued?

**Deputy Denis Naughten:** It is not one process.

**Deputy Micheál Martin:** I recall meeting the Minister for Communications, Climate Action and Environment and officials along with the Independents 12 months ago. The single

most important enabler of economic development is broadband and the tender has not yet been issued.

**Deputy Denis Naughten:** It is happening.

**Deputy Micheál Martin:** The tender has not been issued. It has been going on for 12 months. The Minister for Communications, Climate Action and Environment has been in office for a year. I am not going to blame him for it but surely collectively people need to realise the lack of urgency around all of this. We are being told the same thing year after year. I asked the officials last year not to promise me again it will be done by 2021. That was the scam before the previous general election. The previous Government said it would be done by 2021 - the whole lot covering every house in the country. The tender has not even been issued. Has the audit relating to mobile phones taken place?

**The Taoiseach:** We changed the legislation to deal with the provision of broadband between service providers. SIRO is the issue there. Eir does its work. I recall several Fianna Fáil Ministers in New York after they put Telecom Éireann on the Stock Exchange, the assets that were stripped and how it left urban and rural Ireland without any signal at all.

*(Interruptions).*

**The Taoiseach:** The Minister for Communications, Climate Action and Environment is on the back of this horse because we want to see broadband brought to rural Ireland once and for all, and by that I mean small town Ireland and everything else.

We have had discussions about Brexit and will have more, but one piece of the jigsaw is not clear yet. We have provided the European Council with a document containing all our priorities, but the Deputy knows we cannot investigate the detail of this until we get to a point where the first phase is dealt with, namely, the principles, modalities and the liabilities that apply. The second issue is the question of borders, with our Border being a case in point that every other country in Europe now understands. The third issue is the rights and reciprocal rights of Europeans living in the UK and *vice versa*. We have our own issue with the common travel area that has existed since 1922.

We will then move on to the future structure and framework of the UK with the EU. Central to that, as the Deputy is well aware, is the question of trade and how that will apply. We must figure out how we can have the closest possible relationship between Europe and the UK, and we will be on the European side here, given that the Single Market will be gone and we still do not know the British Government's view on tariffs or the customs union. That is where the problem and challenge will arise. We share the Deputy's view on this. The Government has set up a specific unit in the Department of Agriculture, Food and the Marine to deal with the question of agrifood and drink exports to Great Britain, hedging forward and support for small and medium enterprises. We are well aware of the drop of €500 million in real value terms over six months because of currency fluctuations, so the Government is very interested in this. We have 100 trade missions abroad this year to increase sales of our products in other countries. I have just come back from Canada where I spoke about elements of that.

The Deputy mentioned the equine industry. It is a case in point and he is perfectly right. Those who train horses to that level do not want to have delays and to be weighed down by an inordinate amount of bureaucracy. Clearly, in respect of stud farms North and South, our relationship with the British racing industry is very close. English horses race here and win

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sometimes while Irish horses race in England and win more often. That industry has the potential to deliver €2 billion to the Exchequer every year. It is and will continue to be strongly supported by the Government. These are issues we must take into account in real detail when those negotiations begin.

### Official Engagements

7. **Deputy Joan Burton** asked the Taoiseach if he will report on his meeting with the President of Croatia on 4 April 2017. [18007/17]

8. **Deputy Gerry Adams** asked the Taoiseach if he will report on his meeting with the President of the Republic of Croatia, Ms Kolinda Grabar-Kitarović, on 4 April 2017. [18228/17]

**The Taoiseach:** I propose to take Questions Nos. 7 and 8 together.

I met with the President of the Republic of Croatia, Kolinda Grabar-Kitarović, in Government Buildings on 4 April as part of her three-day state visit to Ireland. During our meeting, we discussed the bilateral relationship between our two countries, EU-UK negotiations following the triggering by the UK of Article 50, and the future of Europe, including EU enlargement. President Grabar-Kitarović also briefed me on regional issues in south-east Europe, touching on economic, political and social challenges.

The Croatian President requested our advice in planning for Croatia's EU Presidency in 2020. In light of our extensive experience of seven EU Presidencies, I was pleased to be able to offer our assistance and our officials will follow up in this regard.

**Deputy Joan Burton:** Given that Ireland is a small country, did the Taoiseach discuss with the Croatian President the difficulties and discrimination small countries face within the EU? It is almost impossible for small countries to access the Juncker plan in respect of investment because, by and large, small countries do not have the very large and international private enterprises that can invest in the Juncker plan, which is almost entirely directed at the private sector. Croatia is a small country which has had its political ups and downs in recent years. The draining of confidence in the European ideal is because fiscal rules for the EU are now set by Germany. Notwithstanding the Taoiseach's very close alliance with Angela Merkel and the European People's Party, he seems unable to influence the gag that exists in terms of more investment spending. EU countries like Ireland, other smaller countries, and indeed large countries like France and Italy will not be able to prosper and modernise to the degree they need to unless a mechanism is found to provide for investment spending outside the very strict German deficit rules that now exist in the EU.

**Deputy Gerry Adams:** The Taoiseach knows better than I do that Croatia is the EU's most recent member state. The Taoiseach said he discussed the British position and that of the Government about the consequences of Brexit.

Did the Taoiseach ask the Croatian President if she would support special status for the North?

The Taoiseach said that all of the Government's priorities are contained in its position paper. The shambolic meeting last week on this issue is evidence of the Government's failure and refusal to afford the Opposition the opportunity to make submissions which would influence

Government policy. There is little new in this position paper and it fails to provide detail. It is aspirational and much of it is simply repackaging of action plans and so on. It proposes what it calls adaptive sectoral Brexit response plans but there is no detail given and no indication when these will be published. What is needed now is action, concrete proposals, support for our exporters to help them to diversify, investment in our third-level education system and proper funding for organisations such as InterTradeIreland and Tourism Ireland.

Is the Taoiseach aware that the European Parliament's chief Brexit negotiator, Guy Verhofstadt, writing in the *Financial Times*, has indicated support for the North securing special status as a method of stopping a hard border? He does so even without the Taoiseach lobbying for that.

**Deputy Micheál Martin:** We did that. Mr. Verhofstadt is a member of our group.

**Deputy Gerry Adams:** Will the Taoiseach tell us whether he raised this issue with the President of Croatia?

**An Leas-Cheann Comhairle:** Deputy Micheál Martin has a brief supplementary question.

**Deputy Micheál Martin:** It was a welcome visit by the Croatian President. She knows Ireland well from her time as her country's Foreign Minister. Ireland was a consistent and strong supporter of Croatian membership of the European Union. One of the striking things about her visit was how much it reinforced the imbalance in many of our diplomatic relations. Croatia has three permanent diplomats assigned to Dublin. In contrast, we have one assigned to Zagreb. Negotiations on Brexit have so far focused overwhelmingly on a handful of governments and Brussels. We have contact with all governments but, as I have said to the Taoiseach on numerous occasions, we do not have enough personnel on the ground to go much further than general engagement. An overwhelming lesson we must learn from Brexit is that we must build broader and deeper coalitions with the European Union and its member states. We do not have the personnel to do so. For the past year I have been asking the Taoiseach for a statement concerning staffing and other resources we will put in place for post-Brexit arrangements. We cannot wait two years for this because of recruitment timescales. In view of the changes due to Brexit, we need to increase our personnel levels in the European Union, particularly in places where we have one-person stations. The Taoiseach said to me in the past that a staffing assessment would be prepared. Has this been done? Is the Taoiseach satisfied that we have enough personnel in place to fully represent Ireland on all of these issues?

**The Taoiseach:** With regard to Deputy Burton's question about the fiscal rules, I do not accept that smaller countries are being discriminated against by the European Union. There are many different funds, including social funds, the Cohesion Fund, Common Agricultural Policy funds and so on. The Juncker plan concerns major infrastructure across countries, including transcontinental-----

**Deputy Joan Burton:** We cannot qualify for it.

**Deputy Micheál Martin:** We can but we will not.

**The Taoiseach:** -----facilities such as rail lines, major autobahns and so on. It is not a case of discriminating against small countries. Ireland voted on these fiscal rules in a referendum and 60% of voters approved the issue while 40% did not.

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**Deputy Joan Burton:** That was a long time ago.

**The Taoiseach:** It was a long time ago but it is now part of the Constitution. If there has been a referendum on the issue, one cannot just change the rules again. The Labour Party has put forward a view that sufficient-----

**Deputy Joan Burton:** When the Taoiseach's-----

**An Leas-Cheann Comhairle:** We shall hear from the Taoiseach, without interruption, or we will move on.

**The Taoiseach:** -----resources are not being expended in capital works. We are now in a position of being able to borrow ten-year money at 0.1%.

**Deputy Joan Burton:** We cannot spend it, however.

**The Taoiseach:** When Deputy Burton entered Government with Fine Gael in 2011, the rate was almost 15%. It is not a case of not having access to money, it is not spending willy-nilly to a point where construction inflation increases out of all order and money goes by the tonne into the hands of developers. It is a case of having a balanced approach to the way the money is spent and the economy is managed at the same time. The referendum was approved by 60% of voters. It is part of what we accepted. Ireland was the only country to have a referendum on it. We need to move on to avail of other major projects from the European Investment Bank and so on.

Deputy Adams spoke about the Croatian President. She is a very capable woman. She is a former Foreign Minister and a Fulbright scholar. She is very well clued-in to the situation across Europe and beyond. Deputy Adams described last week's meeting as shambolic. I explained at that meeting that included in the detailed document published is the outcome of the European Council meeting. That meeting, the European Parliament meeting and the European Commission meeting all agreed on one thing, which is that there are particular and unique circumstances applying to Ireland. I read Mr. Verhofstadt's article today. When I asked last week if there was any need for further discussions, there was no response because we were going to have discussions and statements in the House, which we had. I do not regard the meeting as having been shambolic. Perhaps Deputy Adams does for purposes outside this House.

Who is now talking about Northern Ireland? It is the Irish Government. The Minister of State at the Department of Foreign Affairs and Trade, Deputy Dara Murphy, and the Minister for Foreign Affairs and Trade, Deputy Flanagan, in their foreign affairs and European roles have spoken to every single person who has anything to do with European issues. The Minister of State had a full bilateral meeting with representatives from Croatia less than two months ago. The English are all over Europe talking about Northern Ireland. The Irish are all over Europe talking about Northern Ireland. However, nobody from Northern Ireland is doing so. The Scottish are all over Europe talking about Scotland. Who is speaking for Northern Ireland? This Government is doing so. Who is mentioning it? This Government. Who else is mentioning it? Britain is mentioning it. It is being said that there is no wish for a return to a hard border. Imagination and creativity are required to deal with this issue. We want the closest possible relationship with the United Kingdom from a European point of view. However, there is no voice from Northern Ireland being heard in Europe. The only voices to be heard are Irish and British. We are happy to continue to explain, in so far as we can, the details, the problems and the unique, particular and special circumstances that apply to Northern Ireland.

*Dáil Éireann*  
**Priority Questions**

**National Broadband Plan**

44. **Deputy Timmy Dooley** asked the Minister for Communications, Climate Action and Environment the status of the national broadband plan; the deadline by which 100% of premises will have access to broadband; and if he will make a statement on the matter. [22087/17]

**Deputy Timmy Dooley:** The purpose of this question is to ask the Minister for Communications, Climate Action and Environment the status of the national broadband plan, the deadline by which 100% of premises to be covered by the plan will have access to broadband and if he will make a comprehensive statement to the House.

**Minister for Communications, Climate Action and Environment (Deputy Denis Naughten):** I thank Deputy Dooley for his question. The Government's national broadband plan, NBP, will provide high-speed broadband access to all premises in Ireland, regardless of location. The NBP has been a catalyst in encouraging investment by the telecoms sector. That investment has meant that, to date, approximately 1.4 million, or 61 %, of the 2.3 million premises in Ireland can get high-speed broadband of a minimum of 30 Mbps. In April, I signed a commitment agreement with Eir to roll out broadband to an additional 300,000 premises in rural areas on a commercial basis. Eir has committed to concluding this work over the next 85 weeks at an average of one premises being passed every minute of every working day. By the end of 2018, therefore, I expect that 77 % of premises will get high-speed broadband from commercial service providers.

A formal procurement process is under way to select a company or companies that will roll out a new high-speed broadband network within the State intervention area, which comprises approximately 540,000, or 23%, of premises. The timeframe for the procurement continues to be dependent on a range of factors including the complexities that may be encountered by the procurement teams and bidders during the procurement process. During the Department's extensive stakeholder consultations in 2015, telecommunications service providers indicated a three to five year timeframe to roll out a network of the scale envisaged under the national broadband plan, once contracts are in place.

Shorter term measures to enhance broadband availability, particularly in rural Ireland, are included in the report of the mobile phone and broadband taskforce. I have also signed regulations allowing ComReg to proceed with a 2017 allocation of spectrum in the 3.6 GHz radio spectrum band. This will provide an 86% increase in the total spectrum available for mobile and fixed wireless services. In addition, I have secured an €8 million provision in 2017 for RTE to allow it to commence work to free up the 700 MHz spectrum band which is particularly suited to rural environments. These initiatives should assist in enhancing the quality of mobile phone and data services across Ireland and particularly in rural Ireland. My Department's website, [www.dccae.ie](http://www.dccae.ie), and [www.broadband.gov.ie](http://www.broadband.gov.ie) provide comprehensive information including broadband roll-out per county, a copy of the Eir commitment agreement and information on the mobile phone and broadband taskforce.

**Deputy Timmy Dooley:** I look forward to checking out the website to see all of that information, but the one piece of information I suspect will not be there is some kind of a timeline or deadline by which the Minister will have signed the contract. Will the Minister even give

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us an expected date for the issuance of the contract? I know there have been pre-discussions with selected bidders, and that is all fine, but the Minister needs to put a timeline in place that identifies when the contract is going to be signed. I listened with interest to the Minister on “Morning Ireland” last Friday when he was asked and pressed about achievements by him and his colleagues in government and things they had done. The Minister, Deputy Naughten, spoke of the progress in broadband. It was telling that he said broadband is to be brought to one home or premises in rural Ireland every minute of every working day for the next 86 weeks.

**Deputy Denis Naughten:** It is 85 weeks now.

**Deputy Timmy Dooley:** Eir is doing that. That is the subject of a commercial decision by a contractor who talked about this in 2015. The Government argued the toss and procrastinated - during a period when Deputy Naughten was and was not the Minister - and it sought a commitment that Eir was going to do it. This allowed the Government to take those 300,000 premises out from the bundle to be funded through State intervention. Technically, the Government’s problem has been simplified further. It is now back to some 500,000 premises as there are 300,000 less to do. It does not all lie at the Minister’s door but it does lie at the door of the Government. Can the Government stop riding on the back of Eir’s commitment on a commercial basis and tell the Chamber when it will publish a timeline for the signing of the contract? We will then proceed with the three or five years that the contractors need to roll it out. We need a commitment. If the Minister is serious about managing his Department he needs to set a date by which the contract will be signed.

**Deputy Denis Naughten:** The aim of the national broadband plan is to deliver high-speed broadband to every single premises in the State on a commercial and non-commercial basis. Because of the work being done on the national broadband plan we have now ensured that commercial companies, on a commercial basis, are spending €1.7 million every single day and they have been spending that for the last four years. The only reason that Eir sought a commitment agreement with me was because of the national broadband plan and because of the intervention area within the plan. We have been able to tie Eir down to specific targets. They were to have passed 40,000 homes by 31 March last but they have passed 41,000 homes. Deputy Dooley knows, more than anyone in this House, that Eir has previously given very hollow commitments to communities up and down this country and that Eir has actually failed to deliver on them. Now Eir is tied in to a contract where it will be penalised if it does not deliver on it.

The national broadband plan will entail a 25-year contract. We do not want a situation like we had in the past with the Three contract; by the time the contract was signed and rolled out the technology was obsolete. That will not happen in this case. This is a very complex set of negotiations. The contract documents run to 1,000 pages in total and the supplementary documentation is a further 1,000 pages. I am committed to ensuring that we actually deliver to every single home in the country and I am not going to get tied up in dates. Some 12 months ago 52% of premises in the State had access to high-speed broadband. On foot of the commitment agreement and the work we have done over the last 12 months, within the next 85 weeks 77% of premises will have access to high-speed broadband. That is one in four premises in Ireland, the vast majority in rural areas, which will have access to high-speed broadband and the majority of those will be getting up to 1,000 Mbps.

**Deputy Timmy Dooley:** I carry no torch for Eir, but it is a little bit rich of the Minister to criticise Eir or any commercial company for their inability to deliver on commitments. This has been at the Government’s door - a Government that the Minister is part of - since 2012.

At that stage high-speed broadband was supposed to have been rolled out within three years. We are now in 2017 and a tender has not issued. The Minister must start concentrating on the component that falls at the Government's door, which is the intervention area; the piece that is not commercially viable that the State must fund. The Minister must get the tender documents together and pick a date. He speaks of the project being for 25 years but from the time it was talked about in 2012 it will be 25 years before it will even have started. While the Minister, Deputy Naughten, thinks that dates are not important, I am sure he is dealing with constituents on a daily basis and knows there are children in schools who need access to high-speed broadband to do their studies and reports. These students will have gone through the entire cycle of secondary and tertiary education and still there will be no broadband in their homes. It is important. The Minister is telling us it will be a 25-year plan and that it must be done big. This is fine, but it is having an impact on the daily lives of so many families and small businesses in their inability to gain access to high-speed networks. I hear stories from families where the parents are dropping their children into towns with laptops and iPads to go in to Starbucks, McDonald's or Milano's and such places, in order to get internet access so they can prepare for exams. This is pathetic. People are looking for the Minister to show an understanding of the seriousness of the issue and put in place a deadline, which would force people in the Department, and people who support it, to meet those deadlines. We need action here.

**Deputy Denis Naughten:** I assure Deputy Dooley that we are getting action because I am not waiting around at all. This is why, as part of the negotiations for the programme for Government, I ensured that we established a mobile phone and broadband taskforce to look at areas where we could fast track the investment of wireless mobile broadband right across the State. This is happening currently. There is not a corner of the country where one does not see the signs up for Imagine; and the best of luck to that company in rolling out its network. We can see the announcements made by Westnet and Ripplecom. There will also be an announcement by another wireless broadband company in the coming weeks. Broadband is being rolled out currently. I want to see the high-speed broadband network rolled out as quickly as possible but it is a fact that we are pushing the roll-out of all avenues in respect of broadband, and the task force is being successful in assisting communications companies in rolling it out across the country.

It is important to remember that every single second level school in the State has access to a minimum of 100 Mbps thanks to the funding that has already been put in place by my Department. The feedback I am getting from schools across the State is that while students would love access to 300 Mbps or 1,000 Mbps, schools are getting access to broadband, mobile broadband and wireless broadband. As soon as is humanly possible they will also get access to high-speed broadband. This is why we have been successful in starting this process. The first communities in Ireland that will have 1,000 Mbps, and which will be in the gigabit society, are rural communities, on foot of the commitment agreement to which we have already signed up.

### **Greenhouse Gas Emissions**

45. **Deputy Brian Stanley** asked the Minister for Communications, Climate Action and Environment the specific steps and actions being taken to meet obligations in various sectors in view of the publication by the Environmental Protection Agency on greenhouse gas emissions and renewable energy targets. [21951/17]

47. **Deputy Bríd Smith** asked the Minister for Communications, Climate Action and Envi-

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ronment the measures he plans to take to achieve targets on greenhouse gas emissions (details supplied); and if he will make a statement on the matter. [21824/17]

**Deputy Brian Stanley:** If the Leas-Cheann Comhairle will allow me a point of order, there is a small issue I want to raise in respect of Priority Questions. I submitted a priority question about the post office networks and received a reply stating that the Minister has no responsibility to Dáil Éireann for this matter under Standing Order 36, and that it is an operational matter for the board and management of An Post. I opened the Questions Paper today to find Question No. 68 was allowed, which asks the Minister for Communications, Climate Action and Environment a question regarding the post offices. I thought the Minister and the Minister of State, Deputy Ring, had sorted out this political bun fight as to who was responsible. I had the impression from all the reports over the last couple of weeks that the matter had landed on the desk of the Minister, Deputy Naughten. Members raised it as far back as nearly a year ago. It is very unfair to us and to the public. Somebody needs to take responsibility.

The current question is in respect of climate action. A recent EPA report shows that we are far behind on our obligations. What actions are being taken in the various sectors?

**Deputy Denis Naughten:** I propose to take Questions Nos. 45 and 47 together.

If I might first respond briefly to Deputy Stanley's point, I am taking responsibility for the post office network but legal responsibility has not yet formally transferred over. I was quite willing to answer questions on An Post and had replies prepared for it but that is a decision that was made outside my control.

Ireland has legally binding emissions reduction targets for each year between 2013 and 2020 under the 2009 EU effort-sharing decision. For the year 2020 itself, the target set for Ireland is that emissions should be 20% below their value in 2005. This target represents Ireland's contribution to the overall EU objective of reducing its emissions by 30% by 2020 compared with 1990 levels. Ireland, Denmark and Luxembourg share the most demanding 2020 reduction target allocated to EU member states under this decision.

On 13 April, the Environmental Protection Agency published its latest projections for Irish greenhouse gas emissions covering the period to 2035. For 2020, the year to which the Deputy's question refers, the EPA's projections indicate that emissions from sectors of the economy covered by the 20% reduction target could be between 4% and 6% below 2005 levels by 2020. This represents a deterioration compared with previous projections. This deterioration was not unexpected, given the welcome return of economic growth to Ireland in recent years. It does nevertheless confirm that Ireland's greenhouse emissions continue to track broader trends in the economy, and serves to underline the difficult choices ahead as we try to reduce emissions in line with our international commitments.

In order to address the gap to Ireland's 2020 targets and to begin to lay the foundation for the more ambitious reductions that Ireland will need to make towards 2030 and beyond, it will be necessary to pursue a range of further emissions reduction measures through the first and successive national mitigation plans. The objective of the national mitigation plan is to set out, on a whole-of-Government basis, what Ireland is doing and is planning to do to further our transition to a low carbon, climate-resilient and environmentally sustainable economy by 2050. The plan will reflect, in particular, the central roles of key Ministers responsible for electricity generation, the built environment, transport and agriculture, forestry and land use sectors. It must also

be recognised that the first plan is a work in progress, reflecting the reality of where we are in our decarbonisation transition, having regard to a number of factors including curtailed public and private investment over the course of recent years. The first plan cannot, therefore, provide a complete roadmap to achieving the national transition objective to 2050. It will, however, begin the process of development of medium to long-term options to ensure that we are well positioned to take the necessary actions in future decades. This will be an ongoing process aimed at incremental and permanent decarbonisation. The plan will become a living document; it will be made accessible on my Department's website, will be subject to annual progress reports, and will be updated on an ongoing basis as analysis, dialogue and technological innovation generate further cost-effective sectoral mitigation options. Recognising that funding climate action to the required level presents an enormous challenge for Ireland, a key part of this process will be to evaluate Exchequer and non-Exchequer options for financing Ireland's transition.

I also recognise the need to foster wider societal engagement with the climate challenge, motivate changes in behaviour and create structures at local, regional and national levels to support the generation of ideas and their translation into appropriate cost-effective actions. To progress this, I recently announced a national dialogue on climate action to provide for an inclusive process of engagement and consensus-building across society, aimed at enabling the transformation to a low carbon and climate-resilient future.

**Deputy Brian Stanley:** In his reply, the Minister said the upturn in the economy and the fact that we were going to miss the targets completely could not have been foreseen. It was foreseen. Several of us raised the fact that this was going to happen when there was an economic recovery. We raised it while the legislation was going through the House and the committee. We pointed out that the absence of binding sectoral targets would lead us to where we are now, namely, to a carbon cliff. It is clear from the transcripts that I and others were saying this. Electricity consumption is to experience a 40% reduction by 2020 and we are only at 25%. The contribution from transport is supposed to be 10% and we are at 3.3% according to the EPA report. The contribution of renewables to heat should be 12% but at best we will hit 6.5%. We are not even halfway there in most cases. Outside the emissions trading system, ETS sector, we are going to be somewhere between 4% and 6% overall, and that is if we are being hopeful. The figure should be 20% below 2005 levels. This is a catastrophe. What is the financial cost to the State going to be, never mind the cost in embarrassment?

**Deputy Denis Naughten:** I take the Deputy's point about binding sectoral targets. We are engaging with my colleagues, the Ministers for Agriculture, Food and the Marine, Transport, Tourism and Sport and Housing, Planning, Community and Local Government to give consideration to putting a process in place. I do not think we should be looking at binding targets at the moment. It is a long way to 2030 and 2050. It is also important to remember that we are currently in negotiations in respect of these targets. Do targets need to be put in place? Absolutely. That is something I am working on with my ministerial colleagues.

On the renewable energy targets, the Deputy is right that electricity is a 40% target. At the moment we are at 27.3% and the projection is that by 2020 we will have reached our 40%. In respect of heat, the target is 12%. We will be somewhere between 10% and 11% based on current projections. For transport, the target is 10% and we will be somewhere between 8% and 9%, based on projections. I acknowledge we are going to fall short according to current projections and we have work to do. We are not, however, significantly short, based on the projections. I would confidently predict that we will reach our target on the electricity side if we can deal with the international challenge, now called the Irish problem, of having a 75%

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loading on the grid of a volatile energy source, namely, wind. That work is ongoing. We will soon reach a 65% loading and, with technological developments and the DS3 programme, we expect to hit 75%.

**Deputy Brian Stanley:** The Minister's officials and advisers are very optimistic people. I cannot see how transport is going to reach 8% or 9% by 2020, given the rate at which we are going in the opposite direction. There will need to be a great number of electric cars put on the road to turn that one around. I am trying to be honest. There needs to be an honest assessment of this because we are not in a good place. We have hit a carbon cliff. We are trying to play catch-up and we need specific measures. What specific measures are being put in place? What is happening in transport? The Minister for Transport, Tourism and Sport should be in the Chamber telling us. We need to find sectoral targets. Does the Minister not agree at this stage?

I wish to ask the Minister, Deputy Denis Naughten, a particular question regarding the Minister with responsibility for local government. I realise that the Minister for Housing, Planning, Community and Local Government may be distracted with the housing issue and other matters, but he has a major role to play. For God's sake, there is supposed to be reform of local authorities. There is a role for local authorities as the tier of government closest to the people. Why are we not engaging with local authorities in the task of reducing our greenhouse gas emissions as well as engaging communities through the local authorities?

**Deputy Denis Naughten:** We are engaging with local authorities both in respect of the mitigation plan and through the forthcoming adaptation plan.

Specific reference was made to reaching our targets on transport. The vast bulk of those targets will be made up with the biofuels obligation. However, we are looking at further low-emission vehicle incentives. We are looking at how we can stimulate the electric vehicles sector. We are looking at supports for low-emission vehicles. We are looking at reforming the motor tax system and supporting eco-driving. Several initiatives are in the mix at the moment. I expect to see progress on these over the coming months. Some of these will be part of the whole budgetary process. Therefore, I cannot tie myself into making commitments until I have the financial resources to do it. Discussions are ongoing with the European Investment Bank and further afield in respect of accessing resources to help us to meet our targets. Funding other than Exchequer funding is involved. There are some novel initiatives.

Another point on transport relates to broadband. Rolling out high-speed broadband throughout rural Ireland would mean that people would have to travel less. We could establish hubs throughout the country to allow people to either work remotely or from their local town rather than having to travel to a city. That would reduce transport needs. There are challenges globally and at European level in respect of transport, but there are also challenges unique to us and we need to look at unique solutions for those.

**Deputy Bríd Smith:** There are some in this world who will deny that climate change is actually a problem. Some of them control the most important and powerful countries in the world.

**Deputy Brian Stanley:** They control the counties too – like Kerry.

**Deputy Bríd Smith:** Indeed. In case people did not hear Deputy Stanley, he referred to County Kerry.

I am astonished at the lack of urgency from the Minister and the Government. There is no sense that we are in trouble. In fact, the estimates for the scale of possible fines for not reaching our targets by 2030 are in the region of between €3.5 billion and €5.5 billion. If the estimate of not dealing with the polluter pays principle relating to water charges was on this scale, everyone would be screaming mad about it. However, no one is screaming mad about the dreadful position we are in regarding emissions.

Some of the better scientists in the world associated with the Stop Climate Chaos coalition have rated Ireland's achievements as "F", which is low indeed. This rating is in the document before me and contains a big black "F" for failure. This failure is a catastrophe for us not only because of the level of fines but because of the actual environment and climate that we live in. I am keen for the Minister to address that question. Does the Minister have a sense of urgency?

I assume, a Leas-Cheann Comhairle, that I will get an opportunity to come back in. Is that correct?

**An Leas-Cheann Comhairle:** Yes.

**Deputy Denis Naughten:** First, Deputy Bríd Smith is right. There are people who deny the existence of climate change. However, no one who came to my constituency during the winter of 2015-2016 would deny the issue of climate change. I have seen the impact of it, just as Deputy Stanley has seen it. We know the exact nature of that impact. Deputy Dooley has seen it in his constituency as well.

Deputy Bríd Smith referred to a lack of urgency. The major challenge is that the implications will emerge over time. We are looking out to 2030, 2050 and beyond. We need to bring that closer to home. That is why the review in the policy area in respect of air quality is so important. It will have an impact on improving air quality. Four people per day are dying directly as a result of poor air quality in this country. If we can reduce particulate matter – black carbon, which is soot – and improve air quality throughout the country, we will have a knock-on impact not only in respect of health status but by improving the pressures on our health service and dealing with climate at the same time. We need to break it down from that point of view. We need to bring urgency to how we deal with this matter, here and now.

Another point is important. Deputy Bríd Smith is correct in respect of figures somewhere between €3.5 billion and €5.5 billion. I do not have the exact figures but the Deputy is correct: they are substantial. We are working up those figures in order that we might provide not only a justification of the cost but also an indication of how we can stimulate elements of the economy to ensure that we can create jobs and drive this agenda forward.

**An Leas-Cheann Comhairle:** A final supplementary question from Deputy Bríd Smith.

**Deputy Bríd Smith:** Do I not get to come back?

**An Leas-Cheann Comhairle:** Yes, with a final supplementary.

**Deputy Bríd Smith:** I believe more energy is spent on looking for greater flexibility in how we can measure our targets rather than actually reducing them. I will offer two examples. One has already been mentioned and it relates to transport. We have a budget of some €10 billion for transport and we intend spending two thirds of it on roads. That does not deal with what needs to be dealt with, which is getting cars off the roads and expanding public transport. Two

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thirds of the €10 billion will go on roads, yet we have no problem seeing the demise of a national transport company on the basis of losses of between €7 million and €9 million per year. Meanwhile, Transport Infrastructure Ireland sits on €100 million while twiddling its thumbs. It does not know what to do with the money.

The other matter is not necessarily the responsibility of the Minister. This is why we need joined-up thinking on the part of Government. I am referring to the question of beef and beef exports. We are increasing the volume of beef for export. We are doing deals with Saudi Arabia and we have seen the consequences of that already. We are doing deals with Egypt and we are seeing the consequences of that as well. These are political consequences, but the consequences for us amount to not dealing with our emissions. In fact, we are increasing them. There is no real attempt to join up the thinking and look at where we can reduce our emissions by having proper public transport infrastructure and by not growing the volume of beef or exporting more beef.

Finally, I will quote the Minister. He has said in the past that the reality of our problem is that we are on a journey seeking a carbon-free impact from human activity and that this will only succeed through social acceptance and engagement. I maintain that it is not a journey but a fight. In fact, it is battle with companies and the system of capitalism. They are addicted to fossil fuels because they get vast profits from them. Until we challenge that, we will not be properly challenging the question of climate change.

**Deputy Denis Naughten:** I am glad Deputy Brid Smith raised the issue of agriculture. In today's *Irish Independent* farming supplement, this issue came up in the context of Brexit. An article pointed out that Brexit will force farmers to look at competition issues and how efficient beef production is in this country compared to other European and international players.

Colleagues in the House from rural Ireland will know that the vast majority of suckler farmers are using the payments they get from Brussels to subsidise farming practices. That is unsustainable in the long term. There are ways whereby we can make agriculture more efficient from a carbon perspective, as well as ways to ensure that farmers get a far greater return for the product they are producing. In fairness, the beef data and genomics programme is an innovative step to start that process. It is a difficult process. We are trying to shoehorn into the beef sector technology advances that have taken 25 years to develop in the dairy sector. It is a step in the right direction. It is seen internationally as an innovative measure to deal with the real and practical problems. We need to come up with solutions across the board. These include using broadband to deal with our transport issues, as well as using other novel initiatives. We should not always be replicating what is going on elsewhere. There are major opportunities in the context of the oceans and our natural resources.

### **North-South Interconnector**

46. **Deputy Timmy Dooley** asked the Minister for Communications, Climate Action and Environment when he will implement the motion regarding the North-South interconnector, which was passed on 16 February 2017; and if he will make a statement on the matter. [22088/17]

**Deputy Timmy Dooley:** When will the Minister implement the motion regarding the North-South interconnector which was passed on 16 February 2017? Will he make a statement on the matter?

**Deputy Denis Naughten:** On 19 December 2016, An Bord Pleanála granted planning permission for the North-South interconnector project in Ireland. The decision concluded a lengthy planning process which included an oral hearing completed over 11 weeks from March to May of last year. The planning decision is currently the subject of judicial review proceedings. The planning process for the section of the project in Northern Ireland is ongoing, with an oral hearing concluding on 27 February 2017.

In light of the motions passed by Dáil Éireann and Seanad Éireann, I requested officials in my Department to prepare proposals for an updated independent study that will bring further clarity to the relative cost and technical merits of the overhead and underground solutions for the North-South interconnector. In preparing the terms of reference for this study and to fulfil the commitment made at a meeting held with public representatives and local community groups in Leinster House on 8 February, my officials held meetings with representatives of the North East Pylon Pressure Campaign on 28 March and the Monaghan Anti-Pylon Committee on 3 April. This engagement was important in facilitating local representative groups' input into the terms of reference drafting process. I have approved the terms of reference for the study and published them on my Department's website yesterday. Construction of the project is not planned to commence before 2018 and I intend that this study will be completed and published before the end of this year.

**Deputy Timmy Dooley:** I have had an opportunity to review the document and, in fairness, the Minister did give me advance notice of it. Unfortunately, however, as far as my party and I are concerned, as are those to whom I have spoken in the area, the terms of reference are not complete. It does not include the requirement as set out in the motion that was passed by this House on 16 February to "evaluate the potential impacts of both undergrounding and overgrounding the North-South interconnector on surrounding areas, considering such aspects as [the] impact on local tourism, health, landscape, agriculture, heritage, etc."

I understand the Minister has cited some concerns in the Office of the Attorney General in relation to same and some conflict that may arise between decisions that have been taken by An Bord Pleanála. I have had an opportunity to seek legal advice on behalf of the Fianna Fáil Party relating to such an adjudication. There appears to be no reason whatsoever the provision could not form part of the analysis the Minister proposes to undertake. The role of An Bord Pleanála relates to any planning request or application that has already been adjudged. That is fine. If a decision is ultimately taken to put an application forward to underground a project, An Bord Pleanála can or may wish not to take into account any information that would arise from this particular exercise.

The Fianna Fáil Party does not accept the Minister's decision to exclude the provision I have already outlined. I ask the Minister to reconsider that in the spirit of the decision that was taken in this House on 16 February.

**Deputy Denis Naughten:** The terms of reference fulfil the central point of the motion that was passed in the House, which was to "examine the technical feasibility and cost of undergrounding the North-South interconnector, taking into account the most recent developments in technology and experience gained from existing projects abroad". As the Deputy knows, at the meeting on 8 February, an example was given relating to the project from Aachen to Liège. We are now looking at that. The terms of reference are an exact transcription of what was passed by both Houses. The second aspect is also being taken on board. The third aspect, which the Deputy is raising, is to "evaluate the potential impacts of both undergrounding and overground-

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ing the North-South interconnector on surrounding areas, considering such aspects as ... local tourism, health, landscape, agriculture [and] heritage”.

As the Deputy knows, the issues relating to the visual impact of the proposed development and the concerns relating to health and impact on residential property in proximity to the route and so forth were all taken into consideration by An Bord Pleanála. It stated, “Whilst the landscape and visual impacts of the development, and the possibility of localised impacts on property, are acknowledged, having regard to the demonstrated strategic need for the development, the approach taken by the applicant in terms of route selection and detailed design of the development, which has sought to minimise landscape and visual effects, it is considered that the residual impacts which occur only in close proximity to the development are acceptable.”

**Deputy Timmy Dooley:** The Minister stated that the central point to the motion was what it was and then he acted upon it. I put it to the Minister that it is not within his gift to decide the central point of any motion. The central point of a motion is the absolute and express provisions as set out in the motion in its entirety. If the Minister were to be genuine and honourable about this, he would respect the full extent of the motion that was passed democratically in this House and he would have, as he should have, transposed the motion in its entirety and let those provisions form the basis for the review. I still fail to understand why he is taking the approach he is taking. I do not accept, nor does the legal advice available to me suggest, that there is any necessity to exclude the provision the Minister has outlined which, in my view, is a central and important part of the motion. I fail to understand why the Minister did it. I certainly do not think there is any link whatsoever between the provision in this particular exercise and what decisions An Bord Pleanála has made or might make in any future application.

**Deputy Denis Naughten:** An Bord Pleanála has made its decision and the Deputy is aware that there are a number of applications for judicial review - I am a named party in one of them - before the courts at the moment. It is not possible to quantify the impacts with any degree of certainty in relation to this and, therefore, it is a qualitative assessment. The statutory planning process, which includes An Bord Pleanála, is the appropriate method by which such impacts are assessed and evaluated. I have an overarching duty, unless lawfully challenging a decision, to respect the decisions of the lawfully established bodies, which is An Bord Pleanála in this instance.

*Question No. 47 answered with Question No. 45.*

### **Renewable Energy Generation**

48. **Deputy Maureen O’Sullivan** asked the Minister for Communications, Climate Action and Environment if he will clarify Ireland’s position in relation to the 2020 renewable energy targets; and his plans to invest substantially in renewable energies in line with the increase in power usage across the national grid, in particular in forms of renewable energy that are not yet properly utilised such as wave and ocean current technology. [21894/17]

**Deputy Maureen O’Sullivan:** My question relates to Ireland’s position on the 2020 renewable energy targets, the plans to invest in renewable energies and where we are in terms of wave and ocean technology.

**Deputy Denis Naughten:** I thank Deputy O’Sullivan for this question. The 2009 EU re-

newable energy directive sets Ireland a legally binding target of meeting 16% of our energy requirements from renewable sources by 2020. Good progress has been made to date but the target remains challenging, particularly in light of economic growth and a growing demand for energy. Figures provided by the Sustainable Energy Authority of Ireland, SEAI, for 2015 indicate that 9.1% of the overall 16% target has been met by renewable sources.

The Government has adopted a range of policy measures and schemes to incentivise the use of renewable energy. The primary support mechanism in the electricity sector is the Renewable Energy Feed In Tariff, REFIT, scheme, which supports the development of a range of renewable electricity technologies including hydro, biomass combustion, biomass combined heat and power, landfill gas and onshore wind.

Ireland has made considerable progress in the decarbonisation of our electricity sector in recent years, with over 25% of our electricity coming from renewable sources in 2016. This progress, while welcome, will need to accelerate with pace in the coming years.

With regard to future policy initiatives, my Department is developing a proposed new renewable electricity support scheme and renewable heat incentive scheme designed to assist in meeting our renewable energy sources for electricity, RES-E, and renewable energy sources for heat, RES-H, targets. The introduction of any new scheme, including the overall costs and technologies to be supported, will be the subject of Government approval and state aid clearance from the European Commission.

In the transport sector, Ireland aims to meet its renewable target mainly through the increased use of sustainable biofuels, with electric vehicles also making a small contribution. The biofuel obligation scheme was increased from 6% to 8% by volume from 1 January 2017. A public consultation on future increases to the biofuel obligation scheme, required to meet the 2020 renewable transport target, will take place later this year.

Ireland has one of the best offshore renewable energy resources in the world, and offshore renewable energy will have an important role in Ireland's future renewable energy mix. While offshore wind has globally been developed successfully, wave and tidal energy is still at the research and development stage. Notwithstanding the development of promising experimental devices, much more research, development and trials are required to bring wave energy technology to commercial viability.

The Government's policy on the sustainable development of our indigenous offshore wind, wave and tidal energy resources is set out in the 2014 offshore renewable energy development plan.

**Deputy Maureen O'Sullivan:** The Minister knows from his involvement with the Association of European Parliamentarians with Africa, AWEPA, the effect of policies and practices from the developed world on the developing world, its people and their livelihoods, that is, that those least responsible for the effects of climate change are paying the most. I was reading the speech the Minister gave last month on putting the "eco" into the economy. He noted the connection between the two words "ecology" and "economy" and their derivation from the Greek word for "household". He made the point that the EU cannot lead or deliver without the full participation of all the member states, so we need to use less energy and we need to use the energy we are using more efficiently. I know progress is being made but it is disappointing to read that we are one of four member states of Europe not expected to make the 2020 targets.

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The target is hardly excessive and we know that failure to reach it would be very costly. The Minister has said it will be challenging but does he accept that it can be realised? I again make the plea that offshore renewable energy remain in Irish hands and Irish control.

**Deputy Denis Naughten:** The Deputy said the target is hardly excessive. The cost-effective target for Ireland, on which the Commission has published information, was 7%. Our target was set at 20%, so it was an excessive target. However, leaving that aside, that was the target that was set and to which the Government signed up at the time and we need to try to get as close as possible to it and plough ahead to make sure we hit our 2030 target. That is my objective.

The Deputy is right that ocean energy has huge potential and we need to invest in it. Nine tenths of the territory of Ireland is under the sea, and our ocean energy development plan states that there is potential to develop up to 4.5 GW in offshore wind and 1.5 GW in wave and tidal energy. There is a huge opportunity in this regard, and to seize it we are supporting the development of a number of prototypes. Last year, the Government, through the SEAI, funded 17 prototypes; this year, we will fund another 16. Some of them are making significant progress in developing technology in this area. Sea Power Limited used the quarter-scale Galway Bay test site between November of last year and March of this year for a sea power platform on wave energy. It seemed to be quite successful. We have seen a number of other companies examining this and it is my intention to support them and, through the strategic infrastructure fund, if required, to fund them.

**Deputy Maureen O'Sullivan:** The Sustainable Energy Authority of Ireland's figure on clean renewable energy and what it has saved was very striking. I think it was €1 billion in fossil fuel imports. That is highly significant. It is interesting to hear what the Minister says about offshore wind, hydro and tidal wave energy. We are over-reliant on fossil fuels and we know the cost of that is €4.6 billion annually. It is disappointing to see the increase in emissions. The irony is that as the economy does better, our use of emissions increases. Wind power is so fraught in Ireland yet it works so well in other countries. I think we can learn from the mistakes of the past in this regard. The offshore floating wind turbines will be interesting but, again, I go back to the point that we need to keep it in our control so that it is for the benefit of Ireland and not of a multinational company that will take it over.

**Deputy Denis Naughten:** Deputy O'Sullivan has hit the nail on the head, particularly regarding onshore wind. We have put far too many eggs in the one basket in respect of onshore wind, and she is right that most of the beneficiaries have been offshore in that regard. The new structures we will put in place in respect of planning guidelines and the renewable electricity support scheme will very much be oriented towards communities and supporting communities themselves regarding renewable technologies.

We are at an early developmental stage regarding offshore energy and are trying to support companies involved in it but it is important to remember that as 88% of all our energy needs are imported at present, we need to drive that down. If we, like Donald Trump, denied the impact of climate change, we would still need to put in the investment because we have renewable energy resources here. We need to capitalise on those and we need to have a sustainable energy source in this country rather than being dependent on imported fossil fuels. That, as energy Minister, must be my objective, not to mention my priority as climate Minister.

## **Topical Issue Matters**

**An Leas-Cheann Comhairle:** Before we move on to other questions, 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) Deputies Michael Moynihan, Niall Collins and Kevin O’Keeffe - construction of the M20 motorway from Cork to Limerick; (2) Deputy John Brassil - activity-based budget allocations in University Hospital Kerry for 2017; (3) Deputy Michael Collins - harvesting of kelp forests in Bantry Bay; (4) Deputies Eugene Murphy and Dara Calleary - job losses at the ECMI plant in Ballaghaderreen; (5) Deputy Aengus Ó Snodaigh - health and safety concerns at Casement Aerodrome; (6) Deputy Peter Burke - inclusion of the Longford-to-Roskey N4 bypass in the capital infrastructure plan; (7) Deputy Sean Fleming - changes in the allocation of resources from 2016 to 2017 under the special education teaching resource model; (8) Deputy Michael D’Arcy - the position regarding an application for an autism spectrum disorder, ASD, unit in Gorey community school; (9) Deputies Jackie Cahill and Mattie McGrath - job losses at the Bord na Móna plant at Littleton, County Tipperary; (10) Deputy Thomas P. Broughan - HSE funding withheld from the Irish Wheelchair Association and pay scales in section 39 organisations; (11) Deputy Bobby Aylward - accommodation for pupils and staff at Scoil Phádraig, Ballyhale, County Kilkenny; (12) Deputy David Cullinane - development on the north quays in Waterford; (13) Deputy Michael Healy-Rae - modernisation of the Presentation secondary school, Listowel, County Kerry; (14) Deputy Thomas Byrne - delays in provision of occupational therapy for children in Meath; (15) Deputy Pat Buckley - services for children in the mental health services; (16) Deputy Clare Daly - September 2017 provision of primary school places for Swords; (17) Deputy Peadar Tóibín - the need for a rail service from Navan to Dublin; (18) Deputy Caoimhghín Ó Caoláin - Coeliac Awareness Week, 8 to 15 May; (19) Deputy Fiona O’Loughlin - second level school places for children with special needs in the Newbridge area; (20) Deputies Richard Boyd Barrett, Mick Wallace, Brian Stanley and Joan Collins - the latest *Daft.ie* report on rent increases; (21) Deputy Gino Kenny - construction of a road through St. Catherine’s Park; and (22) Deputy Donnchadh Ó Laoghaire - intensive care of young adults who are seriously ill at home.

The matters raised by Deputies John Brassil, Michael D’Arcy, Michael Collins and Eugene Murphy and Dara Calleary have been selected for discussion.

## **Ceisteanna - Questions (Resumed)**

### **Other Questions**

#### **Renewable Energy Projects**

49. **Deputy Bríd Smith** asked the Minister for Communications, Climate Action and Environment his views on whether the recent announcement of a joint ESB and Bord na Móna solar energy enterprise represents a large enough investment in solar energy in view of the scale of the climate crisis and the poor history the State has in embracing solar power; and if he will make a statement on the matter. [21826/17]

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73. **Deputy John Curran** asked the Minister for Communications, Climate Action and Environment his policy regarding the provision of national solar power guidelines further to the recent launch of a proposed large-scale solar farm by ESB and Bord na Móna in County Roscommon; and if he will make a statement on the matter. [21891/17]

**Deputy Bríd Smith:** Following on from what we have been talking about, renewables, the Minister recently announced that ESB and Bord na Móna are to engage in a joint solar energy project. Could he clarify exactly what is the investment from both companies and what the scale of the project will be? I have heard different figures and am not sure whether I am correct in saying they are investing €5 million each. Is the State giving any subsidy to this? I would love to be enthusiastic about this but I have strong misgivings about what I am reading.

**Minister for Communications, Climate Action and Environment (Deputy Denis Naughten):** I propose to take Questions Nos. 49 and 73 together.

To clarify, my understanding is that it is €5 million between the two companies and the State is not putting money into the project. If there are any supplementary questions, I will deal with them in a minute.

As Minister with responsibility for energy and climate action, I am fully aware of the major challenge facing Ireland to live up to the ambition of the Paris Agreement on climate change. I have just concluded the public consultation on the draft national mitigation plan, which will continue the process of transitioning Ireland to a low-carbon, climate-resilient and environmentally sustainable economy by 2050. The national mitigation plan will be submitted to Government for approval in June.

Against this backdrop, the recent commercial decision between Bord na Móna and the ESB to develop a solar photovoltaic, PV, project is a welcome announcement. It is increasingly recognised that solar PV has the potential to contribute to meeting Ireland's renewable energy and climate change objectives.

Ireland has made considerable progress in the decarbonisation of our electricity sector in recent years, with over 25% of our electricity coming from renewable sources in 2016. This progress, while welcome, will need to accelerate in pace in the coming years. To support this continuing progress, my Department is currently working on developing a new renewable electricity support scheme. This involves examining the introduction of supports for a range of renewable energy technologies, including solar PV - both rooftop and ground-mounted. To date, only around 6 MW of solar PV has been installed in Ireland, almost entirely on rooftops.

Solar undoubtedly has a key role to play in the transition to a low-carbon energy future and presents significant opportunities for citizens and the economy as a whole. The Sustainable Energy Authority of Ireland recently published a report, entitled Ireland's Solar Value Chain Opportunity, showing that the cost of solar PV modules has fallen by 80% since 2009 and is set to continue to fall in future years. The reduction in solar PV prices will lead to solar becoming more cost-effective and thus likely to take a greater share of new renewable energy developments in the future. This drop in cost will be reflected in the design of any new support scheme.

The recent agreement to build a solar PV project builds on the existing partnership between Bord na Móna and the ESB in onshore wind.

Calls for the introduction of solar planning guidelines are matters for the Minister for Hous-

ing, Planning, Community and Local Government.

**Deputy Bríd Smith:** I will ask the Minister about the figures for subsidies for renewables in general because the Commission for Communications Regulation, ComReg, in 2014 stated that 10% of the public service obligation, PSO, levy we all pay on our electricity bills goes to renewables and that the vast bulk actually goes to fossil fuel sources, not renewables.

*5 o'clock* I would argue that this is a real tragedy and I am sceptical, therefore, about the project. It is brilliant there is a move towards this but I am disappointed to hear it is just €5 million between the two companies. I do not believe the Minister has a commitment to solar energy. In an address last November, apparently, he all but ruled out the adoption of solar energy, warning that the technology could quadruple the levy paid by consumers on their ESB bills.

However, the Minister cited figures showing that solar energy costs are decreasing and sounded more enthusiastic than previously about its potential in terms of reducing our greenhouse gas emissions. Globally, we are failing to support the science of solar energy. It is estimated that in 2014 the global bill for fossil fuels stood at €490 billion, while subsidies to aid the application of renewable energies stood at €112 billion. This lack of commitment globally is reflected in the lack of urgency the Government has shown to this source of renewable energy.

**Deputy Denis Naughten:** I apologise to the Deputy as I thought I had figures on the PSO with me but I do not have them to hand. I will have my officials revert to her later with them.

**Deputy Bríd Smith:** Does the Minister accept the figure I gave?

**Deputy Denis Naughten:** No.

**Deputy Bríd Smith:** Is it far off the mark?

**Deputy Denis Naughten:** The PSO subsidy for fossil fuels, which is for peat, is declining. There is no subsidy in place for Edenderry and the two remaining subsidies, for Lanesboro and Shannonbridge, will expire in 2019. The PSO for renewable energies has been ramping up and accounts for the largest share. The proportion provided to renewables will reach between 80% and 90% by 2019. I will get the figures for the Deputy because I am speaking from memory.

On the comments I made last September, some people clearly need to visit an audiologist.

**Deputy Bríd Smith:** I read about the Minister's comments.

**Deputy Denis Naughten:** I am not questioning what the Deputy said. However, an agenda is being spun on this issue. I stated that the applications submitted to provide solar power would provide power far in excess of the country's energy needs. Farmers are signing contracts with solar power companies and there is panic among members of the farming community about the scale involved. Farmers are concerned that it will be similar to what occurred in the area of wind power and many are worried about what they have signed up for.

**An Ceann Comhairle:** The Minister should conclude. We are out of time.

**Deputy Denis Naughten:** I will conclude by citing a number of figures. The applications to provide solar power would deliver 3.9 GW of solar power to the grid. National demand for electricity in summer stands at 3.6 GW, while total national demand in winter is 4.5 GW. This means applications to provide solar energy almost match total energy demand, which is not

realistic.

**Deputy John Curran:** I welcome the opportunity to contribute to the discussion on an issue in which I have considerable interest. The programme for Government is extremely light in terms of its narrative on solar power. The Minister hit the nail on the head when he indicated that the output of proposed solar power projects would meet national energy demand. The problem in this area was identified by An Bord Pleanála when, in a ruling refusing a planning application in the south east, it pointed out that it did so in the absence of national guidelines. It stated, “There is a lack of guidance at national, regional and local level in relation to the appropriate location, scale and distribution of future proposals for solar power.” Moreover, it was not satisfied that the proposed development “would not be premature pending the adoption of national, regional or local guidance or strategy for solar power.” If we do not organise and adopt a strategy and proper planning process for solar power, the chaotic scenario described by the Minister will arise.

The Minister indicated that prices for solar power are declining. While it is understandable that companies would like to enter the solar power market, the sector is crying out for a Government strategy and direct guidelines. Solar power cannot provide a solution to all our demands for renewable energy but it has a role to play. It is up to the Government to provide guidelines to ensure we have a sustainable programme.

**Deputy Denis Naughten:** Solar power has a role to play. I had the piece on solar power written into the programme for Government. Anyone who claims I am not positively disposed towards this form of energy is wrong. Nevertheless, I will not have a scenario in which farmers are tied into contracts which bind them to solar power companies for five years when, in real terms, the chances of the project getting off the ground are small. The current applications for grid connection would provide 3.9 GW of solar power. This means that on a summer’s day when average demand for electricity is 3.6 GW, we could shut down every power generation plant and wind turbine in the country and still have excess electricity on the grid. As this is not a realistic scenario, I set out to bring an element of realism to the discussion. I will address the issue of grid access in a moment.

**Deputy John Curran:** While I do not disagree with the figures provided by the Minister on applications to the grid, the issue is that planning permission has not been secured for many of them. As such, it is not the case that these projects could all commence tomorrow and connect to the grid.

The specific point I am raising is the need to introduce guidelines to manage the development of solar power. An Bord Pleanála stated that we need local and national guidelines and a strategy as otherwise the scenario presented by the Minister will arise in respect of the large number of applications for grid connection. The Government must play a proactive role.

As the Minister indicated when he referred to the application made by the ESB and Bord na Móna, the price of solar modules has fallen by 80% since 2009. This is the driving force behind growth in the sector, which we must manage. Solar power is a renewable source of energy which has a role to play but Government action is required. This is the link in the chain in which I want the Minister to become involved.

**Deputy Denis Naughten:** Two issues arise. The matter raised by the Deputy is one for the Minister for Housing, Planning, Community and Local Government who deals with the plan-

ning process.

**Deputy John Curran:** The Minister could speak to his colleague given the need for joined-up thinking.

**Deputy Denis Naughten:** I spoke to the Minister on this matter prior to the comments and decisions by An Bord Pleanála. While the ultimate decision in this matter is one for the regulator, I have publicly expressed my concerns about current access to the grid through gate access where a secondary market has been established in which connections are regarded as assets and traded as such. I do not want this to happen in future and I have expressed my views on the matter to the regulator. I hope the committee will also engage with the regulator on the issue as the committee is the authority to which the regulator is answerable.

*Question No. 50 replied to with Written Answers.*

### **National Mitigation Plan**

51. **Deputy Eamon Ryan** asked the Minister for Communications, Climate Action and Environment the modelling which underpins the national mitigation plan; the key assumptions regarding the use of biomass in power generation; and his views on the future of carbon capture and storage. [21887/17]

**Deputy Eamon Ryan:** The Minister recently described our climate ambition as economically reckless. I will throw his criticism back at him by asking where his economic analysis is. It is clear that we have no mitigation plan with which anyone agrees. The head of the climate advisory committee stated the plan lacked substance, analysis and detail, while the head of the Environmental Protection Agency described the plan in similar terms. Let us have a real economic debate on where we are going on climate. From where does the economic analysis and modelling underpinning the plan come?

**Deputy Denis Naughten:** Part of the development of the national mitigation plan has been the preparation of robust technical, environmental and economic analysis to evaluate a variety of impacts of a range of different mitigation options. Environmental analysis, through strategic environmental and appropriate assessments, is being carried out by RPS Group on behalf of my Department. In this context, the strategic environmental assessment report and the appropriate assessment Natura impact statement were published for public consultation alongside the draft national mitigation plan.

My Department has been supported in the preparation of technical and economic analysis informing the draft plan by relevant Departments and State Agencies, in addition to experts contracted by my Department for this work. A key focus of this work has been to prepare a series of greenhouse gas mitigation options using broadly comparable criteria for assessing their possible costs and benefits within the framework of the public expenditure code published by the Department of Public Expenditure and Reform.

The draft national mitigation plan is also underpinned by the official inventories and projections of greenhouse gas emissions for Ireland, which are prepared and published annually by the Environmental Protection Agency. These data underpin the draft plan's assessment of the gap to meeting our targets for 2020 for the sectors of the economy outside the emissions trad-

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ing system as well as the potential emissions reduction requirements arising from the European Commission's draft effort-sharing regulation proposal for 2030. The EPA published updated inventories and projections data on 13 April and I intend that these will be reflected in the assessments contained in the final mitigation plan.

The draft plan notes the role of peat in power generation. While it is recognised that Ireland's limited biomass resource would be more efficiently deployed in the heating sector in the long term, the use of biomass in peat stations will help to meet Ireland's renewable energy target and reduce carbon emissions in the sector. Support is available under REFIT 3 for biomass technologies, including the co-firing of biomass at three peat power stations. Bord na Móna has stated that it intends to cease the harvesting of peat for electricity generation by 2030.

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

The company has committed to replacing large-scale peat production with alternative indigenous energy sources such as biomass. In keeping with the energy White Paper, this will contribute to the decarbonisation of electricity while also helping to maintain sustainable levels of employment in the midlands.

Carbon capture storage, CCS, as a bridging solution is compatible with the move to decarbonisation of power generation, allowing a reduction of emissions during the transition. While research at a global level remains ongoing though, the commercial realisation of CCS technology has been limited to date. Officials in my Department have also met Ervia, the parent company of Gas Networks Ireland, to discuss the potential for CCS in Ireland.

**Deputy Eamon Ryan:** By 2030, the balance of peat will have been burned and we will have lost the carbon store. Where is the Minister's economic analysis? Am I to take from his response that the economic analysis is being provided by the RPS Group or, as mentioned in the middle of his response, the Department of Public Expenditure and Reform? Let us have this debate. I will bring out Lord Nicholas Stern and his economic analysis, the World Economic Forum and the International Energy Agency to back up the case for ambition on climate change. Who is it in government or the public service - and why - that is opposed to any ambition on climate issues? Where is the economic argument that this will make sense for our country? Where is the economic analysis telling us that delaying for ten years while other countries get ahead in terms of economic opportunities is the right thing to do? That is what is happening. I want to see the economic analysis that underpins the Minister's lack of ambition, and then I will bring my list of people with this economic thinking to show why ambition makes sense when it comes to tackling climate change.

**Deputy Denis Naughten:** We are speaking from the same hymn sheet. The Deputy is right, in that a great deal of expert advice is available to us. We must utilise it to make the economic arguments. As I told Deputy Smyth, this is not just a question of considering the long term, given that there are short-term wins for everyone in respect of air quality, which has a direct impact on our health services. A whole-of-Government approach is needed, not just an examination of the long-term economic impact.

A part of the problem that we are examining in the context of the mitigation plan is that the analysis being used by the Government in terms of capital investment in this field does not accurately reflect the challenges being faced. We are considering how to revise that. Deputy Smyth cited the penalties that we will face by 2030, somewhere between €3.5 billion and €5.5

billion, but I do not envisage that we should be looking at that.

Deputy Eamon Ryan is correct that there are huge economic opportunities for Ireland in this regard. We have unique offerings that we must exploit. We need the support of every economic skill available to us inside and outside Government to make that argument.

**Deputy Eamon Ryan:** I agree with the Minister, but the cost-benefit analyses within the Department of Public Expenditure and Reform are out of date and at fault. We need a whole-of-Government approach, but if the Department of Transport, Tourism and Sport does not seem to have the slightest interest and the Department of Agriculture, Food and the Marine wants to be counted out, we have a problem. If so, why is the Minister playing this as a question of ambition being the problem? In response to criticisms of the national mitigation plan, why did he claim that our ambition and economic analysis were the core of the problem when the core is actually in the heart of Government, the public service and Departments that do not care about climate change and do not see it as an opportunity for this country to modernise and lead? Surely that is what we need to draw attention to, not an excess of ambition in government, but a lack thereof. That is the core of the problem and must change, starting with the Department of Public Expenditure and Reform and its economic analysis, with which I have fundamentally disagreed over the years.

**Deputy Denis Naughten:** No, my criticism related to the 2020 targets to which we signed up, in that we did not have the economic analysis that should have been available to us. The Commission has since held up its hands and said that the realistic cost-effective target that should have been set for us was 7%, not 20%, but that is irrelevant at this stage. It is in the past, and we have those targets now. We must try to get as close to them as possible and ensure that we have targets that we can achieve by 2030.

A large challenge lies ahead. The Deputy is right, in that, as the Minister in charge, I must have the economic facts and figures in order to make the case. The systems in government need to be reformed to reflect that. I need everyone's support if that is to be done. I have spoken with the Climate Change Advisory Council on this matter. There is much expertise inside and outside the council. I have told NGOs and the like that I need support. We need to test the robustness of the case, which will be done in-house and externally, but we all need to work together and make the economic case that justifies this level of spending, not just in the long term, but in the short term as regards air quality. One in five children in this country suffers from asthma and there are four deaths per day as a result of poor air quality. We can deal with the challenges of today, not just the long term, by making an investment in this area.

### **Broadband Service Provision**

52. **Deputy Bernard J. Durkan** asked the Minister for Communications, Climate Action and Environment the progress to date in the provision of high quality broadband in all areas throughout the country with particular reference to County Kildare; if regulation of the broadband network can be invigorated to ensure that the services work to optimum efficiency and quality; the way in which provision can be made to ensure the availability of high quality broadband to fringe areas to which service has not be extended with a view to their inclusion at an early date; and if he will make a statement on the matter. [21860/17]

**Deputy Bernard J. Durkan:** This question relates to the importance of broadband and its

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provision in all areas of the country without exception, but with particular reference to County Kildare and those fringe areas that seem to have fallen between two stools and where domestic and business needs must be met as a matter of priority.

**Deputy Denis Naughten:** I thank the Deputy for his question. The Government's national broadband plan will provide high speed broadband access of a minimum of 30 Mbps to all premises in Ireland regardless of location. The plan has been a catalyst in encouraging investment by the telecoms sector of €1.7 million per day for the past four years in order to bring broadband of at least 30 Mbps to 1.4 million, or 61%, of the 2.3 million premises in Ireland. This footprint is expanding.

In April, I signed a commitment agreement with Eir, which will provide broadband to an additional 300,000 premises in rural areas on a commercial basis. Eir has committed to concluding this work over the next 85 weeks at an average of passing one premises every minute of every working day. My Department is monitoring this roll-out.

There are approximately 89,000 premises in County Kildare, some 13,000, or 15%, of which are located in the amber area on the State intervention map. Approximately 76,000, or 85% of premises, are located in the commercial blue area and will be served by commercial operators, including some 9,000, or 12%, under the Eir commitment agreement. Information on Eir's planned rural deployment is available at *fibrerollout.ie*.

A formal procurement process is in train to select a company or companies to roll out a new high speed broadband network within the State intervention area, comprising approximately 540,000 premises, or 23%, across the country. The timeframe for procurement continues to be dependent on a range of factors, including the complexities that may be encountered by the procurement team and bidders during the procurement process.

Shorter term measures to enhance broadband availability include the implementation of the mobile broadband and task force recommendations. I have signed regulations allowing ComReg to proceed with the 2017 allocation of spectrum in the 3.6 GHz radio spectrum band. This will provide an 86% increase in the total spectrum available for mobile and fixed wireless services.

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

In addition, I have secured a €8 million provision for RTE to allow it to free up the 700 MHz spectrum band. This band is particularly suited to rural environments where the signal can travel long distances. These initiatives should assist in enhancing the quality of mobile phone and data services across Ireland, particularly in rural areas.

My Department website, *www.dccae.gov.ie*, and *www.broadband.gov.ie* provides comprehensive information, including broadband roll-out per county information, a copy of the Eir commitment agreement and information on the mobile and broadband task force.

**Deputy Bernard J. Durkan:** I thank the Minister for his comprehensive reply and the campaign to provide broadband, which is now accelerating. The work to date has been laudable and welcome, but it still leaves a number of areas in the amber region to which the Minister referred. They are concerned that they might be left in that condition for a protracted period. In anticipation of the extended broadband facilities, most people have business plans that they want and need to advance at an early stage. Will the Minister give them some reassurance?

**Deputy Denis Naughten:** Twelve months ago when I took over as Minister, 52% of premises had access to high speed broadband. Within the next 85 weeks, 77% of premises will have access to high speed broadband. During my period as Minister, one in four premises in this country, the vast majority of them rural premises, will have access to high speed broadband, many of them receiving up to 1,000 Mbps, which is the fastest possible broadband speed in the world.

The national broadband plan has also stimulated investment across the commercial companies, which are spending €1.7 million per day. It will be seen that, across the amber areas, companies like Imagine have put up signage advertising up to 70 Mbps. Westnet and Ripplecom have made announcements and there will be a further announcement by a wireless company in the next few weeks in regard to the rollout.

I know there are concerns among people in amber areas across the country. Let me say this to them. One of the biggest amber areas in the country is in my constituency so I am more determined than anyone in the House to ensure this issue is resolved. It will be resolved in the short term through supporting the investment in mobile and wireless broadband services, which at least provide people with a service that can deal with the issues to which Deputy Dooley referred earlier in regard to children doing their homework and so forth, and can ensure that people have access to services such as video streaming. In the longer term, this will mean we can provide high speed broadband to every one of those premises.

**Deputy Bernard J. Durkan:** We all acknowledge the work that has been done. We fully support it and congratulate the Minister for undertaking it. However, I want to emphasise the position of those people who have been a long time waiting, who have over a number of years made business plans they want to advance and who are entirely reliant on access to high quality, high speed broadband in order to continue their businesses. They want to work from home and eliminate transport costs and road congestion. Can we reassure such people that help is within sight with a reasonable timeframe?

**Deputy Denis Naughten:** There are two issues. First, I am committed to making sure the national broadband plan rolls out a long-term solution to those homes and businesses as soon as possible. With regard to the Deputy's specific point on businesses, I was with a business last month in my constituency outside the town of Ballinasloe and its representatives made the same complaint to me, in that they are just outside the intervention area under the Eir commitment agreement. I was able to identify three solutions for them, two of which involved a fibre cable that runs at the edge of their site and the other was a mobile solution, and there were also two additional potential wireless solutions. There are a number of solutions out there and, while they may not be the ideal solutions, they are short-term solutions to deal with these problems.

A broadband officer has been appointed in every local authority and I encourage people to make contact with their local broadband officer to find out what networks are available in those areas. At this stage, there are very few areas that do not have access to some type of broadband service. In regard to mobile broadband services, we are in particular seeking to identify black spots across the country and find out what work we can do with the mobile companies to address those black spots, both in regard to voice and data. We are working with the Minister, Deputy Humphreys, on that at present.

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## Illegal Dumping

53. **Deputy Niamh Smyth** asked the Minister for Communications, Climate Action and Environment his plans to assist county councils deal with incidents of illegal dumping; and if he will make a statement on the matter. [21898/17]

**Deputy Niamh Smyth:** I have raised the issue of illegal dumping before with the Minister in the Chamber and I know that, since then, he has launched a programme in regard to the local authorities that involves drones, surveillance equipment and so on. I want to cite four particular incidents in County Cavan in recent weeks. Some 31 bags of rubbish were dumped beside the Town Lake in Bailieborough. Bags of rubbish and other household refuse were dumped beside a lovely scenic spot at Lough Sillan in Shercock. In regard to Erica's Forest in Cootehill, which also involves Monaghan County Council, I received telephone calls and photographs were sent to me on Saturday morning because another beautiful scenic area was destroyed with rubbish. Castletara community alert telephoned me over the weekend to say that household furniture had been dumped.

**Deputy Denis Naughten:** The programme for Government contains a specific commitment to work with local authorities to tackle the problem of illegal dumping and to develop effective deterrents to discourage people from engaging in this anti-social behaviour. In accordance with this commitment, my Department developed an anti-dumping initiative to work in partnership with local authorities and community organisations in identifying high risk or problem areas, developing appropriate enforcement responses and carrying out clean-up operations.

Applications for funding from local authorities were invited for consideration by the relevant waste enforcement regional lead authority subject to the selection criteria developed for this purpose. This includes monitoring and surveillance of dumping black spots and the development of an integrated and effective approach to dealing with this issue. An initial allocation of €650,000 was made available to support this initiative. Funding is being prioritised for projects where community groups and other State agencies work in partnership to clean up and prevent illegal dumping, and where effective enforcement actions are being undertaken by local authorities.

I have been advised that 111 applications have been received by the waste enforcement regional lead authorities from all over the country and I understand that local authorities are currently being notified by the lead authority of the projects that have been approved for funding. Given this very positive response and the quality of the applications submitted, it is my intention to make further funds available to support a second phase of this initiative in 2017 and I will be making an announcement in this regard shortly.

**Deputy Niamh Smyth:** This comes on an historic day for Cavan as the county launches its Cavan diaspora engagement strategy. As part of that, it is outlined that 40,000 visitors will come to Cavan as part of the Taste of Cavan festival. Part of the strategy is to increase visitor numbers to counties such as Cavan and Monaghan and to link in with those who have left our waters to go to England and America and encourage those people back. This strategy was launched today in Leinster House.

On another issue, while the surveillance equipment is wonderful, I believe it will not work until we have the manpower on the ground. From my experience of dealing with the local authority to try to address these issues, I know staff are being pulled from cleaning up problem

areas to trying to prosecute the culprits who are responsible for this blight on our countryside.

**Deputy Denis Naughten:** An increased sum of approximately €9 million has been provided to resource local authorities on the enforcement side. The most effective tool in that regard is probably on-the-spot fines and I accept we need to improve surveillance. As I said, 111 projects have been submitted. The total cost of the projects submitted is some €1.2 million whereas I had an initial allocation of €650,000. I said at the time I announced this that I would not be found wanting if additional projects came in, and I will not be found wanting. I understand six projects from the Deputy's constituency have been submitted. Where communities are coming together, I believe they need to be supported. The initiative promoting the county of Cavan is very positive.

I believe that what is going on in regard to illegal dumping is economic sabotage of communities across the country. It also has a huge impact in regard to the amenities because if there is rubbish, and vermin are attracted to that, people will not bring their children to those amenities, although I and many other parents would love to do that at weekends. On top of that, local authority resources that could be used for many other purposes are being tied up in clean-ups. We want to try to clamp down on this and that is why I will be in a position to resource and improve all of the successful projects.

**Deputy Niamh Smyth:** I thank the Minister. Again, I think surveillance equipment is very important. I understand that Cavan has two full-time staff to cover the entire county and Monaghan County Council has one full-time staff member. There has been a massive reduction in the number of staff allocated to this job, which I see as one of the most important things we can do for our counties and constituencies. The Cavan diaspora engagement strategy needs that kind of back-up so we can have a beautiful countryside for people to visit. I will cite one other incident, that of 120 tyres dumped along the N2 into Monaghan. The Minister knows as well as I do there is a huge problem of tyres being dumped across the countryside, for example, 120 in one particular spot. If there is one member of staff in a local authority trying to deal with that, to clean up the mess after it and to find the culprits and prosecute, the local authorities need more manpower, along with the equipment for which the Minister is making available an allocation of funding.

**Deputy Denis Naughten:** First, to correct the record, the annual grant paid for enforcement to local authorities is €7.2 million. There are 120 enforcement officers across the country-----

**Deputy Finian McGrath:** It must be in Cavan.

**Deputy Denis Naughten:** Specifically dealing with the issue Deputy Niamh Smyth raised regarding the 120 truck tyres that were dumped on the N2 in Monaghan, the estimated cost of removing those was €1,400. I hope to be in a position within the next couple of weeks to make a specific announcement on the tyre sector and to have it robustly regulated. In fairness, the sector is working quite closely with me in that regard and we are looking at mechanisms to deal with the specific problems the Deputy highlighted. It is not only in Monaghan and Cavan. This is right across the country where we have mountains of tyres being stored up. I hope to be in a position, working with the sector, to address these problems.

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## Brexit Issues

54. **Deputy Brian Stanley** asked the Minister for Communications, Climate Action and Environment the discussions which have taken place in regard to the future of the part of the Irish strategic oil reserve physically held in the UK after the UK leaves the European Union. [21837/17]

**Deputy Brian Stanley:** My question pertains to the parts of our strategic oil reserves that are held in Britain or in the North because a serious situation could arise with Brexit. I ask what discussions have taken place at European level or with the British Government in this regard.

**Deputy Denis Naughten:** Ireland holds 90 days of emergency oil stocks, in accordance with International Energy Agency, IEA, rules and EU legislation, to be used in the event of a supply disruption.

The majority of these stocks are held in Ireland and some stocks are held in other EU member states, including the United Kingdom. Ireland has entered into bilateral agreements with those member states, including the UK, where our stocks are stored. EU Directive 2009/119/EC places an obligation on EU member states to maintain oil stocks within the Community at all times. Under the current legislation, when the UK leaves the EU, the stocks held in the UK would not be counted as part of our 90-day obligation under that directive.

It should be noted, however, that the UK is also a member of the IEA and therefore the continued holding of oil stocks in the UK, even after Brexit, would count towards the IEA's 90-day oil stocks obligation. After the UK leaves the EU, it still will be a member of the IEA and will continue to participate in the IEA collective actions that would be activated in the event of an oil crisis.

My officials and I take every opportunity to discuss the potential impacts of Brexit with our EU and UK colleagues, including with the European Commission task force and officials from the UK's Department of Business, Energy and Industrial Strategy, and the Department for Exiting the European Union.

As the Deputy may be aware, one of the four key Brexit energy priorities identified by the Government is accommodating Ireland's ability to meet EU obligations post Brexit. One of the main issues under this priority is the obligation on EU member states under EU Directive 2009/119/EC to maintain emergency oil stocks within the Community. My strong preference is that the current position remains, whereby stocks held by Ireland in the UK, including Northern Ireland, are counted as part of our 90-day emergency stocks obligation.

I should point out that, in line with the Government's energy policy White Paper of December 2015, the National Oil Reserves Agency, NORA, is continuing to maximise the level of its stocks held on the island of Ireland subject to storage availability and value for money considerations. This policy of maximising stocks in Ireland precedes the UK Brexit decision.

**Deputy Brian Stanley:** This is an important issue, given that we are so dependent on imported oil and fossil fuels. We import 100% of our oil demands and 95.3% of our gas demands. Obviously, with the Brexit discussions, the rule of thumb is there are no certainties regarding anything.

I welcome the fact that discussions have taken place. If I heard the Minister correctly, he

stated that the part of our oil reserves held in the UK following Brexit would not be counted as part of the 90-day emergency supply. The Minister might clarify that.

**Deputy Denis Naughten:** For EU rules it would not be counted, but for the International Energy Agency rules, it would.

**Deputy Brian Stanley:** The Minister also stated his own preference was-----

**Deputy Denis Naughten:** To maintain those reserves in the UK.

**Deputy Brian Stanley:** -----to maintain those reserves in the UK. The question here is, what proportion of those are held in the North? Hopefully, there will be an assembly up and running, an Executive and - who knows - even maybe a united Ireland fairly soon. With those institutions coming back into place, the more of those oil reserves that are on the island of Ireland, the more secure our oil resources are and the quicker they can be accessed, particularly in times of conflict, etc.

**Deputy Denis Naughten:** I agree wholeheartedly with Deputy Stanley.

To give the Deputy the figures, approximately 57% of Ireland's strategic oil reserve is held in Ireland, 20% is held in the UK, 9% in Northern Ireland and 11% in Scotland. The remaining 23% is held in the other EU countries, Denmark, Sweden and Spain. The reserve held in Northern Ireland is held in Derry and in Cloghan Point - those are the two storage facilities. We are refurbishing existing storage facilities in Great Island in County Wexford and in Poolbeg here in Dublin, and Irving Oil would have a substantial amount of it in Whitegate.

If we were to move away from the UK if we did not get a derogation to this particular EU directive, it would probably mean that we would have to store that in France, and more likely, in Spain because it is probably the only place where there is any bit of capacity at present. It makes far more sense to hold it on the island of Ireland than having that in France or in Spain. It makes far more sense to store that in Scotland than in France or Spain because of accessibility and it is my objective, as part of these negotiations, to ensure that we get a derogation that complies with what are the International Energy Agency rules anyway.

**Deputy Brian Stanley:** The Minister stated that there are facilities being refurbished in Wexford and at Poolbeg. Are those belonging to private companies? Who is funding their refurbishment? There was a State oil facility off Cork but it is in the hands of the private sector at present. The Minister might outline the situation with those facilities.

Given the constant volatile situation in the Middle East and in the big oil producing countries, there is always a vulnerability around oil. We are in a particularly precarious situation. The Minister's opinion that the oil reserves be held in the State or in countries near to the State until we increase our capacity is the correct one, but we are in a very vulnerable position because we are so dependent on fossil fuels. We had a discussion earlier about the need to accelerate the drive away from that dependency. It is also costing us nearly €6 billion a year that is going out of the country on imported fossil fuels. The Minister might answer those questions about Wexford and Poolbeg.

**Deputy Denis Naughten:** My long-term objective is not to increase capacity. My long-term objective is to drive down the need for fossil fuels in the first place.

To answer the Deputy's specific question in the short term, NORA funds the purchasing,

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financing and holding of strategic oil stocks by way of a 0.02 cent levy per litre on certain petroleum products in the State. NORA has reached an agreement with the ESB for the leasing of redundant oil storage at its site at Poolbeg in Dublin. Refurbishing of this facility for the storage of approximately 120,000 tonnes of Ireland's oil reserves has commenced. The completion of this project could provide a valuable increase in the oil reserves stored in Dublin Port, through which approximately half of all Ireland's oil product is transported. That project is expected to be completed in 2019. In addition, NORA has negotiated with SSE for the leasing of 55,000 tonnes of redundant storage at its site at Great Island in Wexford. It is hoped to complete this project in 2019. That will bring onto the island far more capacity than would have been the case. In tandem with bringing that capacity back into the State, as well as trying to reduce overall consumption and develop alternative renewable energy sources on the island, we believe we can have a substantial amount of our needs based here in the longer term. Ultimately, it is my intention that we would not have a need for a significant amount of strategic oil reserves because we would no longer be dependent on imported fossil fuels, which is running at approximately €4.8 billion a year.

*Written Answers are published on the Oireachtas website.*

## **Topical Issue Debate**

### **Hospitals Funding**

**Deputy John Brassil:** I very much welcome the opportunity to raise this matter as a Topical Issue because in March this year I tabled a parliamentary question due to my concern about a potential shortfall of €5.6 million in the budget of University Hospital Kerry. In the reply I received to my parliamentary question there was an explanation of the previous model of rolled-over funding and I was informed that there has been a switch to activity-based funding. Concerns had been expressed about that. There was a key line in the response, which I will outline to the Minister of State. I was told that, in summary, the projected spend for 2017 exceeded the allocated budget by approximately €5.6 million. The reason for the variance relates largely to unexpected costs associated with agency locum consultants and non-consultant hospital doctors, additional nursing posts, and the need for additional health care assistants, all of which are necessary to provide a safe clinical service. The reply went on to say that to identify a saving of €5.6 million, the hospital needs to look at the service and identify post and non-pay items that can be removed from the projected spend. It was stated that would clearly have a significant effect on service delivery and potentially could give rise to significant clinical risk. It is extremely concerning when the HSE replies to a parliamentary question and itself flags a potential significant clinical risk to the operation of a hospital.

We know the issues hospitals such as University Hospital Kerry face in regard to recruitment. When one has an over-reliance on agency staff, in particular agency consultant staff, agency non-consultant hospital doctors and agency nurses, sometimes costing in excess of five times what it would cost for staff under a standard recruitment process, the hospital in question will run into difficulties. At the end of 2017, will we ask University Hospital Kerry to cut back on elective surgeries, equipment such as surgical devices or drug costs? Those areas of expenditure are all critical factors in the successful running of the hospital. Until we address recruitment we will struggle to a significant extent with the funding of hospital services.

On foot of the work being done by a committee of which I am a member, the Committee on the Future of Healthcare, I hope the recruitment of all staff in future will be done on a hospital group basis. We might then be able to make inroads into the staffing issue. At the moment we are asking hospitals to meet their budgets. Their only recourse to proper staffing levels is through agencies, and then we beat them up for not meeting their targets. We are putting rural and peripheral hospitals such as University Hospital Kerry in an impossible position. When I get a reply to a parliamentary question which tells me there is a significant potential clinical risk facing us towards the end of this year, it gives rise to concern. We need to provide the necessary funding until such a time as the recruitment deficit that exists is made up and allows the hospital to function properly.

**Minister of State at the Department of Health (Deputy Finian McGrath):** I thank Deputy John Brassil for raising this very important and serious matter and giving me the opportunity to inform the House on it. I also convey to him the apologies of the Minister for Health, Deputy Simon Harris, who is away on Government business at the moment.

An activity-based funding, ABF, system is being introduced in public acute hospitals on a phased basis. That represents a fundamental change in how health care is funded in Ireland. Implementation of the funding model involves moving away from inefficient block grant budgets to a new system where hospitals are paid for the actual level of activity undertaken, subject to budgetary limits. As such, there will be a shift from funding facilities and settings to funding episodes of care instead. Other key benefits from the introduction of ABF include increased fairness in resource allocation, improved efficiency and increased transparency.

January 2016 represented a major milestone in the implementation process because the ABF system was introduced for inpatient and day case activity in the 38 largest public hospitals. The ABF activity targets were initially identified at the hospital level and then combined to form overall hospital group activity targets.

Transition payments have also been calculated at the hospital level before being aggregated at group level. Transition adjustments are payments made to hospitals which are operating above the national average price to avoid financial instability. The level to which hospitals are operating above the national average price is calculated as part of an annual benchmarking process. For 2017, hospitals have been allocated 90% of the value of that calculation with the remaining 10% being provided to hospital groups. The hospital groups were provided with the overall targets and allocations and were then given the opportunity to adjust individual hospital activity targets and associated funding levels as well as the level of transition payments to apply to their member hospitals as long as they remained within the overall group allocations, with oversight for such changes from the acute hospitals division in the HSE.

With regard to University Hospital Kerry and the suggestion that the hospital has a €5.6 million shortfall due to the ABF process, the HSE has informed the Department of Health that the hospital was in fact allocated an additional €881,000 this year under ABF. It was also allocated an additional €2.5 million in structural payments to cover agency costs. Any budgetary shortfall therefore is not related to the ABF system and will have to be addressed by the hospital and the hospital group. University Hospital Kerry is part of the South/South West hospital group. The group has advised the Department that it will continue to work closely with University Hospital Kerry to support it in managing the budget situation. It has also advised the Department that while there are risks identified on the hospital's risk register, the group has confirmed that all risks are being mitigated to ensure the delivery of safe patient care.

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**Deputy John Brassil:** I thank the Minister of State for his reply. Having done a very quick tot in my head, if the hospital was provided with €2.5 million and €881,000, that comes to approximately €3.3 million. In the reply I received to the parliamentary question I asked in March, the sum of €5.6 million was identified as a deficit. That still leaves a shortfall of €2.3 million. One part of the HSE has given me one figure and the Minister of State has given me a different figure.

From speaking to people involved in the hospital locally I know the real issue is that there is a significant shortfall and it has to be met. I have no issues with activity-based funding, better efficiencies and all that goes with that, but there is a transition period, this is the first year of the new system and the hospital in Kerry needs the shortfall to be made up in order that there is not a significant clinical risk, as was pointed out in the reply I received to my parliamentary question. I hope there is not a significant clinical risk, but if one is dealing with a shortfall of €2.3 million, I do not see any other outcome.

I wish to apprise the Minister of the gravity of the situation. Both the hospital manager and assistant hospital manager in Kerry were operating in temporary positions for the last number of years. Both of them were doing an exceptionally good job in the circumstances. In March this year both those jobs were advertised as full-time permanent contracts, yet neither the acting manager nor the acting deputy manager saw fit to apply for them. They basically felt that given the circumstances and restraints, they would not be in a position to do the job properly. That, therefore, is the challenge facing us when two extremely efficient and capable people will not apply for permanent jobs when they become available. That challenge will continue until such time as we address staffing issues in all our hospitals.

There is a historic issue from the moratorium that was in place whereby voluntary hospitals continued to recruit because they were directed to do so by their boards of management. Public hospitals obeyed the moratorium, however. Now there is a huge imbalance which we will have to address. We have to get staffing up to a level that allows the hospital to function and does not cripple it with agency costs which result in budget overruns. In this case it is €2.3 million above what is allowed for.

**Deputy Finian McGrath:** I accept many of the arguments that Deputy Brassil has put forward. For example, he spoke about unexpected costs and agency staff issues. I have noted this in my own portfolio covering disabilities. If one does not have stable services, it costs more to bring in agency staff, so we must address that particular issue.

We also have to address the issue of recruiting administrative and medical staff, including nurses. There are difficulties in getting such staff. I agree with the Deputy that we have to clarify the figures involved. I will bring those concerns back to the Minister, Deputy Harris, and the HSE because we must have answers.

I am glad, however, that the Deputy accepts the model of activity-based funding is a new one. It ensures a fair system of resource allocation, drives efficiency and increases transparency. At the same time, if there are any funding or staffing issues during the transition period, we have to address them. We all want to reform the health services, but above all, we want to ensure patients are safe in hospital.

## **Special Educational Needs Service Provision**

**Deputy Michael D’Arcy:** I thank the Minister, Deputy Bruton, for taking this serious Topical Issue matter. Gorey community school is the largest post-primary school in Ireland with 1,577 students. It is an inclusive school with 211 students with identified special educational needs. The school does a lot of good work and is not selective with regard to students with learning difficulties.

There are 40 students in the school with autism spectrum disorder, ASD, for 12 of which the school has applied for two classes comprising six pupils in each. That is the background to what Gorey community school wants to do to ensure these students have the best possible care and opportunity to learn and progress through education.

The application for an ASD unit went through the process but the school was informed that Creagh College, under the patronage of the Waterford-Wexford Education and Training Board, already has such a unit. The unit is in Creagh College but, amazingly, it does not have any students or staff to run it. The students and staff are in one school, but the ASD unit on the other side of Gorey has the physical facility. One could not make it up.

That is the background to where things stand. In a letter to the Department of Education and Skills, the principal of Gorey community school, Mr. Michael Finn, stated, “The fact is that while Creagh College has a physical facility, Gorey community school has the students enrolled and has the responsibility of addressing their [i.e. students with ASD] significant needs which are not being appropriately met in Gorey community school.” A note attached to that letter, which also went to the Department, states:

There is no safe space or room available to remove students who present with extremely challenging behaviour. This is impacting on the school’s ability to meet these students’ complex needs, as in one instance a placement is in danger of becoming untenable.

That suggests to me that the school is doing its very best. It is not good enough for the Department to respond by saying they have spent the money and that the physical space is in another school where there are no students or staff. This matter needs to be brought to a conclusion, so I look forward to the Minister’s response.

**Minister for Education and Skills (Deputy Richard Bruton):** I thank Deputy D’Arcy for raising this matter. The briefing I have is not quite the same as the issue the Deputy has outlined. Perhaps we need to clarify some points. It has certainly not been brought to my attention by the National Council for Special Education, NCSE, which would have responsibility for placing children, that the needs of the children in Gorey community school are not being appropriately met. That is the case the Deputy is making, but that evidence is certainly not available in my Department. I will ask the NCSE to assess the matter.

The Deputy is right in saying that we have provided a new 1,000 pupil school in Creagh College. That is obviously a growing school, and as its numbers grow, it will be fully equipped and staffed both with teachers and SNAs as appropriate. Within that construction, it has been provided with a four classroom special needs unit, with a capacity for 24 students. As those students present themselves, they will be fully equipped with resource teachers and SNAs.

As I understand it, the position in Gorey is that there are 12 children in an ASD unit, so there is provision for an ASD unit in Gorey community college. Between both colleges we have six

special needs units. At this point the Department is waiting to see the growth of requirements involved. I will investigate the case the Deputy has made that these children's needs are not being appropriately met. There is a process of appeal to the NCSE and a school would work through its local special needs organiser in respect of any requirement. In turn, the NCSE would identify the most appropriate support.

In a wider context there are 681 children with ASD needs in County Wexford. Some 216 of them are in special classes spanning early childhood, primary and post-primary. A substantial number of children on the ASD spectrum are catered for in mainstream education with appropriate support from resource teachers and SNAs and without necessarily having a specific, dedicated unit.

The most appropriate level of provision depends on the needs of the child as assessed by the NCSE. The response from my Department, which the Deputy will see, indicates that the NCSE advises that there is enough capacity to meet local needs. Obviously, if it is the case children's needs are not being appropriately met, that would be of concern and the NCSE would assess the position. It would not be a matter or issue on which I, as a Minister, would make a judgment. They would have to be assessed by the NCSE and, in turn, the Department would have to respond to what it identified.

**Deputy Michael D'Arcy:** I thank the Minister. It is kind of a funny space to be in that the Minister has been given a reply to this Topical Issue debate that is wrong. That is a little bit of my criticism. The NCSE tells him that there is capacity for 24 students. There is that capacity in the education centre in Gorey, but it is in the wrong school. The school in question, which requires two units for 12 students, does not have any space. The school is doing the best it can for those students in the circumstances in which it finds itself, but it is no longer acceptable for this to continue. I find it amazing and it is part of my criticism - the Ceann Comhairle has heard me criticise the responses that come back on some occasions - that what the Minister has been presented with is correct but it is also wrong. It is wrong because the students in the school that has staff have no physical facilities. There is a school located about a mile away that has the facilities, but it does not have any students and has no staff for the requirements. Something needs to give. I ask the Minister to bring this to a conclusion or to ask the NCSE to explain how it could give - and I am trying to be generous - an answer that is misleading in the extreme.

**Deputy Richard Bruton:** It is unfair to say that it is misleading. My understanding of this, which I will have to get clarified because there is obviously a difference of evidence, is that the Department has responded to the need. As the Deputy rightly says, this is the largest school in the country. The Department has built a new school. That school is to provide for 1,000 children. This is an area that is rapidly expanding. In order to anticipate the need, it built in facilities for 24 children in four ASD units. That is planning for an anticipated need.

It has not been presented to me that Gorey community school is seeking to expand its provision of ASD units. As I understood the matter, it has 12 children in an ASD unit and that is providing the appropriate service for them. That ASD unit was built some time ago, but there are new facilities and existing facilities. As the Deputy has said, there are children in one school whose needs are being met and there is quite a number of children with special needs. They will have resource teaching, SNAs and, where appropriate, ASD units as opposed to mainstream classes allocated to them as the NCSE identifies their needs.

On the advice of the NCSE, the Department has built an expanded facility to provide for

the growth in the area and it is making provision for service. It is a bit simplistic to say that the Department is building in one location where there are no teachers and no students. It is a growing school and its enrolment has yet to reach its full level, but naturally, as a rapidly growing area, we would be expected to make provision to expand where needed. The net question that the Deputy is raising - and on which I will seek advice from the NCSE - is whether it is the case that the children in the community school are not being adequately catered for in the ASD units which I understood were there. That is a question that will need to be assessed by appropriate people on the basis of the evidence.

**Deputy Michael D’Arcy:** To clarify for the Minister, there is no ASD unit in Gorey community school. It is requesting that an ASD unit be built for 12 students in two classes. For the Minister’s information, there is no unit. The teachers and students are working in spaces all around the school where they try to do their best. I just want to clarify that as a point of information.

**An Ceann Comhairle:** I thank Deputy D’Arcy. We now move on to the third item, which relates to Deputy Michael Collins seeking to discuss the harvesting of kelp forests in Bantry Bay.

**Deputy Michael Collins:** I thank the Ceann Comhairle.

**An Ceann Comhairle:** No, we may wait. We do not have a Minister to take this.

**Deputy Eugene Murphy:** Was our item not third?

**An Ceann Comhairle:** We will take the Deputy’s item-----

**Deputy Eugene Murphy:** It does not matter.

**An Ceann Comhairle:** I am sorry, Deputy Eugene Murphy’s item was fourth. Is the Minister of State, Deputy Breen, taking the matter tabled by Deputies Eugene Murphy and Dara Calleary?

**Deputy Pat Breen:** Yes. It is actually down as Topical Issue No. 3.

**An Ceann Comhairle:** It is down in front of me as Topical Issue No. 4, but Deputies Eugene Murphy and Calleary may proceed.

### **Company Closures**

**Deputy Eugene Murphy:** As long we are getting the coverage, I will be happy. I thank the Ceann Comhairle for allowing us to raise this matter. I will be sharing two minutes with Deputy Calleary and giving a minute of my time to the Minister. I mean I will be sharing a minute with Deputy Fitzmaurice. I thought he went into Government last February. My apologies.

The recent announcement of the closure of the Exclusive Cigar Manufacturers Ireland, ECMI, plant in Ballaghaderreen really did not come as a surprise to many people. A number of the staff have been saying that the writing has been on the wall for some time. I feel that, because it was known for some months that there could be difficulties, the Government should have been on the ball and monitoring this situation. If it was not able to save those jobs, perhaps it could have had something in place in order to ensure that employment would have been

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brought into Ballaghaderreen to replace those jobs that are being lost.

ECMI was established in Roscommon in 1978 and is one of the largest private employers in west Roscommon. That might surprise some people, but it is the case. The jobs involve a specific skill set and many who are being made redundant will likely have to leave their county to find similar work, and we all know that Dublin is busting at the seams. IDA Ireland has visited County Roscommon only once in 2017 and nearly half the year is gone. From the information I have received, its representatives also only visited once in 2016. Ballaghaderreen has been dealt several severe blows in recent years. Going back 12 or 14 years, we had the loss of the United Meat Packers, UMP, meat plant, but we have also lost a hotel and several businesses. The reality is that community in Ballaghaderreen reacted. It built many units which are there for jobs to go into, but the Government has not delivered. There is a huge amount of talk about balanced regional development in the programme for Government but it is not happening. I know I will have an opportunity to come back. I will hand over to Deputy Fitzmaurice for tamall beag.

**Deputy Michael Fitzmaurice:** Go raibh maith agat a Cheann Comhairle. I thank Deputy Eugene Murphy for sharing time. I echo his words with regard to Ballaghaderreen having suffered a devastating blow. My understanding is that the Minister for Jobs, Enterprise and Innovation has said that the likes of Enterprise Ireland or IDA Ireland do not get involved with tobacco-related products. That was said to me in recent few weeks. Regardless of what they do or do not get involved in, the west of Ireland needs a balance of development. It is not getting it. Ballaghaderreen was once noted as a sort of gateway town, especially with Knock Airport located nearby. We need a focus on Ballaghaderreen as well as other towns in County Roscommon and, indeed, the west of Ireland because, sadly and as was noted earlier, these people will have to drive 90 or 100 miles to Dublin, which is not able to cater for those that are there already.

If one looks at all the plans, one will see that there is a focus on building railways out to the likes of the airport and such projects. There should be a focus on putting good infrastructure in place and on ensuring that it is attractive, especially for business people, to move to towns like Ballaghaderreen. I am not saying that people can be picked up by the neck and told to set up business there. The town lost the meat factory and it has lost other businesses. There is scope there. There are people in the area. That is one thing there is. The raw materials are there in respect of employment because of the number of people in the area. If we can get jobs in, it will be good for the west of Ireland and it will be good for Ballaghaderreen. It will also be good for the economy. I ask the Government to start focusing on this and making sure that the west of Ireland gets its fair share.

**Deputy Pat Breen:** Is Deputy Calleary to speak?

**An Ceann Comhairle:** We will bring Deputy Calleary in on the next round.

**Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy Pat Breen):** I thank Deputies Eugene Murphy, Fitzmaurice and Calleary for raising this issue. It is an important issue that I have been following closely since I was first informed about the announcement. First, as a rural Deputy, I recognise the impact that job losses can have on a town such as Ballaghaderreen and my thoughts are with the workers and the wider community affected by this announcement. Thankfully, there have not been too many announcements like this in recent times. In fact, the trend is going in the other direction. When it does happen, it is

dramatic for a town. I must highlight that Workplace Relations Commission customer services staff are available to meet the employees concerned to provide information and answer any questions they may have with regard to their current situation and statutory employment rights entitlements. In addition to this, the State provides industrial relations mechanisms to assist parties in their efforts to resolve any differences they may have.

ECMI received a number of supports under various schemes from my Department through Enterprise Ireland between 2006 and 2011. In January 2013, the Department of Health communicated to all Departments and their agencies the guidelines for the implementation of Article 5.3 of the World Health Organization Framework Convention on Tobacco Control. Specifically principle 4 of the guidelines states that “because their products are lethal, the tobacco industry should not be granted incentives to establish or run their businesses”. As such, my Department and its agencies are no longer in a position to support companies in this sector. Let us be clear that this only applies to this sector.

That said, my Department will continue to concentrate on creating sustainable employment in all regions of Ireland through the regional action plans for jobs. The action plan for jobs for the west covers counties Galway, Mayo and Roscommon. It is designed to promote the region as a whole for economic development, which will in turn benefit all three counties. In 2016, the west was the second fastest growing region in terms of employment, with numbers employed increasing by 5.5% over the year. We are definitely moving in the right direction, so I am committed to working with the various agencies and stakeholders in the west to ensure positive trends continue and sustainable jobs are ultimately created.

I might point out to the Deputies the importance of indigenous industry in the area. The local enterprise offices, LEOs, in Roscommon created 121 jobs in 2016. Enterprise Ireland created 133 jobs while IDA Ireland created 34 jobs. From IDA Ireland’s point of view, it is difficult because it tries really hard. One must understand that many of the new jobs announced by IDA Ireland are in existing IDA companies, so it is not a case of new companies coming in all the time. I am very encouraged by the LEO figure. I think the LEOs have a very important role to play in job creation, particularly in the counties concerned. There are 31 of them in the region. I am convinced that they along with Enterprise Ireland will play an active role in securing indigenous jobs in the region. If the Deputies are anxious for me to visit the LEO offices to see any plans for the future they have, I will be delighted to visit the LEO offices in County Roscommon and bring Enterprise Ireland personnel with me to see what we can do to improve the job situation in Roscommon. However, I am confident that with the regional and overall action plans for jobs, we will be able to grow in the regions, especially in Roscommon. I will elaborate on that in my further reply.

**Deputy Dara Calleary:** I thank Deputy Eugene Murphy for allowing Deputy Fitzmaurice and me to share his time. I bear the Minister of State no personal grudge but that response was completely inadequate. There is nothing specific in that response that relates to west Roscommon or east Mayo, the areas that are directly affected by the loss of these jobs. Knock Airport in east Mayo, which catered for 750,000 passengers last year, is completely underutilised as a base and asset for economic development. A very innovative food ingredient plant run by Aurivo in Ballaghaderreen has the potential to spawn more industry if focus is put on food and creating food jobs within Ballaghaderreen. We cannot keep ignoring the collapse in small towns. The ultimate irony is that Ballaghaderreen is the headquarters of the Western Development Commission whose outgoing chairman, former Fine Gael councillor Paddy McGuinness, declined to be reappointed because he called the Minister of State out, called the Government out and,

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more importantly, called permanent Government out for their complete lack of interest in and lip service to the challenges facing regional Ireland. We want the Minister of State to come to west Roscommon and east Mayo and, in terms of Roscommon, focus on west Roscommon. The growth he speaks about is going into the area around Monksland. It needs to be spread across the county. Similarly, the action plan for jobs in the west is a plan for Galway city and the rest of us are being left behind.

**Deputy Pat Breen:** I thank Deputy Calleary for highlighting this issue. Ballaghaderreen has a population of 3,000 people. A loss of 38 jobs is significant in such a region. They are all local people as well. However, I must put on record the work that has been done through the Action Plan for Jobs. The first progress report was completed in December. The statistics are there to prove that the number of people on the live register in Roscommon fell by 1,300 over the past four years, which is a decline of 30%, so it is not all doom and gloom in respect of job creation. My Department and I are very focused on the regions. The new Action Plan for Jobs, which we launched last February, has said that 200,000 jobs will be created by 2020, of which 135,000 will be in the regions. We have exceeded our expectations. In the first Action Plan for Jobs, we said we would create 100,000 jobs. We created 190,000 jobs. I assure the Deputy that the agencies under the aegis my Department and the Government are committed to Roscommon.

We had an initial allocation of €5 million in competitive funds for 48 local and regional initiatives. We had two calls under the competitive fund and the community enterprise initiative. Eleven projects in the west were successful in securing funding. Five of those involve partnerships with organisations in Roscommon and aim to benefit and support local business and entrepreneurs. The unemployment rate in the west is 7.9%, which is a bit above the rest of the country, but efforts are being made by agencies.

I must again point out the work being done by the LEOs. Foreign direct investment, FDI, will not go into every area. It tends to go into clusters. It is important to encourage entrepreneurship and we are doing this. Despite the challenges, the LEOs succeeded in creating more than 3,500 jobs last year. When we look at the LEO figures in Roscommon, we can see the figure in 2015 was 145, which was double the 2014 figure. The figure fell back slightly in 2016 but I am anxious that we continue to ensure Roscommon is well served. Enterprise Ireland is doing that and is working in collaboration with the LEOs as well. A total of 133 jobs were created in Roscommon last year, while in 2014, 311 jobs were created.

With the agencies and the support of the Government, I am confident we will secure alternative employment for Ballaghaderreen. There are 3,000 people living in Ballaghaderreen, so losing 38 jobs means a lot, particularly for young families that may have mortgages, etc. We are very conscious of that. Last year, we made €150 million available to IDA Ireland to support a regional property programme to drive jobs in the multinational sector in rural areas. The resources are there. We got resources in last year's budget. Rural Ireland is very important to us and will continue to be important to my Department. I am very conscious of the concern raised by all three Deputies and will visit Roscommon in the near future to see at first hand what is happening with the agencies there.

## **Seaweed Harvesting Licences**

**Deputy Michael Collins:** I wish to discuss the ten year kelp harvest licence issued by the Department of Housing, Planning, Community and Local Government to BioAtlantis in Tralee to harvest mechanically 753 hectares, or 1,860 acres, of native kelp forest in Bantry Bay in west Cork. The licence that allows BioAtlantis to harvest mechanically vast amounts of kelp in Bantry Bay is experimental and the effects could cause huge damage to west Cork. This is the first licence in Ireland or Great Britain to allow the mechanical harvesting of seaweed and the effects could be detrimental to wildlife, tourism and employment in Bantry. The mechanical harvesting of kelp will affect birds, fish, flora and invertebrates in the area and also the local fishermen whose living depends on the bay and its resources.

There is much anger and unrest in west Cork as a result of this licence being issued and there is huge concern for the local ecology and economy. Bantry Bay is a crucial resource in terms of the environment, tourism and local jobs. This licence, which has been granted without essential input from key stakeholders, is seen as a serious imposition on the people of Bantry. They feel that the granting of the licence was grossly unfair and see no benefit accruing to the Bantry area. Instead, there is significant fear of the negative implications it will have.

There was a lack of adequate communication between the Minister of State's Department and the people of the Bantry area on this issue. The Department has an obligation to support Cork County Council and provide information on proposed developments in the locality in order for the council to be able to disperse this information to the public and allow the public to have an input. Cork County Council was not consulted about the granting of this licence, which will have an enormous impact on the people of Bantry and the wider community.

In 2010, the local community, regulatory bodies and other agencies with an interest in Bantry Bay developed the Bantry Bay coastal zone charter in order to safeguard our bay. The project was initiated by Cork County Council to address the challenge of successful coastal zone management around Bantry Bay. The stakeholders' charter is based on the understanding that regulatory agencies need to work in partnership with the local community for the successful management and development of the area. It explores the use of consensus, whereby all stakeholders work together to develop a single agreed approach to its development.

Key aspects of the charter include that local people have a role in decision-making in their local area. It states that all regulatory agencies must ensure that the public can understand how they operate and take decisions. The public must be able to have an input into the decision-making process and have full information about decisions made and appeal procedures. Where appropriate, all developments should involve all relevant organisations and individuals working together. Wherever possible, decisions affecting the Bantry Bay coastal zone should be taken on the basis of consensus, where general agreement among the local community is reached. This is to ensure that the decisions will have the strongest community support possible. The environment of Bantry Bay is unique and valuable and should be protected. All proposals for the Bantry Bay coastal zone should minimise the possible negative impact on the environment and, wherever possible, should improve the environment. The necessary requirements for local traditional livelihoods to survive and be successful should be respected in all proposals for the Bantry Bay coastal zone.

The Department has completely ignored the Bantry Bay coastal zone charter which stakeholders in our community worked so hard to develop. I ask that the Minister of State revoke

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the licence issued to BioAtlantis Tralee without delay on the basis that the Department did not advertise this licence with sufficient detail, it did not engage in consultation with local stakeholders and it failed to respect the Bantry Bay coastal zone charter.

**Minister of State at the Department of Housing, Planning, Community and Local Government (Deputy Damien English):** I thank Deputy Collins for raising this matter and giving me the opportunity to set out some background and context to the licence and the concerns that have recently arisen. My Department regulates seaweed harvesting in accordance with the Foreshore Act 1933. It aims to ensure that wild seaweed, which is a valuable resource, is managed appropriately to ensure that it remains sustainable and that the marine environment is protected. The use of wild seaweed has the potential, if sustainably managed, to feed into the development of new products or to enhance existing products or services and stimulate further economic activity in rural areas. Seaweed has been harvested by hand from the foreshore for generations and its harvesting and processing have been important components of some coastal communities' way of life for many years. It is economically and culturally very significant and I understand, therefore, the genuine concerns that have arisen in regard to this licence.

I want to give some context to decisions that have been made in this case. There have been a number of applications over the years to mechanically harvest seaweed but this is the first application to be granted a licence. Until the monitoring data that the licensee must provide is analysed, it is not envisaged that further licences to mechanically harvest seaweed will issue. The indigenous Irish company that has been granted this licence had previously applied to harvest in Kenmare Bay. No licence issued in that case because the expert view at the time was that any future application should focus on an area outside of a special area of conservation and also include a commitment to conduct a detailed programme of monitoring. The licence to harvest in Bantry Bay, originally received in June 2009, met with that criteria and was processed in the same way as other foreshore lease and licence applications received around the same time. Normal public consultation procedures were followed. The marine licence vetting committee recommended that a licence should issue and approval, in principle, was given by the former Minister, John Gormley, in 2011. In 2014 the final legal papers giving effect to the decision were authorised by then Minister for the Environment, Deputy Kelly, the direct predecessor of the current Minister.

The licence is of a trial nature and was granted for a period of ten years which commenced on 21 March 2014. It allows for the mechanical harvest of kelp species *laminaria digitata* and *laminaria hyperborean* within five specified zones but with only one zone to be harvested in any one year. The planned rotation is four years with the fifth zone being a stand-by zone to be used only if weather prevents access to a zone in any particular year. The stand-by zone is almost 100 ha, reducing the overall area for harvest to a maximum of approximately 650 ha. The licence is subject to strict monitoring and control provided for in the specific conditions attaching to the legally binding agreement of both parties.

A baseline study prepared by the licensee has been submitted to my Department for approval and is still under consideration in conjunction with marine experts. The agreed monitoring programme is available to view on my Department's website. In addition, the licensee is required to submit an annual report of harvesting activities to include the area and quantities harvested and measured regeneration rates of the seaweed. Should unacceptable impact on the environment be observed, I will have no hesitation in exercising my right under the licence to modify or restrict harvest practices and schedules as necessary.

**Deputy Michael Collins:** I thank the Minister of State for his reply. Kelp forests are one of the most ecologically dynamic and biologically diverse habitats on the planet. The importance of kelp not only as a habitat but as a food resource for birds and fish has been highlighted by numerous studies. Kelp forests provide a foraging habitat for birds and fish. Kelp habitats are important nursery and refuge grounds for juvenile gadoids and salmon. It is preposterous to assume that the destruction of these kelp forests will not have a negative impact on the ecology of Bantry Bay.

While the Minister of State says that the normal public consultation process was carried out, this process was wholly inadequate. Residents of Bantry and the surrounding area were totally unaware of this application. There was no public oral hearing for the granting of the licence. I take issue with the level of advertising in respect of the licence. There was only one advertisement in a local paper and one flyer in the local Garda station for it. There is no mention in the advertisements of a mechanical harvest, nor of the size and scale of the licence. The licence for a project of this scale should not be advertised with such vague details. The advertisement gives the impression that the Department was only granting a licence to hand harvest a small amount of seaweed. The Minister of State must admit that this is unacceptable.

On behalf of the people of Bantry and surrounding areas, I am pleading with the Minister of State to rescind this licence immediately until proper consultation has taken place with the people of the area and until adequate research has been carried out on the effects of large scale mechanical harvesting of kelp in Ireland. I invite the Minister of State and the Minister for Housing, Planning, Community and Local Government, Deputy Coveney, to come to Bantry. The community and the area have experienced severe hardship in recent years. Things have been just about turned around, with a lot of positive developments currently taking place in Bantry. If the Minister of State sees the beauty of Bantry Bay and the damage this harvesting will do to the people and the surrounds of the bay, he will rescind this decision.

**Deputy Damien English:** I am aware that living seaweed acts as an important habitat for marine and coastal species and can provide spawning and nursery grounds for various species of marine life. Deputy Michael Collins mentioned how significant it is to Bantry. However, as the Deputy stated, we cannot forget that supporting quality employment in coastal communities, in particular along the western seaboard, is of great importance. Seaweed can play a valuable role in ongoing economic recovery in those areas. As I stressed earlier, it must be managed in a sustainable way. This indigenous company located in the south-west area was granted this licence a number of years ago and has, in good faith, made significant investment in a harvesting vessel, an assessment of the potential impacts of harvesting, and the baseline study. It has also committed to further expenditure in regard to the agreed monitoring programme. These data will feed into policy formation and proposals in the general area of seaweed harvesting.

Given the overall circumstances I have outlined, I regret that I must inform the Deputy that we do not propose to accede to his request to revoke the licence granted in 2014. To be clear, the final legal papers giving effect to that decision were authorised by the then Minister, Deputy Kelly, in 2014 so it is not possible to rescind that decision. I understand the Deputy's concerns as he has raised them and I take note of his concerns in respect of the advertising around a licence such as this. I have no problem in discussing this with our officials in the Department to bear in mind for future applications. It is a conversation we have on general planning applications as well, and we certainly must go to all the right ends we can to ensure that people are informed of potential applications for planning permissions or licences etc. If that is something we can improve upon, then I will raise it on Deputy Collins' behalf with officials in the Depart-

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ment regarding future licences. As I said earlier, there are no plans to grant any more licences until all these data have been monitored. I believe this will be a useful prototype to be able to monitor and in making decisions for the future. I give my assurances that it will be done to the highest standards.

**Deputy Michael Collins:** We do not want to have to be making the case here.

**Deputy Damien English:** The Deputy has told me that but he must understand that I cannot go backwards to something that happened nearly six years ago. All I can give the Deputy is a commitment that the Department will monitor this and work with the company involved. No doubt the locals will have a view on the monitoring arrangements. The advertising arrangements will also be reviewed for future reference. I thank Deputy Collins for raising the matter today.

### **Ireland and the Negotiations on the UK's Withdrawal from the EU: Statements**

**The Taoiseach:** I am glad to have the opportunity to say a few words on Ireland's negotiations on the UK's withdrawal from the EU. As I have said previously, Brexit is a British policy, not an EU policy or an Irish policy. The Government believes it is bad for Britain, for Europe and for Ireland. It presents challenges to our peace and challenges to our prosperity. We have, however, been consistent and clear that in these negotiations Ireland will be negotiating from a position of strength as part of the EU team of 27 member states. Our work confirms that membership of the European Union has underpinned our national values, has helped our economy to prosper - not least by unhindered access to a vast Single Market - and has assisted our transition to a less isolated society that is more equal and open. It also underscores the unequivocal conclusion that Ireland's interests are best served by remaining a fully committed member of the European Union and working with our EU partners to deliver more for our citizens. At the same time we will maintain our close relationship with Britain, which reflects our unique economic, political, cultural and people-to-people links. These two essential objectives need not in any way be mutually exclusive.

It is our aim, and it will continue to be in all of our interests, to emerge from the overall Brexit process with the closest possible relationship between the UK and the EU. This is something that Prime Minister May has also said that she wants. Of course, we need to see greater clarity and certainty from the British Government about how it expects that this can be achieved.

Given the challenges that Brexit presents for this island, it is vital that we prepare thoroughly for its consequences, both at a national level and as part of the European Union. That is why for more than two years, we have been analysing the issues and engaging with sectors across the island of Ireland, including through the all-island dialogue, to identify our main areas of concern and to develop our priorities. These are to protect the Good Friday Agreement and the peace process, including by maintaining an open Border; to retain the common travel area; to minimise the impact on our economy; and to work for a positive future for the European Union.

We have been extremely active at political and official level in engaging with our EU partners and the EU institutions. This has involved highlighting and explaining the significant implications for Ireland arising from Brexit and the need to take account of our particular concerns in the negotiations. This ensured that our unique concerns and particular circumstances

regarding the UK-EU withdrawal negotiations were reflected in the EU negotiating guidelines, which were adopted by the European Council on 29 April. These are to support and protect the achievements, benefits and commitments of the peace process, to avoid a hard border and to protect the common travel area. This builds on the significance of the clear references to our specific Irish issues in Prime Minister May's letter confirming the UK's intention to leave the EU under Article 50, and in the European Parliament resolution on the Brexit negotiations.

These outcomes are a major endorsement of the Government's approach and a reflection of the Government's focused campaign of strategic engagement with EU member states and the EU institutions over the past ten months, which has seen more than 400 engagements at political and official level. It was by no means a given that Ireland's position would be seen as a priority for the negotiations but this has come about thanks to our strategic, persistent and patient work and the understanding and support of all our European partners.

Furthermore, the statement agreed by the European Council acknowledges that in the event of a united Ireland brought about in accordance with the Good Friday Agreement, by peace and consent, the entire territory of such a united Ireland would legally be part of the European Union. This provides reassurance on this aspect of the Good Friday Agreement, regardless of the status of the UK within the European Union.

Once the overall approach to the negotiations was set out by the European Union, the Government published its comprehensive document on Ireland and the negotiations on the UK's withdrawal from the European Union under Article 50 of the Treaty on the European Union. This document reflects the findings and outcomes of the extensive preparatory work and consultations undertaken to date and demonstrates how these will be brought to bear in Ireland's approach to the negotiations in the weeks and months ahead. Building on our work to date, this document comprehensively sets out the positions and priorities that will underpin our engagement in the Brexit process as it unfolds over the next two years. It explains the various factors and issues that will be at play and what Ireland's position will be. The focus of the paper is primarily on the withdrawal negotiations and the conclusion of an exit agreement with the UK, which will include addressing a number of Ireland's specific and unique concerns. It also looks ahead to the negotiations that will shape the future relationship between the UK and the EU, which are also of critical importance to this island.

With regard to the Article 50 process itself, it is vitally important that the withdrawal of the UK from the EU is done in an orderly fashion. We have consistently urged both sides to adopt a constructive approach to the negotiations. As part of the EU 27, the Government will vigorously pursue and defend Ireland's national interests.

I will now turn to the issues that are unique to Ireland. The Government has made clear its priority that there will be no visible, hard border on the island of Ireland. We will also ensure the protection of the rights of those in Northern Ireland who choose to exercise their right to hold Irish, and thus EU, citizenship and we will advocate for continued EU engagement in Northern Ireland. Along with the UK, we intend to maintain the common travel area and in this context, the recognition of existing bilateral arrangements in the EU negotiation guidelines is important in underpinning relationships across this island.

Both the UK and the EU share the objective of establishing a close partnership after the UK's departure. In light of this, it is very welcome that the EU guidelines also recognise the desirability of moving on to discuss the shape of the future relationship between the EU and the

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UK once sufficient progress has been made on the withdrawal issues. The recognition of the need for transitional arrangements is also very welcome.

It became very clear early in the Government's analysis of Brexit that the economic impacts of Brexit would be deep and extensive across the economy and society as a whole. Our work, therefore, has prioritised analysis and engagement on sectoral issues and how we can best manage the impact on the people, the businesses and the communities of Ireland. While in recent years we have been diversifying increasingly to other markets, Ireland is still heavily reliant on the UK as a trading partner. A number of key sectors will be impacted significantly, including, but not limited to, agrifood, fisheries, financial services, transport, energy and tourism. More generally, impacts will be seen on enterprise and trade and on Irish-owned companies in particular, as well as in the regional and rural economy. The great bulk of these issues will not be addressed in the initial withdrawal agreement, but in the subsequent EU-UK future relationship agreement or agreements. Given that the EU's initial negotiating position is now clear, the Government will intensify its focus on the economic implications of Brexit, including on domestic policy measures to reinforce the competitiveness of the Irish economy, to protect it from potential negative impacts of Brexit and to pursue all possible opportunities that might arise. In order to underpin this, Government is now working to prepare a further paper on the economic implications of the Brexit challenge. This will draw on the work to date across Departments and will reflect the core economic themes of my speech to the Institute of International and European Affairs, the IIEA, on 15 February last. This includes sustainable fiscal policies to ensure capacity to absorb and respond to economic shocks, not least from Brexit; policies to make Irish enterprise more diverse and resilient, to diversify trade and investment patterns and to strengthen competitiveness; prioritising policy measures and dedicating resources to protect jobs and businesses in the sectors and regions most affected by Brexit; realising economic opportunities arising from Brexit and helping businesses adjust to any new logistical or trade barriers; and making a strong case at EU level that Ireland will require support and recognition of areas where Brexit represents a serious disturbance to the Irish economy. Policy decisions in support of these objectives arise across a wide range of areas, including the annual budgetary process; the forthcoming national planning framework, Ireland 2040; the new ten-year national capital plan; the review of the Enterprise 2025 policy; and sectoral policies and investment decisions in areas such as agriculture, enterprise, transport, communications and energy. It is essential that we ensure our economy is Brexit-ready, both to protect against the potential impacts of Brexit and to capitalise on any opportunities arising.

In this context, I also want to mention Ireland's bids for the two EU bodies currently located in London, namely, the European Medicines Agency and the European Banking Authority. I believe that Ireland would be an outstanding location for each of these agencies, particularly when the priority is to ensure a smooth transition from their current location and a sustainable future path for them. This decision will be made in the autumn by the European Council. We are in competition with quite a number of other countries for the two agencies.

The undertaking of our work on the negotiation process to date and on the economic implications that may follow underlines the fact that we are at the beginning, rather than the end, of what will be a long and complex process. The negotiations that we now face are among the most important in the history of the State. I recognise that there is a desire to have clarity and certainty on every detail of the future EU-UK relationship as quickly as possible. However, we need to be realistic about the process we are heading into and the time it will take to reach a full conclusion. We need to be calm, clear-eyed and strategic. The Irish Government is ready.

Analysis and consultation is well under way. Our key priorities and positions are clear. We will continue to be proactive, concerted and strategic in our approach. We have in place a team of very experienced diplomats and officials. We will continue to engage with our EU partners and with stakeholders through regular ongoing consultations, including the all-island civic dialogue process, to ensure that Ireland's concerns and priorities continue to be reflected in the EU's negotiating position as it evolves, and that we work towards a strong and constructive future relationship with the UK.

I will have further discussions on the next steps with EU Brexit negotiator and chairman of the task force, Michel Barnier, during his visit this Thursday. The Government will now examine the draft negotiating directives, ahead of considering them with our EU partners, with a view to their adoption by the General Affairs Council on 22 May, which will be attended by the Minister of State with responsibility for European affairs, Deputy Dara Murphy. The adoption of the negotiating directives will mark the formal launch of the negotiations with the UK, which will begin soon after the UK's general election on 8 June. The specifics of key negotiating points will become clear in the period ahead and the Government will work to ensure that our interests are protected as we negotiate as part of the EU 27. The Government is well prepared for the Brexit process and will continue to work to protect and promote Ireland's interests. Together with our EU partners, we will be successful in getting the best possible deal for Ireland and the EU.

**Deputy Micheál Martin:** Eleven months on from the Brexit referendum, all the evidence confirms that Ireland is faced with a long-term and profound economic, social and cultural challenge. Deep and potentially irreparable damage is threatened as a result of a decision which came at the end of a campaign distinguished for the level of bitter cynicism displayed by one of the campaigns and its media cheerleaders. As far back as May 2013, Fianna Fáil started talking about what Ireland's approach to Brexit should be. In a series of detailed speeches and documents, as well as public meetings and during last year's general election, we have treated this issue as a core priority. Deputies Donnelly, Haughey and Darragh O'Brien have been involved in extensive consultations. Other spokespeople such as Deputies Niall Collins and McConalogue have organised events to focus on specific aspects of the challenges posed by Brexit. In all of our work, we have been constructive and have proposed specific actions. We will continue with this approach and remain absolutely committed to Ireland's future within a strong European Union.

The reality is that there was no evidence of the Government seriously engaging with Brexit until after last year's referendum. This document confirms the basic picture that catch-up is being played in many areas. Most seriously, detailed analysis and practical solutions concerning economic disruption are entirely missing. Four years after the spectre of Brexit was first proposed and 11 months after it became a reality, the level of detail, the identified resources and the specific plans of action contained in this document are just not good enough.

Where Ireland is best prepared is in respect of those issues which play to our developed strengths within the European Union, the chief one being our engagement with major negotiations and negotiators. Within the Department of the Taoiseach and in Iveagh House, our key bilateral embassies and our permanent representation in Brussels, we have deep experience and expertise in negotiating international treaties, including European Union treaties. The progress which has been achieved so far is entirely focused on achieving a general appreciation of the fact that Ireland has unique concerns, particularly in respect of the Good Friday Agreement and the common travel area. The evidence in this document is that all other work is either underde-

veloped or, for some reason, is not being discussed in public or in private briefings.

Although there are 64 pages in the document, few contain specific statements of policy. Most of the document is simply a repetition of the findings of other work or a reprinting of items such as the Taoiseach's recent Institute of International and European Affairs speech. The document confirms that basic economic work was not begun until after the referendum. It states in a number of sections that detailed work on the likely impact of Brexit on different sectors was only commissioned after last June. It is a great pity that the Government has chosen to repeat its ongoing tactic of trying to present marginal or long-established actions as being part of an urgent response. The overall document is devalued by the casual exaggerations and over-claiming to be found in nearly every section. Action plan syndrome is alive and well. The sum total of the specific items in the section on Brexit mitigation efforts amounts to a lot of talk and almost no funding. To claim on page 11 that political engagement has remained strong is more than a stretch. As we saw last week, meaningful consultation is not something that the Government does. Equally, the claim on page 19 that the North-South Ministerial Council has been playing an active role is ridiculous given the fact that it last met in November and the Northern Executive is in suspension.

As we have said before, we welcome the very positive attitude to Ireland shown by our European Union partners. While we view the behaviour of the British Government as, at best, erratic, the evidence is that it does appreciate the importance of its relationship with Ireland, albeit while insisting on the damaging approach of not supporting special status for Northern Ireland. The negotiating guidelines agreed at the recent summit mark the end of the beginning of the process. In concrete terms, Ireland has secured general statements of support. What we do not know is what that means in practice. We do not know what exactly is meant by a soft border or the significance of flexibility being limited by compliance with the existing European Union legal order and regulations. Other than one ESRI report, which was significantly based on British studies of the possible impact of Brexit, we have no clear idea of the exact economic impacts of Brexit on different sectors or on the economy as a whole. For example, no information is available on the modelling of a situation in which the United Kingdom leaves both the Single Market and the customs union while agreeing a Canada-like free trade agreement and with Ireland having some flexibility to reduce the costs of cross-Border trade. How can we realistically be expected to propose or consider specific actions to mitigate the damage of Brexit without there being detailed information on exactly what that damage is likely to be?

We believe there are four broad dimensions to be addressed in the next 18 months. These relate to Northern Ireland, east-west relations, economic adjustment and the future of the European Union. In respect of Northern Ireland, we welcome the formal acknowledgement in the proposed negotiating directives pertaining to the continued EU citizenship rights of persons in Northern Ireland and the commitment to protecting the Good Friday Agreement. This is a matter which we raised early in the discussion last year and are glad to see it addressed.

We also welcome the progress, limited but still notable, in respect to the protection of human rights in Northern Ireland. We maintain that the issue is not whether the United Kingdom remains a signatory to the European Convention on Human Rights but rather whether these rights are justiciable within courts in Northern Ireland. The Government should correct the document on this point. We do not welcome the failure to even raise the possibility of special economic status for the areas worst affected by the introduction of new customs and regulatory boundaries. My colleagues will address this in greater detail.

As I outlined in recent speeches in London and Dublin, Brexit requires an entirely new approach to east-west relations. At present, our contacts and co-ordination are primarily at EU level. Unless we create mechanisms for the required ongoing contacts, a damaging drift is inevitable. Irrespective of what is agreed on the common travel area in these negotiations, it would be unsustainable in the long term unless we have means of updating it. Essentially, there should be some institutional framework between Britain and Ireland after Brexit. Unfortunately, the document has little to say on this point. In addition, the impact of Brexit on our exporters is not limited to the land Border. A specific strategy for these businesses to help them to manage disruption is required urgently.

On the broader issue of economic disruption, there is no alternative to helping business to diversify and innovate. While 17% of exports go to the UK, a total of 55% of traditional manufactured goods go there. This represents the lifeblood of business in large parts of our country. Even if there is a transitional period, these businesses need help now to deal with the disruption that is already under way and to plan for the future. This is not a matter of a few million euro and a couple of ministerial launches. It requires a comprehensive and ambitious programme covering areas such as retraining, research support, market development, funding and expert advice. We should remember that we have many companies with zero experience of dealing with customs or multiple regulatory regimes. Frankly, we are surprised that the Government document does not include any new proposals but simply repeats the complacent messages of the past year. Having said that, we welcome that the Government has, for the first time, indicated that extra assistance will be required from the European Union if Ireland is to get through the Brexit disruption. My colleagues will address this and other issues in greater depth during the remainder of the debate.

This document confirms that progress in respect of EU negotiation guidelines has not been matched by the required level of urgency and ambition in other areas. Basic information is not available and, therefore, detailed proposals can neither be developed nor assessed. Ireland has core strengths that have been built up over decades. However, these will not be enough to avoid a dramatic disruption. We need co-ordinated and genuinely ambitious policies to help businesses and communities. The task for our Government is to move from general statements to specific proposals. Too much time has already been wasted.

**Deputy Gerry Adams:** We are all agreed that the outworking of Brexit will have profound effects on all sections of our people, the economy and agreements, especially the Good Friday Agreement. In arguing for the North to be designated special status within the European Union, Sinn Féin has put forward a viable alternative to the impact of Brexit on Ireland. This reflects the position of the Dáil as well, although the Government position does not. We have consistently advocated that the Government should take a stronger position on Brexit.

We made detailed submissions to the Taoiseach before and after the draft EU negotiating guidelines were published. Following our recent criticism, the Taoiseach advised us that the Government had submitted further wording in advance of the recent meeting of the 27 EU member states. However, the Dáil has not been told what these amendments were. I can find only one minor amendment in the agreed text. That is what the Government got into the text. What it did not get was a commitment that there would be no agreement on the Border or on the status of the North without a separate and binding agreement between the Irish Government and Britain. This would have been similar to the position secured by Spain in respect of Gibraltar. I suspect we did not get this because we did not ask for it. Irish unity was not mentioned in the initial draft guidelines. Again, I suspect that the Government did not ask for it. It is not in

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the guidelines that came out of the EU Council either. Did the Government even try to have it included? The Taoiseach refuses to deny or confirm this. Instead, he has achieved a commitment to flexible and imaginative solutions with the aim of avoiding a hard border. This is aspirational wishy-washy rhetoric in a world of substantive and difficult negotiations and it is not good enough.

Sinn Féin believes that the interests of citizens on this island require that the North be designated special status within the EU. In this way there would be no European frontier on the island. All of Ireland would remain within the European Union and the North would have full access to the EU, including to the Common Agricultural Policy and the PEACE programmes.

A Leas-Cheann Comhairle, could you ask the Taoiseach to keep it down a little if he is going to have a conversation?

**The Taoiseach:** I was explaining to the Minister of State, Deputy Doyle, that Gibraltar is very different from Northern Ireland.

**Deputy Gerry Adams:** That is fair enough but the Taoiseach can do that in his own time. I am simply asking him to keep it down.

**The Taoiseach:** The Minister of State will be replying to Deputy Adams.

**Deputy Gerry Adams:** He should whisper.

In recent months we have asked the Government to negotiate these positions with the other 26 EU members. It has failed to do that. The position the Government has signed up to requires that the North leave the European Union. Once again, we have an Irish Government reinforcing the Border. The Government should be working to secure designated status and acting in the interests of all Irish citizens, including those who are British, instead of following the English Tory line on Brexit.

As a result of the Government's clear failures, the draft negotiating directives published last week by Michel Barnier are vague and aspirational. That is neither the fault of Michel Barnier nor the European Commission but the responsibility of An Taoiseach. Mr. Barnier is well disposed towards Ireland but he will and can only do what he is asked to do. When he visits the Oireachtas on Thursday, I would like to think he will hear the clear message that the North should be designated special status within the European Union. That is the position the Dáil voted for, but it is not the position being advocated by the Taoiseach or the Government. Instead, the Taoiseach is advocating the Fine Gael position and that is unacceptable.

The Taoiseach has also refused to accept the vote of the Northern electorate and he has refused to explain why he has not advocated this position. If the Government had advocated for the North to remain within the EU, the European Council guidelines and Barnier's draft directives could have gone considerably further.

Instead, the Taoiseach is making a big point of saying that there is no Northern Ireland Assembly in place. He knows why this is so. Let us remember that the Taoiseach has some limited experience of dealing with the DUP. He failed to get Arlene Foster to have the DUP involved in the civic dialogue initiative. He knows also that it is the DUP's refusal to fulfil its obligations on the rights of citizens that has blocked progress in the North. He knows that the DUP is for Brexit. He also knows that his position on the ongoing – although suspended at the

moment - negotiations in the North has been one of studied detachment. Certainly, the Minister for Foreign Affairs and Trade has been in Belfast but he rarely talks to the DUP. That is no fault of the Minister. More accurately, the DUP rarely talks to him. In fact, it would be interesting to know how often our Minister has met DUP leaders. The Taoiseach knows all about the DUP disposition, as does the Fianna Fáil leader. Both leaders called for the suspension of the assembly, yet both criticise Martin McGuinness for taking a stand against allegations of corruption and for good governance based on equality. Despite all of this, seldom will an opportunity to discuss Brexit pass without the Taoiseach or the Fianna Fáil leader blaming Sinn Féin for what is happening or not happening in the assembly in the North.

**Deputy Micheál Martin:** I did not mention Deputy Adams once in my speech.

**Deputy Gerry Adams:** What is seldom is wonderful.

**Deputy Micheál Martin:** Deputy Adams should tell his scriptwriter.

**Deputy Gerry Adams:** I wrote this script.

**Deputy Brendan Howlin:** Check against delivery.

**Deputy Micheál Martin:** Check against delivery.

**Deputy Gerry Adams:** Now, we know that there is recognition in the European Union of the special and unique circumstances faced by Ireland as a result of Brexit, but a stronger approach by the Government could have achieved more.

The Taoiseach cites the hard work done by our public officials. I agree with him absolutely and commend them all. Officials act, however, on the political direction they are given by the Government. The visionary direction demanded by the challenges of these times is not being provided. By failing to put forward the ambitious vision required, the Taoiseach has failed to harness the potential support and sympathy that is there. If we do not provide the required vision, no one else in the European Union will do it for us. Clear and definitive proposals are needed. Sinn Féin will continue to make the case that the best way to secure our future, that is, to secure the future of all of the people of the island, is through achieving designated special status for the North within the European Union, which also recognises the decision of the people of the North who voted to remain.

7 o'clock

Instead of doing the heaving lifting for the English Tories, the Government should recognise that it has a duty to act in the best interests of all the people of this island and not just the perceived view of all of the interests of this State. I cannot say it often enough: the Irish Government must adopt special status for the North within the European Union as its formal negotiating position and work to change the draft political directives to reflect this. The Taoiseach and his Ministers must lobby their counterparts in other European states to gain wide support for this position. All of Ireland must remain part of the Single Market and the common travel area. All of Ireland must retain access to EU funding streams and supports. The rights of citizens in the North must be protected and the Good Friday Agreement must be defended.

It is time to stand up against the threat posed by Brexit and the impact of the corrosive Tory political agendas on Ireland. The alternative is to accept an Ireland even more divided - economically, socially and politically. The reinforcement of the partition of this island could well become part of the Taoiseach's legacy. However, there is an alternative. I have spelt it out. The

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Taoiseach can decide to work in this regard. A brighter, better future is possible for the people of Ireland. Special status for the North within the European Union, with all its failings, is what will sort this out. This is achievable, but only if the Government makes it a priority. It has to advocate it, argue for it and champion it. Ná habair é. Déan é.

**Deputy Brendan Howlin:** On behalf of my party and the labour movement, I wish the Leas-Cheann Comhairle and all in this House a happy Europe Day. May we be “united in diversity,” to quote the official motto of the European Union.

I welcome that the Government has finally produced a more comprehensive document on its approach to Brexit. It is well overdue, as others have stated, but unfortunately it is sadly lacking in policy specifics. It does not tell us anything we do not already know. For a 68-page document, eight pages of it consist of the Taoiseach’s speech to the Institute of International and European Affairs, IIEA, another four pages consist of Government statements that have already been issued and two pages consist of previously issued EU statements. I could go on but I think the Taoiseach gets the point. Plenty of text has been produced, and much of it reproduced, but what we are doing right now to mitigate the damage of Brexit is not clear.

The UK has set its course and Theresa May and her party are seeking a strong mandate in the upcoming UK election. Judging by the polls, she seems set to secure such a mandate. To achieve what, we can only guess. My fear, judging by the language used in the artificial row with the EU last week, is that she is contriving a majority to focus on a hard Brexit. It would be a Brexit that would entail customs checks, tariff barriers, a bonfire of rights and an imperilling of the peace process. The soft options have already been taken off the agenda. Arguments about the final bill will distract many both in the United Kingdom and abroad from the substance of what Brexit will mean. That row ignores the fact that much of the bill that is now being focused on and talked about consists of payments the United Kingdom knows it will, as a member up to 2019, make in any event to the end of the current EU budget round.

There is much we can do in the meantime, however. A poor deal for the UK will, in my judgment, be a bad deal for Ireland. There are important principles at stake. Being a member of the European Union comes with responsibilities but also, as we know and as the Irish people have endorsed in an opinion poll finding today, strong benefits. As Colm McCarthy wrote in the *Sunday Independent* at the weekend, we in Ireland must now be focused on damage limitation. Nearly a year on from the referendum and six weeks since the triggering of Article 50, it is incredible that my party, the Labour Party, is the only political grouping to have put forward practical solutions and proposals - not analysis, but specific action lines.

The problems we face are clear - the Taoiseach has outlined the challenges yet again in his contribution tonight - and relate to investment, agriculture, transport and access to markets, the future of cross-Border bodies, the fallout for workers on both sides of the Border and the issue of the common travel area, which obviously means much more than simply travel. We are the only party to have put forward specific actions relating to these matters. The severity of what will result from Brexit may not be clear. It will obviously depend on the final deal achieved. However, the sectors that will be distressed are already known. Many of them were outlined in the Taoiseach’s contribution tonight.

It is now time for Ireland to start putting in place our defence mechanisms, that is, not talking about them but putting the measures in place now. The Taoiseach has told the House yet again that the Government will soon bring forward a paper focused on the economic and busi-

ness implications of Brexit. I look forward to seeing it and hope that it will take on board many of our proposals on trade, investment and jobs and the 20 key action points that we have laid out.

I welcome that some of them, such as those focused on Northern Ireland, have been achieved by the Government. The recognition of the Good Friday Agreement and the future possibility of a shared united Ireland are important but also obvious. The text of the negotiation guidelines rightly recognises the issues we face on this island. However, as those larger existential questions are addressed, there is still a need for a focus on our future plans. In particular, we have called for a new protocol to be included in the EU treaties to recognise the special relationship on this island and the special status of Northern Ireland. Such a protocol would copperfasten the declaration of the EU 27 regarding a united Ireland. It should also highlight the deep trade and political, social and economic ties that lie between the Republic of Ireland and Northern Ireland.

Another proposal we have put forward is that there is an opportunity to look now at the future of cross-Border bodies and not just the six we currently have but those we could create where integration is highly advanced, in areas like animal welfare, health care, the energy market, agrifood supply chains, education and transport. For example, the dairy market operates as though no Border exists. The ESB owns the electricity grid in Northern Ireland. Public rail and bus services operate across the Border and future infrastructure projects like the A5 or the high-speed rail link require deep integration that could be sundered by Brexit. New bodies, established with the support of the United Kingdom and the European Union, would help address these problems. We may have to face up to these things in the event of the wrong decisions being made in the negotiations.

We have also called for a transitional trade agreement and it appears as though many have now woken up to the reality of the future trading relationship that will exist with a negotiated settlement. It could take a decade to put a comprehensive trade deal in place between the European Union and the United Kingdom. In the meantime, life will continue but we face the prospect of customs and other barriers, the loss of the land bridge to the Continent through the UK and infrastructural bottlenecks on our roads and at our ports.

For many months, the Labour Party has been calling for changes to the Stability and Growth Pact fiscal rules. We will debate that further tonight but we have followed that call with action, and the Party of European Socialists has established a working group, at my request, to bring forward actions in this regard. I ask now that the Taoiseach use his influence within the European People's Party - I know he has a leaders' meeting coming up this week - to follow suit and begin to modify the stability and growth rules to allow for the sort of investment we need and for the mitigation, for example, of competition rules and state-aid rules that we will need to prepare ourselves for Brexit. Our economy is growing, as is our population. We need to invest. We need to Brexit-proof our economy. We need the extra money that we will talk about later.

We need revised regional action plans for jobs. The ones the Taoiseach and I drew up together in 2015 are already out of date. The economic impact of Brexit will wreak havoc in many sectors, particularly those that are reliant on the UK market for exports. This will impact specifically on regions as well as on economic sectors on this island. That is why we proposed a €250 million trade adjustment fund. We believe Brexit warrants the suspension of state-aid rules for SMEs for a period of two years.

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Of course, the devil will be in the detail and the detail of any trade deal or transitional arrangement will determine the specificity of the funds required. That is why we have said the State needs now to forge new alliances in Europe, particularly with countries of similar size to Ireland. I welcome the series of meetings the Taoiseach has had with the Dutch, the Danish, the Croatians and others. Obviously, we need to do more. An early warning system that we have set out needs to be put in place and we must examine how current EU supports can be deployed, including the European globalisation adjustment fund, to make it a specific Brexit-proof fund. There is so much we need to do that we have set out and upon which we now need to act.

The last point we make in our policy document is on the future of the English language in the EU. As we saw from the somewhat flippant remarks of the President of the Commission, this is not a moot point. We need to have this copper-fastened, with a clear declaration that English will remain a working language of the EU, while obviously protecting the designation of Irish. We have an awful lot to do - we know that. We will work in tandem to do it but we need to move beyond planning and towards concrete action.

**Deputy Richard Boyd Barrett:** There are two dimensions to the scenario of Brexit and, more generally, the scenario opening up across Europe that I want to discuss. One is the political side and the narrative surrounding all this, and the second is the more direct economic and practical issues. It is very important in the first instance, particularly on the back of the recent French presidential election, that we challenge a certain narrative, which I noted Government spokespeople were quick to come out with in the aftermath of the election result, namely, that the victory for Macron was about the centre reasserting and re-establishing itself, with the direct implication that this is a good thing, as against, presumably, the “extremes”, as the Government and the political establishment of Europe would like to present it. We need to challenge this narrative because it is very dangerous and dishonest. I will explain what I mean by this.

The alternative to Europe presented by the people who ran, led and dominated the Brexit campaign and now, in the case of the Tory Government, Theresa May, is obnoxious and needs to be completely resisted. Whether it is the vile anti-immigrant sentiment that has been whipped up by the likes of UKIP and the Tory Party, scapegoating immigrants as somehow responsible for the economic and social problems in Britain, or Marine Le Pen doing likewise in France, this obnoxious, vile ideology must be resisted and challenged. About that we need to be quite clear. However, far from being somehow the bulwark against this, the centre, whether it be Macron, Fine Gael, Fianna Fáil, perhaps - I do not know whether Fianna Fáil is included in whatever is defined as the moderate centre - the European mainstream and the European centre, of which the Government is a part, are responsible for fuelling the growth of these dangerous and far-right forces. The disillusionment and disenfranchisement that people feel - for a range of reasons - with the European Union and the centre ground of European politics are precisely what has fuelled the growth of these dangerous far-right forces. If one considers the French election, this is very clear.

There is complacency about the Macron victory. We all welcome the fact Marine Le Pen did not win, but it is very important to say that the majority of people voted against her, not for Macron. A poll carried out straight after the result shows 57% of people voted for Macron only because they wanted to stop Le Pen, not because they had any enthusiasm for Macron. Many people, even though they hated Le Pen, could not bring themselves to vote for Macron because they were afraid what an investment banker, which is what he is, would likely do to French people suffering from inequality, mass unemployment, high levels of poverty and so on. If, as is very likely, Macron continues, as he is pretty much explicitly stating, with a kind of neo-

liberal offensive against the French welfare state - talking about cutbacks in public expenditure and so on - far from his acting as a bulwark against the further rise of Le Pen, his policies will lead directly to the further growth of support for her. It is a terrifying prospect that she could even have attracted the 33% or 34% share of the vote she obtained. It is worth reminding ourselves that Adolf Hitler only ever got 33% support in a free election and he still came to power with all the horrors that followed. Therefore, any complacency about the threat represented by the National Front, the far right and other racist forces would be very misguided.

A failure of the political centre to acknowledge how the policies of the EU, particularly those relating to austerity, privatisation, supporting banks over people and so on, has spurred the sort of disillusionment that has led to the growth of these forces would be a dangerous complacency that will have us riding towards a further disastrous growth of the far right. It is very important to say that. The hope I take from the French election is the growth in support for people such as Jean-Luc Mélenchon, who is very - and rightly - critical of the European Union but robustly against racism and the anti-immigrant sentiment and is trying to offer a radical, progressive and left-wing alternative to the failures of the EU.

The EU has laid the ground for this even on the issue of racism. How can the EU present itself as progressive on the issue of immigration? Last weekend, 6,000 people, most of whom were travelling from Libya, were rescued from the Mediterranean. At the same time, the European Union did a deal with the Libyan Government in which it provided money to try to prevent migrants from leaving the country. Appalling abuse is occurring in Libya, with large numbers of the refugees being picked up in the Mediterranean describing being raped, physically beaten and abused. Open slave markets at which desperate people are bought and sold are operating in Libya, yet the European Union is doing deals with its government to keep migrants out of Europe. If Europe was not operating a racist policy by refusing to let these people in, we would not have this disaster or encourage the view that somehow immigrants are the problem and, in turn, fuel the arguments of Marine Le Pen, the fascist far right and extreme right-wing nationalists in Britain.

I do not have time to discuss major expenditure increases by the European Union in response to President Trump's decision to ramp up militarism in the United States. The European Union has decided to ramp up European military expenditure by spending €5 billion, in addition to the €200 billion it already spends, on developing research in areas such as drone technology and other vile and murderous military technologies. That is the response of the European Union, which is also using austerity and Brexit to further ram through the neo-liberal agenda of privatisation and public service cutbacks. It is very important that we take seriously the growth of the far right and do not absolve the extreme centre - it is not the moderate centre - from what it has done in fuelling the dangerous levels of disillusionment and alienation that are spurring the growth of the far right.

On the practical matters facing Ireland, Brexit is becoming the new austerity and is being used as an excuse for everything, including more competitiveness. What does the phrase "more competitiveness", which the Taoiseach used in his contribution, mean? Does it mean we must keep down wages and public expenditure? That is what the European Union believes it means and what it has consistently meant for the Government. Brexit is also becoming the new excuse for privatisation, cutting public expenditure and keeping a lid on wages and it will be used as an excuse for attacking public service pensions. This is what the European Union has been doing under the impact of austerity. The centre, disaster capitalism-like, is using the crisis as an opportunity to ram through the misguided policies which are digging the grave of the European

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Union and fuelling the growth of the far right.

**The Taoiseach:** We have more investment and jobs.

**Deputy Richard Boyd Barrett:** If we are serious about avoiding a hard Border and maintaining the common travel area, rather than spoofing, why not tell Mr. Barnier and the European Union that our officials will not physically co-operate with or tolerate any attempt to impose a hard Border? If the EU negotiates a deal which does not ensure that we keep the Border open and maintain the common travel area, we should have a referendum and reject the deal. The Taoiseach should give such a commitment.

**The Taoiseach:** We had a referendum on the Good Friday Agreement. We will not have a hard Border - full stop.

**Deputy Thomas P. Broughan:** I welcome the opportunity we will have later in the week to hear directly from Mr. Michel Barnier, the chief negotiator of the task force for the preparation and conduct of negotiations with the United Kingdom. Last month, I spoke again of the need for Ireland to have direct representation at Brexit negotiations given the serious impact the UK's withdrawal from the European Union will have on this country, first and foremost the North-South relationship but also the east-west relationship in the areas of trade and business. I have also called throughout for the appointment of a dedicated Brexit Minister. We were assured by the Taoiseach that he was best-placed to act as Brexit Minister because of his role in the European Council. It appears, however, that he will not be Brexit Minister for much longer.

I note the Government document Ireland and the Negotiations on the UK's Withdrawal from the European Union states that the Heads of State and Government agreed that the European Council would be "permanently seized of the negotiations." What precisely does this phrase mean? Will the European Council be informed of what is happening at the negotiations daily or hourly? The document also stresses that Ireland will be actively involved, and the Taoiseach centrally involved, in all the negotiating steps. The Cabinet committee on Brexit and other arrangements are far from having direct representation for Ireland at the negotiations. Perhaps the matter will be raised with Mr. Barnier on Thursday.

I note the European Union negotiating guidelines, which issued on 29 April, will be updated by the European Council "as required". What does that phrase mean? What types of changes could be envisaged in that regard? I welcome that the initial reaction of Chancellor Merkel and others to the structure of the negotiations in insisting on complete separation of the divorce between the United Kingdom and European Union from the negotiations on the future relationship between the EU and UK has been abandoned. The position has changed to one of having parallel discussions on the shape of the future relationship between the EU and UK commence once sufficient progress has been made in the discussions on the divorce. I also welcome the commitment made to achieving a close partnership between the UK and EU.

There remain, however, issues of grave concern. In recent months, there have been ominous and concerning signs for Irish business and the economy. For example, we heard reports from hoteliers and guest house operators in the Dublin region that the number of British tourists has declined significantly. There has also been a significant fall in sales of new and used cars, with large increases in the number of used cars being imported from Britain and the North. Reports have also indicated a slowdown in the British economy in quarter 1, which was before the UK general election was called. Given the importance of the UK economy for Irish business, this

is a highly significant development. A Central Bank economist recently estimated that a hard Brexit could result in up to 40,000 job losses. The election of the Conservative Party in the forthcoming British election on 8 June could bring further grave volatility to the negotiation process because, tragically, the Tory Government's election programme appears to be predicated on working towards a hard Brexit. We must hope that the disastrous Tory Government will not continue after 8 June and that the British Labour Party and other parties will be in a position to lead the UK into a much better negotiation on Brexit.

There has been considerable discussion about the final bill for the United Kingdom's divorce from the European Union. Whether the figure is €20 billion or €60 billion, given that the UK contributes approximately €10 billion per annum to the EU, we must ensure it does not have a significantly negative impact on our contribution. Like the UK, Ireland is a net contributor to the European Union's budget.

**Deputy Michael Fitzmaurice:** I welcome the opportunity to contribute to this discussion. Regardless of what happens in the Brexit negotiations, Ireland cannot afford to lose the United Kingdom as a trading partner. The agriculture sector, in particular, is reliant on exports to Britain. I understand sales of cheddar cheese have declined. We import cheaply from the North and export large amounts of beef and dairy produce to Britain. A strong cross-Border working relationship has developed in milk processing.

I note the glee surrounding the election of the new President of France on Sunday, which was described as a good day for the European Union. Mr. Macron shifted his position a few days before his election when he stated that the EU must fundamentally change its approach.

People inquire as to why England voted to leave, but the reason appears to be the rules and regulations that are being introduced. I do not know whether this is being done by civil servants in other countries or whatever. Consider how fiscal rules are imposed on Ireland. Consider Sligo where, due to EU regulations, 10,000 people are at risk of not being able to have their water supplies upgraded. Consider how the EU told us last week how to undertake planning following a European Court of Justice ruling. I saw a debate in the EU about the curvature of a banana. It was as if the EU did not have something better to do. This is what frustrates people in various parts of Ireland and the rest of Europe. Consider the statistics. In France, 35% of people voted for Marine Le Pen. With just a small movement, that would shift to 50% quickly.

A White Paper on the Europe of the future is under discussion, but if that Europe does not revert to the Europe of the beginning, the old EEC, when we traded goods, there was a relationship and Europe minded its business and let a country run most of its own, Europe is headed for a crash. Unfortunately, it appears that bureaucrats are trying to dictate the pace.

I noted with interest at the weekend that Chancellor Angela Merkel was furious about the so-called leaks concerning the meeting between Prime Minister Theresa May and President Jean-Claude Juncker. What came out of the leaks was an attempt to bash. Bashing will not solve anything for Ireland. If the bully boys in Europe and England want to fight, let them, but if Ireland does not stand up and be counted, we will be in trouble.

Is there less and less democracy in Europe? Ireland had a veto on proceedings at one time but no longer does. Power is shifting away from countries. I agree with Deputy Boyd Barrett. Regardless of whether Europe likes it, the Irish people are sovereign and should have the opportunity when this so-called deal is done to decide whether it is good for our country. Rural

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parts of Ireland are dependent on agricultural jobs and cannot afford to lose the English market.

The Government has got Ireland included on the agenda, but getting that over the line is another matter. If a trade deal must be done, it should be done in conjunction with the other talks. Europe is playing hard ball, which is not a good idea for us. I am not worried about what the Europeans think. I am discussing Ireland Inc., and the people of this country deserve to be more than the substitute on the bench looking out at two teams playing. We must ensure that whatever deal is done is good for our country. As a nation, we should have the opportunity to decide the matter. If it is bad for us, let us show the Europeans that we will not lie down and roll over, that we will fight back and ensure we get the deal we deserve.

**Deputy Michael Harty:** The referendum result on 23 June confirming that the UK was going to withdraw from the EU was quite a shock, even though it had been a distinct possibility. Brexit has caused unprecedented political and economic uncertainty across Europe, particularly in Ireland. We have had ten months to come to grips with this unwelcome decision by the UK and will have to adjust as best we can to the new reality.

European countries have responded through their democratic systems by rejecting anti-European parties and have confirmed their commitment to the ideals of a European community by electing pro-European governments in Austria, the Netherlands, France and, I hope, Germany later this year. Thus, the prospects for European ideals look good. Ireland's interests are best served by committing to Europe rather than by aligning with the UK, even though it is our closest and most important trading partner. The EU portrays a better vision for Ireland, one that will yield a better sense of co-operation and collaboration in working together for the common good.

We must respect the UK's decision to leave while recognising that Scotland and Northern Ireland had a majority vote to remain in Europe. It is worth considering that Brexit, which was intended to copper-fasten the UK's independence from Europe, may precipitate the disintegration of the UK with the loss of Scotland and Northern Ireland in the years to come.

Ireland has established with the EU our special position in terms of the Border with the North and all the economic, political and social ramifications that will flow from having a European border on this island. It is extraordinary that the UK, having fought two world wars on mainland Europe in defence of small nations, has now decided that its future lies elsewhere. However, we must respect its decision, even though it reflects poor political leadership in that it gave an opportunity to Brexiteers to sell a false message about European solidarity and the benefits of membership. The Conservative Government used the EU as a weapon to fight its own internal party and domestic difficulties and lost. Those who promoted Brexit were nationalistic and insular and lacked self-confidence. The Brexiteers appealed to the UK's fears rather than its hopes. Unfortunately, the fears won the day.

I would caution against punishing the UK for its decision to leave Europe. Of course it will have a cost for us all, but that cost should not be made worse by forcing a hard Brexit, especially for Ireland, which can least tolerate such an outcome. We must consider the long-term outlook and what Europe will look like post Brexit. We must not cut off our nose to spite our face. A fair and honourable outcome should be our goal, not to punish our former EU partner and closest neighbour. However, the UK will pay a large price for Brexit in the long term and it is not looking at the big picture. Where will the UK's new economic trading blocs be, will the UK have the same relationships it had with the EU, and will its new partners have its best

interests at heart?

I welcome the EU's protection of the Good Friday Agreement, its protection of Irish citizens in the UK and its protection and recognition of Northern Ireland in the event of a united Ireland.

Many sectors in Ireland are worried about what Brexit will mean for their livelihoods. We must protect Ireland's exports, particularly in agrifood. Farmers are concerned in this regard. Some 50% of our beef exports go to the UK, as do one third of our dairy products, 60% of our poultry and 33% of our timber. Some 51% of total agricultural food exports from Ireland go to the UK and 51% of total agricultural imports come from there. These are important factors. It is our preference to maintain the closest possible trading relationship between the UK and Ireland. Our best economic prospects and interests lie firmly in a strong and well-functioning Single Market and all the prosperity that brings.

Now that we have overcome the initial shock of Brexit, it is time to concentrate on the task ahead. Commentators and journalists need to avoid unnecessary negativity and pessimism while maintaining a critical assessment of progress in the negotiations. We need a constructive and realistic debate that places the interests and welfare of the Irish people first and foremost in the upcoming negotiations.

**Deputy Danny Healy-Rae:** I am happy to speak on this matter. We have all said it, but the Ceann Comhairle called this the most serious matter to confront the country in a very long time. IBEC and other organisations, including the IFA, claim it will impact more on rural areas than on cities and greater urban areas. If we think of how things were in the period before we joined the EU, although they have improved a lot since then, many of our youngsters were emigrating at that time and there seemed to be no good outlook for farming. I feel that if these negotiations go wrong, a bigger exodus of young fellows will leave the land than ever before, leaving many places totally abandoned, without life at all. The rural hills, glens and valleys right around the county of Kerry and across all of the country - the very rural places - have enough to do just to survive at present. When farmers hand down to their sons, it is a burden around a young fellow's shoulders to carry on with the farm and hope to hand it down to the next generation after him, like his father handed it down to him.

With regard to the market for beef, as Deputy Harty said, 50% of our exports go to Britain and we import a large amount from Britain. If anything was to happen to that market, it would be a disaster for the people trying to survive on farms here. Likewise, fishermen are very concerned that if the UK takes back its territorial waters, it will put more pressure on them because big factory ships from Spain and other countries will catch more in our waters and clean out our fishermen and leave them with no income at all. Small manufacturers have already been adversely impacted upon in that the value of sterling has fallen and they are operating at margins that are 10% less than before the Brexit vote. That is really hurting them.

I am glad the Minister, Deputy Flanagan, is present to listen to the debate. I heard him on radio the other night. He gave a good account of himself and had a good grasp of what needs to be done and the fight that has been fought in the days and weeks ahead.

The Border between the North and South is a big concern for many people who cross it on a daily basis. If we are to return to the days of a hard Border and customs and tariffs, it will be a disaster. I am concerned about the part of the statement issued by the Council, which made the following point, "The United Kingdom's decision to leave the Union creates significant

uncertainties that have the potential to cause disruption, in particular in the United Kingdom but also, to a lesser extent, in other Member States.” I think that statement is wrong. This will have much more of an adverse impact on a country like Ireland than on the United Kingdom, which is a strong country that has the ability to do deals with other nations and find markets all over the world, and which is closer to mainland Europe. We are very isolated because we are surrounded by water. This will impact very hard on rural areas, in particular small farmers. I appeal to the Minister to leave no stone unturned in ensuring we come as good as we can out of this because I fear it will be very bad for the country.

**Deputy Róisín Shortall:** On Thursday next, the chief European Union Brexit negotiator, Michel Barnier, will come to this House. I think that is a very important occasion and it is an opportunity for Members to send a very clear message regarding the priorities for Ireland in the context of Brexit. I want to focus on a recent statement Mr. Barnier made in Brussels in the opening phase of negotiations. I want to focus on three particular areas to which he referred, namely, the financial settlement, the status of expat citizens and the future border between the UK and the EU in Ireland.

On the first of those, the financial settlement, it is not really possible to have a sensible discussion until the UK election has taken place. It would appear that Prime Minister Theresa May is using the British negotiating position as some kind of weapon in the election campaign and I suspect there will be a softening of the language around this once the Conservatives secure a majority in June, as is expected. While the bill for the UK leaving the EU may be very high, access to the Single Market is crucial to the survival of the British economy and it is worth a multiple of what it may need to pay now. The “not a penny” type of election comments and, indeed, the leaked comments from the dinner with Juncker in London are not helpful at all but they have to be viewed in the context of the UK election. That said, Ireland and the other 26 member states have an interest in ensuring, as contributors to the EU budget, that the UK pays what it owes and it is also important that this settlement is not done in a punitive manner as a deterrent in order to dissuade other countries from leaving. It is important that Ireland maintain this position.

The second point Mr. Barnier made deals with the status of expat citizens. While this does not apply directly to Ireland in the sense that we have the common travel area, which allows Irish citizens extensive rights in the UK and *vice versa*, other EU states that are to be friendly to our interests have a great deal to lose on this point. The Taoiseach recently attended a kind of mini-summit with the leaders of Denmark and the Netherlands, two countries with which we historically share a common approach to the EU in terms of our three countries having small, open economies, a strong business, enterprise and trade focus and a large exposure to the UK and, therefore, likely to be hit quite hard by Brexit. I presume, then, that the Taoiseach wishes to work in tandem with these states to temper the “UK must be punished” position that seems to be emanating from some quarters in the European Commission and, indeed, some sections of the French and German political establishment. While there will, on paper, be a single EU position, it would be in our interests to work as closely as possible with like-minded states, such as those I have already mentioned - I would also include Belgium and Sweden - in respect of ensuring that the rights of EU citizens are protected in the UK. This is the only real way to prevent the UK from being ejected from the Single Market, which would be disastrous for its economy and, by default, ours and those of the other states to which I refer.

On the flip side, of course, it must be remembered there are almost 1 million British citizens living across the EU, most notably in large enclaves in the south of Spain, where there are up to

300,000 British citizens. It is estimated that over 100,000 of those in Spain alone are pensioners. If the talks collapse without a deal, the UK may be forced to deal with a surge of returning migrants, a large chunk of whom are dependent on the state for supports. Given the current crisis with its NHS, this is surely something that the UK will wish to avoid.

The third point relates to the future border between the UK and the EU within Ireland. The media reports on this topic veer widely, from a hard Border being inevitable to one being impossible. The reality is that the status of the Border will be a litmus test for what kind of a deal emerges between the UK and the EU. If there is a toning down of the rhetoric following the election, I would hope that the prospect of a deal allowing the *status quo* to remain may be possible. A trade deal could be reached and goods, services and people could continue to flow freely across the Border. However, if the talks fail and there is either no deal or a very bad one, the prospect of a hard external EU border running across the island throws into sharp focus our divided loyalties on issues such as Schengen and membership of the euro. Would it be possible to maintain the common travel area with a hard Border? Would it be possible to simultaneously allow EU citizens and UK citizens free movement across the island? How would this impact on Northern Ireland, as a component part of the United Kingdom? The mooted idea of British security screening at Irish ports and airports would be a serious affront to Irish sovereignty and our ability to further integrate into the EU. This topic, of course, also poses serious challenges for Northern Ireland citizens who hold Irish citizenship. Can a person be a citizen of an EU state without being able to enjoy his or her right of free movement, for example? Undoubtedly, there are more questions than answers. The reality then is that it will not be possible to have a real debate on Brexit until after the UK general election and we can see what is the actual position of the Conservative Party. As matters stand, we are simply talking in the dark, armed only with the barest of outlines from the EU as to what will be its strategy.

Notwithstanding those three points, the big fear here is that Ireland may get squeezed in the context of the battle which is going to take place between the EU and the UK. Under no circumstances can that be allowed to happen. Ireland needs to be very careful in terms of taking a purely common approach - there are clearly common interests - with the 27. We need to stand up strongly for Ireland's interests. We are the principal country that stands to lose from Brexit, particularly in the event of it being a hard Brexit. For that reason, Ireland must speak out. We must marshal all our forces to, as it were, put on the green jersey and ensure that none of our national interests get lost in the context of the wider debate between the EU and the UK.

**Minister for Foreign Affairs and Trade (Deputy Charles Flanagan):** As we celebrate Europe Day and given that this year is the 60th anniversary of the Treaty of Rome, I wish to begin by setting this issue in its wider context. Brexit, the decision of the United Kingdom to withdraw from the European Union - or call it what one will - came about as a result of the UK referendum on 24 June last year, which was a bleak day for the European Union. Not only was the result of the referendum a negative development in its own right but there was a legitimate fear that it might act as a catalyst for further populist movements and anti-EU sentiment across the Union. However, it would be fair to say that the reverse has been true in many ways.

From the outset, the remaining EU 27 member states have worked together, not only to ensure a unified position on Brexit but also to reaffirm our collective commitment to the EU project as a whole. In Ireland, support for the European Union has remained high. As the citizens of the wider European Union have gained a greater understanding of the implications of Brexit, they have recognised more clearly that EU membership is something to be valued and protected. The significant increase in the number of applications from Britain and North-

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ern Ireland for Irish passports is one clear example of this. That surge has illustrated that EU citizenship matters, not least to those who are at risk of losing it. Recent elections in fellow EU member states have also delivered results that represent a strong signal of confidence in the value of EU membership.

Irrespective of the unprecedented challenges that Brexit poses to this country in particular, support for our membership of the European Union remains exceptionally high, which was demonstrated once again in yesterday's opinion poll by European Movement Ireland which shows that 88% of those polled agreed that Ireland should remain firmly a part of the European Union. That is why the Taoiseach and the Government has situated Ireland's response to Brexit firmly within the context of our continued and unwavering support for membership of the European Union. For my part, the extensive engagement that I have undertaken with my EU counterparts over the past ten months has not only served to reinforce my firm belief that Ireland should remain at the heart of Europe, but has also been an inspiring reminder of what this really means in practice - the willingness of our EU partners to listen to Ireland's unique concerns and to reflect them in the Union's ongoing negotiating position, a willingness to reach out, not only to the Government but also to citizens and stakeholders in Ireland, to ensure that their views are heard, as instanced by Mr. Michel Barnier's visit to Ireland later this week. It is also an opportunity to build alliances with our partners with regard to Brexit and also in the context of the future of the European Union.

This programme of engagement with our EU partners has also been extremely important in informing the Government's thinking, which has been set out in the comprehensive document on the Article 50 negotiations. This document not only sets out the Government's position and policies, but demonstrates how these will be brought to bear in Ireland's approach to the overall Article 50 process at EU level. The comprehensive document also has regard for the extensive consultation that the Government has undertaken and, indeed, will continue to undertake, with domestic stakeholders, including through the all-island civic dialogue and through our own internal Government analysis and co-ordination that involves the Departments and our agencies. As we stand at the beginning of what will be a very difficult and complex process, I am more confident than ever before that it is firmly the view that Ireland needs to be ready and it is in our interests to approach these negotiations from a position of strength within the European Union family.

The key objective of my engagements with my EU counterparts, of which there have been over 80 to date, has been to underline the importance of protecting peace on our island. This is one of the Government's four headline priorities and it reflects our role and responsibility as co-guarantor of the peace process founded on the Good Friday Agreement. The comprehensive document sets out in detail the unique challenges and issues that Brexit will pose for us on the island of Ireland. In engagement with our EU partners, I stressed our determination to defend the Good Friday Agreement, both in letter and in spirit, and set out the implications of this for the forthcoming negotiations with the European Union. I have explained the unique political and constitutional context and the social, historical and political realities that underpin the imperative of avoiding a hard Border on the island of Ireland, as well as our objective of maintaining the common travel area.

**Proposed Sale of AIB Shares: Motion [Private Members]**

**Deputy Brendan Howlin:** I move:

That Dáil Éireann:

is confident that capital investment can provide both social benefits as well as economic growth, rather than presenting a false choice in relation to such investment;

together with the International Monetary Fund, the Irish Congress of Trade Unions and the Irish Business and Employers Confederation believes that, in order to tackle infrastructural bottlenecks, make up for historical underinvestment, deal with the rapid growth within the domestic economy, deal with a growing and ageing population, as well as tackle the particular challenges posed by Brexit, much greater capital investment is required than the €2.65 billion envisaged in the Capital Plan;

notes that the Irish national debt-to-Gross Domestic Product (GDP) ratio continues to fall at a rapid pace, due to economic growth and continued achievement of budgetary targets, the costs of servicing the national debt have consistently been declining and the banking system poses no systemic threat to the economy;

is concerned that the Government's debt-to-GDP target of 45 per cent, significantly below the Stability and Growth Pact target of 60 per cent, and its commitment to establishing a €1 billion per year rainy-day fund from 2019 are unnecessary obstacles to tackling our significant public investment deficit;

further notes that the State's long established rainy-day fund, the Irish Strategic Investment Fund, has a discretionary portfolio of €8.1 billion and a directed portfolio valued at €12.6 billion, consisting of State shareholdings in Allied Irish Banks (AIB) and Bank of Ireland that were paid for out of the National Pension Reserve Fund;

believes that the directed portfolio, as it grows, should be made available for commercial investment in projects of national significance and commercial potential in the public sector and asserts, in particular, that the proceeds of a sale of bank shares should be used for additional capital investment;

further asserts that the European Union (EU) Stability and Growth Pact and fiscal rules currently prevent appropriate levels of investment and should be amended in order to facilitate a much needed increase in capital spending;

notes, with approval, efforts currently underway to achieve these reforms and calls on Irish political parties to advance this agenda through their EU political groups and also on the Government to vigorously pursue the issue at the European Council;

in the circumstances believes that, in advance of such changes to the fiscal rules, the sale of shareholdings in AIB and Bank of Ireland should not proceed; and

calls on the Government to postpone the sale of AIB shares until the fiscal rules are changed to permit enhanced capital spending, rather than remit the moneys to the Exchequer simply to pay down debt.

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This motion is not just about economics or about cautious fiscal plans and prudent public spending, this motion is also about basic morality. It is about an economic collapse, brought about by our profligate, property-speculating banks, and it is about the enormous price people paid to rescue the banks and to rescue the economy.

The previous Government, with much difficulty, managed just about to reverse the economic engines and to rescue the economy. When we went into government, we took charge of a country whose economic foundations were under threat, where public services could not be guaranteed, unemployment was rocketing, the numbers working and paying tax were continuing to fall and the banks were continuing to drain the public finances. I acknowledge the work done by Deputy Michael Noonan as Minister for Finance in managing the banking crisis. We replaced the hated Anglo Irish Bank promissory notes and achieved Exchequer savings of €3 billion in payments each year. By cutting the interest rates on our programme loans and stretching out their maturities, we saved the State €30 billion. We burned junior bondholders to the tune of €15 billion and we set the State on a course to recover almost entirely the cost of our investment in the pillar banks, which would halve the overall cost of the bank rescue, none of which is to say that we should or even could do any of that again.

Those were truly desperate times and we imposed desperate remedies. Inevitably, a lot of very hard decisions had to be made, with very hard consequences. Burdens were shouldered and people suffered in their incomes and their quality of life but always in the hope and expectation that conditions would improve, debt would be brought back under control, that our financial institutions would recover, that economic activity would pick up, that unemployment would be brought down again to acceptable norms and that people who had endured so much in times of hardship would get dividends on the back of recovery.

Our enforced investment of money we had to borrow to invest in our two pillar banks now looks set to provide the people of Ireland with a return. To borrow a crude slogan, which is more than justified in the circumstances: "It's payback time". It is not a payback in the terms that so much appeals to Fine Gael, namely, a handful of euro in every pocket, too widely dispersed to be significant and too soon dissipated, but a payback of spending on the infrastructure of our country. If Donald Trump was right about one thing in his campaign - God knows he said enough that he must have been right about something - then he was right to stress that a principal duty of government is to maintain, repair and improve a country's infrastructure. The people need roads, bridges, broadband, schools, theatres and performance spaces, not to mention houses and hospitals. They look to government, from public resources, to build those things. The Government has the resources but it does not want to do the building. Thank God, the country is now well on the road to economic recovery. The recovery created as many jobs in the past four years as were created between gaining independence and 1996. That is an extraordinary fact. However, what we are facing now are emerging infrastructural bottlenecks in transport, housing, hospitals and schools.

We are told the initial public offering of AIB shares could happen as soon as the end of the month. What we in the Labour Party are saying is that we should delay this sale until the total proceeds can be committed to address the infrastructural needs of the country. Currently, under European Union fiscal rules and system of accounts, the proceeds would not count as general Government revenue, and could not be used for any purpose other than to pay down debt. The Ireland Strategic Investment Fund, ISIF, holds a discretionary portfolio of €8.1 billion and a directed portfolio valued at €12.6 billion. The directed portfolio consists of €11.3 billion worth of shares in AIB and €1.1 billion worth of shares, amounting to 14%, in Bank of Ireland. A total

of approximately €16 billion came from the old National Pensions Reserve Fund and €4.8 billion came directly from the Exchequer. The State has already received a total of €3.453 billion from the sale of its investments in AIB to date, and a further €920 million has been received in income from its AIB investment. A further dividend of €250 million will also be paid to the State during the course of this year. If we sell now, in effect, the proceeds of holdings in the strategic investment fund would be used simply and solely to pay down debt. That is based on the current fiscal rules and the requirements of the agreements within the European structural framework.

In reply to a recent parliamentary question, the Minister for Finance estimated that the sale now of 25% of AIB would reduce the national debt by 1% of GDP. We strongly believe that would be a wasted opportunity and truly a waste of significant and vital money. Any proceeds from a sale of AIB shares should be directed to the purposes for which we set up the strategic investment fund, which as the Minister for Finance will recall, was a Labour Party proposal for investment in the Irish economy. There is no pressure on us to sell the shares right now. Everyone here knows that it is not the size of the national debt in absolute terms that is important, it is the size of the debt relative to the size of the economy as a whole that matters. If one owes €50 and one's income is €1,000 the debt is small but if one owes €50 and one's debt is €60 then the debt is significant. It is not the size of the debt that is important; what is important is the size of the income that matches it.

The policy of selling off our bank shares as soon as we could was negotiated and discussed in the previous Administration. It was a policy that originated in the urgent need at that time to reduce the national debt. Members may recall that our debt peaked at 120% of GDP but because of the recovery that situation has changed dramatically. The Irish national debt-to-GDP ratio continues to fall at a rapid pace due to economic growth and continued achievement of budgetary targets, thankfully, over many years. The cost of servicing the national debt has consistently been declining as well.

As I mentioned, diverting everything we get from selling a quarter of the shareholding we have in AIB would only reduce our debt by 1% or so. The social good we could deliver if we invested that money in public infrastructure would be much more significant than reducing the national debt by such a marginal if not downright irrelevant amount in economic terms. For many months now, I have been making the case for changes to the Stability and Growth Pact in order to allow for greater investment in public infrastructure. The Government has resisted the idea. It has failed to make any sort of case at a European level. I made the case again directly to the Taoiseach during the Brexit discussion we had earlier and I think he is beginning to agree that this is the way to go. The result, to date, is that we are caught in a bind now that is largely of the Government's own making. Until we get the rules amended none of the proceeds from the sale of AIB can be invested in the things we so vitally need, such as houses, hospitals, schools and all the other infrastructural deficits that everybody in this House could list with great clarity.

The financial advisors working on the sale will stand to gain at least €40 million and the Irish people will see no tangible benefit at all. It is the sheer waste involved in diverting our assets to such a pointless exercise that makes me despair of the fiscal ideology that currently prevails in Government thinking. I ask people I worked with closely to think long and hard about this. If they do not want to take my word for it, they should ask the International Monetary Fund, which is hardly a bastion of socialist thinking. They should also ask ICTU which is arguing for the same thing, or IBEC which would normally agree with Fine Gael's viewpoint.

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A further €2.66 billion is due to be allocated in the mid-term review of the capital investment plan. Capital spending this year will equal just 1.6% of GDP. By any international comparison that is a very low level of investment for a growing economy. We have a growing and ageing population unlike many of our sister countries within the European bloc. We are also faced with the existential threat of Brexit. These things require us to prepare ourselves to address structural deficits that have been built up over the years and to provide whatever resources we can put our hands on for the infrastructure our people need.

Investment will, admittedly, increase modestly to 2.2% of GDP by 2021. However, 2.2% is well below the normal OECD investment ratio. We believe strongly that much greater capital investment is now required. As I have indicated, that belief is not confined simply to the left. There is now a nearly universal consensus that capital investment in Ireland must be increased to tackle the difficulties that all of us can recite. There is not a single individual in this House who could not, even within the confines of his or her own constituency, identify the need for schools, roads, public transport, health infrastructure, hospital extensions, primary care centres and so much more. That would not only make an enormous impact on the social well-being of our people, but would also underpin economic growth and the country's capacity to work.

We must deal with infrastructural bottlenecks, historical under-investment, rapid growth in the domestic economy, and a growing and ageing population, not to mention the unique challenge of Brexit. We need to invest in our ports because the UK landbridge may well be under threat. We must ensure well in advance of any potential hard Brexit that our ports have sufficient marshalling space. We must have direct ferry links to Europe and the capacity to deal with container traffic that will be generated to bring our goods directly from this island economy to mainland Europe. We need the capacity and the money to do these things.

However, the austerity fetish that prevails in current Government thinking-----

**Deputy David Cullinane:** And past.

**Deputy Brendan Howlin:** -----does not agree to this. We cannot spend money we did not have. I am arguing for spending money we do have. I know the Sinn Féin position in 2011 was to tell the troika to get lost and take their money with them, which would have collapsed the economy then. Prudent management has got us to a position now where we can equally invest in the requirements of our economy going forward. That is the truth of it. This is sensible economics, not madcap economics.

Just because we had to do hard things in the past does not mean that is a permanent feature of our future. We would go further in the opposite direction. We would take €1 billion extra every year - as promised by Fine Gael and supported in an email I have received from the leader of Fianna Fáil - for the creation of this notional rainy day fund. From 2019 they will take an additional €1 billion out of the economy to put it in this ar eagla na heagla account, whereas we need money now. It is a fund that was argued for in the last election by no one else but Fine Gael, but is now being supported by Fianna Fáil.

We need to scrap the proposal for a rainy day fund and instead use that additional €3 billion - that is, €1 billion each year for 2019, 2020 and 2021 - to add to the €3 billion potentially available to us from the sale of AIB shares. We could therefore have an actual investment fund not of €2.6 billion but of €8.66 billion between now and 2021. That would make a significant difference. It would be an uplift for every part of our country.

We need to call a halt to the other feature of what I regard as the Government's folly in planning to impose a 45% debt ratio target on top of the rainy day fund. Under the strict fiscal rules, the debt ratio target is 60% of GDP. However, because we are close to achieving that, against all the odds when we were double that a few short years ago, the current Government, in what can only be described as an austerity fetish move, is now going to reduce the target to 45% of GDP. That is unnecessary and will do nothing but suck the money we need to built infrastructure out of the economy at the worst possible time.

We need to use the proceeds from the sale of any portion of AIB to further boost the amount of money available for investment, rather than simply to pay down debt. We need to front load the investment as much as possible, rather than reverting to pro-cyclical investment strategies. Above all, we need to see capital investment as providing real social benefits as well as economic growth, rather than creating a false choice for such investment.

If the Dáil and the Government accept the proposals, then instead of having €2.66 billion to invest we would have €8.6 billion to invest over the next few years. In summary, the pension fund, now the ISIF, is our rainy day fund. We created it as such and it is there. There is €8 billion in its directed portfolio and another €12 billion in a non-directed portfolio. That money is available to the State in the event of a crisis. The notion of putting another €1 billion a year as some sort of additional safeguard is false when we need the money now.

We believe that as the directed portfolio grows it should be made available for commercial investment in projects of national significance and commercial potential for our economy. We insist that the Stability and Growth Pact and the fiscal rules must be reformed and we are working to do that at European level. I have made this case to my colleagues in the Party of European Socialists and it has been accepted. They have established a working group to do that. I have asked all party leaders in this House to advance the same agenda within their own European political groups. I have asked the Taoiseach to do so with his EPP group this weekend. In advance of all the necessary changes to the fiscal rules, there should be no thought right now of selling shares to simply retire debt. That is the least productive thing that can be thought of to do with €3 billion. It would take 1% off a debt that is falling anyway, which is fiscally meaningless. Instead that potential could be used to address the bottlenecks in which the country so desperately needs investment.

**Minister for Finance (Deputy Michael Noonan):** I move amendment No. 5:

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

“affirms its support for the Programme for a Partnership Government’s commitment to provide for a sale of our banking investments where conditions permit;

recognises the sustainable increases in infrastructure spending being achieved under the Capital Plan, ‘Building on Recovery’, including the additional funding of €5.14 billion committed by Government since the original plan was published in 2015;

welcomes the Government’s intention to produce a new 10 year capital plan by the end of 2017, setting out the Government’s key investment priorities over the coming decade;

commends the Government’s continued achievement of budgetary targets and sustainable economic growth, and notes that a range of policy measures have been undertaken over recent years to address the budgetary implications of population ageing;

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recognises that these Government policies have played a role in the continued low debt servicing costs which are also driven by the European Central Bank's ongoing non-standard monetary policy measures, and therefore should not be assumed to be permanent;

supports the sensible objective of the Stability and Growth Pact to drive budgetary discipline and sustainable public finances in the European Union and the Euro Area, and recognises the important changes that Ireland has already secured in relation to the operation of the fiscal rules in relation to the expenditure benchmark;

further affirms that the Government is committed to compliance with the fiscal rules which are designed to avoid the mistakes of the past and ensure that increases in public expenditure are sustainably financed and not funded on the back of cyclical or windfall revenues, and

recognises that the fiscal rules are enshrined in Irish law in the Fiscal Responsibility Act 2012, which implemented the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union that Ireland acceded to in 2012, following the decision of the Irish people in the referendum held on 31st May, 2012;

further supports the Government's policy to exit our banking investments in a measured and careful manner, returning them to private ownership over time and in a manner that maximises value for the taxpayer;

further recognises that public indebtedness has risen significantly as a result of this support and it is entirely appropriate to utilise any proceeds from the sale of our remaining investments, to reduce this debt burden and the associated ongoing debt servicing costs; and

notes the significant progress made by the Government in recovering taxpayer support to Allied Irish Banks (AIB) to date and that future capital investment decisions are entirely unrelated to the achievement of the Government banking policy and should not influence those objectives."

I wish to thank the Deputies for the motion proposed. It addresses a number of important and distinct policy areas. While I, and I am sure many of the Members in this House, can largely agree with the sentiments of the motion proposed, in one critical respect it is flawed and for this reason I have tabled the counter-motion which I have just proposed. The motion as proposed by the Deputy attempts to constrain the progress of the Government's banking policy, and efforts being made to further aid the normalisation of the banking sector, by tying them artificially to expenditure constraints imposed by the European Union Stability and Growth Pact. I urge this House not to conflate two separate and discrete policy areas. An understandable desire for higher levels of capital investment is not a reasonable justification for delaying this Government's policy to bring down public debt and contain contingent liabilities while moving to a more normalised banking environment that will help to foster greater competition in the banking sector.

In short what I am saying is that it is not absence of money that is constraining capital investment, it is the legal constraints imposed by the Stability and Growth Pact and the fiscal rules. I can raise unlimited amounts of money on the market at very low cost through the NTMA. If it was permissible to invest that money, we would have no need to cash in AIB shares to provide us with investment funds for infrastructure. If it was desirable to do so, the money is available, and it is available very cheaply now as every Deputy in the House knows. It is a fallacy to

conflate two separate and distinct areas of policy and make one contingent on the other, when no such contingency arises.

I would like to address a number of issues that are raised by the Deputy's motion. I will raise them in turn.

There is a broad consensus on the need for increased public investment. Indeed, I share this view. The Government's current capital plan sets a baseline from which we intend to increase investment in critical infrastructure into the future. As outlined in the 2017 Estimates, gross voted capital expenditure will increase to €4.5 billion in 2017. This represents an increase of almost €400 million in comparison with the 2016 outturn. By 2021 it is envisaged that gross voted capital expenditure will reach €7.3 billion, an increase of over 100% in comparison with its level in 2014. Based on my Department's GNP forecasts, Ireland's Exchequer public investment will reach 2.7% of GNP by 2021.

In addition, as outlined in the capital plan, the wider State sector, including our ports, airports, energy network, etc., plans to invest €14.5 billion in capital projects over the period from 2016 to 2021. This amounts to approximately €2.4 billion invested per year and brings total State-backed investment in 2017 to 3.1% of GNP, rising to 3.7% of GNP by 2021. These are reasonable comparators with what is happening in other OECD countries, particularly in Europe.

Increases in investment over the coming years will be prioritised on the basis of the outcome of the review of the capital plan currently under way. This evidence-based review will include an analysis of demand for future infrastructure needs and the capacity of the building industry to deliver increased output. It will culminate in the formulation of a ten-year plan addressing the key priorities identified by Government.

Deputies will remember that in the mid 2000s, when capital investment was advanced very strongly, it flowed into inflation and increased costs of tendered projects rather than leading to an increased volume of projects. There are limits to what can be spent on capital investment. We must be aware of the constraints of the building industry as well. That is a constraint on us.

The objective of the Stability and Growth Pact is sustainable public finances in the EU and the euro area. The European Commission takes the view that budgetary discipline means that there cannot be differentiation between different types of expenditure because all deficit-financed expenditure must be repaid by future taxes and granting special treatment to certain kinds of expenditure would create incentives for creative accounting.

Ireland has secured important changes in the operation of the fiscal rules, for example, by getting the reference rate for the expenditure benchmark updated every year instead of every three years which have been universally applied to all member states. We were also involved in smoothing out the treatment of capital investment so that only 25% of the fiscal space is now taken up by expenditure in the first year of investment. Other changes have also been made which have not yet applied to Ireland, but which may apply to us at different points in the business cycle.

We are committed to compliance with the fiscal rules which are designed to avoid the mistakes of the past and ensure that increases in public expenditure are sustainably financed and not funded on the back of cyclical or windfall revenues. I would also remind Members that the fiscal rules are enshrined in Irish law in the Fiscal Responsibility Act 2012, which imple-

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mented the treaty on stability, coordination and governance that Ireland acceded to following the decision of the Irish people in the referendum held on 31 May 2012. It would be incorrect to proceed on the basis that there is a set of rules which have been imposed unilaterally by the European authorities or the European Commission. These are enshrined in Irish law and they run from the referendum which was passed by the Irish people in May 2012. We must abide by that.

Clearly I can agree with the motion where it recognises the significant achievements made by the Government in reducing the headline debt-to-GDP ratio and bringing the public finances onto a more sustainable footing, which should not be understated. However, we are not in a position to rest on our laurels. Notwithstanding the progress that has been made over the past number of years, the absolute level of debt remains high at over €200 billion. It is over four times the level it was in 2007 and remains high relative to our EU peers, on a per capita basis.

Certainly if only a proportion of GDP is used as the measure, we are below the European average, but there are other ways of assessing the debt. One is the actual amount of debt on a per capita basis. If we measure it that way, we are at the upper reaches of European debt and we are still vulnerable to that mountain of debt that is out there. It is four times what it was in 2007 and the level in 2007 was not sufficient to sustain us when cataclysmic events occurred and we hit the nadir of recession in 2008 and subsequent years. Headroom is needed to deal with the economic management of the economy. When the debt is too high, that headroom is not there.

It has been said that any proceeds of a sale should not be used to reduce the national debt as it would have little or no impact on the debt-to-GDP ratio. This to me represents flawed logic. It is precisely because the nominal amount of debt is so high that the impact might be considered small, but this makes the need to reduce the debt level all the more pressing.

Furthermore, the cost of servicing the national debt has fallen, primarily as a result of improvements in our credit spreads - we are now issuing debt at lower interest rates and at longer maturities. While this is noteworthy progress, the reductions in servicing costs are due primarily to improvements in financing terms and the profile of our debt. Similar to the reduction in our debt-to-GDP ratio, this has arisen primarily from sustained improvements in economic growth rather than significant reductions in the absolute level of debt. Clearly the cost of servicing has also been greatly assisted by the ECB's ongoing non-standard monetary policy measures which cannot be assumed to be permanent.

There is no room for complacency, and the Government is committed to its target of a debt-to-GDP target of 45% by the mid-2020s, or thereafter depending on economic growth. I know, as Deputy Howlin pointed out, that the target under EU rules is 60%, but we are a much more open economy than most of our colleagues in the European Union. If we look at countries like New Zealand and Australia, we can see that their debt to GDP ratio is in the teens. They are protecting currencies. We are part of the eurozone so we are not singularly protecting currencies so I am not advocating that we move down to 15% or 16%. However, there is a very strong case to be made for moving around 45% so that if we hit the bottom of the business cycle again and go into recession, the Government of the day will have the capacity to borrow to stimulate the economy, to keep business activity going and to stay out of recession in a classic Keynesian model with which many Deputies will be familiar. That is the purpose of that.

The target of 45% takes account of the particular risks that Ireland, as a small and very open economy, faces in an uncertain global context. It also takes account of the fact GDP is a less than perfect measure for Ireland. The Government's position on management of the public debt

and the establishment of a rainy day fund are important examples of measures which will help to maintain competitiveness and sustain the public finances in a way that will help to protect against future risks.

**Deputy Michael McGrath:** I welcome the opportunity to contribute to the Private Members' motion put forward by the Labour Party this evening. While my colleagues in Fianna Fáil and I have sympathy with the spirit of the motion and the objective of increasing capital investment in our country, we do not believe a prerequisite of that should be to secure a change to the fiscal rules and that in the absence of changing those rules, the sale of the stake in AIB is blocked. This is essentially the thrust of the motion. It proposes that the sale would be stopped until the fiscal rules can be changed. Changing the fiscal rules at a European level and, indeed, at a domestic level is not an insignificant challenge and would be likely to take quite some time. In reality, it would entirely derail the proposal to sell a stake in AIB. Of course, that then requires an assessment as to whether or not one believes selling a stake in AIB is the right thing to do.

Our party's position is that provided the conditions are right, and the Government has access to a lot of expert advice to which we have no access, the sale of a stake of up to 25% would be a positive development. It would be a positive development for the bank and the country, represent an injection of private capital and be a statement of at least a degree of confidence in our banking system. What it would also serve to do is help to put a real value on the remainder of the State's share holding in AIB which, presumably, would be in or around the 75% mark. At the moment, we are working to a notional value of AIB because of the State's almost 100% ownership of the shares in that bank. In our view, having a sale successfully conducted would be a very important exercise in rebuilding confidence in the banking system and getting a proper handle on the valuation of our bank assets. Selling a majority share holding would be a different decision and would not be one we would be prepared to support - certainly not now or for the foreseeable future. It would be an entirely different decision if the State was to lose the majority share holding in AIB. I do not believe the bank is ready for that but I believe that private investment of up to 25% would be a positive development.

I will address increasing capital investment, the options we have and what we believe the Government should be doing. It is our position that the Government should seek support at European Commission level to use some or all the proceeds from the sale of AIB for once-off capital expenditure. It is my understanding that the Government has not even made that case. In fact, when one reads the Government amendment, it is very clear that Government policy is that the proceeds be used entirely to pay down debt. There is nothing wrong with paying down debt in normal circumstances. Irish citizens and businesses have gone out of their way to de-leverage and pay down debt where they could, particularly in the past seven or eight years. In normal circumstances, debt reduction is a fine objective and is laudable. The issue for this country is what the best use of the proceeds from the sale of AIB would be. It is our judgment at this time that the greater need facing our country is to address the infrastructure bottlenecks Deputy Howlin rightly identified and which are undoubtedly there. It is our view that the Government needs to make the case. We have made the case. We have written to Jean-Claude Juncker as president of the European Commission and have set out our assessment of the situation which relates to these being once-off receipts and how spending these receipts on capital investment if it does not displace other expenditure would result in Ireland exceeding the expenditure limit and breaching the fiscal rules. We support the fiscal rules. We believe that the Irish people made the right decision in voting in favour of those fiscal rules. That is not to say

they are perfect or they should not be reviewed. It is our position as a party that the manner in which capital investment is accounted for in those fiscal rules needs to be reviewed. I do not think the balance is quite right in terms of the smoothing effect - that 25% of capital expenditure in any given year is accounted for in that year and the remaining 75% is accounted for over the following three years. There is a strong case to be made to extend that smoothing effect over a longer period of time. That should be examined by the European Commission and, in our view, it should be supported by the Government.

In respect of capital investment, one item we highlight in our amendment is the 10% domestic rule in place in respect of expenditure on public private partnerships, PPPs. In essence, it means that no more than 10% of the annual expenditure on capital investment can be accounted for by PPPs. We heard evidence at the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach last Thursday from Mr. Andrew McDowell, the Irish vice president of the European Investment Bank, EIB, that the EIB is more than prepared to provide additional financing to Ireland to do more under the heading of PPPs. The real constraint now lies in that 10% domestic rule. In our view, it is time that this rule is reviewed. If I look at our current level of PPP activity, I can see that at the end of 2016, the value of all Irish PPPs on the Government balance sheet was €500 million and €4.3 billion off balance sheet amounting to a total of €4.8 billion. That is a very modest contribution from the private sector to our capital needs given the size of our economy and the potential role PPPs can play so that should be reviewed. We are asking for an independent assessment of the appropriateness of what is a domestic rule. It is not a fiscal rule at EU level. It does not come under the Stability and Growth Pact. It is a domestic rule that should be reviewed.

The national capital investment plan will be reviewed over the course of this year. It needs to be more ambitious. If we look at the projection of expenditure on capital over the next number of years, we can see that it is projected that there will be significant increases in 2019, 2020 and 2021 if the anticipated fiscal space actually materialises during those years so we need to look at new ways, and at maximising the existing ways, of spending more on capital, which I agree is a key priority for the country at this time. Anyone who has heard the evidence from Transport Infrastructure Ireland cannot but be struck by how down-beat it is about the lack of activity in the investment pipeline in respect of projects that are going through the various stages to get to the end point. I will identify a few that are on my desk. They include the M20 Cork to Limerick motorway of which the Minister will be well aware and the Dunkettle interchange next to the Jack Lynch Tunnel in Cork - 2019 is the earliest that will happen because of lack of investment. Others include the Macroom-Ballyvourney bypass, which, at a minimum, has a similar timeline, and the M28 Cork to Ringaskiddy road scheme. These projects and many others are critical to the regions. We hear much from Government about balanced regional development, proper spatial planning, the national planning framework and so on. If the Government is sincere about that, it should back it up with proper investment in projects that would make a real difference to the economy in the regions in that respect. It is clear that the proceeds will be treated as a financial transaction and so, as Deputy Howlin has said, will not enhance the general Government balance. The Government will accept the money under the NTMA Act. It will reduce the Exchequer borrowing requirement and will, in effect, reduce the national debt of the country.

Do the Minister of State and the Minister for Finance, Deputy Noonan, intend to make the case to Europe for Ireland to be given a dispensation to allow that additional expenditure on capital investment because of the circumstances and, as a result, not contravene the fiscal rules?

It is not often said, but investment was one of the real victims of the economic crisis, along with capital expenditure. Perhaps it was at an unsustainable level in 2007 and 2008. Gross voted capital expenditure peaked in 2008 at €9 billion, which was 4.8% of GDP. At the trough in 2013 it was €3.4 billion and 1.9% of GDP. This year, as Deputy Howlin has said, it will be in the region of 1.6 % of GDP or approximately €4.5 billion. In many respects, we are hardly even maintaining the existing infrastructure stock.

The Fianna Fáil position is clear. Provided the professional assessment is that the conditions are right for the IPO to proceed, it should proceed and we will support it for all of the reasons I have outlined. The Government is not doing enough on capital investment. The proceeds from the sale of the stake in AIB offer the potential to do more. That the Government has not raised that issue or had the ambition to seek support at EU level for additional leeway in respect of the one-off receipt from the sale of this stake is deeply disappointing from Fianna Fáil's perspective. That sums up the overall Fianna Fáil position. I look forward to Deputy Kelleher's comments and the rest of the debate.

**Deputy Billy Kelleher:** I welcome the opportunity to speak on the motion. It is a timely one as it highlights certain issues that this House has failed to address in recent months. These issues are infrastructure, capital investment and the review of the national development or capital plan which is taking place. Reference has been made to the need for further capital investment in the economy to ensure that it can move ahead in a seamless manner, unlike the current situation of bottleneck after bottleneck, in the area of investment in human capital as well as in the context of transport. There are huge challenges in our universities and educational systems. Beyond the area of transport, there is a huge deficit in investment in certain key areas of the economy. Roads, capital development, infrastructure and transport are all a means to an end which is to ensure that the economy can sustain employment, productivity and competitiveness and continue that seamless investment in people.

In that context and in respect of the sale of part of AIB, we must acknowledge that AIB exists by grace of the taxpayer and the Irish people who stood by it in the most extraordinary of times. It would be a non-entity if it were not for the huge investment in the bank by the Irish people. There was not only an investment, but also a guarantee. For that reason, an exception should be made in order to invest whatever is achieved from the IPO back into the Irish economy.

I accept that the fiscal rules are there for good reasons such as to ensure that states do not go rogue and play with currency thus undermining the credibility of the currency across the European Union and to ensure fiscal responsibility in member states. There are two ways to reduce debt. We could consistently keep paying down debt but growth in the economy would also reduce that ratio. When a level of 75 % or 80 % is reached, investment is needed. When there is a growing economy and bottleneck after bottleneck not only in the investment side or in the capital infrastructure side but also on the human side, there is a requirement to use that in a meaningful way. We are not proposing that there should be a breach of the fiscal rules, rather that this is a once-off receipt that will accrue to the Irish people and could be put into a very productive investment programme if we approach this cleverly. It is important that Ministers raise with the European Commission and Jean-Claude Juncker that this is an exceptional once-off circumstance and that it should be put to a use that benefits the Irish economy now and into the future.

Now is the time for investment. As Deputy Howlin outlined, overall capital investment is

less than 2 % of GDP. That is not sufficient to maintain and expand the economy. As has been highlighted, there are huge continuing bottlenecks. These include housing, education, infrastructure such as roads and transport, broadband and the move to a clean energy environment. These are all critically important. The Minister for Finance, Deputy Noonan, said that reasons other than money are the problem. The main reason is that there has been a lack of ambition and foresight in drafting a plan that can set out a clear vision of what we want for this country over the coming years. The Government should revisit its proposal to proceed with the sale of the bank and use the proceeds to reduce debt. An expanding economy will reduce the debt ratio anyway.

We are not out of the woods and we must be vigilant and conscious of external threats. There is an immediate threat to this country which would be another good reason to explain to the European Commission that this once-off sale of what is now a State asset and was a State liability is an exceptional circumstance. That treat comes from Brexit. This country needs to be weather-proofed against the potential gale force winds which may be coming towards us in the context of Brexit and the negotiations after the triggering of Article 50.

There are many reasons for us to be able to make a case that this is a once-off receipt and a once-off payment. It is a payment *in lieu* of the Irish people standing by the Irish banking system. Not only did they stand by the Irish banking system by investing and maintaining AIB on life support, they also stood by the European currency. That should not be forgotten. When the Ministers are in Europe over the coming weeks making the case, as I hope they do after tonight's debate, they must impress the importance of this opportunity to invest in the Irish economy and people in terms of capital investment upon those with whom they are dealing.

I could highlight many deficiencies across the country in terms of infrastructure, housing and our third level institutions which are under huge threat and pressure. The economy will suffer because of that. We must invest in third level education to ensure that we have a continuous stream of high quality graduates and post-graduates. They are the key to any economy. If we do not do that and we do not have the space, the access, the research and development and innovation, people will look at this country and say that we are not investing in the key areas that are required to maintain, enhance and advance an economy.

While there are varying views on the motion, the sentiments are the same, that the potential €3 billion should be used for investment. That should be done because it is a once-off receipt to the Exchequer.

An important matter which was not mentioned in some of the amendments to the motion is that the Irish people stood by the bank when it was going to fall over. It required massive investment which cost huge sums of money. That caused a lot of pain. AIB must ensure that, when it does fly the coop and the State no longer holds a minority stake, it understands that it has a duty and obligation which will be called in time and again while I am a Member of this House. That obligation is to ensure that it handles debt relief, debt forgiveness and assessment of debt for individuals and business across the economy in a fair and meaningful manner. That is the very least they owe the people as they set themselves in train for an IPO.

The other important issue is that we must be very vigilant they do not start disposing of some of the assets to third investors, to outside investors and to vulture funds or venture funds in order to tidy up their balance sheets to make themselves more attractive. This would be throwing people to the wolves because the banks want to get back into the private market as

quickly as possible - mainly for the right motivations but sometimes with a view to themselves and their salaries and shares in a couple of years' time and all that flows from that. We should be very conscious of this. I would be worried that in the next couple of weeks or months they would start that process while they try to muster themselves in the markets internationally. There is much concern and worry among the representatives of small businesses, the farming community and private dwellers but primarily among those with commercial loans that this could happen when the banks are tidying up balance sheets. That is the reason I raised the issue and the Minister of State might take it on board because I know he has a specific interest in that area. Overall this is an opportunity to seize this amount of money for the people and I urge that the €3 billion, or whatever the amount that is raised in an IPO minority sale of AIB, would be used for the reasons outlined by Members here tonight.

**Deputy Pearse Doherty:** I welcome the debate. It touches on the very serious and important issue of what we do with the shares of AIB. I say that it touches on the issue because unfortunately it does not really deal with the fundamental questions of whether we should sell AIB in the first place and whether that is in the interests of the people. For the guts of the last hour no one has actually put forward an argument. The Labour Party, Fine Gael and Fianna Fáil all agree one version, which is the sale of AIB, but no one has articulated an argument as to why we should sell the share of AIB in the first place. The Labour Party position falls into the logic that the sale is inevitable and that the only reason to delay the sale is to decide what should be done with the proceeds of the sale. That is not Sinn Féin's position and we have tabled an amendment to effect the position we hold. We believe that nobody inside or outside of this Chamber has articulated a case as to why AIB shares should be sold in the first place. It is now paying hundreds of millions of euro in dividends to the people. This is money with which we can do whatever we wish; we can invest it in capital, in our schools, in our health system or whatever. There is no constraint in regard to the dividends we receive from AIB.

Last week the Minister for Finance, Deputy Noonan, confirmed to me that the sale of a 25% share in AIB would reduce Ireland's debt by 1%, which is not going to make a massive impact in the reduction of the debt. We see from the economic growth, and because of some artificial adjustments, that the ratio of debt has shrunk considerably. The closest thing we have seen to any cost benefit analysis of the sale of AIB came from the former AIB director and former CEO of the NTMA, Dr. Michael Somers, when he appeared before the banking inquiry. Dr. Somers explained that if he was to sell the bank, "say a tranche of 25% ... you're going to have to sell it at a discount because people are not going to pay you the full value". He went on to say why they would not pay the full value. It was because the State was holding the other 75%. He then argued that it would be in the best interests of the State to retain the full shareholding because writing down debt when bond yields are quite low does not make financial sense. The best thing to do was to receive the dividends the State receives from AIB. That is the reality. Sinn Féin believes that it makes economic sense to hold on to AIB and as the bank becomes more profitable to continue to reap the rewards from that, while always having the option of selling off AIB in the future.

We know who would benefit from this measure. The bankers would benefit because their pay cap of €500,000 would soon be gone. The advisers would benefit and they would all get their cut out of it. In 2015 we were told that Goldman Sachs was appointed to advise the Government on AIB and that it was going to do this out of the goodness of its heart. Last month, however, we saw Goldman Sachs' real motivation when it purchased the loan book of non-performing loans from AIB. That is the type of thing that happens in a country when State assets

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are up for sale. The bankers gain, Goldman Sachs gains, and many others like Goldman Sachs gain. What do the people of Ireland get? They reduce their debt by 1% but they lose a strategic and financial State asset of huge importance. If we were selling an airline or a port we would be holding a full debate in the House over many days and there would be a national conversation about it but because it is a bank and is seen as toxic debt, the establishment party considers it a done deal. This is not where Sinn Féin stands.

The other element of the motion takes the Labour Party to the top of the table for brass neck. The Labour Party sold the fiscal rules to the people, along with their cheerleaders in Fine Gael and Fianna Fáil. They told us that the State needed the fiscal rules and that it was for the betterment of the country. Yet, every single one of these parties now agree with Sinn Féin's analysis from that time and they have all stated that it is preventing us from investing into the basic capital infrastructure that we need. Consider the words echoed by the Minister for Finance today telling us how the fiscal rules are not allowing the State to invest in our crippled infrastructure or into the types of infrastructure we need to invest for the future of our economy, our people and our communities.

Sinn Féin's concerns were dismissed and anyone who raised issues in respect of the fiscal rules was dismissed as a naysayer. Unfortunately we have been proven correct. The fiscal rules are having the exact effect Sinn Féin and others said they would have; they are crippling investment when it is needed most. I am glad the Labour Party has copped on to this. Fine Gael has also copped on to this and even Fianna Fáil is arguing that the rules need to be changed. Rather than seeking a blind eye to be turned or a rule to be tweaked they should be working to reverse the damage by renegotiating the rules in a substantial way.

Of course we need greater investment in capital infrastructure. We told Teachta Howlin when he was the Minister overseeing this-----

**Deputy Brendan Howlin:** They told nobody.

**Deputy Pearse Doherty:** -----that we did not need tax cuts for the wealthiest. When the fiscal rules were there, every euro cut in taxes for the wealthiest in society was €4 that could have been put into capital investment, but they chose the wrong policies. We still have options and space. Instead of abolishing the USC, which Fine Gael proposed - a policy the Labour Party has a version of and Fianna Fáil have a 90% version of - we should be investing in capital infrastructure. We should be investing in our country. Of course we need the fiscal rules changed, but the big conversation we need to have in the House is whether we should sell AIB at all. That conversation is not happening. I hope people will agree with my amendment on behalf of Sinn Féin and that the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach scrutinises this area as we would if the sale was anything else bar a bank.

**Deputy David Cullinane:** We have had a very heavy dose of revisionism from the Labour Party and Fianna Fáil today. Teachta Howlin made a number of statements and he said the Labour Party was against a rainy-day fund. Last year, however, one of his colleagues - Deputy Jan O'Sullivan who sat beside him - issued a statement in support of a rainy-day fund and the Labour Party at the time was in favour of that. Deputy Howlin talks about capital investment and yet he was "Mr. Cuts" and took the axe to capital investment left, right and centre.

**Deputy Brendan Howlin:** We had no money. Would they have had us bankrupt the country?

**Deputy David Cullinane:** He is the one who brought about the cuts in all the Departments and areas in which he is now saying we now need investment. As my colleague said, it is very illuminating to hear all the parties, which were the cheerleaders for the fiscal rules, berating Sinn Féin for getting it right and for saying that the one-size-fits-all rules were not going to work, that they were too rigid and inflexible and would have a negative impact on the economy, on our ability to borrow and on our ability to invest in public services. Thankfully, they are all now on the same page and accept the error of their ways. They are all running around trying to find ways to clean up the mess they made; to sell off shares we should not sell, looking at off balance sheet options and special purpose vehicles and PPPs, and all because they messed up in respect of the fiscal rules.

It is welcome that the Labour Party acknowledges its mistakes. Now we have to correct them. The reality is that we need significant investment in capital infrastructure. That is why Sinn Féin put forward fully costed alternative budget proposals last year, including €1.2 billion in capital spending. It was the only party that used one of the very few flexible options we have under the fiscal rules, which is to smooth capital investment over four years, front-loading investment in all of the areas about which Deputy Brendan Howlin talked such as health, housing, infrastructure, rail and public transport and so on. We were able to put €1.2 billion on the table in our alternative budget.

As my colleague said, nobody from any of the parties that were cheerleaders for the fiscal rules has been able to point to a credible argument for selling off the shares in AIB. The only argument I have heard from the Labour Party, the Government and Fianna Fáil is that we have to do it because we have no other way of funding capital investment. They made a mess and sold the people a pup in respect of the fiscal rules. The Minister says so himself when he reminds the Labour Party that the fiscal rules are enshrined in law. They are enshrined in law because the Labour Party, Fianna Fáil and Fine Gael asked the people to vote for them. Now they are running to the European Union with their tails between their legs looking for changes which they should have got when the rules were being negotiated. They should have listened to us in the first place.

**Deputy Joan Burton:** Sinn Féin was opposed to drawing down.

**Deputy Brendan Howlin:** Of course, it was. It is ignorance.

**An Ceann Comhairle:** Less of the background noise, please. Let us hear Deputy Richard Boyd Barrett.

**Deputy Richard Boyd Barrett:** Sometimes when we propose that we need to significantly increase investment in social housing, the creaking public health system, public transport or other strategic areas of industry and enterprise that are in need of investment such as the arts, forestry, the sustainable energy sector or whatever else, the Government accuses us of fantasy economics because, of course, we do not have the money for it. Quite often, those of us on the left respond by pointing to untapped sources of tax revenue in the areas of wealth generation, profits and financial transactions. It is something we should talk about more because it is so obvious and the motion highlights it. If we ask where the money is, it is almost childlike to answer that it is in the banks. However, it is literally in the banks. The money for all of the investment mentioned is in the banks. In the case of AIB, €20 billion of public money was put into it. These are banks that generated €1 billion in pre-tax profits in the first six months of last year and €1.9 billion in pre-tax profits in 2015. Before the crash, the two big banks were averaging

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approximately €2 billion a year in profits and they are now moving back into that territory. We put in €20 billion when the banks collapsed and helped to collapse the rest of the economy. Just at the moment when they are starting to make money, we want to give them away again. One could not make it up.

It is madness to consider selling off AIB now or at any point, at it was madness to sell off most of our shares in the Bank of Ireland after bailing it out. What we should be doing is establishing and absorbing AIB into a public, not-for-profit banking system whereby we would direct investment and lending policy at strategic priorities for the State in terms of capital expenditure, infrastructure and the development of strategic enterprise and industry. It is so obvious that we should do this. After bailing the banks out, crippling the country and the cost of doing so, then nursing them back to health, we are now talking about flogging them off. All of the profits they are going to accumulate in the coming years will be given away to private investors. It is just bonkers and I do not know what case can be put forward for it. I cannot think of any other explanation for it other than ideological blindness and addiction to neoliberal dogma. There is finally recognition that we do not have enough capital investment but we are going to give away a vehicle that could actually deliver it. I find it ridiculous when we debate how distressed mortgage holders are being mistreated by the banks or how lending by the banks into areas such as housing is not satisfactory and we even have Fine Gael and other Government Members giving out about the behaviour of the banks. We own the banks, but the Government will not assert any control over them. Why is that? It is partly due to the ideological fetishes and addictions of Fine Gael and, albeit in a slightly diluted form, Fianna Fáil. The Labour Party has also joined in that failed neoliberal consensus, as is indicated by its support for the fiscal rules and, before them, the Lisbon treaty.

I hate the politics of “I told you so.” I must also tell my Sinn Féin comrades that it was not just Sinn Féin that had this analysis. The left had it also, going right back to the previous treaties. In fact, the main plank of our opposition to the Lisbon treaty, the previous treaties and the fiscal rules was not sovereignty issues, as was the case for some, although they were important; nor was it democracy issues or even military issues. The main plank of our opposition was that the state aid rules and subsequently the fiscal rules would act as an economic straitjacket which would prevent us from strategically investing in key areas of infrastructure, the economy, or strategic enterprise. Now finally, belatedly, this recognition seems to be occurring across the board at the budget scrutiny committee, amazingly, accompanied, however, by total amnesia about the fact that we had warned that this would be the case. When we did so in the fiscal treaty debate on the state aid rules and the Lisbon treaty, we were told we did not know what we were talking about and that we were making it up. Now we are stuck in that straitjacket and there is talk of special pleading. I am glad that we are recognising it at last, but why on earth did the other parties not see it coming?

**Deputy Billy Kelleher:** The Deputy’s side supported Brexit.

**Deputy Richard Boyd Barrett:** We supported an exit from the European Union which had nothing to do with the exit-----

**Deputy Billy Kelleher:** They campaigned for Brexit. I am just trying to remind the House in order to be accurate.

**Deputy Richard Boyd Barrett:** We did not support treaties that tied us to mad economic policies and which had crippled the level of capital investment. It is important to remind people

of this.

On the specific issue of AIB, it is not just that it is the wrong time to sell it off. It should never be sold off. We should use it as a public bank to invest in infrastructure and the strategically important areas of the economy which are suffering from chronic under-investment.

**An Ceann Comhairle:** Deputy Catherine Connolly is sharing time with Deputies Thomas P. Broughan and Thomas Pringle.

**Deputy Thomas P. Broughan:** I thank the Labour Party for bringing forward this discussion on Allied Irish Bank. There is a major challenge to the State because of the level of the national debt and especially the re-financing of a major chunk of that debt between 2018 and 2020. At the same time, we need major investment in our infrastructure. We are not even meeting depreciation rates of infrastructure replacement.

I do not believe this initial public offering is the best way forward for AIB or the Irish taxpayer. Effectively, we bought this bank with our blood, sweat and tears and with €21 billion of our money. At long last, the 2016 accounts finally got back a small return of €250 million. It is said this IPO will realise up to €3 billion for a 25% stake. The real winners will be the highly paid bankers, as Deputy Doherty said earlier, and the legion of advisers led by Rothschild, JP Morgan and the rest. What we need is a great flagship bank that will serve, service and look after ordinary people, households as well as small, medium-sized and large businesses. We have such a bank. We own 99.9% of it and I believe we should keep it.

One thing the Government could do is look into the invigilation of banks. I have asked the Minister whether the Central Bank Act 1942 creates a separate justice system for bankers following the recent fine of €2.275 million imposed on AIB. That is something the Minister could usefully examine. I am against the sale of AIB.

**Deputy Catherine Connolly:** I thank the Labour Party for giving us the opportunity to speak on this issue. I can finally understand why the people have utterly lost faith in politics. Fine Gael is saying we must comply with fiscal rules and sell off a share of AIB to pay down the debt. Fine Gael wants to go even further and reduce the ratio even more. The Labour Party says we should not sell AIB until we change the fiscal rules that the same party actively supported. Fianna Fáil says we should obey the fiscal rules save for an exception on this occasion.

I agree with Deputy Doherty's comment to the effect that in the midst of all of this there is no discussion on whether we should sell it in the first place. It is our second biggest bank and it is now owned by the people. As my colleague, Deputy Broughan, said, it was as a result of their blood, sweat and tears. Surely the circumstances that led to the acquisition of a 99% share of that bank should, at the very least, spark some type of discussion on what we have learned and what we should do next, especially with regard to whether we should hold on to it 100%. Other questions arise relating to governance, the appointment of public interest directors and the importance of credit to small and medium-sized enterprises and individuals and so on. We have not heard a word on any of these things.

I sit on the Committee of Public Accounts. Repeatedly, week after week, one of the greatest failures on the part of the organisations that come before us is a failure to carry out a cost benefit analysis in respect of their decisions. We are in the Chamber tonight courtesy of the Labour Party in respect of the motion to have an opportunity to make some comment on this debate. I thank the members of the Labour Party in this regard. The Government wants to confine the

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debate to a narrow context, that is to say, how much to sell off and when to sell off in order to pay down a national debt that is already being reduced in any event. If we keep going down this road, we are going to be in a position in several years' time whereby we will have to write off the national debt. This is because we are not investing in our economy. We are not building houses, investing in integrated public transport or investing in our health. Further down the road we will be unable to pay off the debt at all.

Are we seriously being asked to forget the history of AIB? I am referring to the history of being bailed out by the taxpayers as far back as 1985, its poor corporate culture, its excessive remuneration of senior staff and its overcharging of customers. Let us remember that this bank was bailed out. Let us remember that it had 53,000 bogus non-resident accounts. It wrote off over £500,000 for a former Fianna Fáil Taoiseach. It overcharged customers. Is the Government seriously expecting us not to have a debate on this? Are we to accept the Government's word that it is a good thing to sell it off for the sake of rules that do not need to be complied with in such a rigid manner?

**Deputy Thomas Pringle:** This motion from the Labour Party calls for the sale of the State share in AIB to be delayed until the Government negotiates changes in the fiscal rules with the EU. I find it interesting that the Labour Party put forward this motion when in opposition, because when it was in Government it would not have heard tell of such a radical proposal. I suppose big bad Fine Gael would not let the Labour Party do it when they were in Government together. Those of us who would have proposed such things during the last Dáil were naive and reckless according to the Labour Party at the time.

Having said that, it makes perfect sense that if there is to be a sale of the shares in AIB, then the proceeds should be used for capital investment. The fact that this would even have to be proposed in the Chamber says much about the intentions of the Government. We have the lowest levels of capital investment in the EU. The European Commission has commented on our low our levels of investment. The Stability and Growth Pact will continue to stifle capital investment for us. The Government should be pursuing changes to the fiscal rules at European level, regardless of the fact that the sale of AIB is approaching.

The proceeds of the sale could be used to do so much good for our citizens. It could be used to help solve the housing crisis by providing for compulsory purchase orders for vacant properties throughout the State to house people in need of housing. It could be used to fund the roll-out of broadband infrastructure to deliver proper high-speed broadband to all houses throughout the State. It could also be used to develop the many piers and harbours around our coast that require investment. It could be used to provide proper roads infrastructure into the north west, including the development of the N4 and completion of the N2 A5 road. Those are some of the projects that the proceeds could be used to fund.

However, I believe we should not even consider selling AIB. There are growing demands throughout the country for a public banking model to be established in the State while we still own 99.9% of AIB. AIB is a ready-made bank that should be converted into a bank that works for the benefit of all the citizens in the State. It could be a bank that works for and on behalf of the people. However, that is something the Government cannot understand.

**An Ceann Comhairle:** Deputy Mattie McGrath, you are sharing with your two colleagues. Is that correct?

**Deputy Mattie McGrath:** Deputy Michael Healy-Rae is first.

**Deputy Michael Healy-Rae:** It is galling to hear what I have heard tonight. When I think of AIB, the first thing I think of is who the important people are. They are those who have been good, loyal, true, respectable customers of AIB over the years. I am talking about small business people, small farmers and young couples who, starting out in life, took out a mortgage and who were dutiful, honest and straight. During the crash they kept going. They went without to pay their mortgages every month. They put their shoulders to the wheel. They kept putting in and scrounging and scraping to keep their nose clean with AIB.

I hear that if the bank is sold now, the people who will make a great deal of money are the big rich people within the banking sector. Let us consider those who lost their shirts to AIB. Who bailed out AIB? Let us consider the people who worked within the banking sector and who, instead of receiving dividends, took AIB shares. Eventually, those shares became worthless and they lost their shirts again. These are the people I would like to think of tonight. They are the people who made AIB and they are now hearing of this proposal. Not enough is being said for the young couples, farmers or business people who are struggling while trying to honour their debts. They are being forgotten about. There were bailouts for everyone but there was no bailout for the ordinary, small, honest, genuine customer of AIB or any of the other banks either.

**Deputy Danny Healy-Rae:** I am glad of the opportunity to talk on this important motion. On the one hand, the sale of AIB to reduce our debt is laudable, but where does this leave the surety of a bank service for the people in rural sparsely populated areas? If the new owners decide to take banks out of rural towns, what will the people do then? They will have to travel longer journeys. The people have stood by this bank in good times and bad. Will the people, account holders, borrowers, mortgage holders and all who trade with the new owners get fair play? This is the most important aspect. The people we represent are the most important.

I believe there is not enough competition in the banking business to ensure that interest rates remain at an acceptable level. Will our farmers and small business people get loans to keep their businesses going? This move could very well suit big business and millionaires at the cost or expense of smaller operators and entrepreneurs who are trying to get going. The sum of €3 billion is a big figure on the one hand but, if an entity or someone else can see the sense in buying AIB, surely this Government should see that the bank has started making money and that it could make money for the taxpayer also. Most importantly, we are losing control for the Irish people. We do not have enough banks to ensure competition.

I, too, would like more and better infrastructure in our country. This Government, and all the parties here, should be going back to those in Europe and telling them that we will pay them what we owe them when we have it. It should not be putting this generation under the pressure it is putting it under. Employers, sole traders and anyone going out working in the morning are being taxed too high and not getting services for it. I am asking the Government to go back with its cap in its hand to tell the Germans, who did not pay their debt following the First World War until approximately three years ago, that we will pay them when we have it. When small businesses tell us they cannot pay us this year but will pay us next year, we accept it. This is what we should be about and not selling the one bank that we have control over. It is very wrong. The Government would want to think about it again. I am asking it of Fianna Fáil as well. It is not doing right by the Irish people to sell this bank. Go back to those in Europe and tell them that we are paying too much but that we will pay them when we have it.

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**Deputy Mattie McGrath:** I, too, welcome the motion tonight from a Labour Party that has made a Damascene-like turnaround. It must be the first anniversary of being out of Government - it was just 12 months last week - that has caused this Damascene-like turnaround. We could not talk to the former Minister, Deputy Howlin, who was like the high priest, when he was the Minister for fiscal responsibility. However, I agree with the motion. Deputy Joan Burton can smile away but she was as bad when the hand was going. I remember the night of the bank guarantee how she railed here that we should not-----

**Deputy Joan Burton:** The Deputy is always-----

**Deputy Mattie McGrath:** Then the Labour Party got into bed with Fine Gael. What did it do? Persecute the ordinary people and put them into penury and here we are now thinking of selling off the bank. If this bank is sold, the money must go into infrastructure for rural and urban areas of Ireland and the ordinary people.

What about the people in the courts in Clonmel, Nenagh and all over the country today who are being evicted by the same bank? Here we are trying to pay back this money to Ms Merkel and the rest of them. As I stated, if there will be a sale, there is no one in this House that understands it better than those we represent. I note the work carried out by Civitas and its analysis of the Growth and Stability Pact and, in particular, its conclusion on failing to impose penalties on Germany and France. Why were the penalties not imposed on them? We are the good boys of Europe and the good girl, when Deputy Burton was Tánaiste, as well. Cailín deas álainn. She was the one that said, "Yes, yes, yes." I say, "No, no, no." This cannot be sold. We must resources back into the schools, into cataract operations, into special needs and into the mobility allowance, which has not happened for five or six years, to try to support our people for once given what happened over the past ten years.

There are many good people working in this bank but there are also many high officials in it whose remuneration is considerable. We talk so much about rural banking and community banking but we are paying lip service to it. Rather than selling it, we have a chance to make it a real community bank. Let it be owned by the people. Let it serve the people who saved it and who are still saving it. We will pay back the money to Europe when we have it. We will put it into our infrastructure now because our infrastructure is crumbling. We cannot get investment into rural areas anywhere outside of Dublin.

I say to the Minister of State, Deputy Eoghan Murphy, who is here, and to the Minister for Finance that it is time to think of the people. Those in Fine Gael got returned to power after 70 days of talks. We were all trying to talk sense into them but they got carried away again when they got into Government. They still want to look after the big bankers. They still want to look after the Germans and the Europeans. Think what happened in Brexit. Think what could have happened and what happened in France and what could have happened if Le Pen had got in. Listen to the people. There are salutary lessons there for the Government.

The people will not stand for this and I, as a customer of AIB for 40 years, will not stand for it because it is useless to anyone. A person can go in and talk and fill out forms all he or she likes, but AIB is no good to the small farmer, the ordinary working man, the mortgage holder, community services or anyone or anything. AIB is only self-serving and serving the Government and the Government is serving it. It is like rubbing butter to a fat cow's or fat pig's you no where. It does not do any good. It would not even make the pig fatter. This is a bad deal and bad business and cannot happen.

**An Ceann Comhairle:** The next speakers are Deputies Róisín Shortall and Eamon Ryan who are sharing five and a half minutes.

**Deputy Róisín Shortall:** Is it not seven and a half minutes in total?

**An Ceann Comhairle:** No. Two of the minutes are going to Deputy Michael Fitzmaurice, so it is five and a half minutes in total.

**Deputy Michael Healy-Rae:** They have half of it gone now.

**Deputy Róisín Shortall:** We were not notified of that.

**Deputy Mattie McGrath:** They were at the Business Committee last week.

**An Ceann Comhairle:** You were. It was part of the arrangements for the week.

**Deputy Róisín Shortall:** My apologies. I thought the request had to be made. I did not know it was automatic.

A major part of the problem with the Government's proposal is its claim that the proceeds of any sale cannot be used for investment purposes. There is no doubt Ireland is hugely lacking in terms of investment in our public services. The expected proceeds of the sale amount to a mere 1% of our debt. It seems like a very small amount but think about what could be done with those proceeds in terms of making up the deficit that exists. The Social Democrats very much believe that, at a minimum, we should be seriously challenging those rules.

Even if there is no possibility of the proceeds of sale being invested, the Government's plan still makes very little economic sense. AIB is about to pay a dividend of €250 million to shareholders. Given the fact that the State practically owns the entire bank, it is a huge amount of money that could be put to very good use. Why would we pass up on an opportunity to continue to receive those substantial dividends yearly. We could spend those, although under the rules, we could not spend any proceeds. The Social Democrats has called for a cost-benefit analysis to be carried out to look at the pros and cons of a decision to sell 25% at this point because we simply do not know whether that makes sense.

We have not been given any of the material but the Government certainly does not lack advice. There is a serious problem with the fact the Government seems to be employing so many different financial consultants in regard to this matter with the fee pool reported to be somewhere in the region of €40 million. We know the Government has engaged more than a dozen companies to advise it, including all the usual suspects and names which were involved in and turned out to benefit very much from the bank bailout. Here we are again with, it would seem, the similar kind of gravy train. The most recent tranche of appointments included Goldman Sachs, for example. Last month this firm purchased 1,200 buy-to-let mortgages in a portfolio with a face value of €400 million from AIB. How can there not be a serious conflict of interest when insiders, made up of people who stand to benefit substantially from the proposed sale, are advising the Government?

In the time that I have available to me, I urge Members to support the Social Democrats' amendment to at least insist that we have a Dáil vote before any decision is taken on this important matter.

**Deputy Eamon Ryan:** On behalf of the Green Party, I am happy to support the Labour

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Party motion. It was interesting to read the Minister's speech. I will make two arguments in terms of postponing the one quarter sale of AIB in the proposed IPO. In his speech, the Minister stated that the establishment of a rainy-day fund would be an important example of measures which will help to maintain competitiveness and sustain the public finances in a way that will help to protect against future risks. I agree that we need to protect competitiveness and to protect against future risks. However, I believe firmly that the absence of public transport, sufficient housing and broadband networks is the greatest threat to our competitiveness. Investment in that sort of productive infrastructure is the best way for us to help to protect against future risks. There may be - Lord knows there probably will be - other future risks, but we face real risks currently due to our under-investment in capital infrastructure.

My second proposal has a slightly different approach. In fact, it is very different, but it is with a view to economic development. Rather than selling AIB, we have been discussing and pushing, as have others, the idea of a public banking system. The AIB network of branches could go back to what it was years ago. It was made up of really strong local and regional branches that helped the development of the local economy. Our economy is booming in Dublin but it is not booming in rural areas. A serious question needs to be asked. Could we not, instead of just selling AIB as another standard clearing bank sale, look to see it start doing things differently and start thinking about how some of that branch network could be used as the initial seed for a public banking system that I believe we need? We need it in particular because it would invest money raised in local areas in those areas. It must have that regional characteristic which would be of huge economic benefit to rural Ireland where we need to develop the economic model. I do not see the model proposed by Rothschild or any of the other advisers taking that kind of strategic political decision on economic development in this country. If we must sell the 25% stake, I would use the money to pay for capital investment. If we do not sell it, I would love to see us examining alternative models of banking into the future, specifically public banking that would develop the economy in rural Ireland, not just the cities.

**Deputy Michael Fitzmaurice:** I commend the Labour Party for the motion which I support totally. In the past few years we have seen all of the banks come through difficult situations. However, at the end of the day, it is ordinary people who have through blood, sweat and tears bailed out the country. Now, when we see the laying hen starting to do better, the Government is thinking about selling shares in AIB. There are many house owners who have problems with their mortgages and the first thing AIB needs to do is to come to terms with them and sort out resolutions for them, no more than all of the other banks, instead of trying to sell the roof from over their heads. It is ordinary people in every part of the country who have kept the system afloat in recent years.

I agree wholeheartedly with Deputy Róisín Shortall when she states a vote in the Dáil is required. As politicians, there is a responsibility on us to do the right thing. In this case, I agree that the right thing - Deputy Eamon Ryan touched on it - is to have a public banking system. Some of the private banks, or the banks into which the Government did not put as much money, have absconded from parts of the country, especially rural Ireland, since they started to recoup. For all the Government's talk about regional development in all parts of Ireland, we need a public banking system, whether people like it. A public banking system would present an opportunity to get the banking system right around the country. Governments love to talk to the likes of the Rothschilds and the different consultants who will come up with different ideas. However, at the end of the day, AIB has come through a difficult time and is now starting to return a profit which, in my opinion, in the next number of years will increase. Be it in

Dublin city which needs infrastructure or other parts of Ireland, north, south, east and west, if one were in business and had something which was giving a yield every year, be it €260 million this year or any other figure, it would increase during the years. It would give the Government a dividend and realise a value. There is no point in putting X amount of money in and then getting back half or three quarters of it. One may have to wait for a long time, but in the end one will receive a dividend, plus more. The one thing the Government needs to do is to put the matter to a vote in the Dáil to see whether it would get a majority of Deputies to support it. I believe it would not get a majority if we are to do the right thing for the people. Regardless of what the European Union states or whatever pressure is exerted, we need to do what is right for the country. The one thing that would be right is making sure AIB is held as it is because, with the fiscal rules and given the way money must be paid back, if we were to receive a lump sum, I do not think the European Union would even allow us to spend it. We need to be able to stand up and put infrastructure in place around the country. We have so many sectors that require investment, including hospitals, disability services, road and rail projects, that we would want five AIBs to yield us enough money. I hope the Minister of State will take this on board. I ask him to make sure the matter is put to the Dáil when he might see where people stand.

**Deputy Joan Burton:** The Government's proposal to sell off 25% of AIB is pure folly at this time. Ireland will sell off 25% of a bank that has cost the taxpayer tens of billions of euro for something in the region of €3 billion and we will not be able to give the people any dividend from the cash raised from the sale. For a long time I have been making the case for changes to the Stability and Growth Pact in order to allow for greater investment in public infrastructure. Unfortunately, the Government has so far utterly failed to push this idea at a European level. The result is that none of the proceeds from any sale of AIB could be invested in building houses, hospitals or schools. I ask the House to bear in mind that AIB is the bank that has been rescued three times by the people of Ireland. The original policy of selling off our holding in AIB was based on a need to reduce the national debt. However, that position has changed dramatically: Ireland's net debt has fallen and will continue to fall as the economy performs well and expands. To use Keynes's phrase, when the economy expands, debt melts like snow off the ditch. That is true, but the Government cannot recognise it.

Diverting everything we would get from selling one quarter of AIB would only reduce the national debt by 1% to 1.5% of GDP. Everyone recognises that Ireland is in dire need of additional spending on houses, hospitals and schools and particularly on such things as public transport and broadband. The social case for greater investment in housing and hospitals is clear. The economic case for investment in transport and communications infrastructure is equally clear, particularly with Brexit on the horizon. The Minister for Finance, Deputy Michael Noonan, is foolishly proposing to press ahead with the sale of 25% of our shares in AIB. However, he tells us that not one cent of the proceeds can be invested in improving infrastructure. The financial advisers working on the sale stand to earn €40 million from this action; the people will see no such benefit. Public investment has the potential to yield great long-term benefits to Ireland and give citizens some concrete advantage from the vast sums spent on the bank bailouts. The social good it could yield, if invested in public infrastructure, would be much greater.

I will give two small examples in the Dublin area. In the area I represent, Barnwell and Hansfield, a special development zone is ready to provide an additional 3,000 houses on a serviced site at Clonee on the Dublin-Meath border. The hold-up is due to the fact that a road needs to be built to access the area to build the houses. However, when the Government recently made an announcement on infrastructural investment to allow houses to be built, the fund

was not big enough to provide for the project. Another vital infrastructural project is the electrification to DART standards of the Maynooth railway line. The Government is now stalling on the project, despite detailed plans having been available for many years. If the electrification project were carried out, people would be able to buy houses in areas from which, as happens in London and other great metropolitan cities, they could commute quickly into the city centre.

The Government is spreading the finance for infrastructural development too thinly. Pushing for changes to EU rules in the financing of essential infrastructure would provide for much-needed projects such as these. We can see the adverse effects of German-inspired EU fiscal rules not only in Ireland but also in France and Italy. Germany, by its own acknowledgement, is not investing in essential infrastructure to the long-term detriment of its economic health. This absence of public investment is due to the ideological stranglehold on the European People's Party, which meets in Ireland this week, by German ordo-liberal financial theocrats who prioritise debt targets over essential infrastructure investment. I reiterate that Irish people have bailed out Allied Irish Banks no less than three times. While I understand senior executives and stockbrokers want a 25% stake in AIB to be sold as soon as possible - after all, they are in business to do business - the wider national interest requires a more considered strategy.

Here we go again, with a Minister anxious to boost the feel-good factor. Harold McMillan's slogan, "You've never had it so good", seems to be the maxim of the Minister for Finance, and perhaps the proposed sale is based on the expectation of an early general election. The Minister would be well advised not to repeat the mistakes of the Government of former Taoiseach, Mr. Bertie Ahern, by electioneering and encouraging people with a spare €10,000 in savings, of whom there are not many, to invest in shares. We all remember the consequences of the Eircom flotation and how smaller investors were burned. A quick sale of the State's share in AIB would not do justice to Ireland's chronic infrastructure needs.

Deputy Boyd Barrett, who spoke a few moments ago, wants to walk Ireland out of the European Union. This would mean we would not have any capacity to invest in infrastructure. While we can trade history about different positions on the European Union at different times, there is no doubt that if we can collectively utilise the vast financial muscle of the European Union for a genuine growth and investment pact across the EU, we could see the best years. People such as Deputy Boyd Barrett and his colleagues in the Anti-Austerity Alliance who are in favour of Brexit are the allies of President Trump because they are in favour of Europe going it alone. The logic of their position is that they will be privately in favour of the privatisation of Allied Irish Banks.

We have an opportunity to make some of the essential investment of which the country is starved. Appearing before a committee today, representatives of Dublin Chamber of Commerce set out approximately 20 priority targets for the Dublin region to allow the economy to grow and shrink the national debt. This is the correct approach. Every other region can also point to opportunities, for example, completing the road network and providing skills and investment in industry and infrastructure. To throw all of that away or diminish it for a partisan sale of a partial shareholding in AIB is the greatest folly I have heard proposed for some time.

**Minister of State at the Department of Finance (Deputy Eoghan Murphy):** It is the Government's policy that the State will exit its shareholding in Allied Irish Banks and other banking investments over time and in a prudent manner. The taking of these important decisions should not be impacted or influenced by discussions around future capital expenditure because, as the Minister for Finance outlined, these issues are not related.

The programme for a partnership Government provides for a 25% sale of AIB and our other banking investments during 2017 and 2018. This reflects and reaffirms the Government's commitment to maximising the recovery from these investments for the taxpayer and reducing the residual risks associated with these shareholdings. Concrete steps towards achieving these objectives have been taken in recent months, as the Minister described. It is the Government's clear position that the proceeds from the sale of banks assets will be used to pay down our national debt.

While the reductions in our debt to GDP ratio and debt servicing costs are to be welcomed, I urge caution from extrapolating from this that our elevated debt levels are no longer of concern. Notwithstanding the recent reduction in our debt to GDP ratio to slightly more than 75% of GDP at the end of 2016, risks remain. As a small open economy, Ireland is sensitive to economic shocks in any region of the world. The new debt to GDP target of 45% announced last October will provide an additional buffer against risk and increase the capacity of Governments to borrow to alleviate the impact of such shocks in future.

We need to be cautious in respect of current low debt servicing costs as these costs are being partially driven by the ongoing non-standard monetary policy measures being undertaken by the European Central Bank. These measures cannot be expected to continue indefinitely. The consistently stated Government position is that the proceeds from the sale of bank assets will be used to pay down debt. This policy has been clearly articulated by government since 2011 and consistently endorsed by a number of market analysts and international financial institutions. For example, the International Monetary Fund's 2015 Article 4 report on Ireland noted the importance of the State actively seeking to sell down its bank shareholdings in order to further reduce public debt and contain contingent liabilities. A change in this position, as proposed in the Labour Party's motion, would be detrimental to the market's perception of our ability to reduce our overall debt levels in the medium term.

The need for sustainable capital investment is evident to all of us and the Government intends to further increase such investment in the years ahead, with funds to be allocated to key priority areas as identified by the outcome of the ongoing review of the capital plan, Building on Recovery. The plan sets out a €42 billion framework to address our priority capital projects up to 2021 and is the appropriate forum for addressing these priorities. The Minister for Public Expenditure and Reform will consider the various submissions received from the public consultation along with proposals received from Departments, with a view to making recommendations to the Government in the third quarter of 2017 to inform final decisions on revised capital allocations which will be announced in the context of budget 2018.

Some Deputies believe the State should retain ownership of AIB or the other banks indefinitely. I beg to differ as it does not make sense for the State to continue to own a significant portion of the banking sector in perpetuity. Reducing debt and building fiscal shock absorbers give the State the flexibility to invest in more appropriate areas and allow it to respond to economic downturns in a way that underpins sustainable medium-term economic growth and future growth potential. Moreover, if we have learned anything over the past ten years, it is that banks are risky entities. As long as the State holds bank shares, taxpayers will be exposed to this risk and competition in the sector will be restrained. The Government does not want to see a scenario in which vital competition is hampered or taxpayers are exposed to the risks arising from the private activities of commercial organisations. Ultimately, it is necessary for the State to clearly separate the sovereign and banking system by selling the State's shareholdings in the banks. It would be inadvisable to link or delay the sale of bank shareholdings as sought in the

motion until we can effect changes in the fiscal rules for which there is no concrete timetable.

I thank Deputies for introducing the motion for discussion and participating in this debate, which has facilitated discussion on a number of important policy areas. I encourage the House to support the amendment proposed by the Minister for Finance.

**Deputy Sean Sherlock:** There is no attempt by the Labour Party to prevent the normalisation of the banking sector, as the Minister of State alleged. There is certainly no attempt to conflate two separate and discrete policy areas, namely, banking policy and capital investment constraints. The debt to GDP ratio is at a sustainable level and the general Government debt has fallen by €18 billion in the past three years. Debt stock is now €1 billion lower than it was at the end of 2015 and this is the third successive year of decline. Gross Government debt declined from a peak of approximately €218 billion in the third quarter of 2013 to €200 billion in the fourth quarter of 2016. The debt to GDP ratio, which peaked in 2012 at almost 120%, is forecast to fall below 73% by the end of this year and to reach 62.8% by 2021. We may even reach a ratio of 60% by 2021.

From a macroeconomic point of view, the Minister seeks to sell 25% of an asset ultimately to achieve a debt to GDP target of 45% by the mid-2020s when the current target under the Stability and Growth Pact is 60%. What is flawed is the idea of accelerating unnecessarily the repayment of debt when the country is crying out for infrastructural investment. Using the proceeds of the sale of any portion of AIB for capital spending could boost the amount available for investment by approximately €3 billion. The Minister of State referred to Keynes. Keynes would have something to say about the establishment of a rainy day fund. He might say that, instead of having just €2.5 billion to invest in schools, transport and homes, the Government would have more than €8.5 billion in the coming years without any negative risk to our economy.

There are infrastructural bottlenecks. We do not have a proper motorway linking Cork to Limerick to Galway to Sligo to Donegal, or the Atlantic corridor as we call it. If the Action Plan for Jobs, which is a Government policy, is to mean anything in terms of creating the target of 350,000 jobs outside of Dublin, we will need that investment in infrastructure. What we are subjected to now - it has been a function of the House for many years - is areas competing against one another for investment at regional and county levels. We believe that such vital infrastructure should and could become a reality if the necessary capital was available to meet requirements.

Ireland is on track to meet its medium-term budgetary objective. Government policy seems to be geared towards a counter-cyclical buffer with the debt target of 45%. There is no external pressure to reach that target. There is no abiding international pressure on currency markets to do so by dint of our membership of the euro. The Taoiseach stated: "The Government is fortunately not under any particular pressure to sell, so the market conditions will impact on when the Minister decides to make his recommendation to Government to sell." In the Minister of State's speech - I reach to get the copy of it that I had in front of me but I no longer have it - he stated that no final decision to proceed had been made.

We contend that the Stability and Growth Pact is key to the arguments that we are making. Its constraints place too much of a restriction on Ireland at a time when we need infrastructural investment. According to the programme for Government, nothing will be sold before the end of 2018. There is a great deal of time between now and then in which we can negotiate politi-

cally at EU level - this will take EU leadership - to release the constraints of the Stability and Growth Pact. If we are to sell any stake in any of the banks in order to proceed to “normalisation” or roll back the State’s investment in banking, there is space before the end of 2018 to negotiate for better terms and conditions under the Stability and Growth Pact so as to allow us to invest more in infrastructure and remove our constraints.

Key systemic risks have reduced, unemployment has fallen and ECB funding of the banking system has decreased from a peak of €156 billion to €5 billion. NAMA bonds have decreased from €30.2 billion to €500 million and Government-guaranteed liabilities have fallen from €375 billion at the time of the guarantee to €1 billion. A Programme for a Partnership Government contains a key commitment not to sell more than 25% before the end of 2018 and that “the State will use its bank shareholding in the best interests of the Irish people”.

There is no conflation between banking policy and the constraints posed by the Stability and Growth Pact. The pact is a political and economic constraint to further economic growth and growth is predicated on infrastructural investment. Now is the time for EU leaders, including this Taoiseach and the incoming one, whoever that may be, to make the political case for a relaxation of the rules so as to ensure that whatever dividends are ultimately yielded are used for productive purposes and investment in infrastructure.

Even if we accepted the premise of the Minister of State’s argument and *ceteris paribus*, or all things being equal, he has still not made a compelling argument for the sale from a macro-economic point of view except that, if I understood him correctly, the State should not be vested in the banking system and it should be a function purely of the market. However, the State has always been a major investor - in fact, the largest investor - in job creation, be that through Enterprise Ireland, the IDA or direct subvention of the very businesses that depend on the banking sector to thrive.

The motion before the House is to ensure that we can relax the rules of the Stability and Growth Pact and use dividends from the banking sector productively by reinvesting in our economy and society.

Amendment put.

**An Ceann Comhairle:** In accordance with Standing Order 70(2) and the report of the Business Committee dated 4 May 2017, the division is postponed until the weekly division time on Thursday, 18 May 2017.

### **Message from Select Committee**

**An Ceann Comhairle:** The Select Committee on Communications, Climate Action and Environment has completed its consideration of the Prohibition of the Exploration and Extraction of Onshore Petroleum Bill 2016 and has made amendments thereto.

The Dáil adjourned at 10 p.m. until 12 noon on Wednesday, 10 May 2017.