



DÍOSPÓIREACHTAÍ PARLAIMINTE  
PARLIAMENTARY DEBATES

**DÁIL ÉIREANN**

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

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# DÁIL ÉIREANN

*Déardaoin, 18 Bealtaine 2017*

*Thursday, 18 May 2017*

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

*Paidir.*

*Prayer.*

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## Leaders' Questions

**Deputy Stephen S. Donnelly:** Everyone in the House agrees that Brexit presents one of the biggest challenges the country has faced in decades. We do not know how hard it will be, but it is obviously the Government's job to prepare the country as well as possible. Unfortunately, it is becoming increasingly clear that we are not as prepared as we should be in several areas. There has been a focus on the Good Friday Agreement which is important to every citizen across the island, but it is an international agreement which will be implemented in full. What has received far less attention is the threat Brexit poses to sustaining, protecting and creating jobs in Ireland. Last October's budget failed to prepare the State to prepare for Brexit. In fact, it largely ignored the challenges we were facing owing to Brexit. Unless more is done, jobs will be lost needlessly and opportunities needlessly missed.

A recent Government survey shows that 15 of 20 Irish-owned firms believe they will be harmed by Brexit. While 15 of 20 believe they will be harmed, only three of 20 are doing anything about it. Why is that? It is because they do not yet know what threats Brexit poses. It is because they are not necessarily equipped to deal with the threats it poses through addressing currency fluctuations to hedge against sterling, reconfiguring supply chains, planning for diverging standards and regulations which are likely to emerge and exporting across an external EU border.

There is real concern the Government believes enough is being done on the ground for Irish farmers, SMEs and exporters. It is not. As we know, Brexit is happening. It is not going to happen in a year and a half. Orders from the United Kingdom are falling. A new UK survey shows that half of the European firms that export to the United Kingdom are seeking to rewire their supply chains outside and that one third of UK firms that export from or buy in from outside the United Kingdom are rewiring their supply chains to within it. Irish businesses need support in preparing for Brexit. If they are to grow beyond Brexit, as they must, we will have to help them to learn how to sell into new markets in which English is not spoken and deal with very different legal systems, working cultures, languages, consumer preferences, regulations and so forth.

Given the scale of Brexit and the threat it poses to sectors such as agriculture, tourism, retail and manufacturing, does the Minister for Public Expenditure and Reform, Deputy Paschal Donohoe, believe much more needs to be done, not just to mitigate the risks but also to turn

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Brexit into an opportunity? If so, what new actions is the Government willing to take to address the current shortfall in preparations?

**Minister for Public Expenditure and Reform (Deputy Paschal Donohoe):** When the Deputy says what the Government is doing is not clear, I ask him whether it is not clear to JP Morgan which announced this week that it was buying an office block in Dublin in advance of moving hundreds of jobs to the city. Is it not clear perhaps to the insurance companies that have approached the Central Bank of Ireland indicating strong interest in locating new activities and, more important, jobs in our country? Is it not clear perhaps to those companies that were on the front page of *The New York Times* earlier this week explicitly naming Dublin among the places to which they are looking to move further business? I note with interest the Deputy's bare reference to the Good Friday Agreement. He made it appear inevitable that its political status will be recognised when, of course, his party and his party leader for months were pointing to the necessity of that happening. Now that the Government has secured this recognition, this is dismissed by him.

I acknowledge, however, that if the response to the huge Brexit challenge is a response from Dublin, then this is not a national response. This is the reason that the Government is committed to strengthening our national capital investment and that the Minister for Finance and I are travelling to Luxembourg next week to engage with the European Investment Bank to examine what the options are for strengthening investment beyond the additional €2 billion we have signalled we will invest in our hospitals, schools and transport network to respond to the Brexit challenge.

The Deputy made reference to challenges in the agriculture sector, which have been strongly recognised by the Minister for Agriculture, Food and the Marine and the rest of the Government, but, of course, he made no reference to the fact that the Minister, through last year's budget, put in place a fund of €150 million to help the food sector respond to the income volatility we have acknowledged will be exacerbated by Brexit. The Deputy made reference to tourism but no reference to the fact that the Government retained the lower VAT rate of 9% for the sector and the fact that over the past number of months and, indeed, year, access to the country has increased through airports with new routes to Ireland, all in recognition of the challenge that Brexit will create.

The only bit on which I agree with the Deputy is that we are all united in recognising the scale of the Brexit challenge for our country and we all acknowledge we must explore all options open to the Government to respond, but I do not accept the Deputy's contention, which is not borne out by the facts that I have laid out, that the Government's actions to date have not recognised the scale of the challenge. They clearly have, and this is recognised by many parts of the economy.

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

**Deputy Stephen S. Donnelly:** The Minister's response goes to the heart of what is causing increasing concern among farmers, agrifood companies and Irish-owned SMEs because they know Brexit is coming and it will harm them but many of them do not know what to do about it and they are looking to the State for support. His response is consistent with that of the Taoiseach and the Minister for Foreign Affairs and Trade, which is, "We are doing everything we can". That is the concern because I do not believe, and many businesses do not believe, the Government is doing everything it can. It is great that JP Morgan is looking for offices here

but that is of no interest to Irish-owned SMEs worried about whether they will be able to sell their products into the UK. The 2017 Action Plan for Jobs explicitly lays out how much money the Government has provided to the IDA, Enterprise Ireland and Bord Bia combined for Brexit and it is less than €5 million. The Minister for Transport, Tourism and Sport has yet to meet the Irish Aviation Authority or the DAA on the threats posed by Brexit. Could the Minister for Public Expenditure and Reform please address that? Does he believe that less than €5 million is enough? Does he not at least acknowledge the gap between the Government saying everything that can be done is being done and the many business people and farmers who are scared and who do not feel the support he says the Government is providing?

**Deputy Paschal Donohoe:** I was hoping for a little more substance and a little less spin from the Deputy on a matter of such national importance because we acknowledge how hugely important is this. I also hoped the Deputy would acknowledge all the steps taken by Government to respond to this huge challenge. We have laid out only in the past number of weeks the Government's position paper on Brexit, the political strategy, and what we have secured to date, but we have been clear in acknowledging that this challenge will take us many years to respond to collectively, and we will. We have acknowledged the steps that have been taken, from the new trading strategy that was launched by Enterprise Ireland, from the steps that have been taken to support our representation into the European Commission and beyond and from economic measures that have been taken. As we respond further to this challenge, we will look at further steps that will be taken, building on what we have already delivered, building on the fact that this and the previous Government have seen this economy move to over 2 million people at work. We do not need to be reminded of what an economic challenge looks like, and we have shown to date what we are capable of doing, and our determination to do more.

**Deputy Mary Lou McDonald:** Yesterday, An Taoiseach, Deputy Enda Kenny, announced his resignation as leader of Fine Gael. I take this opportunity to wish Deputy Kenny, his wife Fionnuala and their family the very best for the future.

No doubt the Minister, Deputy Paschal Donohoe, and his colleagues will extol the virtues of Deputy Kenny as leader of Fine Gael, and that is of course their prerogative, but the truth is that he has been a very bad Taoiseach for ordinary people. He is a Taoiseach who has implemented policies which benefitted the most well-off in society to the detriment of everyone else. In 2011, Deputy Kenny came to power with the largest majority in the history of the State, and to great fanfare, he promised a democratic revolution. However, what he actually delivered during his six years as Taoiseach was crisis after crisis.

*(Interruptions).*

**Deputy Mary Lou McDonald:** During last year's general election campaign, Deputy Enda Kenny told the Irish people that they had to make a direct choice between stability and chaos. He was right, and Fine Gael has delivered chaos in spades. The reality is that he came to office in a time of crisis, and he leaves office at a time of crisis. There is a paralysis in the Irish body politic. It is a paralysis by design, delivered courtesy of the supply and confidence arrangement with Fianna Fáil. As a result, we have a do-nothing Government. Deputy Kenny not only triggered a race to replace him as leader of Fine Gael, but more significantly to replace him as Taoiseach. That contest now creates the appalling vista for those who have suffered most during Fine Gael's six years leading Government. Lined up to replace Deputy Kenny, we have the great demoniser of the unemployed and poor, the Minister for Social Protection, Deputy Leo Varadkar, or the Minister for Housing, Planning, Community and Local Government, or for

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chronic homelessness and hotel rooms, Deputy Simon Coveney. That is some choice. I have no doubt that ordinary people throughout the country are dancing jigs of delight in anticipation of either.

Two things are certain. First, irrespective of who wins, the prospective new Taoiseach will not be an advocate for progressive politics. He will not be for housing people, ending the two-tier health service, or building a real republic. Second and most significantly, he will not have contested a general election as leader of Fine Gael, and therefore will not have a clear mandate from the people to lead the Government. If the new leader is confident that the policies of Fine Gael command the support of the electorate, then that should be put to the test. He should seek a mandate from the electorate for the position of An Taoiseach. He should give the electorate a choice between progressive alternatives or more of the same. Does the Minister agree that the new leader of Fine Gael should call a general election?

**Deputy Paschal Donohoe:** That is a typical of the approach of Sinn Féin-----

**A Deputy:** Elections?

**Deputy Paschal Donohoe:** -----and whatever the issue of the day is. We heard Deputy McDonald outline her view of a crisis. It reflects the fact that what Sinn Féin is interested in is continual crisis as opposed to the potential for cohesion. It is interested in continual strife to advance its own political ends as opposed to trying to create an atmosphere of stability to meet the challenges and to deal with the opportunities that our country has. Of course I acknowledge, and I am well aware because I represent the same constituents as the Deputy, of the challenges that people face in their lives with regard to their homes and many aspects of society. I will tell the Deputy what crisis looks like. It looks like an economy in a bailout programme, with unemployment rising month after month. It also looks like an economy with no prospect of recovery, let alone stability. What Deputy Enda Kenny did as Taoiseach was lead a Government in delivering what many people, including Deputy Mary Lou McDonald and her party, argued was not possible. There was the prospect of recovery leading to a recovered society. As Deputy Mary Lou McDonald goes through our constituency and looks at Gaelscoil Bharra, a school that was not delivered although promised by many for many years, what does she do when she sees it? Does she look away? As she goes over Liam Whelan Bridge and sees the new Luas service being delivered by a degree of economic progress that she said would never happen, what does she do?

**Deputy Peadar Tóibín:** The country is bigger than the Minister's constituency.

**Deputy Paschal Donohoe:** Does a little part of her wilt as she sees that progress? When she drives to Grangegorman and sees the DIT project being delivered that will bring more than 10,000 students into the heart of the city - it is one of the largest urban regeneration projects the State has seen - what is her response? Does she look away and pretend that it is not happening? It is progress and shows what this and the last Government have delivered.

**Deputy Peadar Tóibín:** Depopulation in rural areas.

**Deputy Paschal Donohoe:** Of course, we acknowledge what remains to be done and that when it comes to providing homes and how we want to improve the health service, there is much to be done. However, the Deputy's questions and contribution reveal Sinn Féin's agenda. It is one of continual crisis, negativity and ignoring the incremental and steady progress at the heart of what the country has secured and what we are capable of securing in the future.

**Deputy Mary Lou McDonald:** The Minister's recipe for incremental and gradual progress meant that the children of Gaelscoil Bharra in Cabra West had to wait for 20 long years to be educated in a proper school building.

**Deputy Hildegarde Naughton:** Who delivered it?

**Deputy Mary Lou McDonald:** That is the incremental, step-by-step, steady, easy as you go, "do not get notions that one should be educated in a proper building" progress delivered to the people by Fine Gael and, in fairness, advocated by its sidekicks in Fianna Fáil. Some 5,720 children in crisis have had no social worker allocated to them; while 91,000 households are on waiting lists. I could recite the statistics, but the Minister should know them because they are the Government's creation. The Government is not about creating stability but about inertia. It has fostered chaos and crises. I have no apology to make to it for outlining the fact that we, in Sinn Féin, will stand resolutely with those citizens at the receiving end of the crisis delivered by the Government. As the Minister seems to be very sure of himself, let me put my question again.

**An Ceann Comhairle:** The Deputy is out of time.

**Deputy Mary Lou McDonald:** Should the new leader and the person who wishes to be Taoiseach call a general election?

**Deputy Paschal Donohoe:** When the various candidates for the leadership of my party declare what they are going to do, the Deputy will see their commitment to implementing the programme for Government. She will see their commitment to implementing the agreement we have with the main Opposition party and the reason we want to do so. Please allow me to give her some other statistics because she is so eager to point to our difficulties.

**Deputy Seán Crowe:** Tell us about the vulture funds.

**Deputy Paschal Donohoe:** Please allow me to point out that there are 186,000 households now benefiting from the rent stability zone legislation brought forward by the Government.

**Deputy Peadar Tóibín:** Rent stability.

**Deputy Paschal Donohoe:** Please allow me to point to the fact that €5.4 billion is being invested to provide additional public housing.

**Deputy Dessie Ellis:** The Government's landlord mates.

**Deputy Paschal Donohoe:** For example, what is to take place at O'Devaney Gardens which, again, is in our constituency and which, again, was promised by many-----

**Deputy Eoin Ó Broin:** It is not being built.

**Deputy Paschal Donohoe:** -----was actually supported by the Deputy's party at local authority level in Dublin City Council.

**Deputy Eoin Ó Broin:** Not one brick has been laid.

**Deputy Paschal Donohoe:** I am glad that the Deputy acknowledged the point about Gaelscoil Bharra. I agree that the pupils, families and teachers in that school waited for too long. Allow me to point to one simple fact. What Government finally made it happen? It was the

last Government-----

**Deputy Pearse Doherty:** There are many other schools that have not been-----

**Deputy Paschal Donohoe:** -----using the proceeds of economic progress, the kind of progress the Deputy said would never happen.

**Deputy Bernard J. Durkan:** Hear, hear.

**Deputy Mick Barry:** The conversation about the legacy of Deputy Enda Kenny has begun. The conversation to date has been somewhat one-sided. The official version is out there. Stephen Collins in *The Irish Times* this morning summed it up. He said:

By any yardstick Enda Kenny has been one of the most successful political leaders in the history of the State ... His crowning achievement was to lead the country of the financial crisis that brought it to the brink in 2010, and preside over a government that transformed it into the fastest growing EU economy for the past three years.

**Deputy Bernard J. Durkan:** Fair play to you, Mick.

**Deputy Mick Barry:** The vantage point from an editorial chair in Tara Street, a CEO's office in a bailed-out bank or from the backbenches of the Fine Gael Party is somewhat different from the vantage point of working class people in my constituency of Cork North-Central or from the vantage point of a homeless person in a doorway or a young mother trying to make the rent. Such commentators will be far more likely to point to the shocking social inequality the Taoiseach is bequeathing. It is an Ireland where the wealthiest 20% own 73% of the wealth and the poorest 20% own 0.2%, a differential of an incredible 365 to one. It is an Ireland where workers have had the stick taken to them. One in five are low paid, there is a gender pay gap of 14% and a two-tier pay is Government policy. It is an Ireland where a job is no longer a guarantee of a life free from poverty or even of a roof over one's head. This is the Ireland Deputy Enda Kenny has helped to shape. Every one of his six budgets were regressive and every one widened the gap between the rich and the rest. Did the Taoiseach fashion this island on his own? Of course not. He had many helpers along the line. Among them is the Minister, Deputy Donohoe; the two young princes waiting in the wings; and a sorry and now deservedly depleted Labour Party.

**Deputy Brendan Howlin:** That is rubbish.

**Deputy Mick Barry:** Social inequality on a scale never before seen in this State was achieved by them all, building on the legacy of the previous Fianna Fáil administrations. On the legacy issue, who was right - the hundreds of thousands of people alienated from the political establishment or the editorial writers? Perhaps both are right in their own ways, coming from completely different, opposing and antagonistic class viewpoints. Ultimately, however, history decides the question. If the backlash against social inequality grows in the years ahead, if the strikes and magnificent anti-water charges movement come to be seen not as a blip but as the forerunners of even bigger challenges to inequality and injustice, then I strongly suspect the honest historian will say the legacy of this Taoiseach was the social inequality which fed that backlash and which can change the political direction taken by the nation.

**Deputy Paschal Donohoe:** Let me reassure Deputy Barry the backbenches behind me, my party and colleagues such as the Minister of State, Deputy Finian McGrath, beside me, under-

stand the social circumstances and social needs that are out there every bit as vividly as Deputy Barry.

**Deputy Ruth Coppinger:** I doubt it.

**Deputy Paschal Donohoe:** Deputy Barry has no monopoly on compassion. He has no monopoly on representation. The creed he outlines is the creed, to quote the Deputy, of antagonism. It is the creed of perpetual strife.

The Deputy talks about the view of historians. Historians and commentators will make their own minds up and we will respect and acknowledge their right to do that. As the balance sheet is being drawn up on the Taoiseach and the contribution of the last Government, what will be on the balance sheet are the many factors the Deputy refuses to acknowledge in his contribution. We have seen economic growth translate into job growth, social circumstances begin to improve, increased investment in services, schools and hospitals and we have seen our country begin to make a degree of progress the Deputy has always argued is impossible.

**Deputy Ruth Coppinger:** Why is he going then?

**Deputy Paschal Donohoe:** There are no princes or princesses in our party. We are a party that represents all levels of society, those with and those without. What we see from Deputy Barry and his party, day after day, is an attempt to advocate an agenda that does not represent or acknowledge the progress that has been made. I find it so ironic that the latest incarnation for Deputy Barry's movement is Solidarity.

**Deputy Ruth Coppinger:** The Deputy would not know much about that.

**Deputy Paschal Donohoe:** The last time I checked, Solidarity was a movement originating in Europe that sought to defeat communism but what we have from the Deputy is a movement and a party that is seeking to enforce some form of communism on people who deserve better. We are as aware of peoples' needs as the Deputy's party. We are aware of all of the challenges that still exist but we are also aware of what has been achieved, which Deputy Barry refuses to acknowledge. We are aware of what has already been secured and know that the best way to build on that is by trying to bring people together, not to continually divide them.

**Deputy Mick Barry:** I am afraid that I am going to have to deal with a certain topic in my supplementary question. I ask the Minister to confirm that the Taoiseach, on retirement, will be in receipt of a lump sum of €378,000-----

**Deputy Bernard J. Durkan:** Typical-----

*(Interruptions).*

**Deputy Mick Barry:** -----and on top of that, an annual payment in perpetuity of €126,000. Next week the Minister is going into public sector pay talks and standing over a negotiating stance of support for two-tier pay rates, allowance systems and pension rates for new entrants. This is the solidarity that the Minister is showing to the people who helped to get this country out of the crisis, the working people of this country. The solidarity that I stand for is in the tradition of Connolly and Larkin and I say that there must be equal pay for work of equal value for our young people. How can the Minister defend a lump sum payment of €378,000 plus €126,000 per year for the departing Taoiseach while at the same time attempting to defend these scandalous two-tier pay rates for young workers in our public services?

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**Deputy Paschal Donohoe:** Let us look at the progress that has been secured in dealing with some of the issues that the Deputy has just raised. On the issue of pensions, we must acknowledge that the average level of public pension in this State is €23,000. By 1 January 2018, anybody earning a pension below €32,400 will see the public service pension reduction eliminated.

The Deputy made reference to the issue of different pay and income levels for people who joined the public service after 2010 and after 2013. Let us look at the agreement that was secured between the Government and teachers' unions that sought to put in place a higher level of wage growth and to restore payments to acknowledge the fact that for some teachers, the level of payment they were receiving was not in line with the status that we wanted to offer to their profession -----

**Deputy Mick Barry:** Does the Minister have any comment to make on the Taoiseach's pension?

**Deputy Paschal Donohoe:** That has been delivered.

In the negotiations on public pay that we will commence shortly, following the publication of the report of the Public Sector Pay Commission, we will be looking to build on this progress. We will be looking, if possible, to secure an agreement on public pay that recognises the contributions of 308,000 public servants to our country, society and economy.

**Deputy Thomas Pringle:** I wish to take this opportunity to wish the Taoiseach, Deputy Enda Kenny, well following the announcement of his retirement as Taoiseach in the coming days. I wish him well on a personal level. For many in Fine Gael, his has been a very successful tenure. There will be other opportunities to debate his legacy but I would like to wish him well at this stage.

Last month the Minister for Social Protection, Deputy Varadkar, launched what is essentially a State sponsored, self-promoting public campaign calling on people to report those they suspect of engaging in social welfare fraud. The claim that over €500 million was saved in 2016 through a range of anti-fraud measures within the Department of Social Protection is central to this public campaign. The Minister has been found to have embellished and manipulated the social welfare figures. The actual figure for fraud is closer to €41 million, or 0.2% of the social welfare budget. It has been revealed that the estimate figures include moneys that would have been saved over 52 weeks in the cases of some payments and over 136 weeks in other cases, rather than what has actually been saved. It is possible that the inaccuracy of €450 million in the Minister's calculations can be attributed not to a miscalculation but to a calculated tactic as part of his leadership challenge. The Minister's campaign targets a vulnerable cohort of people including the elderly, lone parents, people with disabilities and the unemployed.

This level of scrutiny is not replicated when it comes to tackling white-collar crime. Over the past ten years, Ireland has lost approximately €25 billion through economic crime. This loss of €2.5 billion a year equates to more than 60 times the annual level of social welfare fraud. The Exchequer has lost tens of billions of euro through the activities of NAMA in extremely suspicious circumstances involving the current Government. The sale of NAMA's Northern loanbook led to a recorded loss of €162 million. NAMA recorded total losses of €800 million in respect of its Northern Ireland loan portfolio between 2010 and 2014. The Government is refusing to accept that there is anything wrong with this. When 15,000 people were defrauded by Irish banks on their mortgage interest rates, it caused misery and led to considerable losses

for families. What about the 100 families that have lost their homes as a result of this fraud? It has been calculated that over the lifetimes of these mortgages, the amount of money involved in this criminal action is at least €500 million.

The Government has never taken white-collar crime seriously. The staffing levels of the Office of the Director of Corporate Enforcement have decreased by more than 18% since 2010. The number of gardaí working in the office has been reduced by 25%. Furthermore, the 2015 Garda Síochána Inspectorate report noted that “the Garda Bureau of Fraud Investigation are struggling to manage the volume of suspicious financial transaction reports forwarded to them as part of money laundering and terrorist financing legislation”. We do not even collate statistics on white-collar crime. The figures that are drawn up are combined with welfare fraud statistics in an effort to massage the figures. If the Government had paid as much attention to white-collar criminals as it is now paying to potential social welfare fraud, it could have saved tens of billions of euro, which is far more than the €41 million that is lost in social welfare fraud each year. When will the Government begin to address this scandal by targeting the corporate criminals and tax cheats who have escaped its public campaign? When will it target criminals in suits as vigorously as it is targeting those who depend on social welfare?

**Deputy Paschal Donohoe:** I thank the Deputy for his gracious comments in response to the announcement made by the Taoiseach yesterday.

All fraud is wrong and illegal and should be subject to the fullest possible enforcement response from the State. All of the issues raised by the Deputy with regard to white-collar crime and corporate fraud are dealt with by the Office of the Director of Corporate Enforcement with the support of An Garda Síochána. As we all know, Revenue pursues tax fraud relentlessly and successfully. Given that the social welfare system involves annual expenditure of almost €20 billion, I suggest that fraud involving forms of income support that are designed to support and protect people on low incomes who are in need at vulnerable points in their lives is particularly worthy of investigation and should be dealt with. That is what the Minister, Deputy Varadkar, is attempting to do. I would have hoped that when the Deputy was acknowledging the Minister’s motives in this regard, he would also have acknowledged that the first set of comprehensive increases in social welfare payments since 2007 or 2010, depending on the payments in question, was provided for in budget 2017. Those increases were put in place because all members of the Government recognise the need to support our social welfare system and those who rely on social welfare payments. I would argue with the Deputy that we need to tackle those who have been involved in defrauding the State from a form of payment that is meant to be used to support those who are vulnerable and need additional income. This must be tackled and more needs to be done on it.

Regarding the figure the Deputy raised, the Department of Social Protection has outlined that the €506 million figure relates to both control and anti-fraud activity. All the material relating to that campaign recognises that. Since this campaign was launched on 1 May of this year, the Department has received more than 1,250 reports of social welfare fraud from members of the public, which represents an increase of more than double the figure for the previous year. Up to May 2016, the figure was 575, and that figure has now more than doubled. That is as a result of the campaign the Department of Social Protection put in place. Its purpose is to stop the abuse of taxpayers’ money, which is meant to be used to support those who need it.

**Deputy Thomas Pringle:** It is interesting the Minister in his response said that all fraud is wrong but in his eyes and those of Fine Gael and the Minister, Deputy Varadkar, all fraud is not

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wrong, only social welfare fraud is wrong and that is the only fraud that is being actively pursued. When one puts such fraud in context it pales into insignificance compared to white collar crime and white collar fraud that is rampant in this State. Will the Minister advise us of the way in which staffing levels in the Office of the Director of Corporate Enforcement have been maintained since 2010 and by how much they have reduced? How many forensic accountants does that office employ who can investigate fraud issues? When we have those figures, that will reveal the real attitude of the Government to tackling fraud.

The Minister said that the first comprehensive increases were in 2017. We could have had far better increases before now if the Government had been tackling white collar crime and the proceeds of that crime had been retained in the Exchequer. NAMAleaks has received many reports of employees of NAMA using NAMA information for personal gain in contravention of the NAMA Act. That is the type of white collar crime to which I am referring. When will the Minister start to investigate that?

**Deputy Paschal Donohoe:** I am not sure if the Deputy welcomes the fact that we are now seeking to do more to tackle those who abuse the system that is meant to support those who are in need.

**Deputy Thomas Pringle:** Why does the Minister not tackle white collar crime?

**Deputy Paschal Donohoe:** I am not sure if the Deputy supports the fact that the number of reports of social welfare fraud has doubled since that campaign was launched. He is wrong to even infer that this Government, this party or any of those who are associated with it do not take seriously the issue of fraud in all its different manifestations. It all needs to be tackled. The Government is committed to doing that. It is appropriate regarding the Government expenditure of €20 billion that all steps be taken to ensure that is no abuse of that funding and that nobody is defrauded of it. That is what the Department of Social Protection is seeking to do. I would have hoped that the Deputy would welcomed the fact that the number of reports of alleged fraud has doubled since that report was launched.

**Deputy Joan Collins:** That is “alleged” fraud.

**Deputy Thomas Pringle:** Yes, alleged fraud.

**An Ceann Comhairle:** That concludes Leaders’ Questions.

### Questions on Promised Legislation

**An Ceann Comhairle:** Before we move on to Questions on Promised Legislation, 12 Deputies are offering and only 15 minutes is allocated for this business today, so I ask Members to be brief.

**Deputy Stephen S. Donnelly:** First, I wish to acknowledge the departure of An Taoiseach, Deputy Enda Kenny, and should have done so earlier. I also wish to acknowledge his work over the years in very difficult times, and I wish him and his family the very best.

I wish to ask the Minister about the possibility of the introduction of a supplementary budget before budget 2018, specifically in the context of what we spoke about earlier, namely, funding for Brexit. In the last budget, the combined funding that went to the IDA, Enterprise Ireland,

and Bord Bia was €4.6 million. The Minister and I may disagree on the level of activity but I would hope we would agree that with respect to the total budget for those excellent agencies of €4.6 million that they could do a great deal more good with a higher budget. To put that into context, the first supplementary budget for health last year came in at €500 million and the Dáil voted it through. There was a second supplementary budget for health which, I believe, was approximately €389 million. We can vote through amounts of money on the basis that Brexit is this enormous challenge. Can we expect to see a supplementary budget, specifically for the State agencies tasked with helping businesses and farmers in the country?

**Minister for Public Expenditure and Reform (Deputy Paschal Donohoe):** I thank the Deputy for his comments relating to the Taoiseach and his family. I am a bit confused by the attitude of Fianna Fáil towards budgetary policy because on the one hand Deputy Michael McGrath is continually asking me to make sure we have no plans to bring in a supplementary budget but the Deputy is now asking me if we have such plans. We have plans in place to deal with Brexit and they were dealt with the context of the 2017 budget. I acknowledge that we will look at and take further steps to deal with that challenge and do it in the context of the 2018 budget.

**Deputy Mary Lou McDonald:** Last February, Mr. Kieran Mulvey reported to the Government on Dublin's north-east inner city and bringing about what was termed in the report's title as "a brighter future". That was launched and agreed. Since that time, there has been a really disappointing level of inactivity in terms of implementing those recommendations and establishing viable and meaningful local structures to bring the change we all wish to see in that part of the city. The North Inner City Community Coalition has been in correspondence with An Taoiseach, Deputy Enda Kenny, on three occasions to request a meeting but that has not happened. Will the Minister tell me when we will get a report on substantive progress in the bringing of change and those local structures to the north-east inner city in Dublin? When will the outgoing or incoming Taoiseach meet representatives of the North Inner City Community Coalition?

**Deputy Paschal Donohoe:** I acknowledge the open mind that the Deputy has demonstrated with regard to this report and what we are looking to do, including the support she has offered to date, although I know that is qualified. The Deputy, her party and its councillors have looked to engage in this progress and project.

The Deputy asked whether the Taoiseach will seek to meet representatives of the community coalition and the answer is "Yes". He has just had much diary pressure to this point, in particular with European commitments, but as recently as yesterday he indicated to me he will meet the group. He is looking to meet them by the end of this month, if that is possible. He is further seeking to visit the north inner city again, and perhaps there might be the opportunity to do all of it as part of one arrangement, diary commitments permitting. I expect a report on what has been achieved to date will be done by the end of this month.

**Deputy Brendan Howlin:** I also acknowledge the announcement made yesterday by the Taoiseach. I have made my own comments in public since the announcement was made, having worked with him for five years.

This morning we are hearing the Gay and Lesbian Equality Network, GLEN, is to close. Its effective work in lobbying for the lesbian, gay, bisexual and transsexual, LGBT, community led to equality legislation, as well as workplace and other protections for LGBT people. It also helped bring about the establishment of civil partnerships and, ultimately, marriage equal-

ity. For 29 years it has organised and lobbied on behalf of a community that was for too long in the shadows. Regardless of the events that led to its closure, its contribution to building a more equal society deserves acknowledgement and respect. The programme for Government contains a determination to foster greater social inclusion and empower the LGBT community. What action does the Government intend to take to deliver on this commitment in the programme for Government?

**Deputy Paschal Donohoe:** I thank Deputy Howlin for his comments about the Taoiseach and his words yesterday. I am aware of the report and announcement made by GLEN on its status, specifically the decision it has made to pursue an orderly winding up of its activities. I also acknowledge the contribution it has made to social progress in our country and the way in which it looked to progress an agenda that we all now accept needed to be done was exemplary. The former Senator, Ms Jillian van Turnhout, was involved with an independent review of the organisation and the charities regulator is independent of the Government; it will take whatever action it sees fit. The Deputy asked about services and my view is that our current objective should be to ensure the valuable services provided by GLEN continue to be provided, given that the organisation will not be around. My colleague, the Minister of State, Deputy Stanton, and the Department of Justice and Equality are involved in drafting an LGBTI strategy which will be published. We hope it will provide a forum for ensuring that the services, advocacy and support which GLEN provided will be continued, albeit not through it.

**Deputy Bríd Smith:** My question concerns the Department of the Minister for Social Protection, Deputy Leo Varadkar, as he promotes himself through this campaign against alleged fraud. The language he uses in answering parliamentary questions is interesting. He wants to promote discussion, challenge perceptions, encourage reporting, increase awareness, demonstrate the seriousness of the Government and the very deep consciousness of the Department in fulfilling its obligations. The Minister's replies use very good language but another very serious fraud is being carried out on more than 30,000 women pensioners who are being denied a proper full contributory pension because of a flaw in the pensions legislation, to which we proposed an amendment last year. The Minister refused to accept this amendment but said he would carry out a review. When are we going to have this review of gross pension inequality, mainly among women pensioners in receipt of the old age pension. Can we please see it soon?

**Deputy Paschal Donohoe:** The Minister, Deputy Varadkar, is undertaking such a review. I cannot indicate to the Deputy when that report will be completed but I will ensure she is given this information.

**Deputy Mattie McGrath:** The programme for Government contains much talk about rural development and, indeed, a rural development Minister. The Leader programme was one of the most important and successful pillars we had in rural development for decades. The Irish programme was held up as a model in Europe. The Minister's predecessor, the former Minister, big Phil, the enforcer, devastated it. Now we have a new situation where there are low engagement levels, the length of the application process is desperate, there is complex and costly administration, and nothing is happening. Not a euro is being spent and communities are frustrated, different projects are being pitted against each other, and the whole thing is a farce. When will the Government dismantle this model and go back to a bottom-up approach? The programme is closed down by administration. It suits the Government. Under the County and City Managers Association, the Government has destroyed community initiative. Could the Government please seriously examine this and allow the volunteers to do the work they have always done and better their own communities, which the Government will not do?

**Deputy Paschal Donohoe:** We have not destroyed community initiative. We are not looking in any way to frustrate the work of communities in responding to their challenges, in particular in the rural context to which the Deputy refers. That is the reason the Minister, Deputy Humphreys, has an action plan on the development of rural Ireland to which every Department is committed, and in which we are making progress. The review to which the Deputy referred is simply one that is designed to ensure that the funding the taxpayer makes available to support these services is used in the best way possible.

**Deputy Mattie McGrath:** Not a cent has been made available.

**Deputy John Brassil:** Under the legislative programme for spring and summer 2017, the gambling control Bill is proposed to provide a comprehensive new licensing and regulatory framework for gambling. The Minister, along with everyone in this House and the public, will be aware that gambling is becoming a scourge in this country, in particular among young people and especially online gambling. We need to get this legislation in place and get control over this issue before it gets out of hand.

**Deputy Paschal Donohoe:** The Minister of State, Deputy Stanton, is dealing with this matter and I will ask him to respond to the Deputy.

**Minister of State at the Department of Justice and Equality (Deputy David Stanton):** I thank the Deputy for the question. It is an issue about which we are all very concerned. I hope in the next week or two to publish the heads of a Bill which will contain some measures to deal with the issues about which the Deputy is concerned. I hope the main gambling Bill will be produced by the end of the year; that is the intention. Earlier this year, we carried out a review of developments in the interim since the heads were produced in 2014. They are substantial. The Deputy is correct on online activity. We are determined to establish a regulator and I have recently explored ways of setting one up on an interim basis in order to get the work started.

**Deputy Eoin Ó Broin:** The Committee on the Future Funding of Domestic Water Services published its report in April. Central to the report are proposed amendments to the 2007 Water Services Act. The Minister, Deputy Simon Coveney, previously indicated that the Bill would be presented to the House in June. Given that he and the Fine Gael Party will be rather distracted in the next couple of months, will the Minister, Deputy Paschal Donohoe, give us a guarantee that the legislation will not be a delayed as a result of the Fine Gael leadership contest? Can he give us an indication of when it will be published?

**Deputy Paschal Donohoe:** I believe it will be published before the summer, as indicated by the Minister, Deputy Simon Coveney. Given the importance of the issue, like any piece of Government business, the legislation will not be affected by any debate that may take place within my party.

**Deputy Danny Healy-Rae:** I refer to respite care for children with mental and physical disabilities. The Minister of State, Deputy Finian McGrath, travelled to County Kerry and announced that he had secured several million euro to address the issue. I can tell the House that a respite care service is only being provided for four families at a time in Kilmona in north Kerry. Why is St. Mary of the Angels in Beaufort not being allowed to continue to provide a respite care service for parents who are worn out? It would give them a chance to recharge their batteries. They are so low-----

**An Ceann Comhairle:** The Deputy could table a parliamentary question about that matter

or a Topical Issue.

**Deputy Danny Healy-Rae:** The Minister of State announced that he was allocating money to deal with the issue but it has not reached County Kerry. We have to wait until the very last. Where is the money from the HSE? Why are people not receiving help? They are in a desperate state.

**Deputy Paschal Donohoe:** Like the Deputy, I acknowledge the needs of those who need a respite care service and the pressure they are under, but I am not in a position to update the Deputy on the supply of funding for a particular centre. If he raises the matter directly with the Minister of State, Deputy Finian McGrath, in a Topical Issue debate and so on, I know that he will respond. I will let the Minister of State know that the Deputy has raised the issue.

**Deputy Bernard J. Durkan:** The Domestic Violence Bill has been promised. Will the Minister indicate its current location and the intent to bring it into law.

**Deputy Paschal Donohoe:** It is a very important Bill which has reached Committee Stage in the Seanad. The Government is committed to enacting it as soon as possible.

**Deputy Eugene Murphy:** Considering the performance of the Minister, Deputy Paschal Donohoe, today, he might consider becoming the third man, if the Ceann Comhairle knows what I mean.

The programme for Government devotes a lot of time to farming matters, which is important because they affect the lives of every one of us. One concerns inspections, appeals and TAMS. Reference was made to fairness, transparency and the farmers' charter. In respect of TAMS, 11,800 farmers applied to participate in the scheme, of whom 8,440 have been approved. A considerable number of payments have been delayed. I am raising the issue because the delays are causing a lot of stress for farm families. Deputy Charlie McConalogue has dealt with the issue on our side of the House. We have been told there is an IT issue and if that is the case, it is not good enough. Will the Government consider a plan B? If there is an IT issue, it should have a fund from which to make payments and remove the stress and recoup the money when the IT system has been repaired.

**Deputy Paschal Donohoe:** The Minister for Agriculture, Food and the Marine, Deputy Michael Creed, is very much aware of the importance of this issue because the payments are needed. Farmers and their families are entitled to them. There is, however, a difficulty in making them within the correct timeline. The Department of Agriculture, Food and the Marine wants to resolve the matter. Now that the Deputy has raised the issue, I will make sure the Minister is aware of his concern. Using the systems in place which have worked in the past is the best way to deal with the issue.

**An Ceann Comhairle:** There are two Deputies remaining. If they are very brief, I will take them together.

**Deputy Maurice Quinlivan:** On page 40 of the programme for Government the Government committed to raising the national minimum wage to €10.50 an hour. The last increase was 10 cent, from €9.15 to €9.25, a paltry increase. At this rate, it will take the Government 11 years to reach its target. It has nothing to do with the Low Pay Commission, rather it is a commitment in the programme for Government. As the Minister knows, the cost of living is now huge. People cannot make ends meet on €9.25 per hour. Rent, travel, insurance and other costs

are massively affecting people at a time when wages are not increasing. Will the Minister commit to raising the national minimum wage to €10.50 immediately and start to progress towards a living wage of €11.50?

**Deputy Seán Haughey:** The Minister for Social Protection, Deputy Leo Varadkar, has informed me in a written reply to a parliamentary question that he intends to introduce legislation to ensure payments made in respect of the Stardust fire of 1981 will not be counted as means in calculations for social welfare purposes. I do not expect the Minister opposite to know the detail of that commitment, but he might remind the Minister, Deputy Leo Varadkar, of his commitment. I hope the legislation can be taken in the House sooner rather than later.

**An Ceann Comhairle:** I missed Deputy Declan Breathnach. I apologise.

**Deputy Declan Breathnach:** I must be the third man on this side of the House. The programme for Government contains a commitment to keep people in their own homes for as long as possible. In that regard, I note that the disabled person's grants scheme, while very welcome in all counties, is completely oversubscribed. In my county alone in the priority 1 category, many people have been refused the grant owing to oversubscription. As I have done before, I ask the Minister for Public Expenditure and Reform and the Minister for Housing, Planning, Community and Local Government, Deputy Simon Coveney, to consider the reintroduction of the housing aid for the elderly scheme, whereby a small grant of approximately €5,000 could be matched by families, either through work or materials, to extend the capacity of people to live in their homes for longer.

**Deputy Paschal Donohoe:** I will ask the Minister of State, Deputy Pat Breen, to deal with the issue raised by Deputy Maurice Quinlivan.

I will pass on to the Minister, Deputy Leo Varadkar, the concerns of Deputy Seán Haughey. As the Deputy acknowledges, the Minister has indicated that he wants to see if the payment can be released in such a way as to avoid disqualifying recipients from receiving other payments they may already be receiving.

The matter raised by Deputy Declan Breathnach is one which the Minister, Deputy Simon Coveney, who I will have to mention every time I also mention the Minister, Deputy Leo Varadkar, is raising in the context of budget 2018.

**Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy Pat Breen):** I remind Deputy Maurice Quinlivan that the minimum wage in Ireland is the second highest in Europe after Luxembourg. The idea behind establishing the Low Pay Commission last year was to take responsibility for the matter away from the Government. The commission consists of academics, business people and trade union representatives whose task is to make a balanced decision on the level of the minimum wage each year. It is working on the issue and, I understand, will make a decision in July. The idea was to take it away from the Government and place it before a small group which was balanced and independent in its composition.

### **Criminal Justice (Offences Relating to Information Systems) Bill 2016: From the Seanad**

The Dáil went into Committee to consider amendments from the Seanad.

Seanad amendment No. 1:

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Section 1: In page 3, line 30, to delete “or 6” and substitute “, 6 or 9(1)”.

Seanad amendment agreed to.

Seanad amendment No. 2:

Section 8: In page 6, line 25, to delete “or 6” and substitute “, 6 or 9(1)”.

Seanad amendment agreed to.

Seanad amendment No. 3:

Section 9: In page 7, between lines 9 and 10, to insert the following:

**“Liability for offences by body corporate, etc.**

9. (1) Where a relevant offence (other than an offence under this subsection) is committed for the benefit of a body corporate by a relevant person and the commission of the relevant offence is attributable to the failure, by a director, manager, secretary or other officer of the body corporate, or a person purporting to act in that capacity, to exercise, at the time of the commission of the relevant offence and in all the circumstances of the case, the requisite degree of supervision or control of the relevant person, the body corporate shall be guilty of an offence.

(2) In proceedings for an offence under *subsection (1)*, it shall be a defence for a body corporate against which such proceedings are brought to prove that it took all reasonable steps and exercised all due diligence to avoid the commission of the offence.

(3) Where an offence under this Act is committed by a body corporate and it is proved that the offence was committed with the consent or connivance, or was attributable to any wilful neglect, of a person who was a director, manager, secretary or other officer of the body corporate, or a person purporting to act in that capacity, that person shall, as well as the body corporate, be guilty of an offence and shall be liable to be proceeded against and punished as if he or she were guilty of the first-mentioned offence.

(4) *Subsection (1)*—

(a) is without prejudice to the other circumstances, under the general law, whereby acts of a natural person are attributed to a body corporate resulting in criminal liability of that body corporate for those acts, and

(b) does not exclude criminal proceedings against natural persons who are involved as perpetrators, inciters or accessories in an offence under this Act.

(5) In this section—

“relevant person”, in relation to a body corporate, means—

(a) a director, manager, secretary or other officer of the body corporate, or a person purporting to act in that capacity, or

(b) an employee, subsidiary or agent of the body corporate;

“subsidiary”, in relation to a body corporate, has the meaning it has in the Companies Act 2014.”.

Seanad amendment agreed to.

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

I thank the House for facilitating this important legislation and agreeing to the amendments. It is of particular note that this is the first legislation in this jurisdiction which is specifically dedicated to dealing with cybercrime. It is also timely in seeking to protect vital information and communications systems from attack, a reality which was, unfortunately, clearly demonstrated last weekend when 200,000 systems in more than 150 countries were targeted in an unprecedented global cyberattack. The need to safeguard modern systems and their important data is more pressing than ever. We must help to protect individual citizens, businesses and Government structures alike from cybercriminality. The legislation ensures unlawful activities related to information systems are criminalised and that strong penalties are in place to deter and punish offenders. I am sure the legislation will make a very significant difference in combating and prosecuting cybercrime and prove to be of immense benefit to An Garda Síochána in its work in this area. It is, therefore, a very welcome and important addition to the Statute Book. I thank colleagues for their support.

*1 o'clock*

Seanad amendments reported.

**Rural Equality Bill 2017: Second Stage (Resumed) [Private Members]**

The following motion was moved by Deputy Martin Kenny on Thursday, 4 May 2017: “That the Bill be now read a Second Time.”

Debate resumed on amendment No. 1:

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

“Dáil Éireann, while recognising that rural proofing and equality are important issues to ensure the development of rural areas, declines to give the Rural Equality Bill 2017 a second reading for the following reasons:

(a) the proposals in the Bill would require rural impact assessments to be carried out on all enactments, including Money Bills, this would have implications, in particular, for the Finance Bill, and could have serious implications for the timely passing of legislation to give effect to the annual Budget;

(b) the proposed Bill, as presented, has significant drafting flaws in relation to definitions and level of ambition;

(c) the proposed Bill will create difficulties in relation to the scope of its application and in relation to the administrative burden it will create as there are a significant number of public bodies for which a rural impact scheme is not relevant or material because of the nature of their work (e.g. Irish Film Classification Office), or their limited geographical remit (e.g. Dublin Docklands Development Authority);

(d) the Action Plan for Rural Development, which takes a whole-of-Government

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approach to both the economic and social development of rural Ireland, includes a commitment to

‘develop a new and effective rural proofing model which would ensure that rural development issues are considered in the decision-making processes of all Government Departments, State bodies and agencies.’; and

(e) the Minister for Arts, Heritage, Regional, Rural and Gaeltacht Affairs proposes that, in delivering the commitment in the Action Plan, the Oireachtas Committee on Arts, Heritage, Regional, Rural and Gaeltacht Affairs should examine the issue and recommend whether rural proofing would be best achieved by non-legislative actions or by legislative actions, or a mixture of both, and present a report to Dáil Éireann on the matter.”

-(Minister for Arts, Heritage, Regional, Rural and Gaeltacht Affairs, Deputy Heather Humphreys)

**An Ceann Comhairle:** I must now deal with a postponed division relating to Second Stage of the Rural Equality Bill 2017, which took place on Thursday, 4 May 2017. On the question, “That the amendment be made”, a division was claimed and, in accordance with Standing Order 70(2), that division must be taken now.

Amendment put:

<i>The Dáil divided: Tá, 89; Níl, 47; Staon, 0.</i>		
<i>Tá</i>	<i>Níl</i>	<i>Stاون</i>
<i>Aylward, Bobby.</i>	<i>Adams, Gerry.</i>	
<i>Bailey, Maria.</i>	<i>Barry, Mick.</i>	
<i>Barrett, Seán.</i>	<i>Boyd Barrett, Richard.</i>	
<i>Brassil, John.</i>	<i>Brady, John.</i>	
<i>Breathnach, Declan.</i>	<i>Buckley, Pat.</i>	
<i>Breen, Pat.</i>	<i>Burton, Joan.</i>	
<i>Brophy, Colm.</i>	<i>Collins, Joan.</i>	
<i>Browne, James.</i>	<i>Collins, Michael.</i>	
<i>Bruton, Richard.</i>	<i>Coppinger, Ruth.</i>	
<i>Burke, Peter.</i>	<i>Crowe, Seán.</i>	
<i>Butler, Mary.</i>	<i>Cullinane, David.</i>	
<i>Byrne, Catherine.</i>	<i>Daly, Clare.</i>	
<i>Byrne, Thomas.</i>	<i>Doherty, Pearse.</i>	
<i>Cahill, Jackie.</i>	<i>Ellis, Dessie.</i>	
<i>Calleary, Dara.</i>	<i>Ferris, Martin.</i>	
<i>Carey, Joe.</i>	<i>Funchion, Kathleen.</i>	
<i>Casey, Pat.</i>	<i>Harty, Michael.</i>	
<i>Cassells, Shane.</i>	<i>Healy-Rae, Danny.</i>	
<i>Chambers, Jack.</i>	<i>Healy, Seamus.</i>	
<i>Chambers, Lisa.</i>	<i>Howlin, Brendan.</i>	
<i>Collins, Niall.</i>	<i>Kelly, Alan.</i>	

*Dáil Éireann*

<i>Corcoran Kennedy, Marcella.</i>	<i>Kenny, Gino.</i>	
<i>Coveney, Simon.</i>	<i>Kenny, Martin.</i>	
<i>Cowen, Barry.</i>	<i>McDonald, Mary Lou.</i>	
<i>Creed, Michael.</i>	<i>McGrath, Mattie.</i>	
<i>Curran, John.</i>	<i>Martin, Catherine.</i>	
<i>D’Arcy, Michael.</i>	<i>Mitchell, Denise.</i>	
<i>Daly, Jim.</i>	<i>Munster, Imelda.</i>	
<i>Deasy, John.</i>	<i>Murphy, Catherine.</i>	
<i>Deering, Pat.</i>	<i>Nolan, Carol.</i>	
<i>Doherty, Regina.</i>	<i>Ó Broin, Eoin.</i>	
<i>Donnelly, Stephen S.</i>	<i>Ó Caoláin, Caoimhghín.</i>	
<i>Donohoe, Paschal.</i>	<i>Ó Laoghaire, Donnchadh.</i>	
<i>Dooley, Timmy.</i>	<i>Ó Snodaigh, Aengus.</i>	
<i>Doyle, Andrew.</i>	<i>O’Brien, Jonathan.</i>	
<i>Durkan, Bernard J.</i>	<i>O’Reilly, Louise.</i>	
<i>English, Damien.</i>	<i>O’Sullivan, Jan.</i>	
<i>Farrell, Alan.</i>	<i>Penrose, Willie.</i>	
<i>Fitzpatrick, Peter.</i>	<i>Pringle, Thomas.</i>	
<i>Flanagan, Charles.</i>	<i>Quinlivan, Maurice.</i>	
<i>Fleming, Sean.</i>	<i>Ryan, Brendan.</i>	
<i>Gallagher, Pat The Cope.</i>	<i>Sherlock, Sean.</i>	
<i>Griffin, Brendan.</i>	<i>Shortall, Róisín.</i>	
<i>Halligan, John.</i>	<i>Smith, Bríd.</i>	
<i>Harris, Simon.</i>	<i>Stanley, Brian.</i>	
<i>Haughey, Seán.</i>	<i>Tóibín, Peadar.</i>	
<i>Heydon, Martin.</i>	<i>Wallace, Mick.</i>	
<i>Humphreys, Heather.</i>		
<i>Kelleher, Billy.</i>		
<i>Kyne, Seán.</i>		
<i>Lahart, John.</i>		
<i>Lawless, James.</i>		
<i>Lowry, Michael.</i>		
<i>MacSharry, Marc.</i>		
<i>McEntee, Helen.</i>		
<i>McGrath, Finian.</i>		
<i>McGrath, Michael.</i>		
<i>McGuinness, John.</i>		
<i>McHugh, Joe.</i>		
<i>McLoughlin, Tony.</i>		
<i>Madigan, Josepha.</i>		
<i>Martin, Micheál.</i>		
<i>Moran, Kevin Boxer.</i>		

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<i>Moynihan, Aindrias.</i>		
<i>Moynihan, Michael.</i>		
<i>Murphy O'Mahony, Margaret.</i>		
<i>Murphy, Eoghan.</i>		
<i>Murphy, Eugene.</i>		
<i>Naughton, Hildegarde.</i>		
<i>Neville, Tom.</i>		
<i>Noonan, Michael.</i>		
<i>Ó Cuív, Éamon.</i>		
<i>O'Brien, Darragh.</i>		
<i>O'Connell, Kate.</i>		
<i>O'Dea, Willie.</i>		
<i>O'Dowd, Fergus.</i>		
<i>O'Loughlin, Fiona.</i>		
<i>O'Rourke, Frank.</i>		
<i>O'Sullivan, Maureen.</i>		
<i>Phelan, John Paul.</i>		
<i>Rabbitte, Anne.</i>		
<i>Rock, Noel.</i>		
<i>Ross, Shane.</i>		
<i>Scanlon, Eamon.</i>		
<i>Smith, Brendan.</i>		
<i>Smyth, Niamh.</i>		
<i>Stanton, David.</i>		
<i>Troy, Robert.</i>		
<i>Varadkar, Leo.</i>		

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

Amendment declared carried.

Motion, as amended, agreed to.

### **Proposed Sale of AIB Shares: Motion (Resumed) [Private Members]**

The following motion was moved by Deputy Brendan Howlin on Tuesday, 9 May 2017:

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.

Debate resumed on 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;

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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;

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.”

- (Minister for Finance).

**An Ceann Comhairle:** I must now deal with a postponed division relating to amendment No. 5 to the motion regarding the proposed sale of AIB shares. On Tuesday, 9 May 2017, on the question, “That the amendment to the motion be agreed to,” a division was claimed. In accordance with Standing Order 70(2), that division must be taken now.

Amendment put:

*Dáil Éireann*

<i>The Dáil divided: Tá, 47; Níl, 90; Staon, 1.</i>		
<i>Tá</i>	<i>Níl</i>	<i>Stاون</i>
<i>Bailey, Maria.</i>	<i>Adams, Gerry.</i>	<i>Harty, Michael.</i>
<i>Barrett, Seán.</i>	<i>Aylward, Bobby.</i>	
<i>Breen, Pat.</i>	<i>Barry, Mick.</i>	
<i>Brophy, Colm.</i>	<i>Boyd Barrett, Richard.</i>	
<i>Bruton, Richard.</i>	<i>Brady, John.</i>	
<i>Burke, Peter.</i>	<i>Brassil, John.</i>	
<i>Byrne, Catherine.</i>	<i>Breathnach, Declan.</i>	
<i>Carey, Joe.</i>	<i>Browne, James.</i>	
<i>Corcoran Kennedy, Marcella.</i>	<i>Buckley, Pat.</i>	
<i>Coveney, Simon.</i>	<i>Burton, Joan.</i>	
<i>Creed, Michael.</i>	<i>Butler, Mary.</i>	
<i>D'Arcy, Michael.</i>	<i>Byrne, Thomas.</i>	
<i>Daly, Jim.</i>	<i>Cahill, Jackie.</i>	
<i>Deasy, John.</i>	<i>Calleary, Dara.</i>	
<i>Deering, Pat.</i>	<i>Casey, Pat.</i>	
<i>Doherty, Regina.</i>	<i>Cassells, Shane.</i>	
<i>Donohoe, Paschal.</i>	<i>Chambers, Jack.</i>	
<i>Doyle, Andrew.</i>	<i>Chambers, Lisa.</i>	
<i>Durkan, Bernard J.</i>	<i>Collins, Joan.</i>	
<i>English, Damien.</i>	<i>Collins, Michael.</i>	
<i>Farrell, Alan.</i>	<i>Collins, Niall.</i>	
<i>Fitzpatrick, Peter.</i>	<i>Coppinger, Ruth.</i>	
<i>Flanagan, Charles.</i>	<i>Cowen, Barry.</i>	
<i>Griffin, Brendan.</i>	<i>Crowe, Seán.</i>	
<i>Halligan, John.</i>	<i>Cullinane, David.</i>	
<i>Harris, Simon.</i>	<i>Curran, John.</i>	
<i>Heydon, Martin.</i>	<i>Daly, Clare.</i>	
<i>Humphreys, Heather.</i>	<i>Doherty, Pearse.</i>	
<i>Kyne, Seán.</i>	<i>Donnelly, Stephen S.</i>	
<i>Lowry, Michael.</i>	<i>Dooley, Timmy.</i>	
<i>McEntee, Helen.</i>	<i>Ellis, Dessie.</i>	
<i>McGrath, Finian.</i>	<i>Ferris, Martin.</i>	
<i>McHugh, Joe.</i>	<i>Fleming, Sean.</i>	
<i>McLoughlin, Tony.</i>	<i>Funchion, Kathleen.</i>	
<i>Madigan, Josepha.</i>	<i>Gallagher, Pat The Cope.</i>	
<i>Moran, Kevin Boxer.</i>	<i>Haughey, Seán.</i>	
<i>Murphy, Eoghan.</i>	<i>Healy-Rae, Danny.</i>	
<i>Naughton, Hildegarde.</i>	<i>Healy, Seamus.</i>	
<i>Neville, Tom.</i>	<i>Howlin, Brendan.</i>	
<i>Noonan, Michael.</i>	<i>Kelleher, Billy.</i>	

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<i>O'Connell, Kate.</i>	<i>Kelly, Alan.</i>	
<i>O'Dowd, Fergus.</i>	<i>Kenny, Gino.</i>	
<i>Phelan, John Paul.</i>	<i>Kenny, Martin.</i>	
<i>Rock, Noel.</i>	<i>Lahart, John.</i>	
<i>Ross, Shane.</i>	<i>Lawless, James.</i>	
<i>Stanton, David.</i>	<i>MacSharry, Marc.</i>	
<i>Varadkar, Leo.</i>	<i>McConalogue, Charlie.</i>	
	<i>McDonald, Mary Lou.</i>	
	<i>McGrath, Mattie.</i>	
	<i>McGrath, Michael.</i>	
	<i>McGuinness, John.</i>	
	<i>Martin, Catherine.</i>	
	<i>Martin, Micheál.</i>	
	<i>Mitchell, Denise.</i>	
	<i>Moynihan, Aindrias.</i>	
	<i>Moynihan, Michael.</i>	
	<i>Munster, Imelda.</i>	
	<i>Murphy O'Mahony, Margaret.</i>	
	<i>Murphy, Catherine.</i>	
	<i>Murphy, Eugene.</i>	
	<i>Nolan, Carol.</i>	
	<i>Ó Broin, Eoin.</i>	
	<i>Ó Caoláin, Caoimhghín.</i>	
	<i>Ó Cuív, Éamon.</i>	
	<i>Ó Laoghaire, Donnchadh.</i>	
	<i>Ó Snodaigh, Aengus.</i>	
	<i>O'Brien, Darragh.</i>	
	<i>O'Brien, Jonathan.</i>	
	<i>O'Callaghan, Jim.</i>	
	<i>O'Dea, Willie.</i>	
	<i>O'Loughlin, Fiona.</i>	
	<i>O'Reilly, Louise.</i>	
	<i>O'Rourke, Frank.</i>	
	<i>O'Sullivan, Jan.</i>	
	<i>O'Sullivan, Maureen.</i>	
	<i>Penrose, Willie.</i>	
	<i>Pringle, Thomas.</i>	
	<i>Quinlivan, Maurice.</i>	
	<i>Rabbitte, Anne.</i>	
	<i>Ryan, Brendan.</i>	
	<i>Scanlon, Eamon.</i>	
	<i>Sherlock, Sean.</i>	

	<b><i>Shortall, Róisín.</i></b>	
	<b><i>Smith, Brendan.</i></b>	
	<b><i>Smith, Bríd.</i></b>	
	<b><i>Smyth, Niamh.</i></b>	
	<b><i>Stanley, Brian.</i></b>	
	<b><i>Tóibín, Peadar.</i></b>	
	<b><i>Troy, Robert.</i></b>	
	<b><i>Wallace, Mick.</i></b>	

Tellers: Tá, Deputies Regina Doherty and Tony McLoughlin; Níl, Deputies Brendan Ryan and Jan O’Sullivan.

Amendment declared lost.

**Deputy Michael McGrath:** I move amendment No. 4:

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

“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 built up as a result of under-investment in recent years, 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, greater capital investment is required than envisaged in the current capital plan;

notes that:

- while nominal national debt levels have increased very significantly in the last decade, 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;

- 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 out of the National Pensions Reserve Fund; and

- the European Union Stability and Growth Pact and the European Union and domestic fiscal rules are essential for ensuring fiscal responsibility and stability across the eurozone, including Ireland, and that the particular rules surrounding capital investment should be reviewed; and

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calls on the Government:

- to carry out an independent assessment of the appropriateness of the 10% rule which limits the role of public private partnership in capital investment in the Irish economy at this time; and

- in the light of the exceptional circumstances that apply, to seek the support of the European Commission to use some or all of the proceeds from the sale of a stake in AIB for capital investment purposes.

Amendment put:

<i>The Dáil divided: Tá, 47; Níl, 90; Staon, 1.</i>		
<i>Tá</i>	<i>Níl</i>	<i>Staon</i>
<i>Aylward, Bobby.</i>	<i>Adams, Gerry.</i>	<i>Harty, Michael.</i>
<i>Brassil, John.</i>	<i>Bailey, Maria.</i>	
<i>Breathnach, Declan.</i>	<i>Barrett, Seán.</i>	
<i>Browne, James.</i>	<i>Barry, Mick.</i>	
<i>Butler, Mary.</i>	<i>Boyd Barrett, Richard.</i>	
<i>Byrne, Thomas.</i>	<i>Brady, John.</i>	
<i>Cahill, Jackie.</i>	<i>Breen, Pat.</i>	
<i>Calleary, Dara.</i>	<i>Brophy, Colm.</i>	
<i>Casey, Pat.</i>	<i>Broughan, Thomas P.</i>	
<i>Cassells, Shane.</i>	<i>Bruton, Richard.</i>	
<i>Chambers, Jack.</i>	<i>Buckley, Pat.</i>	
<i>Chambers, Lisa.</i>	<i>Burke, Peter.</i>	
<i>Collins, Michael.</i>	<i>Burton, Joan.</i>	
<i>Collins, Niall.</i>	<i>Byrne, Catherine.</i>	
<i>Cowen, Barry.</i>	<i>Carey, Joe.</i>	
<i>Curran, John.</i>	<i>Collins, Joan.</i>	
<i>Donnelly, Stephen S.</i>	<i>Coppinger, Ruth.</i>	
<i>Dooley, Timmy.</i>	<i>Corcoran Kennedy, Marcella.</i>	
<i>Fleming, Sean.</i>	<i>Coveney, Simon.</i>	
<i>Haughey, Seán.</i>	<i>Creed, Michael.</i>	
<i>Healy-Rae, Danny.</i>	<i>Crowe, Seán.</i>	
<i>Kelleher, Billy.</i>	<i>Cullinane, David.</i>	
<i>Lahart, John.</i>	<i>D'Arcy, Michael.</i>	
<i>Lawless, James.</i>	<i>Daly, Clare.</i>	
<i>Lowry, Michael.</i>	<i>Daly, Jim.</i>	
<i>MacSharry, Marc.</i>	<i>Deasy, John.</i>	
<i>McConalogue, Charlie.</i>	<i>Deering, Pat.</i>	
<i>McGrath, Mattie.</i>	<i>Doherty, Pearse.</i>	
<i>McGrath, Michael.</i>	<i>Doherty, Regina.</i>	
<i>McGuinness, John.</i>	<i>Donohoe, Paschal.</i>	

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<i>Martin, Catherine.</i>	<i>Doyle, Andrew.</i>	
<i>Martin, Micheál.</i>	<i>Durkan, Bernard J.</i>	
<i>Moynihan, Aindrias.</i>	<i>Ellis, Dessie.</i>	
<i>Moynihan, Michael.</i>	<i>English, Damien.</i>	
<i>Murphy O'Mahony, Margaret.</i>	<i>Farrell, Alan.</i>	
<i>Murphy, Eugene.</i>	<i>Ferris, Martin.</i>	
<i>Ó Cuív, Éamon.</i>	<i>Fitzpatrick, Peter.</i>	
<i>O'Brien, Darragh.</i>	<i>Flanagan, Charles.</i>	
<i>O'Callaghan, Jim.</i>	<i>Funchion, Kathleen.</i>	
<i>O'Dea, Willie.</i>	<i>Griffin, Brendan.</i>	
<i>O'Loughlin, Fiona.</i>	<i>Halligan, John.</i>	
<i>O'Rourke, Frank.</i>	<i>Harris, Simon.</i>	
<i>Rabbitte, Anne.</i>	<i>Healy, Seamus.</i>	
<i>Scanlon, Eamon.</i>	<i>Heydon, Martin.</i>	
<i>Smith, Brendan.</i>	<i>Howlin, Brendan.</i>	
<i>Smyth, Niamh.</i>	<i>Humphreys, Heather.</i>	
<i>Troy, Robert.</i>	<i>Kelly, Alan.</i>	
	<i>Kenny, Gino.</i>	
	<i>Kenny, Martin.</i>	
	<i>Kyne, Seán.</i>	
	<i>McDonald, Mary Lou.</i>	
	<i>McEntee, Helen.</i>	
	<i>McGrath, Finian.</i>	
	<i>McHugh, Joe.</i>	
	<i>McLoughlin, Tony.</i>	
	<i>Madigan, Josepha.</i>	
	<i>Mitchell, Denise.</i>	
	<i>Moran, Kevin Boxer.</i>	
	<i>Munster, Imelda.</i>	
	<i>Murphy, Catherine.</i>	
	<i>Murphy, Eoghan.</i>	
	<i>Naughton, Hildegarde.</i>	
	<i>Neville, Tom.</i>	
	<i>Nolan, Carol.</i>	
	<i>Noonan, Michael.</i>	
	<i>Ó Broin, Eoin.</i>	
	<i>Ó Caoláin, Caoimhghín.</i>	
	<i>Ó Laoghaire, Donnchadh.</i>	
	<i>Ó Snodaigh, Aengus.</i>	
	<i>O'Brien, Jonathan.</i>	
	<i>O'Connell, Kate.</i>	
	<i>O'Dowd, Fergus.</i>	

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	<i>O'Reilly, Louise.</i>	
	<i>O'Sullivan, Jan.</i>	
	<i>O'Sullivan, Maureen.</i>	
	<i>Penrose, Willie.</i>	
	<i>Phelan, John Paul.</i>	
	<i>Pringle, Thomas.</i>	
	<i>Quinlivan, Maurice.</i>	
	<i>Rock, Noel.</i>	
	<i>Ross, Shane.</i>	
	<i>Ryan, Brendan.</i>	
	<i>Sherlock, Sean.</i>	
	<i>Shortall, Róisín.</i>	
	<i>Smith, Bríd.</i>	
	<i>Stanley, Brian.</i>	
	<i>Stanton, David.</i>	
	<i>Tóibín, Peadar.</i>	
	<i>Varadkar, Leo.</i>	
	<i>Wallace, Mick.</i>	

Tellers: Tá, Deputies Michael Moynihan and John Lahart; Níl, Deputies Brendan Ryan and Jan O'Sullivan.

Amendment declared lost.

**Deputy Pearse Doherty:** I move amendment No. 2:

To delete all words after “fall at a rapid pace. due to economic growth” and substitute the following:

“and adjustments unrelated to actual economic factors:

welcomes the emerging consensus that the fiscal rules are flawed and that, as pointed out by some during the referendum on the issue, they now represent a very real impediment to the investment in our economy and society that is required:

notes that:

- the bail out of Allied Irish Banks (AIB) had consequences far beyond the upfront cost and that these consequences can be seen in the number of young people who have emigrated and the crises in our health and housing sectors for example:

- and no scrutiny or cost benefit analysis of the decision by Government to sell AIB or part of AIB has taken place in the Oireachtas to date;

believes that no credible economic case has been made for the privatisation of AIB;

further notes the evidence given at the Inquiry into the Banking Crisis of former AIB director and former chief executive of the National Treasury Management Agency, Michael Somers, that any part sale of AIB would have to be at a discount;

calls on the Government to:

- abandon the sale of AIB, as no case has been presented that the sale is in the best interests of the Irish people;

- ensure that any future decision to sell any shares in AIB is subject to Oireachtas approval;

- work with progressive governments in the European Union (EU) to radically amend the fiscal rules, so that a greater degree of economic sovereignty is returned to Member States and the rules reflect the value of investment in the economy;

- in the context of Brexit, secure greater flexibility for Ireland to spend on infrastructure through national and EU/European Investment Bank (EIB) funding; and

- prioritise, within the fiscal space, capital investment and investment in public services rather than implement a tax cutting agenda that benefits the wealthier; and

calls on the Committee on Finance, Public Expenditure and Reform, and Taoiseach to consider the long term options for the future of AIB and the State's shareholdings in other banks."

Amendment put:

<i>The Dáil divided: Tá, 36; Níl, 97; Staon, 6.</i>		
<i>Tá</i>	<i>Níl</i>	<i>Staon</i>
<i>Adams, Gerry.</i>	<i>Aylward, Bobby.</i>	<i>Barry, Mick.</i>
<i>Brady, John.</i>	<i>Bailey, Maria.</i>	<i>Boyd Barrett, Richard.</i>
<i>Broughan, Thomas P.</i>	<i>Barrett, Seán.</i>	<i>Coppinger, Ruth.</i>
<i>Buckley, Pat.</i>	<i>Brassil, John.</i>	<i>Harty, Michael.</i>
<i>Collins, Joan.</i>	<i>Breathnach, Declan.</i>	<i>Kenny, Gino.</i>
<i>Collins, Michael.</i>	<i>Breen, Pat.</i>	<i>Smith, Bríd.</i>
<i>Crowe, Seán.</i>	<i>Brophy, Colm.</i>	
<i>Cullinane, David.</i>	<i>Browne, James.</i>	
<i>Daly, Clare.</i>	<i>Bruton, Richard.</i>	
<i>Doherty, Pearse.</i>	<i>Burton, Joan.</i>	
<i>Ellis, Dessie.</i>	<i>Butler, Mary.</i>	
<i>Ferris, Martin.</i>	<i>Byrne, Catherine.</i>	
<i>Funchion, Kathleen.</i>	<i>Byrne, Thomas.</i>	
<i>Healy-Rae, Danny.</i>	<i>Cahill, Jackie.</i>	
<i>Healy, Seamus.</i>	<i>Calleary, Dara.</i>	
<i>Kenny, Martin.</i>	<i>Carey, Joe.</i>	
<i>McDonald, Mary Lou.</i>	<i>Casey, Pat.</i>	

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<i>McGrath, Mattie.</i>	<i>Cassells, Shane.</i>	
<i>Martin, Catherine.</i>	<i>Chambers, Jack.</i>	
<i>Mitchell, Denise.</i>	<i>Chambers, Lisa.</i>	
<i>Munster, Imelda.</i>	<i>Collins, Niall.</i>	
<i>Murphy, Catherine.</i>	<i>Corcoran Kennedy, Marcella.</i>	
<i>Nolan, Carol.</i>	<i>Coveney, Simon.</i>	
<i>Ó Broin, Eoin.</i>	<i>Cowen, Barry.</i>	
<i>Ó Caoláin, Caoimhghín.</i>	<i>Creed, Michael.</i>	
<i>Ó Laoghaire, Donnchadh.</i>	<i>Curran, John.</i>	
<i>Ó Snodaigh, Aengus.</i>	<i>D'Arcy, Michael.</i>	
<i>O'Brien, Jonathan.</i>	<i>Daly, Jim.</i>	
<i>O'Reilly, Louise.</i>	<i>Deasy, John.</i>	
<i>O'Sullivan, Maureen.</i>	<i>Deering, Pat.</i>	
<i>Pringle, Thomas.</i>	<i>Doherty, Regina.</i>	
<i>Quinlivan, Maurice.</i>	<i>Donnelly, Stephen S.</i>	
<i>Shortall, Róisín.</i>	<i>Donohoe, Paschal.</i>	
<i>Stanley, Brian.</i>	<i>Dooley, Timmy.</i>	
<i>Tóibín, Peadar.</i>	<i>Doyle, Andrew.</i>	
<i>Wallace, Mick.</i>	<i>Durkan, Bernard J.</i>	
	<i>English, Damien.</i>	
	<i>Farrell, Alan.</i>	
	<i>Fitzpatrick, Peter.</i>	
	<i>Flanagan, Charles.</i>	
	<i>Fleming, Sean.</i>	
	<i>Gallagher, Pat The Cope.</i>	
	<i>Griffin, Brendan.</i>	
	<i>Halligan, John.</i>	
	<i>Harris, Simon.</i>	
	<i>Haughey, Seán.</i>	
	<i>Heydon, Martin.</i>	
	<i>Howlin, Brendan.</i>	
	<i>Humphreys, Heather.</i>	
	<i>Kelleher, Billy.</i>	
	<i>Kelly, Alan.</i>	
	<i>Kyne, Seán.</i>	
	<i>Lahart, John.</i>	
	<i>Lawless, James.</i>	
	<i>Lowry, Michael.</i>	
	<i>MacSharry, Marc.</i>	
	<i>McConalogue, Charlie.</i>	
	<i>McEntee, Helen.</i>	
	<i>McGrath, Finian.</i>	

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	<i>McGrath, Michael.</i>	
	<i>McGuinness, John.</i>	
	<i>McHugh, Joe.</i>	
	<i>McLoughlin, Tony.</i>	
	<i>Madigan, Josepha.</i>	
	<i>Martin, Micheál.</i>	
	<i>Moran, Kevin Boxer.</i>	
	<i>Moynihan, Aindrias.</i>	
	<i>Moynihan, Michael.</i>	
	<i>Murphy O'Mahony, Margaret.</i>	
	<i>Murphy, Eoghan.</i>	
	<i>Murphy, Eugene.</i>	
	<i>Naughton, Hildegarde.</i>	
	<i>Neville, Tom.</i>	
	<i>Noonan, Michael.</i>	
	<i>Ó Cuív, Éamon.</i>	
	<i>O'Brien, Darragh.</i>	
	<i>O'Callaghan, Jim.</i>	
	<i>O'Connell, Kate.</i>	
	<i>O'Dea, Willie.</i>	
	<i>O'Dowd, Fergus.</i>	
	<i>O'Loughlin, Fiona.</i>	
	<i>O'Rourke, Frank.</i>	
	<i>O'Sullivan, Jan.</i>	
	<i>Penrose, Willie.</i>	
	<i>Phelan, John Paul.</i>	
	<i>Rabbitte, Anne.</i>	
	<i>Ring, Michael.</i>	
	<i>Rock, Noel.</i>	
	<i>Ross, Shane.</i>	
	<i>Ryan, Brendan.</i>	
	<i>Scanlon, Eamon.</i>	
	<i>Sherlock, Sean.</i>	
	<i>Smith, Brendan.</i>	
	<i>Smyth, Niamh.</i>	
	<i>Stanton, David.</i>	
	<i>Troy, Robert.</i>	
	<i>Varadkar, Leo.</i>	

Tellers: Tá, Deputies Aengus Ó Snodaigh and Martin Kenny; Níl, Deputies Brendan Ryan and Jan O'Sullivan.

Amendment declared lost.

*Explanations under Standing Order 138(2A) as received from Members*

Deputy Ruth Coppinger and Deputy Mick Barry abstained on this amendment as, while it made some positive points about the need for public investment, it lacked a clear principled opposition to the privatisation of Allied Irish Banks. Furthermore, Amendment No. 3 contained a wording Deputy Ruth Coppinger and Deputy Mick Barry would be more supportive of.

**Deputy Richard Boyd Barrett:** I move amendment No. 3:

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

“believes that, in order to tackle infrastructural bottlenecks and make up for historical underinvestment, much greater investment in public services is required, including more capital investment 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 and that the costs of servicing the national debt have consistently been declining;

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;

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;

in the circumstances, believes that the sale of shareholdings in AIB and Bank of Ireland should not proceed; and

calls on the Government to stop the sale of AIB shares and to negotiate with the EU authorities to change the fiscal rules, to permit enhanced spending on public services, including capital spending, rather than selling off State assets to fund this, or worse still, simply to pay down debt.”

Amendment put:

<i>The Dáil divided: Tá, 39; Níl, 96; Staon, 1.</i>		
<i>Tá</i>	<i>Níl</i>	<i>Staon</i>

Dáil Éireann

<i>Adams, Gerry.</i>	<i>Aylward, Bobby.</i>	<i>Harty, Michael.</i>
<i>Barry, Mick.</i>	<i>Bailey, Maria.</i>	
<i>Boyd Barrett, Richard.</i>	<i>Barrett, Seán.</i>	
<i>Brady, John.</i>	<i>Brassil, John.</i>	
<i>Broughan, Thomas P.</i>	<i>Breathnach, Declan.</i>	
<i>Buckley, Pat.</i>	<i>Breen, Pat.</i>	
<i>Collins, Joan.</i>	<i>Brophy, Colm.</i>	
<i>Coppinger, Ruth.</i>	<i>Browne, James.</i>	
<i>Crowe, Seán.</i>	<i>Bruton, Richard.</i>	
<i>Cullinane, David.</i>	<i>Burke, Peter.</i>	
<i>Daly, Clare.</i>	<i>Burton, Joan.</i>	
<i>Doherty, Pearse.</i>	<i>Butler, Mary.</i>	
<i>Ellis, Dessie.</i>	<i>Byrne, Catherine.</i>	
<i>Ferris, Martin.</i>	<i>Byrne, Thomas.</i>	
<i>Funchion, Kathleen.</i>	<i>Cahill, Jackie.</i>	
<i>Healy-Rae, Danny.</i>	<i>Calleary, Dara.</i>	
<i>Healy, Seamus.</i>	<i>Carey, Joe.</i>	
<i>Kenny, Gino.</i>	<i>Casey, Pat.</i>	
<i>Kenny, Martin.</i>	<i>Cassells, Shane.</i>	
<i>McDonald, Mary Lou.</i>	<i>Chambers, Jack.</i>	
<i>Martin, Catherine.</i>	<i>Chambers, Lisa.</i>	
<i>Mitchell, Denise.</i>	<i>Collins, Michael.</i>	
<i>Munster, Imelda.</i>	<i>Collins, Niall.</i>	
<i>Murphy, Catherine.</i>	<i>Corcoran Kennedy, Marcella.</i>	
<i>Nolan, Carol.</i>	<i>Curran, John.</i>	
<i>Ó Broin, Eoin.</i>	<i>D'Arcy, Michael.</i>	
<i>Ó Caoláin, Caoimhghín.</i>	<i>Daly, Jim.</i>	
<i>Ó Laoghaire, Donnchadh.</i>	<i>Deasy, John.</i>	
<i>Ó Snodaigh, Aengus.</i>	<i>Deering, Pat.</i>	
<i>O'Brien, Jonathan.</i>	<i>Doherty, Regina.</i>	
<i>O'Reilly, Louise.</i>	<i>Donnelly, Stephen S.</i>	
<i>O'Sullivan, Maureen.</i>	<i>Donohoe, Paschal.</i>	
<i>Pringle, Thomas.</i>	<i>Dooley, Timmy.</i>	
<i>Quinlivan, Maurice.</i>	<i>Doyle, Andrew.</i>	
<i>Shortall, Róisín.</i>	<i>Durkan, Bernard J.</i>	
<i>Smith, Bríd.</i>	<i>English, Damien.</i>	
<i>Stanley, Brian.</i>	<i>Farrell, Alan.</i>	
<i>Tóibín, Peadar.</i>	<i>Fitzpatrick, Peter.</i>	
<i>Wallace, Mick.</i>	<i>Flanagan, Charles.</i>	
	<i>Fleming, Sean.</i>	
	<i>Griffin, Brendan.</i>	
	<i>Halligan, John.</i>	

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	<i>Harris, Simon.</i>	
	<i>Haughey, Seán.</i>	
	<i>Heydon, Martin.</i>	
	<i>Howlin, Brendan.</i>	
	<i>Humphreys, Heather.</i>	
	<i>Kelleher, Billy.</i>	
	<i>Kelly, Alan.</i>	
	<i>Kyne, Seán.</i>	
	<i>Lahart, John.</i>	
	<i>Lawless, James.</i>	
	<i>Lowry, Michael.</i>	
	<i>McConalogue, Charlie.</i>	
	<i>McEntee, Helen.</i>	
	<i>McGrath, Finian.</i>	
	<i>McGrath, Mattie.</i>	
	<i>McGrath, Michael.</i>	
	<i>McGuinness, John.</i>	
	<i>McHugh, Joe.</i>	
	<i>McLoughlin, Tony.</i>	
	<i>MacSharry, Marc.</i>	
	<i>Madigan, Josepha.</i>	
	<i>Martin, Micheál.</i>	
	<i>Moran, Kevin Boxer.</i>	
	<i>Moynihan, Aindrias.</i>	
	<i>Moynihan, Michael.</i>	
	<i>Murphy O'Mahony, Margaret.</i>	
	<i>Murphy, Eoghan.</i>	
	<i>Murphy, Eugene.</i>	
	<i>Naughton, Hildegarde.</i>	
	<i>Neville, Tom.</i>	
	<i>Noonan, Michael.</i>	
	<i>Ó Cuív, Éamon.</i>	
	<i>O'Brien, Darragh.</i>	
	<i>O'Callaghan, Jim.</i>	
	<i>O'Connell, Kate.</i>	
	<i>O'Dea, Willie.</i>	
	<i>O'Dowd, Fergus.</i>	
	<i>O'Loughlin, Fiona.</i>	
	<i>O'Rourke, Frank.</i>	
	<i>O'Sullivan, Jan.</i>	
	<i>Penrose, Willie.</i>	
	<i>Phelan, John Paul.</i>	

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	<i>Rabbitte, Anne.</i>	
	<i>Ring, Michael.</i>	
	<i>Rock, Noel.</i>	
	<i>Ross, Shane.</i>	
	<i>Ryan, Brendan.</i>	
	<i>Scanlon, Eamon.</i>	
	<i>Sherlock, Sean.</i>	
	<i>Smith, Brendan.</i>	
	<i>Smyth, Niamh.</i>	
	<i>Stanton, David.</i>	
	<i>Troy, Robert.</i>	
	<i>Varadkar, Leo.</i>	

Tellers: Tá, Deputies Richard Boyd Barrett and Ruth Coppinger; Níl, Deputies Brendan Ryan and Jan O’Sullivan.

Amendment declared lost.

**Deputy Róisín Shortall:** I move amendment No. 1:

To insert the following after “to the Exchequer simply to pay down debt”:

“further calls on the Government to undertake not to proceed with any share sale unless it is established, by way of a Dáil vote, that such a sale has majority Dáil Éireann support.”

Amendment put:

<i>The Dáil divided: Tá, 48; Níl, 89; Staon, 1.</i>		
<i>Tá</i>	<i>Níl</i>	<i>Staon</i>
<i>Adams, Gerry.</i>	<i>Aylward, Bobby.</i>	<i>Harty, Michael.</i>
<i>Barry, Mick.</i>	<i>Bailey, Maria.</i>	
<i>Boyd Barrett, Richard.</i>	<i>Barrett, Seán.</i>	
<i>Brady, John.</i>	<i>Brassil, John.</i>	
<i>Broughan, Thomas P.</i>	<i>Breathnach, Declan.</i>	
<i>Buckley, Pat.</i>	<i>Breen, Pat.</i>	
<i>Burton, Joan.</i>	<i>Brophy, Colm.</i>	
<i>Collins, Joan.</i>	<i>Browne, James.</i>	
<i>Collins, Michael.</i>	<i>Bruton, Richard.</i>	
<i>Coppinger, Ruth.</i>	<i>Burke, Peter.</i>	
<i>Crowe, Seán.</i>	<i>Butler, Mary.</i>	
<i>Cullinane, David.</i>	<i>Byrne, Catherine.</i>	

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<i>Daly, Clare.</i>	<i>Byrne, Thomas.</i>	
<i>Doherty, Pearse.</i>	<i>Cahill, Jackie.</i>	
<i>Ellis, Dessie.</i>	<i>Calleary, Dara.</i>	
<i>Ferris, Martin.</i>	<i>Carey, Joe.</i>	
<i>Funchion, Kathleen.</i>	<i>Casey, Pat.</i>	
<i>Healy-Rae, Danny.</i>	<i>Cassells, Shane.</i>	
<i>Healy, Seamus.</i>	<i>Chambers, Jack.</i>	
<i>Howlin, Brendan.</i>	<i>Chambers, Lisa.</i>	
<i>Kelly, Alan.</i>	<i>Collins, Niall.</i>	
<i>Kenny, Gino.</i>	<i>Corcoran Kennedy, Marcella.</i>	
<i>Kenny, Martin.</i>	<i>Coveney, Simon.</i>	
<i>McDonald, Mary Lou.</i>	<i>Cowen, Barry.</i>	
<i>McGrath, Mattie.</i>	<i>Curran, John.</i>	
<i>Martin, Catherine.</i>	<i>D'Arcy, Michael.</i>	
<i>Mitchell, Denise.</i>	<i>Daly, Jim.</i>	
<i>Munster, Imelda.</i>	<i>Deasy, John.</i>	
<i>Murphy, Catherine.</i>	<i>Deering, Pat.</i>	
<i>Nolan, Carol.</i>	<i>Doherty, Regina.</i>	
<i>Ó Broin, Eoin.</i>	<i>Donnelly, Stephen S.</i>	
<i>Ó Caoláin, Caoimhghín.</i>	<i>Donohoe, Paschal.</i>	
<i>Ó Laoghaire, Donnchadh.</i>	<i>Dooley, Timmy.</i>	
<i>Ó Snodaigh, Aengus.</i>	<i>Doyle, Andrew.</i>	
<i>O'Brien, Jonathan.</i>	<i>Durkan, Bernard J.</i>	
<i>O'Reilly, Louise.</i>	<i>English, Damien.</i>	
<i>O'Sullivan, Jan.</i>	<i>Farrell, Alan.</i>	
<i>O'Sullivan, Maureen.</i>	<i>Fitzpatrick, Peter.</i>	
<i>Penrose, Willie.</i>	<i>Flanagan, Charles.</i>	
<i>Pringle, Thomas.</i>	<i>Fleming, Sean.</i>	
<i>Quinlivan, Maurice.</i>	<i>Griffin, Brendan.</i>	
<i>Ryan, Brendan.</i>	<i>Halligan, John.</i>	
<i>Sherlock, Sean.</i>	<i>Harris, Simon.</i>	
<i>Shortall, Róisín.</i>	<i>Haughey, Seán.</i>	
<i>Smith, Bríd.</i>	<i>Heydon, Martin.</i>	
<i>Stanley, Brian.</i>	<i>Humphreys, Heather.</i>	
<i>Tóibín, Peadar.</i>	<i>Kelleher, Billy.</i>	
<i>Wallace, Mick.</i>	<i>Kyne, Seán.</i>	
	<i>Lahart, John.</i>	
	<i>Lawless, James.</i>	
	<i>Lowry, Michael.</i>	
	<i>MacSharry, Marc.</i>	
	<i>McConalogue, Charlie.</i>	
	<i>McEntee, Helen.</i>	

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	<i>McGrath, Finian.</i>	
	<i>McGrath, Michael.</i>	
	<i>McGuinness, John.</i>	
	<i>McHugh, Joe.</i>	
	<i>McLoughlin, Tony.</i>	
	<i>Madigan, Josepha.</i>	
	<i>Martin, Micheál.</i>	
	<i>Moran, Kevin Boxer.</i>	
	<i>Moynihan, Aindrias.</i>	
	<i>Moynihan, Michael.</i>	
	<i>Murphy O'Mahony, Margaret.</i>	
	<i>Murphy, Eoghan.</i>	
	<i>Murphy, Eugene.</i>	
	<i>Naughton, Hildegarde.</i>	
	<i>Neville, Tom.</i>	
	<i>Noonan, Michael.</i>	
	<i>Ó Cuív, Éamon.</i>	
	<i>O'Brien, Darragh.</i>	
	<i>O'Callaghan, Jim.</i>	
	<i>O'Connell, Kate.</i>	
	<i>O'Dea, Willie.</i>	
	<i>O'Dowd, Fergus.</i>	
	<i>O'Loughlin, Fiona.</i>	
	<i>O'Rourke, Frank.</i>	
	<i>Phelan, John Paul.</i>	
	<i>Rabbitte, Anne.</i>	
	<i>Ring, Michael.</i>	
	<i>Rock, Noel.</i>	
	<i>Ross, Shane.</i>	
	<i>Scanlon, Eamon.</i>	
	<i>Smith, Brendan.</i>	
	<i>Smyth, Niamh.</i>	
	<i>Stanton, David.</i>	
	<i>Troy, Robert.</i>	
	<i>Varadkar, Leo.</i>	

Tellers: Tá, Deputies Catherine Murphy and Róisín Shortall; Níl, Deputies Regina Doherty and Tony McLoughlin.

Amendment declared lost.

Motion put and declared carried.

**Dublin Transport: Motion (Resumed) [Private Members]**

The following motion was moved by Deputy John Lahart on Wednesday, 10 May 2017:

That Dáil Éireann:

recognises:

— that transport and travel trends within the Greater Dublin Area are unsustainable, congestion is increasing, transport emissions are growing, economic competitiveness is suffering and quality of life for commuters and inhabitants is declining;

— the capacity of the Dublin region as a destination for living, visiting and for locating and doing business is being seriously undermined;

— that significant actions are required to increase capacity and usability of public transport, to better manage traffic during peak periods and to reduce the private car share dependence by commuting traffic especially;

— that the population in the Greater Dublin Area is expected to grow by 22 per cent to 1.8 million by 2030 and by 26 per cent to 700,000 in the Mid-East Region alone including Kildare, Meath and Wicklow and increasing investment in rail services including the Dublin Area Rapid Transport (DART) expansion, as well as vital bus services including Bus Rapid Transit, is absolutely essential;

— that this Government lacks a comprehensive vision and strategic plan for how to cope with future public transport demand in the core Dublin City Area as well as the Greater Dublin Area; and

— that the Capital Plan is emblematic of the lack of ambition, vision and forward planning for public transport;

acknowledges:

— that many of the main arterial routes into Dublin, including the M50, either have already reached operational capacity or are expected to reach capacity in the near future;

— the lack of preparation and forward planning for the impact of the Luas Cross City, including the impact of its construction on city trade and mobility;

— the urgent need to increase the numbers and frequency of buses, either public or private, from expanding suburban areas in order to tackle capacity issues, relieve traffic congestion and provide practical choices for commuters;

— that while expanding capacity on our motorway and primary road network is something we need to plan for in the future, recognises that traffic demand policies are essential to relieving congestion as will sustained increases in public transport investment;

— that transport bottlenecks and congestion are increasingly becoming a drag on growth and productivity in our cities as well as hindering wider regional development in large parts of the country;

— that despite the historically low cost of financing to deliver economically and socially critical infrastructure projects, this Government has produced no policy plans for how to mitigate transport infrastructure deficits;

— that now is the time to:

— build critical transport infrastructure like the DART Underground and Metro North;

— make vital improvements such as bus lane completions and removing ‘pinch points’ for Dublin buses;

— ensure priority signalling at junctions;

— continue to invest in real time passenger information, which will increase capacity and service reliability on public transport, make it easier for commuters to get to work and relieve congestion in our cities; and

— develop park and ride infrastructure in order to facilitate ease of use of various public transport modes;

— that the Government has completely failed to mobilise additional investment in transport infrastructure available under the European Fund for Strategic Investment (EFSI), and of the EFSI transactions within the European Union, 6 per cent are in the transport sector, yet in Ireland there has not been a single transport project put forward by the Government to the European Investment Bank (EIB) under the €500 billion funding stream; and

— that the decision to cancel the DART Underground project, described by the National Transport Authority as ‘the missing link’ in Ireland’s rail infrastructure, was short-sighted and a costly set-back for the liveability of the city, while the only large transport infrastructure contained in the Government’s Capital Plan, ‘the optimised Metro North’ proposal, could be fundamentally lacking capacity as it was recommended on the basis of reduced employment growth and passenger demand projections in 2013, which are no longer accurate; and

calls on the Government to:

— commit to giving enhanced governance, democratic input and administration of transport in Dublin by enacting section 17 of the Dublin Transport Authority Act 2008 which provides for the establishment of the Dublin Transport Authority Advisory Council;

— give a firm commitment to significantly increase annual investment in public transport, including funding to Córas Iompair Éireann (CIÉ) companies to improve attractiveness, reliability and integration of public transport;

— establish a new, dedicated Cycle Way Fund for bike-lanes and cycle-friendly in-

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frastructure, Dublin Bike extensions, the rolling out of secure bike lockers and parking throughout the city as well as funding for pedestrianised ‘open streets’ initiatives to encourage cycling;

— earmark a portion of the Local Government Fund to annual resurfacing, maintenance and quality improvements in bike lanes and road verges to enhance safety for cyclists;

and

— commit, as part of revisions to the Capital Plan, to bolster capital investment levels by securing funding agreements from the EIB and further Public Private Partnerships under the EFSI for critical transport investments like the DART Underground and Metro North.

Debate resumed on amendment No. 1:

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

“recognises that:

— there is clear and compelling evidence of increasing levels of traffic congestion across the Dublin Region;

— congestion is already presenting a significant cost to the economy of the Dublin Region and, if unaddressed, could adversely affect the competitiveness of the region and the health, well-being and quality of life of its commuters and inhabitants;

— major road development is not the solution to congestion issues in Dublin; and

— the core elements of the solution to congestion in the Dublin Region in the short to medium term lie, among other things, in an efficient public transport system, including a transformation of the bus system, alongside park and ride provision;

acknowledges:

— the important role of the Greater Dublin Area (GDA) Transport Strategy 2016-2035, which was adopted last year and which sets out a clear vision for transport planning in the Dublin Region;

— that there is already a significant number of projects and initiatives being implemented to improve the capacity and effectiveness of the public transport system in the Dublin Region, including Luas Cross City, which will be delivered this year, and other transformational rail projects such as the new Metro North, the DART Underground and the wider DART Expansion Programme that are being progressed;

— the commitment in the Programme for a Partnership Government that the €3.6 billion investment in the public transport system, provided for in the Capital Plan, will uphold the principles of Smarter Travel;

— the important role of the Capital Plan and the Strategic Investment Framework for Land Transport in setting out a vision for public transport at national level; and

— the importance of a forthcoming National Transport Authority (NTA) initiative that will seek to transform the bus system in the Dublin Region; and

calls on the Government to:

— commit, while taking cognisance of the overall Budgetary parameters, to achieving a modern, efficient and effective public transport system for the GDA; and

— request that the NTA continue to pursue strategies for alleviation of congestion in the GDA, including the implementation of a proposed transformation of the bus system in Dublin.”

-(Minister for Transport, Tourism and Sport).

**An Leas-Cheann Comhairle:** I must now deal with a postponed division relating to amendment No. 1 to the motion regarding Dublin transport. On Wednesday, 10 May 2017, on the question, “That the amendment to the motion be agreed to,” a division was claimed. In accordance with Standing Order 70(2), that division must be taken now.

Amendment put:

<i>The Dáil divided: Tá, 49; Níl, 87; Staon, 1.</i>		
<i>Tá</i>	<i>Níl</i>	<i>Staon</i>
<i>Bailey, Maria.</i>	<i>Adams, Gerry.</i>	<i>Harty, Michael.</i>
<i>Barrett, Seán.</i>	<i>Aylward, Bobby.</i>	
<i>Breen, Pat.</i>	<i>Barry, Mick.</i>	
<i>Brophy, Colm.</i>	<i>Boyd Barrett, Richard.</i>	
<i>Bruton, Richard.</i>	<i>Brady, John.</i>	
<i>Burke, Peter.</i>	<i>Brassil, John.</i>	
<i>Byrne, Catherine.</i>	<i>Breathnach, Declan.</i>	
<i>Carey, Joe.</i>	<i>Broughan, Thomas P.</i>	
<i>Collins, Michael.</i>	<i>Browne, James.</i>	
<i>Corcoran Kennedy, Marcella.</i>	<i>Buckley, Pat.</i>	
<i>Coveney, Simon.</i>	<i>Burton, Joan.</i>	
<i>D’Arcy, Michael.</i>	<i>Butler, Mary.</i>	
<i>Daly, Jim.</i>	<i>Byrne, Thomas.</i>	
<i>Deasy, John.</i>	<i>Cahill, Jackie.</i>	
<i>Deering, Pat.</i>	<i>Calleary, Dara.</i>	
<i>Doherty, Regina.</i>	<i>Casey, Pat.</i>	
<i>Donohoe, Paschal.</i>	<i>Cassells, Shane.</i>	
<i>Doyle, Andrew.</i>	<i>Chambers, Jack.</i>	
<i>Durkan, Bernard J.</i>	<i>Chambers, Lisa.</i>	
<i>English, Damien.</i>	<i>Collins, Joan.</i>	
<i>Farrell, Alan.</i>	<i>Collins, Niall.</i>	
<i>Fitzpatrick, Peter.</i>	<i>Coppinger, Ruth.</i>	

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<i>Flanagan, Charles.</i>	<i>Cowen, Barry.</i>	
<i>Griffin, Brendan.</i>	<i>Crowe, Seán.</i>	
<i>Halligan, John.</i>	<i>Cullinane, David.</i>	
<i>Harris, Simon.</i>	<i>Curran, John.</i>	
<i>Heydon, Martin.</i>	<i>Daly, Clare.</i>	
<i>Humphreys, Heather.</i>	<i>Doherty, Pearse.</i>	
<i>Kyne, Seán.</i>	<i>Donnelly, Stephen S.</i>	
<i>Lowry, Michael.</i>	<i>Dooley, Timmy.</i>	
<i>McEntee, Helen.</i>	<i>Ellis, Dessie.</i>	
<i>McGrath, Finian.</i>	<i>Ferris, Martin.</i>	
<i>McGrath, Mattie.</i>	<i>Fleming, Sean.</i>	
<i>McHugh, Joe.</i>	<i>Funchion, Kathleen.</i>	
<i>McLoughlin, Tony.</i>	<i>Haughey, Seán.</i>	
<i>Madigan, Josepha.</i>	<i>Healy, Seamus.</i>	
<i>Moran, Kevin Boxer.</i>	<i>Howlin, Brendan.</i>	
<i>Murphy, Eoghan.</i>	<i>Kelleher, Billy.</i>	
<i>Naughton, Hildegarde.</i>	<i>Kelly, Alan.</i>	
<i>Neville, Tom.</i>	<i>Kenny, Gino.</i>	
<i>Noonan, Michael.</i>	<i>Kenny, Martin.</i>	
<i>O'Connell, Kate.</i>	<i>Lahart, John.</i>	
<i>O'Dowd, Fergus.</i>	<i>Lawless, James.</i>	
<i>Phelan, John Paul.</i>	<i>MacSharry, Marc.</i>	
<i>Ring, Michael.</i>	<i>McConalogue, Charlie.</i>	
<i>Rock, Noel.</i>	<i>McDonald, Mary Lou.</i>	
<i>Ross, Shane.</i>	<i>McGrath, Michael.</i>	
<i>Stanton, David.</i>	<i>McGuinness, John.</i>	
<i>Varadkar, Leo.</i>	<i>Martin, Catherine.</i>	
	<i>Martin, Micheál.</i>	
	<i>Mitchell, Denise.</i>	
	<i>Moynihan, Aindrias.</i>	
	<i>Moynihan, Michael.</i>	
	<i>Munster, Imelda.</i>	
	<i>Murphy O'Mahony, Margaret.</i>	
	<i>Murphy, Catherine.</i>	
	<i>Murphy, Eugene.</i>	
	<i>Nolan, Carol.</i>	
	<i>Ó Broin, Eoin.</i>	
	<i>Ó Caoláin, Caoimhghín.</i>	
	<i>Ó Cuív, Éamon.</i>	
	<i>Ó Laoghaire, Donnchadh.</i>	
	<i>Ó Snodaigh, Aengus.</i>	
	<i>O'Brien, Darragh.</i>	

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	<i>O'Brien, Jonathan.</i>	
	<i>O'Callaghan, Jim.</i>	
	<i>O'Dea, Willie.</i>	
	<i>O'Loughlin, Fiona.</i>	
	<i>O'Reilly, Louise.</i>	
	<i>O'Rourke, Frank.</i>	
	<i>O'Sullivan, Jan.</i>	
	<i>O'Sullivan, Maureen.</i>	
	<i>Penrose, Willie.</i>	
	<i>Pringle, Thomas.</i>	
	<i>Quinlivan, Maurice.</i>	
	<i>Rabbitte, Anne.</i>	
	<i>Ryan, Brendan.</i>	
	<i>Scanlon, Eamon.</i>	
	<i>Sherlock, Sean.</i>	
	<i>Shortall, Róisín.</i>	
	<i>Smith, Brendan.</i>	
	<i>Smith, Bríd.</i>	
	<i>Smyth, Niamh.</i>	
	<i>Stanley, Brian.</i>	
	<i>Tóibín, Peadar.</i>	
	<i>Troy, Robert.</i>	
	<i>Wallace, Mick.</i>	

Tellers: Tá, Deputies Regina Doherty and Tony McLoughlin; Níl, Deputies Michael Moynihan and John Lahart.

Amendment declared lost.

*2 o'clock*

**Deputy Imelda Munster:** I move amendment No. 2:

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

“recognises that:

— transport and travel trends within the Greater Dublin Area (GDA) are unsustainable, congestion is increasing, transport emissions are growing, economic competitiveness

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is suffering and quality of life for commuters and inhabitants is declining;

— the capacity of the Dublin Region as a destination for living, visiting and for locating and doing business is being seriously undermined;

— significant actions are required to increase capacity and usability of public transport, to better manage traffic during peak periods and to reduce the private car share dependence by commuting traffic especially;

— the population in the GDA is expected to grow by 22 per cent to 1.8 million by 2030 and by 26 per cent to 700,000 in the Mid-East Region alone including Kildare, Meath and Wicklow and increasing investment in rail services including the Dublin Area Rapid Transport (DART) expansion, as well as vital bus services including Bus Rapid Transit, is absolutely essential;

— this Government lacks a comprehensive vision and strategic plan for how to cope with future public transport demand in the core Dublin City Area as well as the GDA;

— previous Governments and the current Government have neglected infrastructural development, particularly in regional areas, but also in the GDA;

— many previous infrastructural framework plans were shelved or cut short due to lack of funding in the past decade, in particular the National Spatial Strategy; and

— the Capital Plan is emblematic of the lack of ambition, vision and forward planning for public transport;

acknowledges:

— that many of the main arterial routes into Dublin, including the M50, either have already reached operational capacity or are expected to reach capacity in the near future;

— the lack of preparation and forward planning for the impact of the Luas Cross City, including the impact of its construction on city trade and mobility;

— the urgent need to increase the numbers and frequency of public buses from expanding suburban areas, in order to tackle capacity issues and relieve traffic congestion for commuters;

— that while expanding capacity on our motorway and primary road network is something we need to plan for in the future, recognises that traffic demand policies are essential to relieving congestion as will sustained increases in public transport investment;

— that transport bottlenecks and congestion are increasingly becoming a drag on growth and productivity in our cities as well as hindering wider regional development in large parts of the country;

— that despite the historically low cost of financing to deliver economically and socially critical infrastructure projects, this Government has produced no policy plans for how to mitigate transport infrastructure deficits;

that now is the time to:

— examine the feasibility of decreasing the timeline for building critical transport infrastructure like the DART Underground and Metro North;

— make vital improvements such as bus lane completions and removing ‘pinch points’ for Dublin buses;

— ensure priority signaling at junctions;

— continue to invest in real time passenger information, which will increase capacity and service reliability on public transport, make it easier for commuters to get to work and relieve congestion in our cities; and

— begin work with local authorities to identify suitable sites for park and ride facilities at key locations for commuters, strategically located next to public transport connections;

— that the Government has completely failed to mobilise additional investment in transport infrastructure available under the European Fund for Strategic Investment (EFSI), and of the EFSI transactions within the European Union, 6 per cent are in the transport sector, yet in Ireland there has not been a single transport project put forward by the Government to the European Investment Bank (EIB) under the €500 billion funding stream; and

— that the decision to cancel the DART Underground project, described by the National Transport Authority (NTA) as ‘the missing link’ in Ireland’s rail infrastructure, was short-sighted and a costly set-back for the liveability of the city, while the only large transport infrastructure contained in the Government’s Capital Plan, ‘the optimised Metro North’ proposal, could be fundamentally lacking capacity as it was recommended on the basis of reduced employment growth and passenger demand projections in 2013, which are no longer accurate; and

calls on the Government to:

— commit to the retention of existing Dublin Bus routes and cessation of the tendering of routes;

— publish and fund a time-framed plan to make public transport fully accessible to people with disabilities, with a particular emphasis on DART stations, many of which require major upgrades;

— give a firm commitment to significantly increase annual investment in public transport, including funding to Córas Iompair Éireann (CIÉ) companies to improve attractiveness, reliability and integration of public transport and to commit to an increased spend in Budget 2018, and in subsequent Budgets during this Dáil term, to allow for investment in key projects;

— establish a new, dedicated Cycle Way Fund for bike-lanes and cycle-friendly infrastructure, Dublin Bike extensions, the rolling out of secure bike lockers and parking throughout the city as well as funding for pedestrianised ‘open streets’ initiatives to encourage cycling;

— earmark a portion of the Local Government Fund to annual resurfacing, main-

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tenance and quality improvements in bike-lanes and road verges to enhance safety for cyclists;

— commit, as part of revisions to the Capital Plan, to bolster capital investment levels by securing funding agreements from the EIB for critical transport investments like the DART Underground and Metro North;

— increase bicycle-parking facilities at bus and train stations to allow for commuters to cycle from home to and from train and bus stations;

— commit to the creation of regional forums, akin to the Dublin Transport Authority Advisory Council which was provided for in the Dublin Transport Authority Act 2008 and amending that Act if required to facilitate this across the State, to ensure there is joined up thinking in transport planning going forward, given that Act now governs the NTA which has remit over the entire State;

— ensure, via the NTA, longer term budgets for CIÉ companies, rather than annual allocations, in order that longer term planning can take place as budgets are known in advance to company management, making it possible for the transport companies to allocate resources to increase capacity as required, and upgrade equipment and services;

— examine the feasibility of the possible extension of Metro North to include commuter towns such as Balbriggan, Laytown and Drogheda;

— examine the feasibility of fast tracking the Greater Dublin Area Transport Strategy, and further to that, the Outer Orbital ring road which has been postponed until after 2035, as per the Greater Dublin Area Transport Strategy; and

— commit to setting specific commencement and completion time-frames for the commitments contained in this motion.”

Amendment put:

<i>The Dáil divided: Tá, 40; Níl, 93; Staon, 5.</i>		
<i>Tá</i>	<i>Níl</i>	<i>Staon</i>
<i>Adams, Gerry.</i>	<i>Aylward, Bobby.</i>	<i>Barry, Mick.</i>
<i>Brady, John.</i>	<i>Bailey, Maria.</i>	<i>Boyd Barrett, Richard.</i>
<i>Broughan, Thomas P.</i>	<i>Barrett, Seán.</i>	<i>Coppinger, Ruth.</i>
<i>Buckley, Pat.</i>	<i>Brassil, John.</i>	<i>Kenny, Gino.</i>
<i>Burton, Joan.</i>	<i>Breathnach, Declan.</i>	<i>Smith, Bríd.</i>
<i>Collins, Joan.</i>	<i>Breen, Pat.</i>	
<i>Crowe, Seán.</i>	<i>Brophy, Colm.</i>	
<i>Cullinane, David.</i>	<i>Browne, James.</i>	
<i>Daly, Clare.</i>	<i>Bruton, Richard.</i>	
<i>Doherty, Pearse.</i>	<i>Burke, Peter.</i>	
<i>Ellis, Dessie.</i>	<i>Butler, Mary.</i>	
<i>Ferris, Martin.</i>	<i>Byrne, Catherine.</i>	
<i>Funchion, Kathleen.</i>	<i>Byrne, Thomas.</i>	
<i>Healy, Seamus.</i>	<i>Cahill, Jackie.</i>	

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<i>Howlin, Brendan.</i>	<i>Calleary, Dara.</i>	
<i>Kelly, Alan.</i>	<i>Canney, Seán.</i>	
<i>Kenny, Martin.</i>	<i>Carey, Joe.</i>	
<i>McDonald, Mary Lou.</i>	<i>Casey, Pat.</i>	
<i>Martin, Catherine.</i>	<i>Cassells, Shane.</i>	
<i>Mitchell, Denise.</i>	<i>Chambers, Jack.</i>	
<i>Munster, Imelda.</i>	<i>Chambers, Lisa.</i>	
<i>Murphy, Catherine.</i>	<i>Collins, Michael.</i>	
<i>Nolan, Carol.</i>	<i>Collins, Niall.</i>	
<i>Ó Broin, Eoin.</i>	<i>Corcoran Kennedy, Marcella.</i>	
<i>Ó Caoláin, Caoimhghín.</i>	<i>Coveney, Simon.</i>	
<i>Ó Laoghaire, Donnchadh.</i>	<i>Cowen, Barry.</i>	
<i>Ó Snodaigh, Aengus.</i>	<i>Curran, John.</i>	
<i>O'Brien, Jonathan.</i>	<i>D'Arcy, Michael.</i>	
<i>O'Reilly, Louise.</i>	<i>Daly, Jim.</i>	
<i>O'Sullivan, Jan.</i>	<i>Deasy, John.</i>	
<i>O'Sullivan, Maureen.</i>	<i>Deering, Pat.</i>	
<i>Penrose, Willie.</i>	<i>Doherty, Regina.</i>	
<i>Pringle, Thomas.</i>	<i>Donnelly, Stephen S.</i>	
<i>Quinlivan, Maurice.</i>	<i>Donohoe, Paschal.</i>	
<i>Ryan, Brendan.</i>	<i>Dooley, Timmy.</i>	
<i>Sherlock, Sean.</i>	<i>Doyle, Andrew.</i>	
<i>Shortall, Róisín.</i>	<i>Durkan, Bernard J.</i>	
<i>Stanley, Brian.</i>	<i>English, Damien.</i>	
<i>Tóibín, Peadar.</i>	<i>Farrell, Alan.</i>	
<i>Wallace, Mick.</i>	<i>Fitzpatrick, Peter.</i>	
	<i>Flanagan, Charles.</i>	
	<i>Fleming, Sean.</i>	
	<i>Griffin, Brendan.</i>	
	<i>Halligan, John.</i>	
	<i>Harris, Simon.</i>	
	<i>Haughey, Seán.</i>	
	<i>Healy-Rae, Danny.</i>	
	<i>Heydon, Martin.</i>	
	<i>Humphreys, Heather.</i>	
	<i>Kelleher, Billy.</i>	
	<i>Kyne, Seán.</i>	
	<i>Lahart, John.</i>	
	<i>Lawless, James.</i>	
	<i>Lowry, Michael.</i>	
	<i>MacSharry, Marc.</i>	
	<i>McConalogue, Charlie.</i>	

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	<i>McEntee, Helen.</i>	
	<i>McGrath, Finian.</i>	
	<i>McGrath, Mattie.</i>	
	<i>McGrath, Michael.</i>	
	<i>McGuinness, John.</i>	
	<i>McHugh, Joe.</i>	
	<i>McLoughlin, Tony.</i>	
	<i>Madigan, Josepha.</i>	
	<i>Martin, Micheál.</i>	
	<i>Moran, Kevin Boxer.</i>	
	<i>Moynihan, Aindrias.</i>	
	<i>Moynihan, Michael.</i>	
	<i>Murphy O'Mahony, Margaret.</i>	
	<i>Murphy, Eoghan.</i>	
	<i>Murphy, Eugene.</i>	
	<i>Naughton, Hildegarde.</i>	
	<i>Neville, Tom.</i>	
	<i>Noonan, Michael.</i>	
	<i>Ó Cuív, Éamon.</i>	
	<i>O'Brien, Darragh.</i>	
	<i>O'Callaghan, Jim.</i>	
	<i>O'Connell, Kate.</i>	
	<i>O'Dea, Willie.</i>	
	<i>O'Dowd, Fergus.</i>	
	<i>O'Loughlin, Fiona.</i>	
	<i>O'Rourke, Frank.</i>	
	<i>Phelan, John Paul.</i>	
	<i>Rabbitte, Anne.</i>	
	<i>Ring, Michael.</i>	
	<i>Rock, Noel.</i>	
	<i>Ross, Shane.</i>	
	<i>Scanlon, Eamon.</i>	
	<i>Smith, Brendan.</i>	
	<i>Smyth, Niamh.</i>	
	<i>Stanton, David.</i>	
	<i>Troy, Robert.</i>	
	<i>Varadkar, Leo.</i>	

Tellers: Tá, Deputies Aengus Ó Snodaigh and Denise Mitchell; Níl, Deputies Michael Moynihan and John Lahart.

Amendment declared lost.

*Explanations under Standing Order 138(2A) as received from Members*

Deputy Ruth Coppinger and Deputy Mick Barry abstained on this this amendment as, while it contains many aspects they would support, the wording of Amendment No. 3 was far superior in its support for reversal of cuts to public transport, for investment in public transport and in opposition to privatisation of our public transport.

**Deputy Bríd Smith:** I move amendment No. 3:

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

“notes:

— the failure of the Government to bring investment levels in Irish Rail, Dublin Bus and Bus Éireann back to pre-recession levels;

— that this failure has contributed to an ongoing crisis in our public transport system, especially in Bus Éireann;

— that systemic under investment in public transport provision is contributing to growing traffic chaos and congestion;

— that between 2008 and 2015, Fianna Fáil and Fine Gael led Governments cut subvention to Córas Iompair Éireann (CIÉ) by some 41 per cent;

— that a number of different finance streams are available to the State to both increase subvention levels to CIÉ companies and initiate major public transport infrastructure projects;

— that Transport Infrastructure Ireland (TII) has €100 million in additional funds that could be released immediately to deal with any financial crisis in our public transport networks;

— that the continued reliance on road construction and the facilitating of private (for profit) transport companies is undermining both the provision of a coherent public transport policy and the existing semi-State bodies entrusted to provide this;

— that Dublin and the rest of the country require a radical programme of investment in public transport, in order to make our towns and cities sustainable and liveable and also to meet targets for reductions in carbon dioxide emissions and tackle climate change;

— that the National Transport Authority (NTA) has operated to undermine existing semi-State companies and has facilitated private, for profit, operators by, for example, increasing seat capacity of lucrative inter city routes by over 100 per cent;

— that the proposals by the NTA to tender out 10 per cent of Bus Éireann and Dublin Bus routes to private operators will do nothing to increase public transport provision in Dublin or elsewhere; and

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— that the NTA have refused to examine the earnings or conditions of workers in private companies and that their policy is resulting in a ‘race to the bottom’ for workers in public transport; and

calls on the Government to:

— immediately commit to bringing subvention levels in all three CIÉ companies to pre-crash levels by year end, and to a fundamental shift in transport policy that prioritises public transport provision in the years ahead;

— instruct the NTA to cease their plans to tender out routes currently operated by CIÉ companies;

— use the €100 million in additional TII funds to ensure all public transport services continue to operate and that planned cuts to routes in Bus Éireann are stopped;

— begin the process of disbanding the NTA and ensure that policies such as tendering of bus routes that rely on neoliberal ideologically driven agendas are abandoned; and

— ensure a new deal for public transport and cycling that will change the face of our towns and cities, by establishing a publically accountable and democratically controlled body that can oversee investment in CIÉ and public transport generally.”

Amendment put:

<i>The Dáil divided: Tá, 10; Níl, 99; Staon, 28.</i>		
<i>Tá</i>	<i>Níl</i>	<i>Staon</i>
<i>Barry, Mick.</i>	<i>Aylward, Bobby.</i>	<i>Adams, Gerry.</i>
<i>Boyd Barrett, Richard.</i>	<i>Bailey, Maria.</i>	<i>Brady, John.</i>
<i>Collins, Joan.</i>	<i>Barrett, Seán.</i>	<i>Broughan, Thomas P.</i>
<i>Coppinger, Ruth.</i>	<i>Brassil, John.</i>	<i>Buckley, Pat.</i>
<i>Daly, Clare.</i>	<i>Breathnach, Declan.</i>	<i>Crowe, Seán.</i>
<i>Healy, Seamus.</i>	<i>Breen, Pat.</i>	<i>Cullinane, David.</i>
<i>Kenny, Gino.</i>	<i>Brophy, Colm.</i>	<i>Doherty, Pearse.</i>
<i>Martin, Catherine.</i>	<i>Browne, James.</i>	<i>Ellis, Dessie.</i>
<i>Pringle, Thomas.</i>	<i>Bruton, Richard.</i>	<i>Ferris, Martin.</i>
<i>Wallace, Mick.</i>	<i>Burke, Peter.</i>	<i>Funchion, Kathleen.</i>
	<i>Burton, Joan.</i>	<i>Harty, Michael.</i>
	<i>Butler, Mary.</i>	<i>Kenny, Martin.</i>
	<i>Byrne, Catherine.</i>	<i>McDonald, Mary Lou.</i>
	<i>Byrne, Thomas.</i>	<i>Mitchell, Denise.</i>
	<i>Cahill, Jackie.</i>	<i>Munster, Imelda.</i>
	<i>Calleary, Dara.</i>	<i>Murphy, Catherine.</i>
	<i>Carey, Joe.</i>	<i>Nolan, Carol.</i>
	<i>Casey, Pat.</i>	<i>Ó Broin, Eoin.</i>
	<i>Cassells, Shane.</i>	<i>Ó Caoláin, Caoimhghín.</i>
	<i>Chambers, Jack.</i>	<i>Ó Laoghaire, Donnchadh.</i>
	<i>Chambers, Lisa.</i>	<i>Ó Snodaigh, Aengus.</i>

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	<i>Collins, Michael.</i>	<i>O'Brien, Jonathan.</i>
	<i>Collins, Niall.</i>	<i>O'Reilly, Louise.</i>
	<i>Corcoran Kennedy, Marcella.</i>	<i>O'Sullivan, Maureen.</i>
	<i>Coveney, Simon.</i>	<i>Quinlivan, Maurice.</i>
	<i>Cowen, Barry.</i>	<i>Shortall, Róisín.</i>
	<i>Curran, John.</i>	<i>Stanley, Brian.</i>
	<i>D'Arcy, Michael.</i>	<i>Tóibín, Peadar.</i>
	<i>Daly, Jim.</i>	
	<i>Deasy, John.</i>	
	<i>Deering, Pat.</i>	
	<i>Doherty, Regina.</i>	
	<i>Donnelly, Stephen S.</i>	
	<i>Donohoe, Paschal.</i>	
	<i>Dooley, Timmy.</i>	
	<i>Doyle, Andrew.</i>	
	<i>Durkan, Bernard J.</i>	
	<i>English, Damien.</i>	
	<i>Farrell, Alan.</i>	
	<i>Fitzpatrick, Peter.</i>	
	<i>Flanagan, Charles.</i>	
	<i>Fleming, Sean.</i>	
	<i>Griffin, Brendan.</i>	
	<i>Halligan, John.</i>	
	<i>Harris, Simon.</i>	
	<i>Haughey, Seán.</i>	
	<i>Healy-Rae, Danny.</i>	
	<i>Heydon, Martin.</i>	
	<i>Howlin, Brendan.</i>	
	<i>Humphreys, Heather.</i>	
	<i>Kelleher, Billy.</i>	
	<i>Kelly, Alan.</i>	
	<i>Kyne, Seán.</i>	
	<i>Lahart, John.</i>	
	<i>Lawless, James.</i>	
	<i>Lowry, Michael.</i>	
	<i>MacSharry, Marc.</i>	
	<i>McConalogue, Charlie.</i>	
	<i>McEntee, Helen.</i>	
	<i>McGrath, Finian.</i>	
	<i>McGrath, Mattie.</i>	
	<i>McGrath, Michael.</i>	
	<i>McGuinness, John.</i>	

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	<i>McHugh, Joe.</i>	
	<i>McLoughlin, Tony.</i>	
	<i>Madigan, Josepha.</i>	
	<i>Martin, Micheál.</i>	
	<i>Moran, Kevin Boxer.</i>	
	<i>Moynihan, Aindrias.</i>	
	<i>Moynihan, Michael.</i>	
	<i>Murphy O'Mahony, Margaret.</i>	
	<i>Murphy, Eoghan.</i>	
	<i>Murphy, Eugene.</i>	
	<i>Naughton, Hildegarde.</i>	
	<i>Neville, Tom.</i>	
	<i>Noonan, Michael.</i>	
	<i>Ó Cuív, Éamon.</i>	
	<i>O'Brien, Darragh.</i>	
	<i>O'Callaghan, Jim.</i>	
	<i>O'Connell, Kate.</i>	
	<i>O'Dea, Willie.</i>	
	<i>O'Dowd, Fergus.</i>	
	<i>O'Loughlin, Fiona.</i>	
	<i>O'Rourke, Frank.</i>	
	<i>O'Sullivan, Jan.</i>	
	<i>Penrose, Willie.</i>	
	<i>Phelan, John Paul.</i>	
	<i>Rabbitte, Anne.</i>	
	<i>Ring, Michael.</i>	
	<i>Rock, Noel.</i>	
	<i>Ross, Shane.</i>	
	<i>Ryan, Brendan.</i>	
	<i>Scanlon, Eamon.</i>	
	<i>Sherlock, Sean.</i>	
	<i>Smith, Brendan.</i>	
	<i>Smyth, Niamh.</i>	
	<i>Stanton, David.</i>	
	<i>Troy, Robert.</i>	
	<i>Varadkar, Leo.</i>	

Tellers: Tá, Deputies Richard Boyd Barrett and Ruth Coppinger; Níl, Deputies Michael Moynihan and John Lahart.

Amendment declared lost.

Motion put and declared carried.

**Sale of Tickets (Sporting and Cultural Events) Bill 2017: Second Stage (Resumed) [Private Members]**

The following motion was moved by Deputy Maurice Quinlivan on Thursday, 11 May 2017: “That the Bill be now read a Second Time.”

Debate resumed on amendment No. 1:

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

“Dáil Éireann resolves that the Sale of Tickets (Sporting and Cultural Events) Bill 2017 be deemed to be read a second time this day nine months, to allow for scrutiny by the Select Committee on Jobs, Enterprise and Innovation and for the Committee to consider submissions and hold hearings that have regard in particular to ensure that:

(a) the proposed Bill strikes a measured and effective approach in relation to the issue;

(b) the proposed Bill does not expose consumers to possible detriment in cases of false or non-delivery of tickets;

(c) the proposed Bill does not give rise to any unintended consequences;

(d) account is taken of further examination of the submissions to the public consultation process (launched in January 2017) to explore the range of solutions, both legislative and otherwise, that might address the issue of ticket resale; and

(e) the proposed Bill does not give rise to Constitutional difficulties; and to fully discuss and explore other practical issues and consequences that may arise as a result of the proposals.”

- (Minister of State at the Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs, Deputy Seán Kyne)

**An Leas-Cheann Comhairle:** I must now deal with a postponed division relating to Second Stage of the Sale of Tickets (Sporting and Cultural Events) Bill 2017, which took place on Thursday, 11 May 2017. On the question, “That the amendment to the motion be made”, a division was claimed and in accordance with Standing Order 70(2), that division must be taken now.

Amendment put:

<i>The Dáil divided: Tá, 91; Níl, 40; Staon, 6.</i>		
<i>Tá</i>	<i>Níl</i>	<i>Stاون</i>
<i>Aylward, Bobby.</i>	<i>Adams, Gerry.</i>	<i>Collins, Joan.</i>
<i>Bailey, Maria.</i>	<i>Barry, Mick.</i>	<i>Harty, Michael.</i>

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<i>Barrett, Seán.</i>	<i>Boyd Barrett, Richard.</i>	<i>Murphy, Catherine.</i>
<i>Brassil, John.</i>	<i>Brady, John.</i>	<i>O'Sullivan, Maureen.</i>
<i>Breathnach, Declan.</i>	<i>Broughan, Thomas P.</i>	<i>Pringle, Thomas.</i>
<i>Breen, Pat.</i>	<i>Buckley, Pat.</i>	<i>Shortall, Róisín.</i>
<i>Brophy, Colm.</i>	<i>Burton, Joan.</i>	
<i>Browne, James.</i>	<i>Coppinger, Ruth.</i>	
<i>Bruton, Richard.</i>	<i>Crowe, Seán.</i>	
<i>Burke, Peter.</i>	<i>Cullinane, David.</i>	
<i>Butler, Mary.</i>	<i>Daly, Clare.</i>	
<i>Byrne, Catherine.</i>	<i>Doherty, Pearse.</i>	
<i>Byrne, Thomas.</i>	<i>Ellis, Dessie.</i>	
<i>Cahill, Jackie.</i>	<i>Ferris, Martin.</i>	
<i>Calleary, Dara.</i>	<i>Funchion, Kathleen.</i>	
<i>Carey, Joe.</i>	<i>Healy, Seamus.</i>	
<i>Casey, Pat.</i>	<i>Howlin, Brendan.</i>	
<i>Cassells, Shane.</i>	<i>Kelly, Alan.</i>	
<i>Chambers, Jack.</i>	<i>Kenny, Gino.</i>	
<i>Chambers, Lisa.</i>	<i>Kenny, Martin.</i>	
<i>Collins, Michael.</i>	<i>McDonald, Mary Lou.</i>	
<i>Collins, Niall.</i>	<i>Martin, Catherine.</i>	
<i>Corcoran Kennedy, Marcella.</i>	<i>Mitchell, Denise.</i>	
<i>Coveney, Simon.</i>	<i>Munster, Imelda.</i>	
<i>Cowen, Barry.</i>	<i>Nolan, Carol.</i>	
<i>Curran, John.</i>	<i>Ó Broin, Eoin.</i>	
<i>D'Arcy, Michael.</i>	<i>Ó Caoláin, Caoimhghín.</i>	
<i>Daly, Jim.</i>	<i>Ó Laoghaire, Donnchadh.</i>	
<i>Deasy, John.</i>	<i>Ó Snodaigh, Aengus.</i>	
<i>Deering, Pat.</i>	<i>O'Brien, Jonathan.</i>	
<i>Doherty, Regina.</i>	<i>O'Reilly, Louise.</i>	
<i>Donohoe, Paschal.</i>	<i>O'Sullivan, Jan.</i>	
<i>Dooley, Timmy.</i>	<i>Penrose, Willie.</i>	
<i>Doyle, Andrew.</i>	<i>Quinlivan, Maurice.</i>	
<i>Durkan, Bernard J.</i>	<i>Ryan, Brendan.</i>	
<i>English, Damien.</i>	<i>Sherlock, Sean.</i>	
<i>Farrell, Alan.</i>	<i>Smith, Bríd.</i>	
<i>Fitzmaurice, Michael.</i>	<i>Stanley, Brian.</i>	
<i>Fitzpatrick, Peter.</i>	<i>Tóibín, Peadar.</i>	
<i>Flanagan, Charles.</i>	<i>Wallace, Mick.</i>	
<i>Fleming, Sean.</i>		
<i>Griffin, Brendan.</i>		
<i>Halligan, John.</i>		
<i>Harris, Simon.</i>		

<i>Haughey, Seán.</i>		
<i>Healy-Rae, Danny.</i>		
<i>Heydon, Martin.</i>		
<i>Humphreys, Heather.</i>		
<i>Kelleher, Billy.</i>		
<i>Kyne, Seán.</i>		
<i>Lahart, John.</i>		
<i>Lawless, James.</i>		
<i>Lowry, Michael.</i>		
<i>MacSharry, Marc.</i>		
<i>McConalogue, Charlie.</i>		
<i>McEntee, Helen.</i>		
<i>McGrath, Finian.</i>		
<i>McGrath, Mattie.</i>		
<i>McGrath, Michael.</i>		
<i>McGuinness, John.</i>		
<i>McHugh, Joe.</i>		
<i>McLoughlin, Tony.</i>		
<i>Madigan, Josepha.</i>		
<i>Moran, Kevin Boxer.</i>		
<i>Moynihan, Aindrias.</i>		
<i>Moynihan, Michael.</i>		
<i>Murphy O'Mahony, Margaret.</i>		
<i>Murphy, Eoghan.</i>		
<i>Murphy, Eugene.</i>		
<i>Naughton, Hildegarde.</i>		
<i>Neville, Tom.</i>		
<i>Noonan, Michael.</i>		
<i>Ó Cuív, Éamon.</i>		
<i>O'Brien, Darragh.</i>		
<i>O'Callaghan, Jim.</i>		
<i>O'Connell, Kate.</i>		
<i>O'Dea, Willie.</i>		
<i>O'Dowd, Fergus.</i>		
<i>O'Loughlin, Fiona.</i>		
<i>O'Rourke, Frank.</i>		
<i>Phelan, John Paul.</i>		
<i>Rabbitte, Anne.</i>		
<i>Ring, Michael.</i>		
<i>Rock, Noel.</i>		
<i>Ross, Shane.</i>		
<i>Scanlon, Eamon.</i>		

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<i>Smith, Brendan.</i>		
<i>Smyth, Niamh.</i>		
<i>Stanton, David.</i>		
<i>Troy, Robert.</i>		
<i>Varadkar, Leo.</i>		

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

Amendment declared carried.

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

<i>The Dáil divided: Tá, 85; Níl, 40; Staon, 3.</i>		
<i>Tá</i>	<i>Níl</i>	<i>Staon</i>
<i>Aylward, Bobby.</i>	<i>Adams, Gerry.</i>	<i>Collins, Joan.</i>
<i>Bailey, Maria.</i>	<i>Barry, Mick.</i>	<i>O'Sullivan, Maureen.</i>
<i>Barrett, Seán.</i>	<i>Boyd Barrett, Richard.</i>	<i>Pringle, Thomas.</i>
<i>Brassil, John.</i>	<i>Brady, John.</i>	
<i>Breathnach, Declan.</i>	<i>Broughan, Thomas P.</i>	
<i>Breen, Pat.</i>	<i>Buckley, Pat.</i>	
<i>Brophy, Colm.</i>	<i>Coppinger, Ruth.</i>	
<i>Browne, James.</i>	<i>Crowe, Seán.</i>	
<i>Bruton, Richard.</i>	<i>Daly, Clare.</i>	
<i>Burke, Peter.</i>	<i>Doherty, Pearse.</i>	
<i>Byrne, Catherine.</i>	<i>Ellis, Dessie.</i>	
<i>Cahill, Jackie.</i>	<i>Ferris, Martin.</i>	
<i>Calleary, Dara.</i>	<i>Funchion, Kathleen.</i>	
<i>Carey, Joe.</i>	<i>Healy, Seamus.</i>	
<i>Casey, Pat.</i>	<i>Howlin, Brendan.</i>	
<i>Cassells, Shane.</i>	<i>Kelly, Alan.</i>	
<i>Chambers, Jack.</i>	<i>Kenny, Gino.</i>	
<i>Chambers, Lisa.</i>	<i>Kenny, Martin.</i>	
<i>Collins, Michael.</i>	<i>McDonald, Mary Lou.</i>	
<i>Collins, Niall.</i>	<i>Martin, Catherine.</i>	
<i>Corcoran Kennedy, Marcella.</i>	<i>Mitchell, Denise.</i>	
<i>Coveney, Simon.</i>	<i>Munster, Imelda.</i>	
<i>Cowen, Barry.</i>	<i>Murphy, Catherine.</i>	
<i>Curran, John.</i>	<i>Nolan, Carol.</i>	

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<i>D'Arcy, Michael.</i>	<i>Ó Broin, Eoin.</i>	
<i>Daly, Jim.</i>	<i>Ó Caoláin, Caoimhghín.</i>	
<i>Deasy, John.</i>	<i>Ó Laoghaire, Donnchadh.</i>	
<i>Deering, Pat.</i>	<i>Ó Snodaigh, Aengus.</i>	
<i>Doherty, Regina.</i>	<i>O'Brien, Jonathan.</i>	
<i>Donohoe, Paschal.</i>	<i>O'Reilly, Louise.</i>	
<i>Dooley, Timmy.</i>	<i>O'Sullivan, Jan.</i>	
<i>Doyle, Andrew.</i>	<i>Penrose, Willie.</i>	
<i>Durkan, Bernard J.</i>	<i>Quinlivan, Maurice.</i>	
<i>Farrell, Alan.</i>	<i>Ryan, Brendan.</i>	
<i>Fitzmaurice, Michael.</i>	<i>Sherlock, Sean.</i>	
<i>Fitzpatrick, Peter.</i>	<i>Shortall, Róisín.</i>	
<i>Flanagan, Charles.</i>	<i>Smith, Bríd.</i>	
<i>Fleming, Sean.</i>	<i>Stanley, Brian.</i>	
<i>Griffin, Brendan.</i>	<i>Tóibín, Peadar.</i>	
<i>Halligan, John.</i>	<i>Wallace, Mick.</i>	
<i>Harris, Simon.</i>		
<i>Harty, Michael.</i>		
<i>Haughey, Seán.</i>		
<i>Healy-Rae, Danny.</i>		
<i>Heydon, Martin.</i>		
<i>Humphreys, Heather.</i>		
<i>Kelleher, Billy.</i>		
<i>Kyne, Seán.</i>		
<i>Lahart, John.</i>		
<i>Lowry, Michael.</i>		
<i>MacSharry, Marc.</i>		
<i>McConalogue, Charlie.</i>		
<i>McEntee, Helen.</i>		
<i>McGrath, Finian.</i>		
<i>McGrath, Mattie.</i>		
<i>McGrath, Michael.</i>		
<i>McGuinness, John.</i>		
<i>McHugh, Joe.</i>		
<i>McLoughlin, Tony.</i>		
<i>Madigan, Josepha.</i>		
<i>Moran, Kevin Boxer.</i>		
<i>Moynihan, Aindrias.</i>		
<i>Moynihan, Michael.</i>		
<i>Murphy O'Mahony, Margaret.</i>		
<i>Murphy, Eoghan.</i>		
<i>Murphy, Eugene.</i>		

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<i>Naughton, Hildegarde.</i>		
<i>Neville, Tom.</i>		
<i>Noonan, Michael.</i>		
<i>Ó Cuív, Éamon.</i>		
<i>O'Brien, Darragh.</i>		
<i>O'Callaghan, Jim.</i>		
<i>O'Connell, Kate.</i>		
<i>O'Dowd, Fergus.</i>		
<i>O'Rourke, Frank.</i>		
<i>Phelan, John Paul.</i>		
<i>Rabbitte, Anne.</i>		
<i>Ring, Michael.</i>		
<i>Rock, Noel.</i>		
<i>Ross, Shane.</i>		
<i>Scanlon, Eamon.</i>		
<i>Smith, Brendan.</i>		
<i>Smyth, Niamh.</i>		
<i>Stanton, David.</i>		
<i>Troy, Robert.</i>		

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

Question declared carried.

*Explanations under Standing Order 138(2A) as received from Members*

Deputy Ruth Coppinger and Deputy Mick Barry are in favour of action being taken against ticket touting and exploitation of those taking part in sporting and cultural events and therefore voted so that the Bill be read now a Second Time rather than in nine months time. Deputy Ruth Coppinger and Deputy Mick Barry would have concerns over the powers the Garda Síochána would be given in the current wording of the Bill such as the ability to arrest people without warrant and believe this should be thoroughly examined at Committee and Report Stages.

**An Leas-Cheann Comhairle:** The Second Reading of the Bill is deferred until this day nine months.

**Equal Participation in Schools Bill 2016: Second Stage (Resumed) [Private Members]**

The following motion was moved by Deputy Ruth Coppinger on Wednesday, 16 May 2017: “That the Bill be now read a Second Time.”

Debate resumed on amendment No. 1:

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

“Dáil Éireann, while supporting the principle that change is needed in relation to the role of religion in school admissions, declines to give the Equal Participation in Schools Bill 2016 a Second Reading for the following reasons:

(a) Dáil Éireann last June agreed that the Labour Party’s Equal Status (Admissions to Schools) Bill 2016, which aims to deal with this issue but does so in a very different way, would proceed to Second Stage in 12 months to allow sufficient time for scrutiny by the Oireachtas Committee on Education and Skills;

(b) the Oireachtas Committee on Education and Skills has recently held consultations on this issue and this Bill takes no account of the results of those consultations;

(c) the Bill, as drafted, would have devastating impact on minority religious communities, including Protestant, Muslim and Jewish communities, and their ability to run primary schools in accordance with their ethos;

(d) the Bill, as drafted, would remove the ability of a school to maintain a ‘characteristic spirit’ whether its ethos is of a denominational, multidenominational or non-denominational nature - this would also remove the possibility of a school, for example, to have a particular linguistic ethos, as in the case of Gaelscoileanna, or a particular ethos in respect of special educational needs as in the case of a special school, and all of this would have far reaching consequences on our capacity to run an education system which depends, as it does currently, on patrons to run schools; and

(e) the Bill has a number of aspects which would appear to be unconstitutional.”

- (Minister for Education and Skills)

**An Leas-Cheann Comhairle:** I must now deal with a postponed division relating to Second Stage of the Equal Participation in Schools Bill 2016, which took place on Tuesday, 16 May 2017. On the question, “That the amendment to the motion be made”, a division was claimed, and in accordance with Standing Order 70(2), that division must be taken now.

Amendment put:

<i>The Dáil divided: Tá, 59; Níl, 73; Staon, 0.</i>		
<i>Tá</i>	<i>Níl</i>	<i>Staon</i>
<i>Bailey, Maria.</i>	<i>Adams, Gerry.</i>	
<i>Barrett, Seán.</i>	<i>Aylward, Bobby.</i>	
<i>Breen, Pat.</i>	<i>Barry, Mick.</i>	
<i>Brophy, Colm.</i>	<i>Boyd Barrett, Richard.</i>	

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<i>Bruton, Richard.</i>	<i>Brady, John.</i>	
<i>Burke, Peter.</i>	<i>Brassil, John.</i>	
<i>Burton, Joan.</i>	<i>Breathnach, Declan.</i>	
<i>Byrne, Catherine.</i>	<i>Broughan, Thomas P.</i>	
<i>Carey, Joe.</i>	<i>Browne, James.</i>	
<i>Collins, Michael.</i>	<i>Buckley, Pat.</i>	
<i>Corcoran Kennedy, Marcella.</i>	<i>Butler, Mary.</i>	
<i>Coveney, Simon.</i>	<i>Byrne, Thomas.</i>	
<i>D'Arcy, Michael.</i>	<i>Cahill, Jackie.</i>	
<i>Daly, Jim.</i>	<i>Calleary, Dara.</i>	
<i>Deasy, John.</i>	<i>Casey, Pat.</i>	
<i>Deering, Pat.</i>	<i>Cassells, Shane.</i>	
<i>Doherty, Regina.</i>	<i>Chambers, Jack.</i>	
<i>Donohoe, Paschal.</i>	<i>Chambers, Lisa.</i>	
<i>Doyle, Andrew.</i>	<i>Collins, Joan.</i>	
<i>Durkan, Bernard J.</i>	<i>Collins, Niall.</i>	
<i>Farrell, Alan.</i>	<i>Coppinger, Ruth.</i>	
<i>Fitzpatrick, Peter.</i>	<i>Cowen, Barry.</i>	
<i>Flanagan, Charles.</i>	<i>Crowe, Seán.</i>	
<i>Griffin, Brendan.</i>	<i>Cullinane, David.</i>	
<i>Halligan, John.</i>	<i>Curran, John.</i>	
<i>Harris, Simon.</i>	<i>Daly, Clare.</i>	
<i>Harty, Michael.</i>	<i>Doherty, Pearse.</i>	
<i>Healy-Rae, Danny.</i>	<i>Donnelly, Stephen S.</i>	
<i>Heydon, Martin.</i>	<i>Dooley, Timmy.</i>	
<i>Howlin, Brendan.</i>	<i>Ellis, Dessie.</i>	
<i>Humphreys, Heather.</i>	<i>Ferris, Martin.</i>	
<i>Kelly, Alan.</i>	<i>Fleming, Sean.</i>	
<i>Kyne, Seán.</i>	<i>Funchion, Kathleen.</i>	
<i>Lowry, Michael.</i>	<i>Haughey, Seán.</i>	
<i>Madigan, Josepha.</i>	<i>Healy, Seamus.</i>	
<i>McEntee, Helen.</i>	<i>Kelleher, Billy.</i>	
<i>McGrath, Finian.</i>	<i>Kenny, Gino.</i>	
<i>McGrath, Mattie.</i>	<i>Kenny, Martin.</i>	
<i>McHugh, Joe.</i>	<i>Lahart, John.</i>	
<i>McLoughlin, Tony.</i>	<i>MacSharry, Marc.</i>	
<i>Moran, Kevin Boxer.</i>	<i>Martin, Catherine.</i>	
<i>Murphy, Eoghan.</i>	<i>McConalogue, Charlie.</i>	
<i>Naughton, Hildegard.</i>	<i>McDonald, Mary Lou.</i>	
<i>Neville, Tom.</i>	<i>McGrath, Michael.</i>	
<i>Noonan, Michael.</i>	<i>McGuinness, John.</i>	
<i>O'Connell, Kate.</i>	<i>Mitchell, Denise.</i>	

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<i>O'Dowd, Fergus.</i>	<i>Moynihan, Aindrias.</i>	
<i>O'Sullivan, Jan.</i>	<i>Moynihan, Michael.</i>	
<i>O'Sullivan, Maureen.</i>	<i>Munster, Imelda.</i>	
<i>Penrose, Willie.</i>	<i>Murphy O'Mahony, Margaret.</i>	
<i>Phelan, John Paul.</i>	<i>Murphy, Catherine.</i>	
<i>Pringle, Thomas.</i>	<i>Nolan, Carol.</i>	
<i>Ring, Michael.</i>	<i>O'Brien, Jonathan.</i>	
<i>Rock, Noel.</i>	<i>O'Callaghan, Jim.</i>	
<i>Ross, Shane.</i>	<i>O'Loughlin, Fiona.</i>	
<i>Ryan, Brendan.</i>	<i>O'Reilly, Louise.</i>	
<i>Sherlock, Sean.</i>	<i>O'Rourke, Frank.</i>	
<i>Stanton, David.</i>	<i>Ó Broin, Eoin.</i>	
<i>Varadkar, Leo.</i>	<i>Ó Caoláin, Caoimhghín.</i>	
	<i>Ó Cuív, Éamon.</i>	
	<i>Ó Laoghaire, Donnchadh.</i>	
	<i>Ó Snodaigh, Aengus.</i>	
	<i>Quinlivan, Maurice.</i>	
	<i>Rabbitte, Anne.</i>	
	<i>Scanlon, Eamon.</i>	
	<i>Shortall, Róisín.</i>	
	<i>Smith, Brendan.</i>	
	<i>Smith, Bríd.</i>	
	<i>Smyth, Niamh.</i>	
	<i>Stanley, Brian.</i>	
	<i>Tóibín, Peadar.</i>	
	<i>Troy, Robert.</i>	
	<i>Wallace, Mick.</i>	

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

Amendment declared.

Question put: "That the motion be agreed to."

<i>The Dáil divided: Tá, 43; Níl, 90; Staon, 0.</i>		
<i>Tá</i>	<i>Níl</i>	<i>Staon</i>
<i>Adams, Gerry.</i>	<i>Aylward, Bobby.</i>	
<i>Barry, Mick.</i>	<i>Bailey, Maria.</i>	

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<i>Boyd Barrett, Richard.</i>	<i>Barrett, Seán.</i>	
<i>Brady, John.</i>	<i>Brassil, John.</i>	
<i>Broughan, Thomas P.</i>	<i>Breathnach, Declan.</i>	
<i>Buckley, Pat.</i>	<i>Breen, Pat.</i>	
<i>Burton, Joan.</i>	<i>Brophy, Colm.</i>	
<i>Collins, Joan.</i>	<i>Browne, James.</i>	
<i>Coppinger, Ruth.</i>	<i>Bruton, Richard.</i>	
<i>Crowe, Seán.</i>	<i>Burke, Peter.</i>	
<i>Cullinane, David.</i>	<i>Butler, Mary.</i>	
<i>Daly, Clare.</i>	<i>Byrne, Catherine.</i>	
<i>Doherty, Pearse.</i>	<i>Byrne, Thomas.</i>	
<i>Ellis, Dessie.</i>	<i>Cahill, Jackie.</i>	
<i>Ferris, Martin.</i>	<i>Calleary, Dara.</i>	
<i>Funchion, Kathleen.</i>	<i>Carey, Joe.</i>	
<i>Healy, Seamus.</i>	<i>Casey, Pat.</i>	
<i>Howlin, Brendan.</i>	<i>Cassells, Shane.</i>	
<i>Kelly, Alan.</i>	<i>Chambers, Jack.</i>	
<i>Kenny, Gino.</i>	<i>Chambers, Lisa.</i>	
<i>Kenny, Martin.</i>	<i>Collins, Michael.</i>	
<i>Martin, Catherine.</i>	<i>Collins, Niall.</i>	
<i>McDonald, Mary Lou.</i>	<i>Corcoran Kennedy, Marcella.</i>	
<i>Mitchell, Denise.</i>	<i>Coveney, Simon.</i>	
<i>Munster, Imelda.</i>	<i>Cowen, Barry.</i>	
<i>Murphy, Catherine.</i>	<i>Curran, John.</i>	
<i>Nolan, Carol.</i>	<i>D'Arcy, Michael.</i>	
<i>O'Brien, Jonathan.</i>	<i>Daly, Jim.</i>	
<i>O'Reilly, Louise.</i>	<i>Deasy, John.</i>	
<i>O'Sullivan, Jan.</i>	<i>Deering, Pat.</i>	
<i>Ó Broin, Eoin.</i>	<i>Doherty, Regina.</i>	
<i>Ó Caoláin, Caoimhghín.</i>	<i>Donohoe, Paschal.</i>	
<i>Ó Laoghaire, Donnchadh.</i>	<i>Dooley, Timmy.</i>	
<i>Ó Snodaigh, Aengus.</i>	<i>Doyle, Andrew.</i>	
<i>Penrose, Willie.</i>	<i>Durkan, Bernard J.</i>	
<i>Quinlivan, Maurice.</i>	<i>English, Damien.</i>	
<i>Ryan, Brendan.</i>	<i>Farrell, Alan.</i>	
<i>Sherlock, Sean.</i>	<i>Fitzmaurice, Michael.</i>	
<i>Shortall, Róisín.</i>	<i>Fitzpatrick, Peter.</i>	
<i>Smith, Bríd.</i>	<i>Fleming, Sean.</i>	
<i>Stanley, Brian.</i>	<i>Griffin, Brendan.</i>	
<i>Tóibín, Peadar.</i>	<i>Halligan, John.</i>	
<i>Wallace, Mick.</i>	<i>Harris, Simon.</i>	
	<i>Harty, Michael.</i>	

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	<i>Haughey, Seán.</i>	
	<i>Healy-Rae, Danny.</i>	
	<i>Heydon, Martin.</i>	
	<i>Humphreys, Heather.</i>	
	<i>Kelleher, Billy.</i>	
	<i>Kyne, Seán.</i>	
	<i>Lahart, John.</i>	
	<i>Lawless, James.</i>	
	<i>Lowry, Michael.</i>	
	<i>MacSharry, Marc.</i>	
	<i>Madigan, Josepha.</i>	
	<i>McConalogue, Charlie.</i>	
	<i>McEntee, Helen.</i>	
	<i>McGrath, Mattie.</i>	
	<i>McGrath, Michael.</i>	
	<i>McGuinness, John.</i>	
	<i>McHugh, Joe.</i>	
	<i>McLoughlin, Tony.</i>	
	<i>Moran, Kevin Boxer.</i>	
	<i>Moynihan, Aindrias.</i>	
	<i>Moynihan, Michael.</i>	
	<i>Murphy O'Mahony, Margaret.</i>	
	<i>Murphy, Eoghan.</i>	
	<i>Naughton, Hildegarde.</i>	
	<i>Neville, Tom.</i>	
	<i>Noonan, Michael.</i>	
	<i>O'Brien, Darragh.</i>	
	<i>O'Callaghan, Jim.</i>	
	<i>O'Connell, Kate.</i>	
	<i>O'Dea, Willie.</i>	
	<i>O'Dowd, Fergus.</i>	
	<i>O'Loughlin, Fiona.</i>	
	<i>O'Rourke, Frank.</i>	
	<i>O'Sullivan, Maureen.</i>	
	<i>Ó Cuív, Éamon.</i>	
	<i>Phelan, John Paul.</i>	
	<i>Pringle, Thomas.</i>	
	<i>Rabbitte, Anne.</i>	
	<i>Ring, Michael.</i>	
	<i>Rock, Noel.</i>	
	<i>Ross, Shane.</i>	
	<i>Scanlon, Eamon.</i>	

18 May 2017

	<i>Smith, Brendan.</i>	
	<i>Smyth, Niamh.</i>	
	<i>Stanton, David.</i>	
	<i>Troy, Robert.</i>	

Tellers: Tá, Deputies Mick Barry and Ruth Coppinger; Níl, Deputies Regina Doherty and Tony McLoughlin.

Question declared.

### **Insurance Costs: Motion (Resumed) [Private Members]**

The following motion was moved by Deputy Michael McGrath on Wednesday, 17 May 2017:

That Dáil Éireann:

notes that:

— spiralling business and motor insurance costs are undermining the competitiveness of the State and pressuring businesses and households;

— the National Competitiveness Council has cited the cost of doing business, of which insurance is a major contributor, as a major concern to businesses across the country;

— as of 2014, small and medium sized enterprises (SMEs) employed over 900,000 people in Ireland;

— business insurance, specifically public liability and employer liability insurance, is a major and growing cost of doing business in Ireland and is particularly a major issue for SMEs;

— many SMEs have experienced business insurance cost increases of between 6 per cent and 15 per cent according to research from the Irish Small and Medium Enterprises Association;

— increased insurance excess and insurance exclusions are becoming an ever increasing issue for all businesses;

— the practice of insurance companies using non-disclosure at the point of a claim for the sole purpose of avoiding payment, when such discoveries and enquiries should have been made at the proposal stage, is unacceptable;

— motor insurance has increased by 11.6 per cent in 2014, 30.8 per cent in 2015 and 8.9 per cent in 2016; and

— while monthly motor insurance inflation in 2017 has remained level, individuals, families and businesses are facing unsustainably high insurance premiums;

further notes that:

— a motion was passed by it on 9th June, 2016, urging the Government to act on this issue;

— the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach published the Report on the Rising Costs of Motor Insurance setting out a series of recommendations;

— the Government only published its Report on the Cost of Motor Insurance as late as January 2017;

— only ten action points were scheduled for completion by the end of the first quarter of 2017, more than three years after the explosion in motor insurance premiums began;

— three of these action points have yet to be completed; and

—there has been complete inaction on tackling business insurance costs; and

calls on the Government to:

— urgently complete the remaining action points set out in the Report on the Cost of Motor Insurance, which were set to be completed by the end of March 2017;

— amend legislation and require insurers to provide a breakdown of the premium cost to the customer and to have this completed before the current deadline of the end of June 2018;

— develop a general protocol that requires insurance companies to notify policyholders of claims made against them before settlement and to have this done before the current deadline of the end of December 2017;

— establish a national claims information database before the current deadline of the end of June 2018;

— have the Personal Injuries Commission report before its current deadlines of the end of December 2017, and the end of March 2018;

— establish a fully functioning database to identify uninsured drivers compelling insurance companies to provide the driver license number before the current deadline of the end of December 2018;

— establish a clear timeline for the Cost of Insurance Working Group to complete its report on employer liability and public liability;

— extend this assessment to other relevant areas of business insurance, including an assessment of the extent to which insurance excess and insurance exclusions are being used at the expense of customers;

— undertake a comprehensive study on the cost of obtaining all insurance to businesses with the aim of providing transparency to the sector and in order to track develop-

ments in the market;

— bring forward legislation to enhance transparency in the sector by requiring insurance companies to provide a detailed breakdown of premiums for business customers;

— require insurance companies to inform business customers of the fact that a claim has been made and/or settled against them and the details of that claim;

— extend the Personal Injuries Commission to employer liability insurance and public liability insurance; and

— address the issue of insurance companies using non-disclosure at the point of a claim to avoid payment when such discoveries and enquiries should have been made at the proposal stage.

**An Leas-Cheann Comhairle:** On Wednesday, 17 May, on the question, “That the motion be agreed to,” a division was claimed. In accordance with Standing Order 70(2), that division must be taken now.

Question put:

<i>The Dáil divided: Tá, 86; Níl, 45; Staon, 1.</i>		
<i>Tá</i>	<i>Níl</i>	<i>Stáon</i>
<i>Adams, Gerry.</i>	<i>Bailey, Maria.</i>	<i>Harty, Michael.</i>
<i>Aylward, Bobby.</i>	<i>Barrett, Seán.</i>	
<i>Barry, Mick.</i>	<i>Breen, Pat.</i>	
<i>Boyd Barrett, Richard.</i>	<i>Brophy, Colm.</i>	
<i>Brady, John.</i>	<i>Bruton, Richard.</i>	
<i>Brassil, John.</i>	<i>Burke, Peter.</i>	
<i>Breathnach, Declan.</i>	<i>Byrne, Catherine.</i>	
<i>Broughan, Thomas P.</i>	<i>Carey, Joe.</i>	
<i>Browne, James.</i>	<i>Corcoran Kennedy, Marcella.</i>	
<i>Buckley, Pat.</i>	<i>Coveney, Simon.</i>	
<i>Burton, Joan.</i>	<i>D’Arcy, Michael.</i>	
<i>Butler, Mary.</i>	<i>Daly, Jim.</i>	
<i>Byrne, Thomas.</i>	<i>Deasy, John.</i>	
<i>Cahill, Jackie.</i>	<i>Deering, Pat.</i>	
<i>Calleary, Dara.</i>	<i>Doherty, Regina.</i>	
<i>Casey, Pat.</i>	<i>Donohoe, Paschal.</i>	
<i>Cassells, Shane.</i>	<i>Doyle, Andrew.</i>	
<i>Chambers, Jack.</i>	<i>English, Damien.</i>	
<i>Chambers, Lisa.</i>	<i>Farrell, Alan.</i>	
<i>Collins, Joan.</i>	<i>Fitzpatrick, Peter.</i>	
<i>Collins, Michael.</i>	<i>Flanagan, Charles.</i>	
<i>Collins, Niall.</i>	<i>Griffin, Brendan.</i>	
<i>Coppinger, Ruth.</i>	<i>Halligan, John.</i>	

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<i>Cowen, Barry.</i>	<i>Harris, Simon.</i>	
<i>Crowe, Seán.</i>	<i>Heydon, Martin.</i>	
<i>Cullinane, David.</i>	<i>Humphreys, Heather.</i>	
<i>Curran, John.</i>	<i>Kyne, Seán.</i>	
<i>Doherty, Pearse.</i>	<i>Lowry, Michael.</i>	
<i>Dooley, Timmy.</i>	<i>McEntee, Helen.</i>	
<i>Ellis, Dessie.</i>	<i>McGrath, Finian.</i>	
<i>Ferris, Martin.</i>	<i>McHugh, Joe.</i>	
<i>Fitzmaurice, Michael.</i>	<i>McLoughlin, Tony.</i>	
<i>Fleming, Sean.</i>	<i>Madigan, Josepha.</i>	
<i>Funchion, Kathleen.</i>	<i>Moran, Kevin Boxer.</i>	
<i>Haughey, Seán.</i>	<i>Naughton, Hildegarde.</i>	
<i>Healy-Rae, Danny.</i>	<i>Neville, Tom.</i>	
<i>Healy, Seamus.</i>	<i>Noonan, Michael.</i>	
<i>Howlin, Brendan.</i>	<i>O'Connell, Kate.</i>	
<i>Kelleher, Billy.</i>	<i>O'Dowd, Fergus.</i>	
<i>Kelly, Alan.</i>	<i>Phelan, John Paul.</i>	
<i>Kenny, Gino.</i>	<i>Ring, Michael.</i>	
<i>Kenny, Martin.</i>	<i>Rock, Noel.</i>	
<i>Lahart, John.</i>	<i>Ross, Shane.</i>	
<i>Lawless, James.</i>	<i>Stanton, David.</i>	
<i>MacSharry, Marc.</i>	<i>Varadkar, Leo.</i>	
<i>McConalogue, Charlie.</i>		
<i>McDonald, Mary Lou.</i>		
<i>McGrath, Mattie.</i>		
<i>McGrath, Michael.</i>		
<i>McGuinness, John.</i>		
<i>Martin, Catherine.</i>		
<i>Martin, Micheál.</i>		
<i>Mitchell, Denise.</i>		
<i>Moynihan, Aindrias.</i>		
<i>Moynihan, Michael.</i>		
<i>Munster, Imelda.</i>		
<i>Murphy O'Mahony, Margaret.</i>		
<i>Murphy, Catherine.</i>		
<i>Nolan, Carol.</i>		
<i>Ó Broin, Eoin.</i>		
<i>Ó Caoláin, Caoimhghín.</i>		
<i>Ó Cuív, Éamon.</i>		
<i>Ó Laoghaire, Donnchadh.</i>		
<i>Ó Snodaigh, Aengus.</i>		
<i>O'Brien, Darragh.</i>		

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<i>O'Brien, Jonathan.</i>		
<i>O'Callaghan, Jim.</i>		
<i>O'Dea, Willie.</i>		
<i>O'Loughlin, Fiona.</i>		
<i>O'Reilly, Louise.</i>		
<i>O'Rourke, Frank.</i>		
<i>O'Sullivan, Jan.</i>		
<i>O'Sullivan, Maureen.</i>		
<i>Penrose, Willie.</i>		
<i>Pringle, Thomas.</i>		
<i>Quinlivan, Maurice.</i>		
<i>Rabbitte, Anne.</i>		
<i>Ryan, Brendan.</i>		
<i>Scanlon, Eamon.</i>		
<i>Sherlock, Sean.</i>		
<i>Shortall, Róisín.</i>		
<i>Smith, Brendan.</i>		
<i>Smyth, Niamh.</i>		
<i>Stanley, Brian.</i>		
<i>Tóibín, Peadar.</i>		
<i>Troy, Robert.</i>		

Tellers: Tá, Deputies Michael Moynihan and John Lahart; Níl, Deputies Regina Doherty and Tony McLoughlin.

Question declared carried.

### Topical Issue Matters

**Acting Chairman (Deputy Bernard J. Durkan):** I wish to advise the House of the following matters in respect of which notice has been given under Standing Order 29A and the name of the Member in each case: (1) Deputy Sean Fleming - changes in the allocation of resources from 2016 to 2017 under the special education teaching resource model; (2) Deputy Niamh Smyth - plans to reform the pensions system; (3) Deputy Thomas P. Broughan - communications with homeless families in emergency accommodation; (4) Deputy David Cullinane - development on the north quays in Waterford; (5) Deputy Jack Chambers - the appointment of non-specialist doctors as consultants; (6) Deputy Bobby Aylward - the closure of the Camphill Community, Callan, County Kilkenny; (7) Deputy Éamon Ó Cuív - the eligibility status of farm land affected by wildfires; (8) Deputy Gino Kenny - the shortage of myalgic encephalomyelitis, ME, specialists here; (9) Deputy Mick Wallace - the sale of Project Shift by NAMA; (10) Deputy Fiona O'Loughlin - the shortage of second level school places for children with special needs in the Newbridge area; (11) Deputy Jackie Cahill - the use of the agri cash flow loan sup-

port scheme for stocking bank loans to farmers in 2017; (12) Deputy Martin Ferris - ongoing delays in agriculture payments; (13) Deputy Clare Daly - the use of Shannon airport by US military aircraft; (14) Deputy Robert Troy - the future of the An Post network; and (15) Deputy Charlie McConalogue - the eligibility status of farm land affected by wildfires.

The matters raised by Deputies Sean Fleming, Martin Ferris, Thomas P. Broughan and Jack Chambers have been selected for discussion.

### **Asian Infrastructure Investment Bank Bill 2017: Order for Second Stage**

Bill entitled an Act to provide for the approval of the terms of the Articles of Agreement of the Asian Infrastructure Investment Bank; to provide for payments under that agreement; and to provide for related matters.

**Minister for Finance (Deputy Michael Noonan):** I move: “That Second Stage be taken now.”

Question put and agreed to.

### **Asian Infrastructure Investment Bank Bill 2017: Second Stage**

**Minister for Finance (Deputy Michael Noonan):** I move: “That the Bill be now read a Second Time”.

The Asian Infrastructure Investment Bank Bill, if approved by the Oireachtas, will facilitate Ireland’s future membership of the Asian Infrastructure Investment Bank, AIIB. It will provide for the approval of the articles of agreement of the AIIB and for payments to be made to the bank.

The AIIB is a new multilateral financial institution which came into operation in January 2016. Its objectives are to foster economic development and regional integration in Asia, primarily through investment in infrastructure. The bank has 57 founding members, including 14 European Union member states, and is based in Beijing, with China playing a leading role in its establishment.

Following Government approval in December 2015, the Department of Finance commenced formal negotiations with the AIIB secretariat on Ireland’s potential membership of the bank. Ireland made a formal application for membership of the bank in January 2017. On 23 March 2017, the AIIB approved the applications of 13 new prospective members, including Ireland.

Ireland’s AIIB membership would require ratification of an international agreement represented by the articles of agreement of the AIIB. Ireland would also have obligations as regards capital contributions. Article 29.5 of the Constitution provides, among other things, that: “the State shall not be bound by any international agreement involving a charge upon public funds unless the terms of the agreement shall have been approved by Dáil Éireann”. Passage of the proposed Bill by the Oireachtas, and its enactment by the President, would confirm such approval. Similar requirements applied when Ireland joined other international financial institutions, such as the World Bank and, most recently, the Asian Development Bank in 2006.

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The rationale for Ireland's membership of the AIIB includes geopolitical and economic considerations, in particular trade relations with China and the wider Asian economy. Over the past 15 years, Ireland has increased its engagement with Asia, in particular China, the world's second largest economy, in a broad number of areas. Bilateral trade has grown in significance and, in 2015, Ireland's total trade with China was worth over €11 billion.

There are significant benefits to strong and open ties with China. Becoming a member of the AIIB would reflect and reinforce the growing relationship between the two countries. AIIB membership will also complement Ireland's international development policy, which aims to support sustainable development and inclusive economic growth. The bank's governance standards and performance since its establishment in January 2016 reinforce the perception that it will be an effective driver of development.

It has worked very closely with other international financial institutions, such as the IMF, the World Bank, the European Investment Bank and the Asian Development Bank, to adopt their best practices in regard to governance, organisational practices and project appraisal. On the other hand, not to join the AIIB would raise questions about Ireland's position on China's increasing integration into the global economy and international financial architecture. Such a decision could impair Ireland's growing bilateral relationship with China, with potential adverse effects for Irish businesses.

The AIIB was founded to address the significant infrastructure gap in Asia. Research from the Asian Development Bank estimates that Asia will need to invest \$1.7 trillion per year in infrastructure between now and 2030. This significant demand for investment cannot be met from other channels of finance such as existing international financial institutions, governments or the private sector in these Asian countries.

The bank was declared open for business on 16 January 2016. It approved its first loans on 24 June 2016. The authorised capital stock of the bank is \$100 billion, with \$20 billion in paid-in capital. The AIIB will follow the model of other multilateral development banks, raising funds on international markets at competitive terms. Since it came into operation, the bank has approved over \$2 billion in loans.

The AIIB currently has 57 founding members which are divided into regional members, that is, Asian countries, and non-regional members, which are mainly European but also include Australia and New Zealand. Regional countries will hold 75% of the bank's shareholding and thus contribute 75% of the capital of \$100 billion, with non-regional countries holding 25% of the bank's shareholding and contributing \$25 billion in capital.

China is the largest shareholder in the bank, with 26% of its voting power. India is the second largest shareholder, with 8% of total voting power, while Germany is currently the largest non-regional shareholder with 6% of total voting power. Each member country is represented on the board of governors and nominates a governor and an alternative governor. As is the norm for membership of international financial institutions, it is envisaged that the Minister for Finance would be governor for Ireland at the bank.

The principal office of the bank is located in Beijing, China. Unlike other international financial institutions, no member state representatives are based in Beijing, although the permanent staff may include people from member states.

The board of governors meets formally once a year for the AIIB's annual meeting. It elects a president for a term of five years and one or more vice presidents are appointed by the board of directors on the recommendation of the president. The current president is Mr. Jin Liqun, a Chinese national and former vice president of the Asian Development Bank, whose current term will expire in 2021. The board of governors also elects the 12 members of the board of directors who are responsible for the direction of the general operations of the bank. Nine directors are elected by regional members, while three others are elected by non-regional members. Members are arranged in constituencies headed by one of the 12 directors. On joining, Ireland will be part of the euro area constituency and represented by the director for the euro area.

To date, the bank has approved 13 projects in eight countries, with a focus spanning from transport to energy to urban development. Examples of projects the AIIB has financed to date include a \$216.5 million dollar loan for a national slum upgrading project in Indonesia, co-financed with the World Bank; a \$100 million dollar loan to finance a motorway project in Pakistan, co-financed with the Asian Development Bank and the United Kingdom's Department for International Development; and a \$600 million dollar loan to support the trans-Anatolian natural gas pipeline in Azerbaijan, co-financed with a number of development banks.

EU member states have used their influence to ensure the standards of other multilateral development banks are mirrored in the AIIB in terms of investments, environmental and social safeguards, institutional governance and organisational matters. The bank has been very receptive to discussions on standards and safeguards and sought to adopt best practices. The mandate of the bank and the work undertaken by it to date on governance structures and safeguards covering investment, environmental and social issues demonstrate that it will complement existing international financial institutions. The majority of AIIB projects have been co-financed with other development banks, including the World Bank, the Asian Development Bank and the European Bank for Reconstruction and Development. This demonstrates the standard of project being financed by the AIIB and its intention to co-operate constructively with other international financial institutions. Both the president of the World Bank Group, Mr. Jim Yong Kim, and the president of the AIIB, Mr. Jin Liqun, have recognised the importance of ensuring a partnership approach, as evidenced by the memorandum of understanding they recently co-signed at the 2017 IMF-World Bank spring meetings to strengthen co-operation and knowledge sharing between both institutions.

The expected cost of membership for Ireland will be a total of approximately €25 million, spread over a five-year period, depending on prevailing exchange rates. Ireland has been offered 1,313 shares in the bank. This figure is based on the remaining unallocated capital in the bank and Ireland's relative GDP share among non-regional countries applying for membership in this round of applications. In capital terms, this equates to a total subscription of approximately €125 million, split between 80% callable capital and 20% paid in capital. In practice, this would result in a subscription of approximately €25 million, to which I have referred. In general, callable capital represents the capital for which a member country would be liable if the institution was to encounter acute financial distress, while paid-in capital is the amount a member country actually contributes to the institution in normal circumstances. Based on Ireland's membership of existing international financial institutions and the performance of these institutions to date, the probability of the callable capital being called on is negligible.

A contribution of approximately €25 million would also be broadly in line with our contribution to other international financial institutions, relative to their size. For example and taking into account the bank's global role, Ireland has paid-in capital in the World Bank of ap-

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proximately €49 million. It also has paid-in capital of approximately €15 million in the Asian Development Bank. Ireland's capital contribution to the AIIB will be sourced from the Central Fund as is normal practice for international financial institutions. This has been provided for in the legislation. It is also expected that Ireland's contributions to the AIIB will count towards the UN target of 0.7% of GNP for overseas development assistance, ODA. The programme for Government commits to continuing efforts to achieve this target as economic circumstances allow. While it remains to be formally decided whether contributions to the AIIB will count towards the level of ODA, indications are positive that this will be the case. In December 2016 the secretariat responsible for this issue in the OECD recommended that the AIIB be included in its list of ODA-eligible organisations. Once details are finalised, AIIB members will be able to count their AIIB contributions, or a significant proportion of them, towards their individual ODA targets.

I turn now to the specific provisions of the four sections of the Bill. Section 1 sets out the definitions used in the Bill.

Section 2 provides for the approval of the terms of agreement for membership of the Asian Infrastructure Investment Bank. The articles of agreement establishing the bank are set out in a Schedule to the Bill. Section 3 sets out the financial and other provisions associated with joining the bank.

Section 4 deals with the Short Title of the Bill. It also provides for the commencement of the provisions in section 3 on the day the State will become a member of the AIIB.

I strongly recommend Ireland's membership of the AIIB. The bank will make a significant contribution to economic prosperity and regional integration in Asia. Ireland's active participation in the AIIB will further strengthen our ties with this region, with expected benefits in trade links and possible procurement opportunities. Membership will be in line with Ireland's strong commitment to international development and I am confident that the AIIB will be an effective channel in that regard. I commend the Bill to the House.

**Deputy Michael McGrath:** Before I address the Bill, I note that the Minister has made a significant statement today that he will not seek reappointment to his current post when a new Taoiseach takes office. I pay tribute to him for his public service and stewardship of the Department of Finance and the economy in recent years. He is certainly leaving the economy in a much better state than in which he found it. Ireland's successful exit from the troika programme will be one of his notable achievements. Generally, the economy is performing very well, despite the fact that there will always be ongoing challenges. From my perspective, the Minister has been good to work with and I have a healthy respect for him. He has always been straight and upfront, even if we do not, of course, agree on every issue. I wish him well in the future and express the hope he will get to spend more quality time with his grown-up children and grandchildren. I hope he will enjoy life generally in reflecting on a career with many achievements, for which I thank him.

**Deputy Michael Noonan:** I thank the Deputy.

**Deputy Michael McGrath:** Fianna Fáil supports the Bill. People looking in and members of society in general might validly ask why it is in Ireland's national interest to join the Asian Infrastructure Investment Bank. When one looks at Ireland's strategic interests, economic development and deepening trade relations with many Asian countries, however, it becomes clear

that it is certainly in our interests as a country to join. There is, of course, a cost to this, which is €25 million over a five year period. In the context of the level of trade we have and which we aspire to have with the Asian economy it is a modest investment, which will pay a very rich return to the country. To take one example in terms of our trading relationship with China alone, which the Minister has put on the record, in 2015 bilateral trade between Ireland and China reached €11 billion. It is significant trade. In the context of Brexit, at a time when we are trying to diversify market penetration for so many Irish firms that are quite dependent on the UK economy and the UK market, having a foothold in Asia fits in very well with the objectives to lessen this dependence in terms of our trade with the UK and to diversify and widen our market penetration. The Minister of State, Deputy Eoghan Murphy, has had quite an engagement on the Asian front in the area of financial services and I am sure he will speak about this over the course of the debate on the Bill. It is a very important area for our country as we seek to attract further investment in the area of financial services.

I note the Minister for Finance of the day will become a governor of the Asian Infrastructure Investment Bank so Ireland will have a seat at the table, and this is to be welcomed. In addition, I note we will be part of a constituency of euro area member states, where Ireland will have a turn on the board of directors in terms of the more day to day operational element of the bank. It is very important to have influence at this level so we can ensure the activities of the bank meet the strategic objectives of our economy and what we seek to achieve.

I note from the Minister's speech that it is the objective of the Government that the contribution of €25 million will be recognised as part of Ireland's overseas development aid requirement, which is 0.7% of GNP, and while this issue has not been finally determined, it is likely it will meet the test to form part of the contribution. It is fitting and appropriate this would be the case given the nature of the activity in which the bank will be involved, for example, in the areas of energy and developing better infrastructure, including transport infrastructure. Looking at various projects that have already been approved by the bank, it is fair to say those investments will help to develop the Asian economy and, in turn, will help to create significant opportunities for Irish firms.

The trade missions to Asia in recent years, which have been led by various Ministers and heavily supported by Enterprise Ireland and other State agencies, have been successful. There is an economic dividend for the European Union and particularly for Ireland in ensuring the Asian economy continues to be developed and that infrastructure bottlenecks there are addressed. Irish firms will not just develop export opportunities but will also directly provide services as part of projects which will be funded by the Asian Infrastructure Investment Bank.

The Asian Infrastructure Investment Bank is a very new bank. I have to say I did not know a whole lot about it until I started researching it in anticipation of the debate today. China will be the most significant player, along with India and other countries in Asia. It is operated on a multilateral basis. I note and welcome the level of co-operation that exists between the new bank and other international institutions such as the IMF, the World Bank, the European Investment Bank and the Asian Development Bank. The fact Ireland has a vice president of the European Investment Bank in the form of Andrew McDowell presents an excellent opportunity for Ireland to develop stronger relations through this channel with this new Asian Infrastructure Investment Bank.

The Bill itself is quite short and, in effect, what we are doing is providing for the approval of the articles of agreement of the new bank and consent for the payments to be made. We

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should ensure there is a proper reporting mechanism and that Ireland's involvement in the bank is accounted for, and I suggest, for example, this be a standing item on the agenda in the finance committee. At least every year we should be given an update on the work of this bank and Ireland's role in this regard, and we should seek to measure in so far as we can what the economic benefits are to Ireland as a result of being directly involved in and being a member of the bank. I will leave my opening remarks at that. I welcome the Bill. We look forward to Committee, Report and Final Stages of the Bill. We support the Bill and we look forward to the remainder of the debate.

**Deputy Peadar Tóibín:** I pay tribute to the Minister for Finance on the announcement of his retirement from that role. The Minister for Finance and I have a very different world view in nearly every respect politically, but it is obvious he has played a very strong role in Fine Gael over the years. He has been a mainstay of the Fine Gael Party since I was a child and no doubt he had a very settling effect on the Fine Gael Party every time it got little bit giddy over recent years. I wish him well in his retirement and many happy years with his family.

I welcome the Bill. My party is an internationalist one and believes the State should play a full role in development across the world. We are members of the World Bank and the Asian Development Bank, which are the American and Japanese dominated development banks, so there would be no reason to shun the Chinese equivalent.

For some time I have been asking the Minister about when our application would be progressed. In April 2015, when the bank was founded, my colleague, Deputy Pearse Doherty, asked the Minister if Ireland would join. At that point, Deputy Doherty was told that no decisions had been taken or proposed in the matter. At that point, Britain, Germany, France and practically all other European countries had joined or indicated they would join as founding members. The agreement is clear that founding members enjoy special privileges in nominating and voting for directors. Most of our neighbours will have these privileges but Ireland will not. Unfortunately, the country hesitated and dithered and we were nearly left behind. By delaying our application for no good reason we have put this country at a tactical disadvantage.

It is not clear why we delayed but the possibility exists that American sensitivities might have been behind it. American Nobel Prize winning economist, Joseph Stiglitz, thinks our sensitivity is misplaced, saying:

In fact, America's opposition to the AIIB is inconsistent with its stated economic priorities in Asia. Sadly, it seems to be another case of America's insecurity about its global influence trumping its idealistic rhetoric – this time possibly undermining an important opportunity to strengthen Asia's developing economies.

I cannot see any good reason a decision was not taken until December 2015. Hopefully, there will be no further disadvantages because of this. What matters ultimately is that the right decision was made. Asia is a huge part of the world with massive concentrations of population. Its economic potential compared to Europe is very large. Good trade links with China in agriculture and other areas in particular are essential to our export sector. As the Minister told Deputy Doherty last June:

Bilateral trade has grown in significance and, in 2014, Ireland's total trade with China was worth over €8 billion. Ireland's priorities relate to bilateral trade and investment, particularly: higher education; agrifood; tourism; and aviation-financing sectors.

The economic rationale for joining is clear, but it should not have been the only rationale. I note the articles of agreement state, “The Bank shall ensure that each of its operations complies with the Bank’s operational and financial policies, including without limitation, policies addressing environmental and social impacts.” That is, presumably, a very weak sop to those of us who argue for investment that respect human rights and environmental protections. We cannot ignore such issues when we are talking about what is effectively a Chinese bank. Many of the countries that are the likely recipients of investments have issues with minorities or national rights that must be taken into account.

The European Parliament has noted that, “so far the AIIB’s governance structures do not foresee adequate involvement of shareholders in project financing decisions, and that the publicly available project documentation lacks any detail on the fulfilment of the environmental and social measures that the AIIB requires from its lenders”. We should not shirk from those questions. I believe on this occasion it is a case of being better off inside the tent than outside it. As Dr. Stiglitz stated: “Moreover, the need for environmental and social safeguards in infrastructure investment is more likely to be addressed effectively within a multilateral framework”. Irish investment should be monitored to ensure our investment is not being pumped into projects that do not respect social, human and environmental rights.

The policy decision for me is clear, but we should not forget that this is not just a matter of signing an agreement. We have to put our money where our mouth is. The Minister told Deputy Doherty last week - perhaps he has updated figures - that Ireland’s membership of the AIIB could result in a charge of some €50 million on the Exchequer based on projected annual payments of €10 million per annum for five years. Looking at the figures in the schedule of the contribution made by other similar countries, that seems on the low side. Denmark, for example is down for €369.5 million and Finland is down for €310 million. Is this country trying to get in on the cheap? This is not an insignificant investment for a country of our size. It is only right that it is debated here and requires our approval.

When we dealt with the Single Resolution Board (Loan Facility Agreement) Bill, we made the point, which was accepted through our amendment, that when we sign off on international agreements, it is not good enough to have the Dáil sign off once and that changes to what we agreed can then be made without further approval. There is a question of how practical Dáil approval for change might be, but I would tend to err on the cautious side. In the Single Resolution Board (Loan Facility Agreement) Bill, the issue was that a call on this State to provide more money could be made beyond what was agreed without the Dáil having to approve such a change.

We have strict rules over the money that can be spent in Bills, which I believe is an archaic system, yet when it comes to an international trade agreement, a blank cheque can be written. We will review the provisions in this Bill to see if an amendment is required to tighten up the Oireachtas oversight. Development banks are good. We should use them far more often. Our take-up of European Investment Bank funding is a disgrace. It remains far too low, even during the current housing crisis. There is a huge chasm between where our capital investment is and where it needs to be. We support this Bill.

**Deputy Joan Burton:** The Asian Infrastructure Development Bank is one of a number of development banks around the world with which Ireland is associated, the biggest ones being the IMF, the European Investment Bank and the Asian Development Bank, the founding of which I believe was heavily influenced by the Japanese, just as this one is heavily influenced in

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its establishment by the Government of China.

In looking at development banks as a model, one has to ask who the development infrastructures are for. In this respect, and I do not think this was addressed in the Minister's contribution, what we have to look at in terms of the developing countries of Asia is that the number of girls who are in education is depressingly small. I am not including the very developed countries in Asia in that, but the failure of girls to be at school and to receive education is probably one of the greatest issues that can affect a country in terms of retarding its progress and development. I would like to know from the Minister, and from the officials in the Department of Finance and those people who will service Ireland's participation in the agency, what exactly is the development ethos that will influence Ireland's stance regarding this bank when it gets under way.

The second issue in regard to women is that in many countries in Asia, far more is spent on armaments than is spent on women's general development. I worked in Africa for a number of years. I was back recently on a private visit to Tanzania, in east Africa. Any country which seeks to have development without an intense and full participation by women will not succeed, nor will any kind of attractive society emerge as a product. It is also likely to be a much more unequal society, and it may well be an intensely patriarchal society. We also know that there are different forces in the world who object strenuously to girls barely getting any education at all, so we need to know the underlying approach to development in terms of the Department of Finance and the mandarins who inevitably will be guiding Ireland's participation in this bank.

The third issue is how the bank, and Ireland's potential contribution to the bank, will be utilised so as to help to deliver services to the people who are the poorest in society. By and large, that is women and children. While the references in the material regarding the bank mention not only economic but social progress, I challenge the Minister and the civil servants to set out specifically, in terms of Ireland's long record in working in developing countries, how our participation in the bank will meet our own tradition of assisting in development in a way that is balanced and that takes into account the poorest people in any society, and not only the rich men in society but, in particular, women and children. When we move beyond that category, by and large we are also talking about people in rural areas often being extremely poor in terms of resources. That is one question the Minister must answer.

The other question the Minister must answer is to give us a picture of how this bank will operate. Will it be an applications bank to which various countries will apply for funding? Will the funding be dictated by the bank or will the applications come from the bottom up? Development banks have a great capacity to influence, for the good, the development of infrastructure that serves whole societies and regions in a fair way. Equally, if it was to turn out to be just a boys' club, it could be something that would be utilised on an exclusive basis. We know, for instance, that China has made reference to having various initiatives such as a recreation, in modern highway terms, of the old Silk Route, going back to the time of Marco Polo and earlier in Chinese history, and strengthening the transport links by road and possibly by rail between Asia and Europe. We need to spell out exactly what the bank is likely to do. What is its vision statement? What is its statement regarding countries such as Nepal, where there is a crying need for development and infrastructure?

Debate adjourned.

*Dáil Éireann*  
**Ceisteanna - Questions**

**Priority Questions**

**Tax Yield**

1. **Deputy Michael McGrath** asked the Minister for Finance the position regarding the review of Exchequer tax revenue in view of 2017 tax revenue to April coming in €344 million under target, with specific reference to the shortfall in income tax, including the universal social charge, USC, corporation tax and excise; his views on the possibility of this persisting throughout 2017; the potential impact on the deficit for 2017; the potential impact on the fiscal space in 2018; if he revised the fiscal space; and if he will make a statement on the matter. [23771/17]

**Deputy Michael McGrath:** This question relates to the Exchequer returns and, in particular, to the shortfall we have seen under a number of different tax headings so far this year. Income tax, corporation tax, excise duty and stamps are running well below profile. What are the Minister's views on the implications of this? Does he believe the trend is likely to continue during the course of the year? What are the consequences in terms of both the deficit and the fiscal space for the forthcoming budget?

**Minister for Finance (Deputy Michael Noonan):** Cumulative Exchequer tax revenues at the end of April 2017 were slightly below profile, coming in just 2.4%, or €344 million, under expectations. In terms of the "big four" tax headings, corporation tax, income tax and excise duties recorded shortfalls against profile, but VAT was ahead of expectations. Corporation tax receipts of €587 million were collected to the end of April. As a result, cumulative revenues were down 27.6%, or €223 million, against target. It is important to point out that Exchequer receipts from corporation tax can vary throughout the year and just over 10% of the total annual receipts was expected in the first four months of the year. By comparison, over 60% of corporation tax receipts are expected during May, June and November. Due to the non-linear nature of corporation tax receipts, the potential for company-specific factors and the low proportion of the annual receipts received to date, it would be premature to draw any conclusions about corporation tax at this stage of the year.

Income tax receipts to the end of April were 3.1%, or €198 million, below profile. It is important to point out that income tax encompasses a broad range of elements, some of which are not directly impacted by employment or wage developments. These include deposit interest retention tax, life assurance exit tax, dividend withholding tax, professional services withholding tax and back duty. These payments, by their nature, can be non-linear and timing can vary from year to year. I am informed by the Revenue Commissioners that the majority of these specific components were causing a drag on overall income tax receipts in the first four months of 2017.

Notwithstanding this, the performance of the USC is lower than expected, and my Department is currently reviewing its performance, in conjunction with the Revenue Commissioners. The initial indications are that the Revenue Commissioners are satisfied that the overall estimate of the budget 2017 package in respect of USC changes was costed accurately at €335 million. At the time of budget 2017, the apportionment of the total USC package between PAYE and schedule D was expected to be €263 million and €72 million, respectively, in line

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with previous norms. However, subsequent analysis by the Revenue Commissioners indicates that the allocations of the USC package between PAYE and schedule D should have been €311 million and €24 million, respectively, due to the dynamics of the USC package. While, this helps to explain some of the current under-performance against profile for USC paid by PAYE taxpayers, it is important to point out that this reapportionment should have no adverse impact on the overall collection of the USC receipts as they should equalise later in the year when self-employed returns are made.

**Deputy Michael McGrath:** I thank the Minister for his reply. It is early days yet and the alarm bells should not be ringing completely but the trend is a concern. It is not just a trend over one month; we are now looking at data for four months. I accept the point about corporation tax. We have not had any significant months for corporation tax receipts. Later in the year will tell a story in that regard. Corporation tax, as the Minister knows, now accounts for approximately 15% of our tax take. We are dependent on a small number of very large companies. There is one potential vulnerability in that regard.

The income tax issue is intriguing because although the receipts are up 1.2% year on year, we are 3.1% below profile. The unemployment rate is falling, thankfully, so one would expect income tax receipts to be stronger. In simple terms, is it attributable to a miscalculation in regard to the USC? Is there any other explanation that the Minister believes accounts for the trend? It is a concern. That should be acknowledged.

**Deputy Michael Noonan:** I acknowledge that there is some concern. I hope circumstances will right themselves as the year goes by. With regard to the personal taxes, PAYE yield is in line with expectations. It is up a little. PRSI receipts are up but the USC receipts are down. What I have said in my reply does not fully explain the USC discrepancy. There is something else happening in respect of it. The Revenue Commissioners are examining it. I cannot throw further light on it today. I hope circumstances will right themselves as the year goes by. We will have a better idea about corporation tax after the May and June receipts come in. By the half-year point, we will see whether the initial concerns are justified or whether circumstances are righting themselves.

**Deputy Michael McGrath:** My question really concerns how the approach needs to be adjusted if the trend continues. I refer to the budget in October, for example. What impact could there be on the calculation of fiscal space? I acknowledge a number of variables feed into that.

It is not just a question of income tax and corporation tax. The excise yield, for example, is 6.3% below profile. I realise it can be difficult to forecast what the receipts will be in a particular month but if the trend continues there will be a problem. However, if the trend continues *pro rata* - it has been €344 million over the first four months - throughout the remainder of the year, the shortfall will be in the region of €1 billion. That is a big "if" and, hopefully, it will not continue. If it did, what issues would that throw up in our approach to the budget?

**Deputy Michael Noonan:** First, the Deputy must recognise that some taxes are quite lumpy in the way they come in and the Revenue is still confident that the figures will right themselves as the year goes by. We can safely say at this stage that we will not have the overrun in tax receipts that we had over the past two years. The other side of the balance sheet is expenditure and that is running behind profile as well. We are more or less in balance at the moment but expenditure can accelerate as the year goes by. We hope it will stay in balance. We are not thinking of corrective actions yet. It is too early to do so but the first step always in correction

is to make sure the expenditure does not exceed revenue flow.

**Acting Chairman (Deputy Bernard J. Durkan):** Question No. 2 is the name of Deputy Pearse Doherty. The Ceann Comhairle has provided, given the Deputy is at a committee meeting, that his question can be taken within Priority Question time if he returns. We will move on to Question No. 3.

### **Help-To-Buy Scheme**

3. **Deputy Michael McGrath** asked the Minister for Finance the position regarding the independent impact assessment on the help-to-buy scheme as introduced as part of budget 2017; the number of approved applications to date; the cost of the scheme to date; the number of persons yet to be approved; his views on whether the €50 million estimate is sufficient; and if he will make a statement on the matter. [23772/17]

**Deputy Michael McGrath:** This question relates to the help-to-buy scheme for first-time purchasers of new houses, which was introduced in the budget last October. I seek an update on the number of approved applications, on whether the estimated cost of the scheme at €50 million has changed, given the number of applications was higher than the Minister expected, and on the independent impact assessment he has committed to, which went out to tender some weeks ago.

**Deputy Michael Noonan:** As the Deputy will be aware, during the Committee Stage debate on the Finance Bill 2016, I agreed to commission an independent impact assessment on the effects of the help-to-buy incentive for completion prior to budget 2018. Following a competitive tender process, Indecon Economic Consultants were appointed in April to undertake this impact assessment.

This purpose of this project, in general, is to assess whether the policy objectives on the supply of new homes are being met, what impact, if any, the scheme is having on new and second-hand house prices, and what impact the scheme is having on the residential property market generally. It is expected that the assessment will be completed and submitted to me by the end of August.

In response to the Deputy's queries concerning the uptake and cost of the incentive, there are two stages involved in the help-to-buy process. Stage 1 is the application stage, wherein prospective applicants can query whether they qualify for the incentive. They can also get clarity on the maximum amount of rebate they could potentially benefit from, based on their tax paid in a four-year period. Stage 2 is the claims stage, wherein applicants that decide to proceed with purchasing or building a qualifying property must provide documentary evidence of the relevant property transaction or their mortgage drawdown.

As of Thursday, 11 May 2017, Revenue had received 6,084 applications to stage 1 of the help-to-buy incentive, of which 3,621 have been approved. However, it is possible that many of these applicants may never make a claim to stage 2 for a variety of reasons. These could include individuals who do not go on to obtain mortgage approval, who may decide to purchase a second-hand property, or who are not able to source the new home that they desire.

To date, 1,677 stage 2 claims have been made, of which, 1,154 have been approved, at a

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total estimated cost to the Exchequer of just over €17 million. This cost covers almost 70% of the stage 2 claims made to date. Using this as a base, it could be estimated that a further €5 million remains outstanding in respect of these claims. This would bring the cost to just over €22 million, which relates to the scheme being available in respect of relevant homes over an 11-month period. Given that just over seven months remain in 2017, my officials estimate that the cost of the incentive this year will largely be in line with the original estimate of €50 million.

**Deputy Michael McGrath:** I thank the Minister his reply and for the updated numbers. There have been more than 6,000 stage 1 applications, with in excess of 3,600 approved and 1,677 completed at a cost to date of €17 million with applications worth €5 million in the system, giving a total of €22 million. The cut-off date was 19 July 2016. The Minister seems to be saying the cost is likely to come in line with the budget estimate of €50 million for this year but we can revert to that issue.

I welcome the fact that the Minister has honoured his commitment to conduct an independent assessment to examine the impact of the scheme on the supply of new homes, the prices of new homes and the market generally. Many independent commentators, who do not have any skin in the game, have raised a concern that the scheme is directly pushing up prices, which is not what the Government should want. Can the Minister clarify his own view at this stage? Has he evidence of the scheme putting upward pressure on prices? Does he believe that is the impact it is having?

**Deputy Michael Noonan:** No, we have all agreed several times that the problem with housing relates to supply. The supply of houses is not sufficient to meet demand. Housing demand is not a lot of people who want houses; housing demand is a lot of people who want houses and can put the money up to buy them. It is much more likely that the hugely increased activity in the mortgage market is contributing to the additional demand driving up prices than anything in the help-to-buy scheme. A sum of €22 million is neither here nor there as an injection over an 11-month period into house purchasing. If that is compared to the billions of euro that have been authorised in mortgages, the Deputy can see the relativities. There is no doubt that additional money leading to money demand tends to drive up prices but the amount provided under the help-to-buy scheme is relatively small in comparison to the credit and savings available in the market. There is significant increased money demand for houses now. The scheme is working as intended but we will know when I get the report back from Indecon, which I will share with Deputies.

**Deputy Michael McGrath:** A number of issues arise but one issue that is not often mentioned is the impact on non-first-time buyers. The combined impact of the scheme and the 20% deposit requirement disadvantage these buyers when it comes to buying a new home. First-time buyers require a 10% deposit for a €400,000 house, which is €40,000, and they can get half that under this scheme. Their deposit, therefore, is €20,000. Non-first-time buyers require a 20% deposit, which is €80,000, but they cannot access the scheme. That is a significant distortion of the market. That is not entirely down to the scheme as the Central Bank imposes different deposit requirements. However, these important issues are having an impact on families. I welcome that the Indecon assessment is under way and will be completed by late August. I trust the Minister's successor will share that with the Oireachtas in order that we can have a fuller debate in the lead-up to the forthcoming budget.

**Deputy Michael Noonan:** I can confirm that is the intention.

**Acting Chairman (Deputy Bernard J. Durkan):** We will move on to Question No. 4 in the name of Deputy Pearse Doherty. We will come back to his Question No. 2 at the end of Priority Questions.

### **Central Bank of Ireland Investigations**

4. **Deputy Pearse Doherty** asked the Minister for Finance if the Central Bank will reopen the investigation into the misselling of payment protection insurance in view of a court ruling that the failure of a financial service provider to alert a consumer to the fact that the insurance company involved was part or fully owned by the provider constituted misselling; and if he will make a statement on the matter. [23774/17]

**Deputy Pearse Doherty:** I wish the Minister well following his earlier announcement. We have had many battles across the Chamber and this may be the last in this format. I want to thank the Minister for his engagement so far.

The issue I have raised here is payment protection. It has been brought to my attention that there is potentially a whole new wave of payment protection insurance, PPI, policies that have been missold. I have contacted the Central Bank and am currently compiling additional information that it has requested from me. It appears that we have another scandal on our hands where the consumer has been cheated. Importantly, many might not be aware of the outcome of a court case that was held last year and the fact that the appeal was withdrawn earlier this year. It is my view on one financial institution, one insurance company, that all products that it sold after a certain date were missold as indeed the courts found in a particular test case. Is the Government going to examine the widescale nature of this issue?

**Minister of State at the Department of Finance (Deputy Eoghan Murphy):** As the Deputy is aware, the Central Bank is an independent organisation and it would not be appropriate for me to give it instructions on whether or not to conduct any investigation or to re-open a closed investigation.

In March 2014, the Central Bank, concerned about the sale of PPI, published a report on a review of the sale of PPI in Ireland. The focus of the review was where there was a possible detriment to consumers from unsuitable sales resulting in premiums being refunded. The review covered 11 firms and covered all PPI sales from 1 July 2007. I understand from the Central Bank that refunds of over €71 million have been refunded to approximately 83,500 customers since 1 July 2007, by these 11 credit institutions.

With regard to the court ruling referred to in the Deputy's question, I understand that the Deputy has been in contact with the bank about this issue. The Central Bank is aware of this non-disclosure issue from previous supervisory engagements. However, the Central Bank is prohibited from commenting on any firm specifically and from disclosing confidential information concerning the business of a credit institution otherwise than in accordance with the supervisory directives, which include the Directive 2013/36/EU. Additionally, under section 33AK(3)(a)(i) of the Central Bank Act 1942, the Central Bank is obliged to report to An Garda Síochána any information that leads the Central Bank to suspect that a summary offence may have been committed by a supervised entity.

The role of the Minister for Finance is to ensure that there is an appropriate legal frame-

work in place to ensure that consumers are properly protected and that financial institutions are regulated in an appropriate manner. Officials will study the ruling and consult with the Central Bank with a view to ensuring that consumers have the appropriate level of protection under the legislative framework.

**Deputy Pearse Doherty:** My concern is that the Central Bank has carried out a review of 11 institutions, including three that I have very strong reasons to believe are involved in breach of the consumer codes by not disclosing their interests in the underwriter. That should have been picked up by the Central Bank when it carried out its review. It was not. A judge has now ruled in a test case that the defendant's conduct was capable of amounting to a misleading commercial practice within the meaning of section 43(2) and 43(3)(c). The appeal against that ruling has been withdrawn, so the ruling now stands.

The Minister of State will be aware that I have legislation which will hopefully be passed in this House quite soon that would lift the blanket ban on the six years rule in relation to making complaints against financial institutions, including insurance companies. This is another reason why we need to expedite that legislation. What I would like to hear from the Minister of State is his concern to create awareness with regard to this institution for thousands of customers. Let me explain what it did. It sold payment protection insurance to individuals, claiming that it had no interest in the underwriter, when it owned 100% of the underwriting insurance business. One other insurance company which we own 75% of had a similar case. Therefore, there is a reason why the Government would get involved in this, as it is the main shareholder in one of these institutions that, in my belief, were involved in this time of misselling.

**Deputy Eoghan Murphy:** I thank the Deputy for raising this matter. Of course the Department is concerned with the matter at hand. Officials in the Department are looking at the ruling and they are consulting with the Central Bank with a view to ensuring that consumers have the appropriate level of protection under the legislative framework. The Deputy will also be aware of the Minister's recent experience at a committee to speak about the issue of the Statute of Limitations, and officials are engaging with the Deputy on that point as well. I note the concerns that have been raised by the Deputy, both publicly and in the House, and I also note that the Central Bank, in its correspondence with the Deputy, requested further information to be provided to it so it could get a better understanding of what area and what entities the Deputy was speaking about. I understand that has taken place and the Deputy has responded to the Central Bank with that information.

**Deputy Pearse Doherty:** I have responded and I will continue to engage with the Central Bank, but I think there is also a responsibility for the Minister and the Government to engage with Permanent TSB, for example, to ask it about this section, which the courts have ruled was tantamount to misselling a product, and why it did not disclose to people who bought payment protection insurance that it had a relationship with the underwriter, which it was legally responsible to disclose if that relationship was above 10%. The other institution which I have concerns about is Ulster Bank, which also needs to be investigated.

The test case taken was against a financial institution. I believe there were thousands of contracts entered into by that institution, which also had its products missold. The problem is that those consumers do not know it. They do not know about the case taken to the High Court last year. They do not know that the appeal was withdrawn. They do not know, in all likelihood, that what probably happened was that there was a settlement reached with this individual. I can only imagine. It is important that the Government steps in here, brings information to

consumers and makes sure it is properly investigated.

**Deputy Eoghan Murphy:** It is important to note the work that the Central Bank already did in this area in relation to the review that it conducted and the report that it published. That led to the refunding of over €71 million to consumers, some 83,500 customers since 1 July 2007. Of course I recognise the concerns raised by the Deputy, and that is why officials from the Department are already studying the ruling that has been given. They are studying this with the Central Bank and officials there to see whether or not any changes need to be made to the legislative framework that underpin the protections for the consumer.

### **Revenue Commissioners Enforcement Activity**

5. **Deputy Joan Burton** asked the Minister for Finance the number of bank account holders involved regarding the Revenue Commissioners' recent request for undeclared income offshore prior to 4 May 2017; the amount of income the Revenue Commissioners has received in respect of their request for undeclared offshore income; the number of settlements agreed; the number of cases outstanding; the amount of revenue in tax, interest and penalties the Revenue Commissioners anticipate will be generated by the exercise; and if he will make a statement on the matter. [23734/17]

**Deputy Joan Burton:** My question is to ask the Minister for Finance what the up-to-date figures are in relation to the recovery of tax and penalties in respect of people who have income and assets abroad and who have failed to properly declare them for tax purposes in the Republic of Ireland.

**Deputy Michael Noonan:** In my Financial Statement to the House on 11 October 2016, I indicated that I would act to restrict the opportunity for tax defaulters to use the voluntary disclosure regime with effect from May 2017. In line with this undertaking, section 56 of the Finance Act 2016 provided that, as and from the voluntary disclosure deadline date, the making of a qualifying disclosure is no longer permitted where the tax liabilities involved relate to offshore matters.

The period during which a qualifying disclosure could be made to the Revenue Commissioners in relation to offshore matters ended on 4 May 2017. Disclosures received are still being processed and final data about them will be available shortly. I am advised by the Revenue Commissioners that the number of disclosures exceeds 2,500, with a value of more than €73 million. I understand also that the disclosures relate to a range of offshore matters, including foreign sources of employment-related income, foreign pensions, income from overseas property, offshore bank accounts and trusts and funds. A breakdown between tax, interest and penalties is not available at this point.

Revenue will now proceed to examine all of the disclosures received, to determine which of them can be settled without further action and to identify any cases in which further inquiries may be required before they can be brought to finality. Anybody who has tax liabilities relating to offshore matters and who did not act by the deadline of 4 May to address them now faces the prospect of substantially higher penalties, publication in Revenue's quarterly list of tax defaulters and possible prosecution. Revenue has assured me that it is committed to making full and effective use of the large volumes of data that it will receive, under international arrangements for the automatic exchange of information, to identify and pursue anybody who attempts to

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evade his or her tax obligations by using offshore accounts, assets or structures.

**Deputy Joan Burton:** Tax justice, as it is understood by hard-working, ordinary taxpayers, has to mean that people who have, for whatever reason, a privileged position of tax exile and then fail to pay their fair taxes have to be pursued.

It is extraordinary in this day and age of so much information being available that the trawl of this category has identified, according to the Minister's own figures, 2,500 people and brought in €73 million. There is a continuing option for tax exiles to live part of the year in Ireland but otherwise be resident for tax purposes abroad. In the Government of  
*4 o'clock* which I was a member with the Minister, there was an agreement to a levy. I had a different view to the Minister on it, as he will probably recall. The agreement was that people would pay a levy of €200,000. That levy has produced very small potatoes. The Minister himself has acknowledged that. Given what this trawl has produced in a very short period of time, does the Minister not agree that it is wrong from any tax justice point of view that there are multi-billionaires who are not resident in this country for tax purposes but live here all the time? While a trawl of 2,500 people can yield €75 million, the Minister's levy has yielded a fraction of that. He was aware of my view on it at the time. Can the Minister learn from this experience?

**Deputy Michael Noonan:** This question does not relate directly to what were traditionally known as the tax exiles. The Revenue Commissioners have informed me that a very large proportion of the disclosures were received in the days immediately prior to the deadline of 4 May. All of the postal and electronic correspondence received is now being examined. Further details about the disclosures and their value will be available as soon as that work has been completed. As the Deputy knows, it arises from section 56 of the 2016 Act. It has removed the possibility of making a qualifying voluntary disclosure of tax liabilities where any matter contained in the disclosure relates directly or indirectly to offshore matters. After 4 May last, anybody who is now found to have an offshore source of income along the lines described in my reply will not have the benefit of the arrangements put in place for disclosure prior to 4 May.

**Deputy Joan Burton:** This is a very good result on the part of the Revenue Commissioners. The Minister took a decision that was contrary to the position I and others took in the debate on the budget when we argued that the six months' notice was excessive. Notwithstanding the six months' notice, which allowed people with more to hide to make other arrangements, by April there were about 530 disclosures. As it was extended to 4 May, in the last few days 2,500 people have declared. That has produced €73 million according to the Minister's own figures.

I wish the Minister well in his retirement, but he may have a longer stay in finance depending on how quickly the party's internal procedures and the discussions with Fianna Fáil proceed. Would it not be right and proper to strengthen the Revenue audit section to find those people who are imposing on people who are working hard and paying a lot of tax, and get them to pay their fair share as well?

**Deputy Michael Noonan:** The six-month period was the period advised by the Revenue Commissioners. They sought to ensure the maximum return from the voluntary disclosures in terms of time and in terms of the amount of tax that would come in on a voluntary basis. The estimate is now somewhat in excess of €73 million. Those that are availing of tax exile status are doing so in accordance with law. If any change was to take place on that, it would need substantive change in a subsequent finance Bill. This does not apply because they are operating

in accordance with law.

## **Brexit Issues**

2. **Deputy Pearse Doherty** asked the Minister for Finance the options being considered by the Revenue Commissioners with regard to the Border post-Brexit; and if he will make a statement on the matter. [23773/17]

**Deputy Pearse Doherty:** Yesterday at the finance committee, we had the Revenue Commissioners before us for the first time. They gave us information on some of the contingency plans they were looking at for Border controls post-Brexit. The information was quite concerning. The Minister might be aware that I made a freedom of information request for documents that the Revenue Commissioners held. Indeed, the Minister's own Department held one document, for example, which was a briefing given by Revenue to the Minister more than three months ago. That information has not made its way into the public domain. Will the Minister put into the public domain the information that Revenue has presented to him on its contingency plans for custom posts to monitor trade post-Brexit?

**Deputy Michael Noonan:** The oral question put by the Deputy is different from the written question. I will read out the prepared reply first and then we can discuss it.

The Government has published a comprehensive document on Ireland and the negotiations on the UK's withdrawal from the European Union under Article 50 of the Treaty on European Union on 2 May.

The Government's position in regard to the Border with Northern Ireland in the context of Brexit is very clear - continued freedom of movement, absence of a hard border, and minimal impact on business and trade are key objectives. Clearly, in this regard the closer the trading relationship between the UK and EU is more generally the better.

I would point out that the guidelines for the EU 27 Article 50 negotiation framework, agreed by the heads of state and government on 29 April, specifically refer to the need to support and protect the achievements, benefits and commitments of the peace process.

In this regard, the guidelines recognise the unique circumstances on the island of Ireland, outlining the need for flexible and imaginative solutions, including the aim of avoiding a hard border, while respecting the integrity of the union's legal order.

The Government has welcomed the EU's negotiating guidelines as reflecting Ireland's unique concerns and priorities. They express the EU's continued support for the peace process and the need to protect the Good Friday Agreement. They acknowledge the need for flexible and imaginative solutions to avoid a hard Border on the island of Ireland. They agree to the recognition of existing bilateral agreements and arrangements between the UK and Ireland, which are compatible with EU law, such as the common travel area.

Ireland has also secured the agreement of its EU counterparts on the need to recognise the unique constitutional status of Northern Ireland and the need to ensure that should a united Ireland be brought about in accordance with the Good Friday Agreement, the entire territory of such a united Ireland would be part of the European Union.

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This is a positive outcome, showing that the Government's extensive political, diplomatic and official campaign of recent months has been effective in ensuring the understanding and recognition of our unique circumstances and specific issues.

Like all Government agencies, the Revenue Commissioners are actively engaged in examining a range of scenarios in order to support Ireland's objectives. The precise arrangements that will apply after Brexit will depend on the outcome of negotiations which will now take place between the EU and UK.

This is a political issue, which will require a creative political solution. It is not helpful to pre-empt any particular outcome at this early stage of the process.

**Deputy Pearse Doherty:** Yesterday's exchange at the committee was illuminating, although it was like pulling teeth. However, it did establish some facts that some of us, at least, knew were the case. Mr. Barnier told us last week that there would be consequences of Brexit for the Border. Of course there will be consequences and some type of Border posts or customs posts will be in place, even if they are not quite on the Border and even if, as the Revenue says, they will be called trade facilitation stations instead of custom posts. Of course there will be disruption and delays to people and goods crossing the Border when one side of the Border is in a customs union and the other side is not. Border communities and the wider public deserve to know what is being planned, even on a contingency basis. We do not keep it hushed up when the ESRI tells us the impact Brexit could possibly have on employment, debt, economic activity and growth. We do not hide the consequences for agriculture when we see reports being published. Why is this issue different? Why is the Minister not releasing the information in the presentation Revenue made with the Minister, that 8% of vehicular freight traffic crossing the Border would be diverted to the trade facilitation posts and that there would be roaming patrols along the Border making random checks.

**Acting Chairman (Deputy Eugene Murphy):** The Deputy will have an opportunity to come back in.

**Deputy Pearse Doherty:** Why is this information not being put into the public domain? Why is the Minister still refusing to do so?

**Deputy Michael Noonan:** As I said, this is a political issue which will require a creative political solution. The political solution being sought is along the lines of that promulgated by the European Union's negotiating guidelines and reflects Ireland's unique concerns and priorities. The guidelines express the European Union's continued support for the peace process and the need to protect the Good Friday Agreement. They also acknowledge the need for flexible and imaginative solutions to avoid a hard border on the island of Ireland. They agree to the recognition of existing bilateral agreements and arrangements between the United Kingdom and Ireland. That is what is reflected in the EU guidelines and also in Prime Minister May's letter when she invoked Article 50. Revenue is independent and it would be prudent for it to look at a range of scenarios that might occur to be prepared for a range of scenarios that might occur if the negotiations do not go in accordance with the guidelines agreed between Ireland and the European Union and between Ireland and the United Kingdom.

**Acting Chairman (Deputy Eugene Murphy):** I thank the Minister.

**Deputy Michael Noonan:** The political position is quite clear. We do not want a hard but an invisible border. We do not want the Border to encroach on any aspect of the Good Friday

Agreement.

**Acting Chairman (Deputy Eugene Murphy):** I do not want to do this, but if everybody breaks the rules time-wise, somebody will miss out on the opportunity to ask his or her question. Will Deputies, please, try to keep to the time limits?

**Deputy Pearse Doherty:** I do not fault the Office of the Revenue Commissioners for doing its work or the scoping exercise in which it is engaged in planning on a contingency basis. My understanding is the plan to divert 8% of freight traffic crossing the Border and have roaming customs patrols randomly stopping people does not represent a hard border solution; it is part of what it is called minimising the impact of Brexit. In that case, I would not like to see what a hard border would look like or the contingency plans. This goes to the core of the question. The finance committee, of which Deputy Michael McGrath and others in the House and I are part, is examining the impact of Brexit in financial, customs and trade terms. However, the contingency plans and the 31 documents that deal with the issue of customs posts along the Border are not being released to any Opposition Member in the House. Why not? Mr. Barnier stood on this spot and said we needed to speak the truth. His next sentence was that Brexit would have consequences. We are all big enough in this House to look at these issues and also need to know what the contingency plans are. We need to be armed with all of that information. I appeal to the Minister, despite the independence of Revenue, to present the finance committee with the presentation the Revenue Commissioners have undertaken on potential scenarios in policing the Border after Brexit. That is what should happen in a normal functioning democracy in which committees and Members are respected.

**Deputy Michael Noonan:** Mr. Irwin briefed the finance committee on what Revenue was doing. I am now briefing the Deputy in the House on the policy position on the political side. There is no contradiction between the two. The Deputy knows quite well that I do not decide on what is released in responding to freedom of information requests. There are independent officers who make these decisions without me even knowing what documents are being released or that their release has been refused. I am not amenable to answering questions on freedom of information issues. That is not a matter for me. If the Brexit policy of the United Kingdom is continued to its conclusion, there will be an international boundary between the European Union and the United Kingdom on the island of Ireland. It will not just be a bilateral matter between us and the United Kingdom. The Revenue Commissioners, as described yesterday at the committee, are using their independent mandate and especially their responsibility for customs issues, to scope the different possibilities in order to contribute to a solution in the event that the negotiations go differently to the political and policy position of the Government.

**Acting Chairman (Deputy Eugene Murphy):** The time for dealing with Priority Questions has expired. We must, therefore, take Question No. 6 in ordinary time.

## **Other Questions**

### **Financial Services Sector**

6. **Deputy Seán Haughey** asked the Minister for Finance the way the Government and, in particular, his Department are promoting the IFSC as an ideal location in which to do business;

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and if the IFSC Clearing House Group is still meeting regularly. [20413/17]

**Acting Chairman (Deputy Eugene Murphy):** The Ceann Comhairle has given permission for Question No. 6 is in the name of Deputy Seán Haughey to be taken by Deputy Michael McGrath.

**Deputy Michael McGrath:** The question about the IFSC is directed at the Minister of State, Deputy Eoghan Murphy. It asks how the Government and, in particular, the Department, is promoting the IFSC as an ideal location in which to do business. It also asks for a report on the IFSC Clearing House Group. The Minister of State can widen his response beyond the IFSC as a location in which to do business and address the overall strategy for international financial services.

**Deputy Eoghan Murphy:** The Government is strongly committed to the promotion and development of the financial services industry in Ireland, both in the IFSC and other locations throughout the country. This commitment is illustrated by the launch in March 2015 of the Government's IFS 2020 strategy. The vision of the strategy is for Ireland to be the recognised global location of choice for specialist international financial services, building on our strengths in talent, technology, innovation and excellent financial services. The aim of the strategy is to increase the numbers employed in international financial services in Ireland by 30% or 10,000 net new jobs over the five years of the strategy, from 2015 to 2020. I am pleased to say we are on track to reach this target. In 2015 over 2,600 net new jobs were created in the IFS sector in Ireland and in 2016 a further 2,000 net jobs were created.

As part of the implementation of the 2020 strategy, new implementation structures were established and the clearing house group no longer exists. An industry advisory committee represents the financial services industry and a high level implementation committee, a senior group of civil and public servants, represents the public sector. These committees meet jointly on a quarterly basis under my chairmanship.

Officials in the Department are in regular contact with IDA Ireland to promote Ireland for international financial services and both the Minister and I have met various IFS firms to promote Ireland for international financial services investment. In 2016 a communications subgroup was launched as part of the IFS 2020 framework in order to co-ordinate consistent messaging and promotion of Ireland's IFS offering to international investors. All IFS stakeholders, Government and industry bodies now use the IFS banner brand to promote Ireland on the international stage. The IFS 2020 strategy is reviewed annually through the publication of action plans. In January I launched the IFS 2020 action plan 2017. The action plan for 2017 is divided into two sections. Section 1 is a contextual piece outlining the development of the strategy, with a strong focus on Brexit. Section 2 contains a suite of 40 individual measures with lead Departments, agencies and organisations assigned responsibility to deliver these measures.

In January the second annual European financial forum was held in Dublin Castle. The forum which was hosted by me and the Department was designed to showcase Ireland's financial services offering to an international audience. About 650 individuals from more than 300 companies were present at the forum. A third annual European financial forum will be held in Dublin Castle on 31 January 2018.

**Deputy Michael McGrath:** I thank the Minister of State for his reply. I have read the action plan for 2017 and the 40 action points set out in it. I hope their implementation is going ac-

ording to plan. Will the Minister of State give us an idea of the constraints and the issues being raised by firms with which he and IDA Ireland are engaging? In terms of regulatory capacity in Ireland, is he satisfied that there is sufficient capacity and openness in the Central Bank? He will be aware of the recent report in *The Sunday Business Post* on the issue. What are the issues with regard to office availability, high-end office accommodation, talent and the labour market? What are the constraints with which we could deal to enable us to do even better? There are some encouraging signs, in the context of Brexit, of announcements that may be about to come our way. I ask the Minister of State to address those particular issues. Where are the constraints and where can we do better to improve our offering?

**Deputy Eoghan Murphy:** It is important to note, in the context of the Deputy's references to the IFSC Clearing House Group, that our offering is a whole of Ireland offering. It is not just about Dublin anymore or a particular geographic location north of the Liffey. We are talking here about IFS 2020. When one looks at the offering in terms of employment, one third of the jobs, which are increasing from 35,000 to 45,000, are located outside of Dublin.

Just before Easter the Department of Finance, as part of its Brexit preparations, had a round table with financial services entities in this country and as part of that dialogue we talked about the risks and opportunities in financial services. Presentations were given by various chambers of commerce around Ireland as to the offerings that they provide in the Brexit context, to make sure that we can get on top of all the possibilities that we now think are coming. In Deputy McGrath's own constituency, Connect Cork has been doing an excellent job not just here in Ireland but also in London and other overseas locations. I had the opportunity recently to go out with Connect Cork to talk about the offering there.

The Central Bank has increased its resources to deal with the increased interest that has come its way. It has released a number of statements recently about the changes it has made which have been received very positively. The Deputy also referred to office space. Approximately 3.5 million sq. ft. of office space is currently under development, 1 million sq. ft. of space is under refurbishment and planning permission has been granted for a further 5 million sq. ft. of office space in Dublin. However, there is also huge potential for office space outside of Dublin. In Cork, for example, approximately 1 million sq. ft. of office space is almost ready to go and will be available to new firms coming in. Deputy McGrath will be interested to know that we recently had a couple of positive announcements concerning financial services in Cork.

**Deputy Michael McGrath:** I acknowledge that the Department has engaged in the regions and in my own city of Cork. I know that the Minister of State has engaged quite significantly with Cork Chamber and UCC. There is a financial technology centre at UCC which collaborates very strongly with industry, including with State Street and other financial institutions. UCC also has an important tie-up with China. I acknowledge all of that. The regions can offer an awful lot in respect of financial services. The office accommodation, where it is available, is much more reasonably priced. There are significant strengths in the regions that the Department must continue to highlight. I welcome the fact that it is part of the offering and is being promoted when the Department and the IDA are doing their work in terms of attracting international financial services to Ireland.

Finally, on the net issue of the Central Bank, is the Minister of State satisfied with its approach? The Minister of State raised concerns in recent months about the role that other countries are playing on the regulatory front. He suggested that some are making offers to firms that they may not be able stand over. What is the latest information on that?

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**Deputy Eoghan Murphy:** I am satisfied with the Central Bank's approach. The bank is an observer on the IFS 2020 joint committee, which I chair and to which I referred earlier. The Central Bank has a responsibility, independent of Government, to make sure that we can manage the changes that are coming as a result of Brexit.

I have raised concerns about the capacity for other jurisdictions to compete on level regulatory playing field and statements have been made on this issue recently by the European Central Bank, ECB, the Single Supervisory Mechanism, SSM, the European Securities and Markets Authority, ESMA and the European Insurance and Occupational Pensions Authority, EIOPA. Recent statements by Governor Lane of the Central Bank were very instructive in this regard. He pointed out that when it comes to regulation of entities in the Single Market, we are moving towards convergence. Proposals are on the table at the moment that will help that supervisory standard across the Single Market.

I wish to pick up on two important points made by the Deputy in his contribution. The Deputy referred to education and the tie-in with UCC, which is very important. We also have a great apprenticeship programme that was launched under IFS 2020 last year. The Deputy also made reference to the tie-ins with China and we are positioning ourselves as a gateway for international financial services into the Single Market. Asia has been a very strong part of that play and we are seeing significant interest from companies currently based in China and Japan which either have no entity here at the moment or only have a small entity in a particular sub-sector - for example, aviation and aircraft finance and leasing - which are now looking very seriously at Ireland. We expect some very positive announcements in that context in the near future.

## **Tax Exemptions**

7. **Deputy Clare Daly** asked the Minister for Finance further to Parliamentary Question No. 42 of 28 February 2017, if he will address a situation raised in correspondence (details supplied) regarding a local property tax exemption. [22893/17]

21. **Deputy Clare Daly** asked the Minister for Finance further to statements in Dáil Éireann on 4 April 2017 that the Revenue Commissioners operate an administrative solution to the pyrite local property tax problem, if he will review the pyrite local property tax exemption in view of the fact that home owners whose properties cannot be sold or renovated due to the presence of pyrite are unable to avail of the exemption as a result of the way the legislation is constructed. [23567/17]

**Deputy Clare Daly:** It is regrettable that we are back here again. In February, during questions to the Minister, I highlighted an anomaly in the LPT legislation which means that some property owners whose dwellings have pyrite are not able to avail of the pyrite exemption because of the manner in which the legislation has been constructed. The Minister agreed with me at that time and said that Revenue had what he called an "administrative" solution. Subsequent to that, however, home owners have contacted Revenue only to be told to "shove it". They are not getting an exemption, even though their houses are essentially valueless. We need to radically change the legislation.

**Deputy Michael Noonan:** I propose to take Questions Nos. 7 and 21 together.

I understand my Department has clarified with the Deputy that her question relates to statements made in the Dáil on 28 February 2017 rather than on 4 April.

The Deputy will be aware that the qualifying criteria in respect of exemption from LPT for properties with “significant pyritic damage” were modified by the Finance (Local Property Tax) (Amendment) Act 2015 which was signed into law on 20 December 2015. The Act relaxed the qualifying criteria which was one of the recommendations made by Dr. Don Thornhill in his review of the operation of the local property tax on behalf of the Government in 2015. The changes are significant in that where a property has been included in the pyrite remediation scheme by the Pyrite Resolution Board, PRB, without testing, or a property has been remediated by a guarantee company or by a builder or developer or where a party is compensated in lieu of remediation, without testing, Revenue will now accept confirmation of remediation or compensation from either the PRB or the relevant party for the purposes of exemption without testing or NSAI certification.

In regard to the operation of this exemption, Revenue is obliged to act in accordance with the provisions of the Finance (Local Property Tax) Act 2012, as amended, which requires that an LPT exemption on foot of pyritic damage can only apply to properties meeting specific criteria. A property can only be classified as exempt and the LPT charge eliminated where the level of pyritic damage is confirmed in accordance with the provisions of section 10A of the Act and the relevant documentation is presented to Revenue.

The Act provides that properties that are not exempt are liable for LPT. A property that does not qualify for exemption and continues to be in use or is suitable for use as a dwelling is liable for LPT and must be placed within a valuation band. While the valuation of a property is a matter of self-assessment, a property that is valued between €0 and €100,000 falls within the lowest valuation band, as per section 17 of the Act, and attracts the minimum LPT charge of €90 per annum which may be increased or decreased by up to 15% by the relevant local authority. Therefore, it is not possible for Revenue to grant an exemption or a reduction in the LPT liability on an administrative basis where the property does not qualify for exemption under the criteria set out in section 10A of the Act.

Regarding my response to a supplementary question from the Deputy on 28 February, and in case there is any misunderstanding, let me emphasise the factual position in relation to the LPT charge on such properties. As I outlined at that time, where the property is not exempt there is an opportunity, with the agreement of Revenue, to declare a new valuation which, while not totally eliminating the charge, may result in a significantly reduced liability for the householder. I am glad to have the opportunity to clarify the matter.

Revenue has confirmed that it accepts that the presence of pyrite, whether it has already caused structural damage or has the potential to do so, can have a negative effect on the market value of a property and persons who incorrectly valued their properties in 2013 should advise Revenue of the correct valuation and of the grounds for reducing the original value.

**Deputy Clare Daly:** It is wholly unacceptable, having posed a question about deficiencies in existing legislation, to get an answer, half of which is taken up with telling me what the legislation contains. I know what the legislation contains which is why we are here. The legislation is not fit for purpose and in fairness, the Minister agreed with me on that point previously. Under the legislation as it is currently constructed, homes with pyrite which are valueless and which people cannot renovate, extend, decorate or sell but which do not have a suf-

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ficient amount of pyrite to warrant inclusion in the pyrite resolution scheme do not get a local property tax exemption. The Minister acknowledged the problem the last time we spoke about this and said that there was an administrative solution. What he seems to be telling me now is that people can say that their property is basically valueless, that it is in the lowest category of between €0 and €100,000, and then only pay €90 per year but that is not good enough. It is not good enough, having acknowledged that there is a deficit or an anomaly in the legislation, to ask people to make payments on properties with no value in the same way as those whose properties have a value are making payments. I would like to hear the Minister's thoughts on the need to change the law in this area. I appreciate that it might be difficult for him to make such a change, given that he has said he is not interested in standing for office again. I realise we are in an intermediate period, but that is of no relevance to those who are required to make payments on valueless properties.

**Deputy Michael Noonan:** I will continue to carry out my duties until I am replaced by an incoming Minister for Finance. I told the Deputy in February that a householder who posted a new valuation to Revenue could have his or her local property tax liability significantly reduced, if not eliminated completely. In other words, a person who valued his or her property in one of the higher bands before the appearance of pyrite in the building can reduce the valuation to the lowest band, from zero to €100,000, now that pyrite has appeared. I emphasised to the Deputy that in such circumstances, Revenue could not eliminate completely the need for a valuation. However, when it is administering the scheme, it can accept a change in the valuation of a property such as those with which the Deputy is most familiar in her local authority area in order that the householder will pay the lowest level of €90, which could fall to approximately €70 if the local authority has exercised its discretion to reduce the rate by 15%, rather than the €213 level. That is the position. I never said we had changed the law in that regard. I said the valuations posted in 2013 could be changed if they had subsequently proved to be excessive.

**Deputy Clare Daly:** I did not imply that the Minister had said he would change the legislation. He said the existing system was flexible enough to overcome the anomaly. When he said a homeowner could achieve a substantial reduction in his or her property tax liability, if not have it eliminated completely, the implication was that it could be eliminated completely under the current system. He has clarified the position today because this a self-assessed tax, that a person in these circumstances should declare that the value of his or her home is in the lowest bracket in order that his or her property tax liability will be reduced. While I accept his clarification, I put it to the Minister that he has previously acknowledged that the problem is with the law. I have attempted to change the law by tabling a Bill to amend the existing legislation. I have been in contact with the Bills Office for two months about my Bill. It sent me a letter today to tell me that, as an Opposition Deputy, I could not propose legislative changes that involved an appropriation of revenue. My changes would mean that people who have valueless properties would not have to pay €90. I do not think they should have to pay anything. Under the legislation as constructed, people whose houses have been fixed and do not have pyrite sometimes do not have to pay property charges for up to six years after selling these properties. It is an absolutely ridiculous scenario. Having gone to the trouble of proposing new legislation in this regard, I have been told by the clerk that I cannot change the law. Therefore, I appeal to the Minister at the eleventh hour of his period in this role to consider tabling legislation to make the change I am seeking. It is clear from his responses that legislative change is needed to give justice to families who have already been screwed and do not need to be screwed again.

**Deputy Michael Noonan:** Perhaps the words I used the last day might have been clearer. I

said that when Revenue received a new valuation on a self-assessment basis, it could not eliminate the tax liability completely but that it could reduce it significantly in accordance with the law. An example of a significant reduction would be a change to a €70 or €90 property tax level, depending on whether the local authority in question has used its discretion to reduce the figure by 15%. I have no plans to introduce amending legislation dealing with the local property tax. In the course of every year the Department of Finance and Revenue have oversight of the legislation governing tax collection. If the Deputy were to make a submission to Revenue asking it to re-examine this matter, it might look on it favourably. There is an argument that if a family are in occupation of a house that is their principal primary residence, it has some value. If it is being used as a residence, it does not stand up to reason to say it has no value.

### **Sale of State Assets**

8. **Deputy Catherine Murphy** asked the Minister for Finance if he will use the proceeds from the sale of a bank (details supplied) to fund the State's infrastructure deficit and invest in housing and health services, rather than paying down the national debt; if he will publish the cost-benefit analysis of selling the bank; and if he will make a statement on the matter. [23573/17]

19. **Deputy Catherine Murphy** asked the Minister for Finance if Dáil Éireann will be allowed to vote before a final decision is made on the future of a State-owned bank (details supplied) given that the bank is 99.9% owned by the State and received €20.8 billion in public funds when it was bailed out; and if he will make a statement on the matter. [23560/17]

**Deputy Catherine Murphy:** Both questions relate to the possible sale of a portion of AIB, something that should not happen in advance of a Dáil vote and the publication of a cost-benefit analysis. However, as a result of a motion passed by the Dáil earlier today preventing the sale of AIB in advance of the renegotiation of the fiscal rules, these questions might be irrelevant at this stage

**Deputy Michael Noonan:** I propose to take Questions Nos. 8 and 19 together.

As I outlined previously, the sales of financial assets such as bank shares are transactions which do not result in a beneficial impact on the general Government balance under EURO-STAT rules. Such disposals are classified as financial transactions that essentially involve the exchange of one form of asset such as shares, equities and loans for another such as cash. Consequently, the sale of any shareholding in AIB would not count as general Government revenue. Therefore, we would not have increased capacity to spend money on capital projects as a result of the sale of shares in AIB without affecting the general Government balance. While cash proceeds from any sale of shares would not improve the deficit, they would result in a reduced requirement for Exchequer borrowing which would ultimately result in lower debt. A lower debt level would be beneficial for the fiscal sustainability of the State and lead to reduced interest payments in future years.

My strong view is that because public indebtedness increased partly due to the recapitalisation of the banks in which the State has investments, the appropriate way to treat one-off revenue from divesting the State of its banking assets would be to use such proceeds for debt reduction. Such disposals would also help to contain contingent liabilities for the State. This view has been endorsed by a number of outside institutions, including the IMF as part of its most recent

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Article IV review of Ireland. Furthermore, the Government does not believe the State should own and support banks when the capital markets are capable of providing this function and willing to do so. Equity investments in any sector are risky propositions. The State's resources are better allocated to more appropriate areas. In addition, reducing the State's shareholdings will help to foster greater competition in the banking sector. It is difficult to encourage new entrants when the State is seen as owning large elements of the banking sector. The sale of a significant shareholding in AIB is important to convey the message to investors that the State does not want to interfere in the operation of banks or to retain these investments indefinitely.

Question No. 19 relates specifically to the possibility of a Dáil vote. The programme for Government allows for the sale of not more than 25% of any bank before the end of 2018, plus any over-allotment option. As I said previously, I am committed to keeping Members of the House informed on the process and, ultimately, of any decision made in due course. I have not yet made a decision to proceed with a sale of shares in AIB. In order to proceed with an initial public offering, I would need to be satisfied that the market was prepared to put a fair and reasonable value on the bank's equity, bearing in mind its current performance, future prospects and the outlook for the economy. I would do so on the advice of officials in the Department of Finance and our financial advisers. The State's shareholding in AIB is held in the Ireland Strategic Investment Fund's directed portfolio. If I were to decide to take any action on the State's shareholding in AIB, I would write to the fund and direct it accordingly.

I would like to make a further comment that does not relate to banking policy. I have previously acknowledged the need for increased public investment. The current capital plan sets a baseline from which the Government intends to increase investment in critical infrastructure and in areas such as housing and health services, as the Deputy identified, 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 to 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 to its level in 2014. Based on my Department's gross national product, GNP, forecasts, Ireland's Exchequer public investment will reach 2.7% of GNP by 2021. These increases in investment in the coming years will be allocated to identified priorities on the basis of the outcome of the review of the capital plan under way.

**Deputy Catherine Murphy:** The result of the vote earlier has not changed anything in terms of a reply I received previously on this matter. What I am seeking is a cost-benefit analysis and that the Dáil be the final arbiter in voting on this issue. It was the people who took on board the cost of bailing out the bank which is 99.9% owned by the State. Whether it is to be sold, we need to see a cost-benefit analysis and to be convinced in that respect. As the Minister knows, we can often save money by spending money. We will spend a great deal of money on fines, for example, because we are not investing in public transport. It is costing a good deal of money in having very unsatisfactory arrangements for housing provision because we are dealing with a crisis. We are at the point where AIB is producing a dividend which, I understand, can be spent on, for example, capital projects. If we were to sell a portion of AIB to pay debt, the difference would be negligible in servicing the debt. I do not understand the rationale for doing so.

**Deputy Michael Noonan:** I will make two points. In terms of the general government debt balance under EUROSTAT rules, selling AIB shares would not make a difference because we hold the asset in shares. When one sells it, one holds it in cash, but it has the same value and it is the same amount. It would not give us the freedom to spend under EUROSTAT rules. There-

fore, if we were to spend, we would be in breach of the fiscal rules in general. It is due to the fact that this type of disposal is clarified as a financial transaction, whereas essentially it is the exchange of an asset in one form such as shares, equities and loans for another, namely, cash. Consequently, the shareholding in AIB would not count as general government revenue. When it comes to investing in infrastructure, it is not a shortage of cash that is inhibiting additional investment in infrastructure but the fact that we have reached the ceiling under the fiscal rules. The issue is our capacity legally to spend additional moneys or capital, not the availability of cash. Therefore, the sale of AIB is irrelevant to the argument. We can borrow money very cheaply on any day of the week from the markets through the National Treasury Management Agency, NTMA, but we are not allowed to spend it if we have already used up the fiscal space available. We are exploring the possibility of funding quite a lot of infrastructure off balance sheet. We are in discussions with the European Investment Bank to see if we can achieve this objective.

**Deputy Catherine Murphy:** That shows how eminently wise the Dáil was today in voting not to sell AIB shares until the fiscal rules were renegotiated. The rules favour the economies of countries where infrastructure is more developed. We will end up incurring fines, for example, owing to missing climate change targets because we do not have the ability to spend money on required projects and that will produce a cost for us into the future. What efforts are being made to renegotiate the fiscal rules to ensure that, as a country that is developing, we will have the capacity to spend to deal with essential issues to ensure sustainable development?

**Deputy Michael Noonan:** There was a misunderstanding in the vote this morning and the matter is still the subject of discussion with the Ceann Comhairle's office. We will see how it works out. Lest we forget, it was only in 2008 that the country virtually went bankrupt and it did so because too much was being spent against a reducing revenue flow. Whatever mythology one applies to burning bondholders and so on, the facts of the matter are that when the housing and development industry collapsed, every 10,000 houses built carried a value of €1 billion. When the output of houses went from almost 100,000 to 30,000 - the Deputy can do the sums - about €6 billion was taken from our revenue flow and we were no longer able to afford to pay for the running of the country on the basis on which it had been designed. We should not go back there. Day after day we hear people advocate for more spending on every kind of desirable project which might be popular with the electorate, but we have to think of what happened and might happen again.

### **Help-To-Buy Scheme**

9. **Deputy Pearse Doherty** asked the Minister for Finance if he will suspend the help-to-buy scheme in view of the large increases in house prices; and if he will make a statement on the matter. [23357/17]

**Deputy Pearse Doherty:** Following the last discussion, it would be helpful if the Minister indicated whether the Government intends to respect the outcome of the vote on the resolution passed in the Dáil not to sell AIB shares. He should do that during Question Time.

My question relates to the help-to-buy scheme, a matter Deputy Michael McGrath has already teased out with the Minister. Our position on it is very clear. It is a bad scheme. The Minister talked about learning lessons from what happened in the past, yet he brought forward an incentive that would only result in an increase in house prices. Everybody and his or her dog

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warned the Government about this before the incentive was introduced. Many pointed to the fact that we had escalating house prices as a result of the Minister's failed help-to-buy scheme. Will he agree, at a minimum, to suspend the scheme? It made no sense to introduce it in the first place. It is a contributory factor in putting houses beyond people's reach and it could potentially lead to another boom-bust scenario.

**Deputy Michael Noonan:** I answered a similar question put by Deputy Michael McGrath, but I will read the reply to this one also. As the Deputy will be aware, the help-to-buy incentive was announced as part of Rebuilding Ireland: Action Plan for Housing and Homelessness. The plan contains a significant volume of responses to the current housing crisis, of which the help-to-buy incentive is just one. Therefore, the impact of the incentive on property prices should not be considered in isolation from the impact of other measures contained in the action plan which have been primarily designed to increase supply. My Department continues to monitor developments in the property market, including movements in property prices. In that regard and as I outlined, the Deputy may be aware that I have recently commissioned an independent economic impact assessment of the help-to-buy incentive which will be completed by Indecon Economic Consultants. The report will examine its potential impact on property prices, among other issues, and is due to be presented to me by 31 August.

In my view, it is the lack of supply that is primarily responsible for driving house prices higher. I point out that increases in house prices prevailed long before the introduction of the help-to-buy incentive. I also point out that the scheme is targeted at new build homes only and first-time buyers only and that it would be simplistic to designate the incentive as being the sole or major contributor to house price increases. Furthermore, the incentive has been designed to help first-time buyers to obtain the deposit required to facilitate the purchase of a home. Therefore, it helps first-time buyers to meet the loan-to-value requirements of the Central Bank's macro-prudential rules. However, the loan-to-income requirements of these rules must also be satisfied and the incentive plays no role in relation to that aspect.

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

The help-to-buy legislation, as passed by the Oireachtas in the Finance Act 2016, contains a sunset clause of 31 December 2019. I believe suspending the help-to-buy incentive at this point, as suggested by the Deputy, would be detrimental to those first-time buyers who are availing of or planning to avail of the incentive in order to facilitate the purchase of their first home. Furthermore, I do not believe such a suspension would have any impact in reducing the price increases being experienced in the market. However, I will review the position as part of my deliberations for budget 2018 when the results of the impact assessment are available.

**Deputy Pearse Doherty:** Watching the Government on this issue is like watching a drowning man telling everybody that he is fine as the water comes up around his face. This week we had the International Monetary Fund telling us that, in the light of increasing houses prices, the planned review of the recently introduced help-to-buy scheme which might add to demand pressures was welcome. We have seen other reports which state it is a contributory factor, but we need to look at what is happening. The problem is that all of the arguments put forward by the Government have fallen flat on their face and it has been done again today. The primary reason articulated during the introduction of this measure was it would help people to raise a deposit in the light of Central Bank rules. First-time buyers must have a deposit of 10%, which means a loan-to-value ratio of 90%. Anybody with a loan-to-value ratio less than this had more to put towards a deposit. The released figures indicate that 72% of claims - not applications -

were from individuals who had no problem whatsoever in reaching the deposit level. Let us put a figure on it, if it relates to motivation. A sum of €17 million has been paid out, meaning that approximately €13 million has been paid to people who did not have a problem because of Central Bank rules in the first place. Some of the claims came from people who could put 30% upfront in cash. The Minister is putting the country's money into their pockets when they do not need it.

**Deputy Michael Noonan:** As I stated, I never thought I would see Sinn Féin advocating policies to prevent young people from acquiring their first home. I gave the figure of €22 million to Deputy Michael McGrath today. It defies belief to argue that an injection of €22 million into house purchasing is the factor that is driving up prices when house purchasing is now back as a multi-million euro industry again and there is a very strong flow of mortgages facilitated by the prudential rule changes made by the Central Bank. It is very difficult to accept the argument that this has led to a general rise in house prices when it does not apply to second-hand homes. It is very difficult to believe it gives an injection to house prices when it only applies to first-time buyers. It certainly put a bit of jizz into the market for starter homes, but before it was introduced, there were no starter homes being built and if they were, they were not being purchased. It has been effective, but we will see what Indecon states. Whoever is here at the end of August or early September will make the report available and the Deputy should suspend the propaganda until he sees the evidence. What he is saying does not stand up to economic scrutiny.

**Deputy Pearse Doherty:** The Minister is the master of the propaganda as I put hard facts to him. He has put money into the pockets of the 72% who have made claims under the help-to-buy scheme and they did not have a problem with the Central Bank rules. He states this is one of the primary reasons he introduced the scheme, but he does not want to deal with it - he wants to dismiss it - because he is wrong. He knows that it is flawed as the figures have come from the Revenue Commissioners. He makes the accusation that we are against young couples getting onto the property ladder. Is he off his rocker on this one? House prices are increasing by 10% per year. A house worth €400,000 will increase by €40,000 in the next year unless we do something about it. It is not just about the help-to-buy scheme; there is also the matter of supply and demand. Where there is constrained supply, the last thing one does is throw money at individuals in order that those who are selling houses put up the prices. It is having a knock-on effect within the market. Will the Minister ensure young couples will be able to get back onto the property ladder by stopping this scheme, as it is a contributory factor in the escalating house prices across the State? He has called my comments propaganda, but it is not just Sinn Féin who state this. We have heard similar statements from consultants, economists and even the IMF which is no friend of Sinn Féin. They tell us to be cautious and step carefully on this issue.

**Deputy Catherine Murphy:** Will the Minister confirm that he will respect the vote result on the motion passed earlier today on the sale of shares in AIB?

**Deputy Michael Noonan:** I have answered that question. There was a misunderstanding in the votes today and the matter is now in dispute. There are discussions taking place with the Ceann Comhairle's office and we will await the outcome. I remind the House that it already committed to and voted on the programme for Government which includes a commitment to sell up to 25% of the shares in AIB. That is the position. Deputy Pearse Doherty will not agree with me and I will not agree with him. Indecon will bring forward a report by the end of August and we will then see what is the position.

## Departmental Investigations

10. **Deputy Pearse Doherty** asked the Minister for Finance the work his Department has carried out in examining the potential benefits of an all-Ireland economy; and if he will make a statement on the matter. [23356/17]

**Deputy Pearse Doherty:** I ask the Minister about any work the Department of Finance has carried out in examining the potential benefits of an all-Ireland economy and if he will elaborate on the matter. He mentioned, in the context of the earlier question on Brexit, that 27 leaders of member states across Europe had discussed this issue in the context of the negotiating guidelines. What work, if any, is the Department of Finance doing in the context of an all-Ireland economy and preparing for Irish unity which I believe is inevitable? Is the Department considering ensuring some scoping work will be done on an all-Ireland economy?

**Deputy Michael Noonan:** I assume the Deputy is referring to the economic benefits of a united Ireland. As he will be aware, the principle of consent and the possibility of a change in the constitutional status of Northern Ireland are fundamental parts of the Good Friday Agreement which was endorsed by the people of this island, North and South. The calling of a Border poll under the terms of the Agreement would fall to the Secretary of State for Northern Ireland. The test to be applied is that he or she considers it likely that a majority of those voting would express a wish that Northern Ireland should cease to be part of the United Kingdom and form part of a united Ireland. There is no convincing evidence to suggest a majority of the people of Northern Ireland would opt for a change in its constitutional status. The Taoiseach has been clear in his view that this is not the time for such a process and that the conditions necessary to trigger it do not exist.

Given that there is a very low probability of reunification in the medium term, my Department has not estimated the potential positive, or negative, impacts of an all-Ireland economy and does not have plans to do so. However, given that both jurisdictions are currently part of the Single Market for goods, services, capital and labour, it is likely that many of the benefits of an all-Ireland economy are already in place. In any such study the full range of impacts would have to be considered; in other words, the costs and benefits. By way of example, it would be important to consider the fiscal impacts. As the Deputy will be aware, the state currently accounts for over two thirds of the Northern Irish economy and Northern Ireland currently runs substantial fiscal deficits. There are also material differences in public sector conditions, welfare systems and the overall economic structure of both jurisdictions, all of which would need to be taken into account. The Government is very supportive of North-South economic linkages which are advanced through the North-South Ministerial Council and by Ministers, North and South, collaborating outside that framework on an ongoing basis.

**Deputy Pearse Doherty:** The Government needs to grasp the potential for the all-Ireland economy, which already exists and has grown organically because business people and entrepreneurs have recognised the benefits and value of that economy in growing jobs and businesses while taking advantages on both sides of the Border. They are ensuring they can tap into both markets and we know the significance of that. We have seen much of the good work done by InterTradeIreland in scoping sectors that are ripe for all-Ireland development, including pharmaceuticals, medical devices and software. As per InterTradeIreland's detailed report, these channels are ripe for all-Ireland development and economic integration, and they could

clearly facilitate a large increase in expertise capacity and capabilities to the benefit of both North and South.

The Minister mentioned it in the context of the Good Friday Agreement and Irish unity and a Border poll - that is not what we are talking about. I believe it is inevitable and this is a step towards it but the all-Ireland economy can exist even without a change to the constitutional status of the North. What is required is an intergovernmental strategy to ensure the full potential of the all-Ireland economy is maximised, that it is supported and developed, that indigenous businesses are at its core and that we have a successful economy. This is really relevant to the constituency that I represent and that the Leas-Cheann Comhairle represents, where businesses need to be able to work on that basis and we need to harness that.

**Deputy Michael Noonan:** On an all-Ireland economy, two currencies apply. There is sterling North of the Border and the euro down here. The most salient factor that should be considered is the deficit position, as I mentioned in my reply. For the years 2013 and 2014, the total public sector revenue collected in Northern Ireland is estimated at €14.9 billion. The total public sector expenditure for the same two years was €24.1 billion, so there is a deficit of over €9 billion.

**Deputy Pearse Doherty:** There is not.

**Deputy Michael Noonan:** The deficit is €9.2 billion. Anyone advocating an all-Ireland economy would want to tell us where the €9.2 billion will come from if the UK authorities turn off the tap.

*Written Answers are published on the Oireachtas website.*

## **Topical Issue Debate**

### **Special Educational Needs Service Provision**

**Deputy Sean Fleming:** I wish to raise the issue of what I believe is discrimination against children who started primary school in 2016 and those who will start in 2017 from consideration and allocation of resources under the new special education teaching resource model. The Minister will be aware that I raised this with the Minister in a parliamentary question on 3 May 2017 on this very topic. Parents and teachers who are concerned about the new system have told me that it is a new system of combining what was learning support, which was specific to the needs of a particular child, and high incidence special education needs. These are now being combined under this new special education resource teaching model. That might sound well and good, but my problem, and that of many parents and teachers, is the assessment upon which the information is based. The problem is going to be very serious for the first two years. The difficulty is that the Department has made allocations to schools which are fairly rigid for the next two years. It would be an extraordinarily exceptional situation for a school to be able to make a case to win an appeal to have its allocation changed under this model.

Last autumn, schools were asked to submit information and the allocation was announced on 7 March 2017. The circulars that were issued from the Department, one to the primary schools and the other to second level schools, outlining the full details of the scheme and a letter

followed on how to go about an appeal.

The issue I am highlighting is that children who started in 2016 did not have any medical or professional assessment at that point, so their needs could not have been taken into consideration when these matters were being considered last winter and before the allocation was announced in March this year. They had not yet found their way into the system, they were brand new in their new schools in junior infants. That is a very bad situation but we will also find that children with specific problems starting next September who have not had a previous diagnosis will find there is no extra allocation in their schools.

What confounded me about the Minister's reply to the parliamentary question is that when I highlighted those two specific issues, the Minister said, "The new allocations to schools will include provision to support all pupils in the schools, including where a child receives a diagnosis after the allocation is received by a school, or where there are newly enrolling pupils to the school." He is saying that the allocation will include those whose information was not there, because they did not have a diagnosis.

The Minister went on to say, "For students who start school from September 2017, with a specific diagnosis, either in junior infants or transferring from another school, the resources they need will already be in the school under the new model." The Minister is telling me, the parents and the teachers that he is psychic - that was the school's response to me. The Minister had made an allocation based on the information he had last year and in his written reply he said that if children starting in 2017 have a specific diagnosis, the resources will already be there based on the previous allocation which he had issued. The Minister is saying he knew those children were going to present. He did not know they were going to present, he could not have known they were going to present. Reading that, the school principal said that the only way the Minister could know that is if he thinks he is psychic. I want the Minister to be flexible with the appeals system. That is it in a nutshell. There is no other route for parents to get this matter administered. I do not want a rigid appeals system, I want flexibility.

**Minister for Education and Skills (Deputy Richard Bruton):** This is a new scheme and I understand people wanting to tease out what it means. First, I want to make it clear that it has been recommended by the National Council for Special Education, NCSE, which is an independent body, it had been conducted with a pilot of 47 schools where it had a very positive reception. It involves an increase in the number of teachers provided by 900, so at least 1,200 schools will get additional resources. It will mean that if one has a child with special educational needs, one no longer needs a diagnostic test to establish support for the child. Instead of enrolling, waiting for a diagnostic test and then eventually getting an allocation later on, the school is pre-equipped with the resource to meet the needs of the children with complex needs.

The Deputy asks how we know the level of enrolment of children with complex needs. What has been done is that a profile of the whole school has been taken, so that if X% is children with complex needs, they are provided for, even though those children have not yet presented. In other words, a profile of the school and the expected level of children who will arrive with complex needs based on the existing profile of the school is used to predict how many children will turn up with special educational needs. That is a clear and known input.

The Department has also made provision for an appeal so that if, for example, the norm was three children with very complex needs per cohort of the school and for some reason a family moved into the area and that three increased to seven then, under the appeals mechanism, the

Department would clearly take that into account. Similarly if the school is very rapidly growing and a developmental school under the developmental status, that would be a criterion for the school to get additional help.

We are providing more resources in this sphere, we are guaranteeing that no school loses out so that every school will have additional existing provision. We are making sure that the school is geared up with that extra resource from day 1 and we are also promoting a much more inclusive approach to the way in which children with special education needs are integrated into the school. That has been a feature which has been particularly successful in the pilots. Instead of children being withdrawn for their special support, as had been the case, this is a much more integrated approach with group, individual, and classroom support. I was told by those who had been through the pilot that it had been a boost, not only for the children with special needs but all the children in the school, and that all the teaching staff saw that the integration and successful learning outcomes for those children with special needs became a whole school project. We will provide support to the school in terms of capacity building. There will be an integrated support service in the NCSE. We are doing everything possible to make sure this will achieve the benefits that were clearly delivered in the pilot.

I can understand the concerns because this is a different method. It avoids the €1,000 expense of diagnostic tests. The Deputy knows that schools in disadvantaged areas could not afford that. Principals were playing God in trying to decide which of a number of children they would send for diagnostic tests. That has all been thrown away and we have a much fairer basis for allocating the available resource.

**Deputy Sean Fleming:** I understand why the Minister made the decision. As he said, it was partly due to financial and administrative reasons and the time taken for diagnostic tests. He referred to socio-economic criteria for schools. The profile involves an averaging system, but children are not average. Every child is different. That is the essential point that is being lost in the system. It is administratively convenient.

I am speaking on behalf of the parents and schools who have come to me about this issue. The Minister has said there is no need for diagnostic tests. Without such tests, sometimes particular conditions or children's special requirements will not be made available to a school principal, who cannot be an expert. Medical and professional diagnostic tests were necessary to identify specific requirements for children until now. The Minister decided that costs money and instead proposed to save some time, scrap the system and allow principals to muddle away as best they can. That is not really good enough because principals are not experts and do not have the required diagnostic skills that professionals have.

We are shoving the old system to one side. The Minister is giving more flexibility to principals who now have to play God a little bit more because they are not receiving specific reports on specific children.

I am also concerned about the paragraph in the circular which states that some schools may now choose to enrol children that they know have special needs in these areas because it will eat into the allocation they already have. Essentially, the Department said the Minister reserves the right to review the allocation. In other words, the Minister is threatening to punish the other children in a school by reviewing its allocation if it does not enrol children who would otherwise have enrolled in the school and may have received an extra allocation.

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The appeals process was very short. The process began in early March and appeals had to be in by the end of March after the earlier announcement. How many appeals has the Minister received? That information would be a good indication as to whether the problem is significant or manageable. I ask the Minister to be flexible with appeals, given that this is a new system.

**Deputy Richard Bruton:** I hope I did not mislead the Deputy when I said there is no need for a diagnostic test for a child to get support. I am not saying that diagnostic tests are no longer relevant or valuable. A diagnostic test can be valuable in the hands of a teacher in order to give an indication of what is needed.

In many cases, the special learning needs of a child will be quite obvious to a teacher. Under this model, teachers will not have to wait for a diagnostic test to be done before they can provide teaching support to a child. Where a diagnostic test is of value in setting out an educational programme for a child, that will be used and will be a valuable input for a teacher.

I reiterate that we are putting 900 extra teachers and €54 million of resources in place in order to support the improved model. It is not a question of short-changing people who will be enrolling in September this year compared to those who enrolled last September. There will be more resources available to meet the needs of children this September than there were last year.

I will get the Deputy the details of the number of people involved in the verification process. At this stage, schools are mainly asking how their calculation was done. I do not think a school has said a profile said it would have three children with complex needs but it has much more than that. That sort of appeal has not reached us yet. I will try to get the Deputy some information on the state of play of the verification process.

### **Agriculture Scheme Payments**

**Deputy Martin Ferris:** Over the past number of weeks all of us have been lobbied by farming organisations and individual farmers regarding outstanding payments in respect of GLAS, the AEOS, organic farming schemes, the knowledge transfer programme and TAMS. The figures in the *Irish Farmers' Journal* this week show that 2,729 farmers are owed approximately €3,500 in GLAS payments on average. In the AEOS schemes, 1,166 farmers are owed approximately €3,141 on average. In the organic farming scheme, 326 farmers are owed between €6,000 and €8,000 on average.

I understand 4,222 farmers are now waiting for payments under those three schemes. Many have spent thousands of euro to meet the requirements of the schemes. They have planted hedges and sowed crops to achieve environmental targets set down and to adhere to various scheme rules. The situation is causing serious cashflow difficulties to the farmers concerned.

The Minister of State has to accept that those in receipt of GLAS, AEOS and organic farm payments are at the low end of the income scale of farming in general. The payments are paramount for their survival.

On top of that, many farmers borrowed heavily on the understanding that they had been approved for TAMS. In some case they have borrowed €30,000, €40,000, €50,000 or €60,000. They are awaiting payments. Reasons as to why payments have not been forthcoming have been put down to computer chaos and IT worries within the Department. This is unacceptable.

As I said, farmers who have invested in schemes, including TAMS, have done so in good faith. They have lived up to their responsibilities within the various schemes. Their survival depends on their being paid speedily.

I do not think any other sector, such as teachers, gardaí or those in the trade union movement, would accept being treated like that. The excuse the Department is hiding behind, that is, IT or computer chaos, is not acceptable. Investment in the IT sector has changed the focus of the basic payment scheme and has been a fantastic success.

When will farmers be paid? Will the 4,222 affected by the three schemes I mentioned be paid? I do not have figures for TAMS, but I understand a substantial number of people have payments outstanding. When will they get their payments?

I am quite sure that backbenchers will insist that these payments are long overdue. People who borrowed money in order to live up to their requirements find themselves paying interest of perhaps 9% for personal loans for a considerable number of months with no certainty regarding their payments. Can the Minister of State enlighten us in that regard? I ask him to give solace to people who are waiting for payments.

**Minister of State at the Department of Housing, Planning, Community and Local Government (Deputy Damien English):** I thank Deputy Ferris for raising this issue. I understood he wanted to discuss TAMS, but I will try to cover other matters as best I can. I will set out the current position regarding the targeted agricultural modernisation scheme, TAMS II. During 2015, a suite of six measures were announced under TAMS II. These measures were launched under the new rural development programme 2014-20 and are co-funded under the European agricultural fund for rural development.

The measures provide grants for capital investment in physical assets and there are six headings, which the Deputy will know. Among the objectives of the scheme are to enable growth in competitiveness in the sector, address environmental and climate change issues, support increased efficiency in holdings and improve animal health and welfare. In addition to these objectives, the young farmers capital investment scheme aims to address one of the key structural issues in the sector by specifically targeting support at young trained farmers by offering them a greater rate of aid intensity, that is, 60% of grant aid compared to a standard rate of 40%.

In March this year, an additional measure, the tillage capital investment scheme, was launched. One of the objectives of this scheme was to facilitate the tillage sector to develop a targeted and precise approach, focusing on environmental dividends, efficiency and growth. Specific areas of investment under the tillage measure include minimum disturbance tillage equipment, sprayers, rainwater harvesting, grain storage and grain dryers. As with all measures, applications must be made online, either by the farmer or an adviser authorised to act on his or her behalf. TAMS II is opened in rolling three month tranches. The next closing date for applications under the first tranche of the tillage measure and the seventh tranche of the other measures is 30 June 2017. The financial allocation for TAMS II for the full rural development plan period is €395 million. To facilitate the drawdown of EU funding, we have provided increased budget certainty to ensure that all farmers can avail of funding over the entire period of the scheme.

This scheme has proved popular with Irish farmers and over 11,700 applications have been submitted to date. Of these, 8,350, or more than 70%, have been approved. Approvals are issu-

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ing on an ongoing basis with approvals under the most recent tranche due to commence shortly. The figures are much lower when it comes to payment claims. It is open to approved applicants to submit an online payment claim as soon as they are in a position to do so. The timing of the submission of a payment claim before the approved deadline is entirely a matter for the individual farmer. To date, only 1,368 payment claims have been submitted. The Department has actively encouraged approved applicants to submit payment claims including by contacting approved applicants individually by text message. A small number of claims have not yet been paid as the IT functionality to reduce over-claims is currently being developed. To date, payments amounting to over €10 million have issued in 847 cases. All payment claims submitted are being examined on an ongoing basis. Where an issue arises with a payment claim, the applicant concerned is contacted directly by the Department to resolve it.

In relation to GLAS, the 2016 payments represented the first full-year payments under the scheme. To be very clear, only GLAS tranche 1 and tranche 2 participants are eligible for a payment in respect of 2016. At the end of December 2016, there were approximately 37,500 active tranche 1 and 2 participants in GLAS, of whom 27,400, or over 70%, received 85% of the 2016 payment in December. These payments were valued at over €97 million. GLAS has a range of over 30 actions available for selection by applicants under the different regulations. Given their complexity, many issues require review on a case-by-case basis. This work is ongoing in the remaining 2,700 cases. Where issues remain, my Department, or rather the Department of Agriculture, Food and the Marine - I would not like to assume I am getting a different job - has been in direct contact with participants or their advisers and is making every effort to resolve outstanding issues on a case-by-case basis. Additional information or outstanding documentation has been requested and is awaited in over 1,000 of these cases. In this regard, I urge participating farmers to return outstanding documentation, such as an interim commonage management plan or annual low-emissions slurry spreading declaration, so that the Department can move things on.

The Minister for Agriculture, Food and the Marine, Deputy Michael Creed, wants these issues dealt with as do his officials. They will do all in their power to get people their payments as quickly as possible.

**Deputy Martin Ferris:** I find it difficult to understand how this has arisen when there was a huge number of claims at the start which the computers and officials were able to process. There are now roughly 4,222 claims across the knowledge transfer, organic farmer, AEOS and GLAS schemes, which seems a very small number. If it is possible to process tens of thousands of claims in a period and only 4,000 or so are left, I cannot understand how things are now so slow and the Department is not able to deal with them. In my county alone, approximately 150 GLAS payments remain outstanding. It was 189 two weeks ago. As such, 39 payments have been made in two weeks.

A person I am currently dealing with regarding TAMS II was given the go-ahead in early August 2016 over the phone on the back of which he borrowed money from the bank to buy equipment. Now, he will not be paid because the Department says he made those payments prior to getting written approval. It is not acceptable that somebody who has borrowed a great deal of money finds himself in a situation where he will have to appeal to get this sorted out.

It may be stretching things a bit, but I want to raise the issue of grain farmers and the result of a Private Members' motion here. Their losses last year would have been sorted out with €4 million. I ask the Minister of State, Deputy English, to use his influence with the Minister, or

to act if he is the new Minister, to ensure that the grain farmers who were decimated last year get some support. It is a very small amount of money. The Minister has made a commitment to increase the ANC payments by €25 million in the 2018 budget. I hope Deputy English will be the Minister. I see him nodding his head as if he is going to meet all those commitments. I hope he will live up to all that when he becomes the Minister, if he does.

**Deputy Damien English:** I am sure Deputy Creed expects to be Minister for Agriculture, Food and the Marine for a very long time and my understanding from farmers is that they want to keep him as Minister for a long time. While there might be a new Taoiseach, I am sure Deputy Creed will still be there and taking questions here. Again, I expressed his apologies at the outset that he could not take the debate here himself.

The online payment claims system has been open since July 2016 but to date a low number of payment claims have been submitted as compared with the number of approvals requested. Of the 1,368 payment claims submitted to date, 847 have been paid. Payments are issuing on an ongoing basis. Payments in the amount of more than €10 million have been made. The current outstanding payment claims, of which there are 521, generally fall into the following four categories, with the estimates percentages as well. Some 75% of claims are clean cases. These are cases where the claims application is fully in order and being worked on and should issue soon. Claims where there is an obvious error on the application form which the regional inspector is examining on an ongoing basis with payments then issuing represent 10% of cases. A further 10% of cases involve an issue with the claim which will lead to a reduction in payment but no incurred penalty. The IT functionality to process these claims is expected to be operational in early June. Approximately 5% of cases are those where there was an issue with the claim which will lead to both a penalty and a reduced payment. The IT functionality to process these claims is expected to be operational in July.

Delivery of the full IT functionality to allow for the processing of payment claims where a penalty is to be applied is being developed. Issues with individual payment claims are being resolved on an individual basis through direct contact by the Department with the farmer concerned or his or her adviser. I do not have the county-by-county breakdown but I trust the figures Deputy Ferris has for Kerry are correct. I cannot confirm them. The Minister is determined that this issue will be resolved where the cases are straightforward. In this case, 75% of claims are clean and straightforward and he hopes to progress them as quickly as he possibly can. The Department will work hard to make that happen.

### **Homeless Persons Supports**

**Deputy Thomas P. Broughan:** Tomorrow, it will be 11 months to the day since the Minister for Housing, Planning, Community and Local Government, Deputy Simon Coveney, launched the Rebuilding Ireland strategy in an attempt to address the spiralling housing and homelessness crisis. While it set out some ambitious goals, it highlighted again the Government's total ideological reliance on the private rented sector as a provider of housing. One of the Minister's many promises, which has been reiterated consistently over the year, was that by mid-2017 emergency hotel and bed and breakfast type accommodation for families would only be used in limited circumstances and would have largely been replaced by suitable permanent family accommodation through the delivery of additional housing solutions. Part 34 of Rebuilding Ireland includes a whole section on moving families out of hotels and recognises that accommo-

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dating family units in hotel arrangements is inappropriate for anything other than a short period of time. The document states an intention to move the existing group of families out of hotel arrangements as quickly as possible and to limit the extent to which such accommodation has to be used for new presentations. Deputy Coveney has continued to repeat that message over the past ten months, as has the Minister of State, Deputy English, setting 1 July as the target.

Over recent months in particular, I have received, like other Deputies, increasing numbers of calls from very stressed and distressed parents wondering what will happen to their families in the next six weeks. These are families who have been living in cramped hotel rooms for six, 15, 18, and 24 months and who are desperately hoping to be permanently rehoused. They are now waiting for a call to tell them whether they will be moved to the next temporary accommodation. They are hoping their children's school and support needs will be taken into consideration. The figures for April are late. The most up-to-date figures available are from the week of 20 March when 1,069 families, including 2,134 children, were homeless in Dublin. Of these, 712 were single-parent families. Another 187 families, including 429 children, were spread across the country with 118 of them headed by single parents. A large proportion of the Dublin families are from the constituency which I am very proud to represent, Dublin Bay North. Families have rightly pointed out that if they were in the private rented sector, they would be given notice of a moving date. With just six weeks to the Department's deadline, when will these families be told what their future accommodation will be? At a briefing organised by my colleague, Deputy Boyd Barrett, earlier this week, my parliamentary assistant asked Mr. Mike Allen of Focus Ireland whether his organisation has any indication of what is happening, given that Focus Ireland is providing support to homeless families. It seems communication on the matter has been dire and Focus Ireland's understanding now is that only new families entering homelessness will be diverted into the so-called hubs and those in hotel accommodation will remain there until housed. Is this true? Will the Minister of State confirm this evening that only families who become homeless after 1 July will be diverted from hotel and guesthouse accommodation? What will happen to the thousands of children and adults now living in that accommodation?

When we first heard about the hubs idea, which are basically homeless hostels for families, I asked the Minister, Deputy Coveney, a number of parliamentary questions to try to ascertain the type of accommodation these hubs might be. Unfortunately the Minister evaded answering the question. He said the answer to the family homeless crisis will be increases in rent supplement and housing assistance payment levels. As the Minister of State knows, HAP is largely unavailable, in my experience, to families in homeless accommodation or coming out of homelessness. When will the Minister of State stop allowing landlords and developers to hold our country to ransom? Family homelessness has been a multi-million euro business for hotels, with €40 million paid in 2016 alone. How many houses would we have built for this? This is why I will support the motion later this evening on a FEMPI-type programme to end family homelessness.

It is utterly disgraceful that families in hotels and guesthouses have been put under grave additional uncertainty in recent months and up to the end of June. They have already endured incredible disruption and damage to their children's lives due to the closing down of social housing by the current and previous two austerity Governments.

**Deputy Damien English:** I thank the Deputy for raising the issue. It is not an ideological issue that we are relying on the private sector. We recognise we cannot provide overnight enough social housing to be able to deal with the situation.

**Deputy Thomas P. Broughan:** The Minister of State could start a housing programme.

**Deputy Damien English:** We have a housing programme that has started, and Deputy Broughan is well aware of it. We have secured the largest investment ever in the State, secured by the Minister, Deputy Coveney, to invest in this area. The Deputy referred to the previous two Governments. If he checks the records he will see the provision of social housing was wound down before Fine Gael came into government and before the Deputy's former party, the Labour Party, came into government.

**Deputy Thomas P. Broughan:** I am blaming the two previous Governments.

**Deputy Damien English:** We did not do it. We have done our best to ramp it back up again. Just to be clear on the record, it was not a Fine Gael decision to stop-----

**Deputy Thomas P. Broughan:** I was told at the time there were 25,000-----

**An Leas-Cheann Comhairle:** The Deputy will have another opportunity.

**Deputy Damien English:** I just want to be clear, and I want to put this on the record because I am sick and tired of being told it is my party which stopped social housing. We did not. We are the ones who are putting social housing front and centre in what the Government and local government is doing. I have been around the country with local authorities telling them that we expect, and we want to continue with this, them to be the lead agencies for social housing. This was stopped by other parties in government but it was certainly not Fine Gael. Deputy Broughan knows that and I ask him to please stop saying it as if it were true that it was us because it was not us. We are doing our best to put it back as quickly as we possibly can.

Having said that, I still thank the Deputy for raising the issue and providing the opportunity to update the House on actions being taken to address homelessness, in particular family homelessness, including our goal to ensure that hotels are only used to accommodate families on an emergency basis and in very limited and exceptional circumstances from the end of June.

The Government is fully committed to addressing the issue of homelessness. Under this Government there has been a focused and co-ordinated approach to tackling homelessness across Departments and agencies. As we know, Rebuilding Ireland was launched in July 2016, more than nine months ago, as the Deputy said. It is a whole-of-government plan developed in close co-operation with other key Departments and agencies, under the oversight of a dedicated Cabinet committee chaired by An Taoiseach. The committee meets every month to discuss all of the issues and I attended the meeting on Monday. The plan sets out the path to achieving the critical national ambition of ensuring that all our people have access to quality and affordable housing and to ramp up what local authorities are able to deliver through new builds, voids and purpose built social housing.

The long-term solution to the current homeless issue is to increase the supply of homes. Accordingly, Rebuilding Ireland is designed to accelerate all types of housing supply, including social, private and rental. During the lifetime of the plan, some 47,000 new social houses will be provided, supported by Exchequer investment of more than €5 billion, and housing output generally will be progressively increased towards the target of producing 25,000 houses per year through all channels. We hope to hit this target ahead of our five-year plan.

It is intended that the long-term housing needs of those currently homeless, including those

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families currently accommodated in hotels, will be met through housing supports such as the enhanced housing assistance payment, HAP, scheme, and general social housing allocations. Significant outputs are being achieved in this regard. Housing authorities achieved more than 3,000 sustainable exits from homeless accommodation into independent tenancies during 2016, a record level of exits in a calendar year. It is untrue to say HAP does not provide a useful solution to help some of those families who are homeless-----

**Deputy Thomas P. Broughan:** Not in our area. It is fantasy.

**Deputy Damien English:** That is not what the Deputy said. He did not say in his area, he said it is not working and he is wrong in that.

**Deputy Thomas P. Broughan:** It is not working for a lot of the country.

**Deputy Damien English:** The Deputy is wrong as 3,000 left last year. Accommodating family units in hotel arrangements is inappropriate for anything other than a short period of time, and I totally and utterly agree with the Deputy on that. Accordingly, Rebuilding Ireland makes explicit the commitment to ensure that by mid-2017 hotels will only be used as emergency accommodation in limited circumstances.

The need to limit the use of commercial hotels as emergency accommodation is particularly relevant in the Dublin region, given that approximately 85% of all homeless families are in the Dublin region. It is the Minister's intention and my intention that families be transitioned from hotel arrangements as quickly as possible, and to limit the extent to which such accommodation has to be used for new presentations. The mid-2017 target is a necessarily ambitious one, and one to which the Government remains fully committed. We must be ambitious in addressing this social issue, and while we acknowledge it is a challenging objective, given the continuing numbers of those presenting as homeless, I am pleased to see progress being made in this regard.

I am confident the April homelessness figures, once finalised, will show a significant reduction in the reliance on hotel accommodation for homeless families, which is the key.

**Deputy Thomas P. Broughan:** The Minister for Finance and the Taoiseach are leaving jobs today. The reality is Fine Gael was involved in the complete cessation of any kind of a reasonable social housing programme. We can go back to one of the Minister of State's predecessors, Mr. Jimmy Tully, who ensured during a very poor time that 25,000 or 30,000 houses were built in this country in the early 1970s. The Minister of State has not answered the question. What is the future for these families? Will it be, as Focus Ireland understands, that only families newly becoming homeless are those who will not be sent to hotel accommodation? The Minister of State is not ending the uncertainty and the disruption for the families here this evening, unfortunately. He is not addressing the key point.

The Minister of State spoke about HAP and certainly the experience in Dublin Bay North, and I believe in all of the other high rent areas of the country, is that HAP is not working, particularly for people facing homelessness and people trying to come out of homeless accommodation. Every letter I get from the Dublin Region Homeless Executive states citizens and their families are eligible for HAP-type accommodation, but these same people have sent out dozens of emails and attended dozens of viewings of apartments and houses and when people find out they are coming out of homeless accommodation there is no tenancy available. That is the reality. The HAP system is just not working for the people I represent. One suggestion

is the Minister of State might ask why Dublin City Council and Fingal County Council are not directly responsible for organising to provide HAP accommodation rather than asking hapless and very vulnerable homeless families to do it for themselves.

I notice the modular housing, which has been referred to a lot by the Minister, Deputy Conroy, is now scheduled to become permanent accommodation, despite the problems we had in this city back in the 1970s and 1980s with modular-type quick build housing. I welcome the small suite of measures in Rebuilding Ireland, but it is far too little and too late for the thousands of adults and children I represent and other Deputies represent. Quite clearly, we need a much more drastic solution. Unfortunately, the Government will not give it to us.

**Deputy Damien English:** The Deputy raised several issues. Some rapid build construction houses are being sold privately for more than €500,000.

**Deputy Thomas P. Broughan:** I know that.

**Deputy Damien English:** They are not modular homes. They are proper houses that will last 60, 70, 80 or 100 years. Do not try to give the impression they are not that.

**Deputy Thomas P. Broughan:** Did the Minister of State ever work on site?

**Deputy Damien English:** I did actually, probably more so than most people here.

**Deputy Thomas P. Broughan:** Okay.

**Deputy Damien English:** I know what I am talking about. I have seen rapid build and every type of build. The Deputy can trust me I have watched rapid build houses being built and sold for more than €500,000. Do not try to give the impression they are some sort of a pretend house, and not a real house or a permanent house, because that is not what they are. They are a genuinely good house.

**Deputy Thomas P. Broughan:** We had problems before.

**Deputy Damien English:** There are many different types of rapid build construction. The Deputy said HAP is not working. It is only one of the solutions, and family hubs and purchasing houses through the Housing Agency and using houses through the sale and lease back scheme, are all options that bring in more houses, but the Deputy keeps insisting that HAP is not working. To me, HAP is a better scheme than the previous rental systems.

**Deputy Thomas P. Broughan:** It is not working for homeless people.

**Deputy Damien English:** Can I finish please?

**An Leas-Cheann Comhairle:** If the Deputies want a bilateral they can have it outside.

**Deputy Damien English:** I would love it. That would be great. I will provide some figures for last year from the housing authority. It is worth noting that nationally in 2016, over 1,200 new social housing tenancies were awarded to homeless households. Furthermore, we expect that those families currently accommodated in hotels will primarily have their housing needs met through the housing assistance payment, HAP. The Deputy said that no homeless person is getting the HAP. I am pleased to say that last year, more than 800 HAP tenancies were created for homeless households in a pilot in the Dublin region, so factually, the Deputy is not right. He might be aware of some cases where there are difficulties. I am not saying the HAP works for

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everybody; I am saying that the facts speak for themselves.

**Deputy Thomas P. Broughan:** It does not work for many of my constituents.

**Deputy Damien English:** More than 500 tenancies have been achieved to date in 2017. They are people presented new to being homeless and were found accommodation through the HAP scheme and other schemes.

With regard to the family hubs, I have been in them and I ask the Deputy to go and have a look at some of them. I visited the Respond! hub and the Mater Dei facility, which will be ready in June. They are very good facilities for families. If a new family presents as being homeless and if we cannot get them a house through all the various schemes and through the HAP, the family hubs will be used for them as well.

**An Leas-Cheann Comhairle:** The Minister's time has expired.

**Deputy Damien English:** In some cases, people who are in hotels might first transition to a family hub-----

**An Leas-Cheann Comhairle:** Thank you. We will move on.

**Deputy Damien English:** -----but the intention still stands that by the end of June this year-----

**An Leas-Cheann Comhairle:** Minister, we are moving on.

**Deputy Damien English:** -----those people in hotels will be out of hotels.

### **Hospital Consultant Recruitment**

**Deputy Jack Chambers:** We have a number of Ministers in the Department of Health. Is the Minister of State taking the question?

**Deputy Damien English:** I am, yes.

**Deputy Jack Chambers:** It is unfortunate that he has been delegated that duty when there are a number of Ministers of State, as well as the Minister for Health, who could respond on an important matter that has been brought to the attention of the public this week, namely, that non-specialist doctors are being appointed as consultants.

In recent years we have seen a massive recruitment crisis in health care, primarily due to the failure by the current and previous Government to keep our graduates in the country and in training schemes. However, it appears that the solution from the Health Service Executive, HSE, and the Department of Health was to appoint people as consultants when they were not part of specialist training schemes. That has considerable consequences for patient safety and patient care. To be clear, the HSE's own definition of a consultant is defined as a registered medical or dental practitioner who, by reason of his or her training, skill and expertise, is in a designated specialty, is consulted by other registered medical practitioners and has a continuing clinical and professional responsibility to the patients under his or her care.

We know that under the Medical Practitioners Act 2007, consultants must be part of special-

ist training schemes to be the very definition of a consultant. However, we know, from good authority from people on the ground, that the Government and the HSE have appointed people to positions for which they are not actually qualified and where they are not in the specialised training schemes. That has massive consequences for patient safety.

Were the Minister of State running the Department of Transport, Tourism and Sport and had he responsibility for airlines and pilots, would he be happy to have a captain flying a plane who did not have a licence for that position? As I think his answer would be “No”, why is it good enough for the Government and the HSE to allow people to be appointed to consultant positions when they are not on specialist training schemes and do not meet the definition the State has upheld? It has considerable consequences for patient safety for those with complex medical conditions. They have presented with an enormous problem in their lives and are told the consultant in whatever hospital is addressing that matter but under the definition of the State, that consultant is not a consultant because he or she is not part of specialist training schemes. It is a form of deception. It is misleading patients but is also undermining the training of other junior doctors within our hospital system because if the lead clinician or consultant is not actually a consultant and is not part of a specialist training scheme leading a particular clinical team, that undermines the training and recruitment process for the other junior doctors who may be part of specialist training schemes.

The fact that the Government has employed people permanently when they are not consultants as defined by the HSE is a massive issue of ethics. It breaches the Medical Practitioners Act 2007 and it breaches the consultant contract. It is fundamental, therefore, that the Minister of State gives an explanation, even though it is not his line Department, as to how this has occurred. Is he happy that clinical safety will be upheld and can he provide certainty to the House that this practice is not systemic because we have it on good authority that this is the case?

Were the Minister of State heading up the Department of Transport, Tourism and Sport, he would not be happy for pilots to fly planes when they are not licensed to do so. That is what is happening at present in the health service, and it is very unfortunate that neither the Minister for Health nor any Minister of State in that Department is present because this is a massive issue of clinical safety. Clearly, it is not important enough for them to show up and I am disappointed by that.

**Deputy Damien English:** I am here to answer the question raised by Deputy Jack Chambers. The Minister, Deputy Harris, had hoped to be present but as the Deputy is aware, the timing of this moved quite a bit today. It is normal practice for the Minister or one of his Ministers of State to cover these issues, and the Deputy knows that. To be fair, there is no point in him trying to go down that road because it is not believable.

**Deputy Jack Chambers:** One of them should be here.

**Deputy Damien English:** Generally, they are here as often as possible.

I am taking the matter on behalf of the Minister, Deputy Harris. I want to thank the Deputy for raising it and giving me the opportunity to provide clarification.

I want to be clear, on behalf of the Minister for Health, that he expects the HSE to comply with statutory and policy requirements when filling consultant posts. He also recognises that the HSE has done an amount of work in the past year to ensure that is the case. However, it is recognised that there are limited circumstances where an experienced doctor, usually a senior

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registrar who would not be on the specialist register, may cover for an absent consultant. That is to ensure senior medical coverage and the provision of safe, quality care. The HSE has stated that this only occurs as a final option in emergency circumstances.

I wish to emphasise that any doctor who occupies a consultant post, even if he or she is not on the specialist register, would still hold a medical licence. It is similar to what the Deputy said about the pilot licence. They still hold a medical licence, and the Deputy should not try to give the impression that they do not-----

**Deputy Jack Chambers:** They do not hold a licence for the specialist training regime.

**Deputy Damien English:** -----and would be on a division of the Medical Council register. They are also fully qualified to practise medicine.

At a national level, health policy remains the development of a consultant provided service as per the report of the national task force on medical staffing, the Hanly report, and the reports of the strategic review of medical training and career structures, that is, the MacCraith reports of 2013 and 2014. The HSE has also been focused on improving the recruitment and appointment process for consultant posts. A high-level committee, appointed by the director general of the HSE, was tasked with analysing the current operational and administrative barriers to the efficient creation, approval of and recruitment to consultant posts in 2016. Having reviewed processes around successful consultant recruitment, 33 findings were identified and related actions for implementation developed. These are set out in a HSE document entitled *Towards Successful Consultant Recruitment, Appointment and Retention*, which was published in February 2017.

One of the findings of the committee specifically relates to this issue of providing services by those who are appropriately qualified. The finding stated that the HSE should ensure that “measures are adopted to cease the poor employment practice which gives rise to contracts of indefinite duration and risk to the public arising from provision of services by persons who are not appropriately qualified”. It also set out a series of actions the HSE should take to address this issue. These require the HSE to review the extent to which permanent posts have been created or filled in breach of appropriate sanction; to act as a matter of urgency to enforce existing regulatory requirements; and that sanctions are implemented for non-compliance with qualifications. The executive should also clarify the scope of practice of the individuals referenced above and related designation as “consultants”. It should also work with the Department of Health, the Medical Council and representative bodies to examine the use of the term “consultant” in regard to the specialist division. The timeline given for carrying out these actions is by the end of June 2017. The Minister, Deputy Harris, is confident that once these actions are implemented, they will help to address the issues raised by the Deputy.

I will conclude by noting that the number of consultants employed by the HSE at the end of March 2017 now stands at 2,881. That is an increase of an additional 122 whole-time equivalent posts since March 2016. It is also an increase of almost 700 in the past decade. I can assure the Deputy that the Government remains committed to continuing to increase the number of consultants and to the delivery of a consultant-led service.

**Deputy Jack Chambers:** With due respect, the Minister of State did not answer the question. In terms of a statutory framework, he said that all clinicians have a licence to practise. They do, but if the Minister reads the Medical Practitioners Act, he will see that it splits medical

practitioners into two fields. There is the general licensing but then there is the specialist training licence regime. The Government has appointed consultants, pretending they are specialist registered consultants who have gone through that scheme, when they have not. That is what has happened here. We know it is not in limited or emergency circumstances. We know it has happened on a systemic basis as a permanent solution to the recruitment crisis. Therefore, the analogy of the pilot who does not have a licence on the plane is very accurate because consultants whom the Government has appointed are practising as specialist, trained consultants when they are not such consultants. That is a fundamental breach of trust, ethics and the core principles of clinical practice. It raises serious issues concerning patient safety and care.

When patients believe consultants are properly trained and qualified to do the job when in fact they have not gone through the full specialist training scheme, it is a massive issue of trust, care and clinical outcomes. When the consultants have not the experience and have not gone through the specialist scheme, it has an impact on clinical safety. That is why we have rigorous, proper schemes through the various clinical faculties across medicine.

The Minister of State needs to explain this and also address it. It is important not to quote gross numbers about consultants. This is about the people who have been appointed who are not on specialist training schemes. That the Minister of State has not addressed my specific question shows this has happened. It is important that it be addressed.

**Deputy Damien English:** I will be as brief as I possibly can. I did answer the question in detail and I explained to the Deputy all that has been done. The high level working groups have tried to address this and any concerns the Deputy has and deal with the process.

We recognise that there are approximately 300 consultant posts that are difficult to fill due to geographical location or the nature of the speciality. Many consultants trained in Ireland are much sought after in other English-speaking countries. Some of the posts are filled on a locum or temporary contract basis. In a small number of cases, some people filling the posts are entitled to contracts of indefinite duration. As I said, that can be an issue. Where a highly specialised skill is required, a person who is not capable of doing the job would not be offered the consultant post. I want to be clear about that. The Deputy is asking me whether what he describes is common practice. All I can say to him is that in order to ensure senior medical coverage and the provision of safe, quality care, the HSE has stated that what was described occurs only as a final option in emergency circumstances. That is what we are trying to achieve. When I quoted figures on consultants it was just to remind the Deputy that in times of plenty there were 800 fewer consultants.

### **Residential Tenancies (Housing Emergency Measures in the Public Interest) (Amendment) Bill 2016: Second Stage [Private Members]**

**Deputy Richard Boyd Barrett:** I move: "That the Bill be now read a Second Time."

On the day that is in it, I cannot help but vent my frustration over the fact that the Minister, Deputy Simon Coveney, is not here to-----

**Deputy Damien English:** He is on his way. He is trying to be here.

**Deputy Richard Boyd Barrett:** I will be glad when he is. I have become increasingly

frustrated in recent months because the critical issues facing huge numbers of citizens will be drowned out. They are already being drowned out in the hubbub of the personality contest that is occurring within Fine Gael. Certainly, my frustration has escalated in the past few days. The media is awash and I fear will be for weeks with the beauty contest between the two candidates for Fine Gael leadership, thereby drowning out critical issues of importance to our citizens. While the identity of the next Taoiseach is not an unimportant issue, it certainly should not be allowed to drown out critical issues facing ordinary people. No issue is more critical than the housing, homelessness, eviction and rental crisis now facing tens of thousands of our citizens and inflicting really appalling hardship on them. I argue very strongly that the evidence is now piling up daily to show the Government's approach to dealing with this crisis is failing disastrously. In particular, the Rebuilding Ireland plan and the residential tendencies legislation brought in by the Minister, Deputy Simon Coveney, in December have absolutely failed and will fail further to address a crisis or emergency that is absolutely spiralling out of control.

In the past couple of weeks, I have used the time available to me during Leaders' Questions to try to highlight just how bad the circumstances are in a number of areas and how existing policies and legislation have failed to deal with the real crisis faced by families, individuals and, tragically, children right across the city and urban areas throughout the country. That failure comes in a number of forms. We do not believe this Bill alone is the panacea to all the problems that need to be addressed if we are to deal with this emergency but it is part of a suite of measures that need to be implemented urgently on an emergency basis to stem this crisis.

What is in the wider suite of measures? We have said multiple times – I will not spend a great deal of time going through this – that the ultimate solution to the current crisis is the provision of a massive amount of council housing, directly provided by the State and local authorities. I do not refer to the outsourcing of social housing to the private sector. What I propose is the critical step. We also need to stop immediately selling off, via NAMA, residential property, landbanks and so on to vulture funds that are gaining oligopolistic control, or a virtual monopoly, over residential property and land, thereby ratcheting up rents, evicting people and escalating the housing crisis. One critical aspect of what needs to be done is contained in this Bill, the purpose of which is to deal with spiralling rents and the eviction crisis. Prior to December, the Bill of the Minister claimed to be an effort to address this. I put it to him that recent weeks have shown clearly that it failed to do so because it is riddled with loopholes. Those loopholes were particularly demonstrated in the Robin Hill case. Mistake number one in wider policy terms is NAMA selling off huge portfolios of residential properties to the vulture funds to give them the opportunity to ratchet up rents and evict people. In terms of what they can do to tenants, the flaws in the Minister's legislation become clear. The rent pressure zones, which are not dissimilar from the four rent zones we propose in this Bill, which are supposed to limit rent increases to 4% per year, have a number of key get-out clauses for vulture funds, as we have seen with Robin Hill. Tragically, I believe we will see a lot more of this. Think about the size of Project Gem, with its assets worth €3 billion. We are going to see more of this.

What are the loopholes? The first is that if the landlords claim they are refurbishing the apartments substantially, they can go beyond 4%. The second is that they can introduce backdoor charges. In the case of Robin Hill, heating and hot water charges may be introduced effectively to increase the rent dramatically at a rate way beyond 4%. The third is that the legislation of the Minister allows the landlords to go beyond 4% if they can make a case that the rent they are charging, to which they are restricted in the rent pressure zones, is leading to a significant loss *vis-à-vis* what they would make if they got the full market value.

These are major get-out clauses, all of which are being exploited by the new owner, Cerberus, the vulture fund, in Robin Hill. The other big loophole is the Tyrrelstown amendment about which we warned the Minister. Allowing for up to nine people to be evicted in multi-unit complexes means that is what landlords will do. They evict up to nine people in phases over time. All of this is happening in Robin Hill, highlighting the major flaws in the Minister's legislation.

The Bill also seeks to address another flawed central element of his housing policy in respect of the housing assistance payment, HAP. HAP was described by him as a secure form of social housing and we have discovered over the past few weeks tenants who had been homeless, sometimes for a year or two years, and who then secured HAP accommodation thinking they had secure social housing being told by their landlords, "Sorry, I am selling up and I am evicting you". They are faced with homelessness again. Amanda, a young woman, attended our press conference about the Bill earlier. She wrote to me, stating:

*6 o'clock*

I was homeless last year. I was told HAP was my only option to get myself out of homelessness. Now a year later I am now facing homelessness again. I can't find a property to rent within the HAP limits for my family size. The stress of the situation has really taken its toll on my health. I am suffering with postnatal depression and now I am feeling a lot worse than I was before. I cannot even sleep anymore. It's just a constant worry not only for me but for my three kids. I lost everything when I was homeless before but I built my life back up and got things together for the kids. Now we are back to square one. It's devastating. All I want is a secure home.

When she was told to find another HAP tenancy, which cannot be found, she pointed out to the council that she did not have the money for a deposit even if she found one. The officials said she had a deposit with her existing landlord and they would not give her another one. It is impossible. This is against a background where the Simon Community reported earlier this week that average rent in Dublin for a two-bedroom property is €2,629 a month compared with a HAP limit of €1,275. This is incredible. The HAP support is, therefore, less than half the average rent in Dublin for a property of this size. The scheme cannot work and it is not working with people like Amanda suffering the consequences.

Against that background, our Bill does something simple. It first recognises that there is an emergency and establishes an emergency regime to deal with areas in which homelessness and the rental crisis are out of control, giving the Minister power to designate them as "fair rent areas". He can do this because the authors of this Bill worked with Deputies Bríd Smith, Gino Kenny and with me. They dealt extensively with the Parliament's legal advisers and it has been crafted to essentially employ the same logic as the financial emergency measures in the public interest, FEMPI, legislation, which was used to cut public service pay and pensions. The Government can introduce emergency legislation and get around so-called constitutional barriers on the basis of declaring an emergency in the housing sector. The legislation gives the Minister the power to declare an emergency in particular areas and to take emergency measures that follow from that. Among the measures, he can pin rents back to 2011 levels. Since 2011, rents have increased by 60% to the unaffordable levels I have outlined. If the Minister did what the Bill proposes and used 2011 as the baseline for rents while taking account of increases in the consumer price index, CPI, and wages, average rents in Dublin would fall to around the HAP limits. In other words, HAP might be viable. I do not agree with it as a solution but it might at some level be viable if the Minister did this, otherwise, it is a complete fantasy, which will lead

to an ever worsening crisis. The emergency measures allow for consultation and submissions to be made to the PRTB, which will set fair rents, but the baseline is 2011 rents before the 60% increase in subsequent years. This also takes into account CPI and wage increases. The CPI has increased by 1.6% since 2011 while wages have increased by 2.6%. Rent increases have outstripped increases in the CPI and wages by a multiple of 15, which is unsustainable. The legislation seeks to address this on the same basis that the FEMPI legislation unjustly cut the pay and pensions of public sector workers.

The other key issue the legislation addresses in fair rent areas is security of tenure. This would prevent what is happening in Robin Hill and what is happening to people like Amanda who is being evicted by a HAP landlord because in those areas it would remove almost all the existing grounds for eviction, including sale, except for emergency circumstances for the family of the owner of the property. The owners could make a case to the PRTB that they need the place for themselves. However, this would prevent vulture funds from evicting people with spurious justifications to secure vacant possession to ratchet up rents and drive people into homelessness. This is a fair and reasonable provision. It would provide for it on an ongoing basis but at least the power should be introduced to do it in areas where there is an emergency. Whatever the Minister may say about the wider philosophical issue of rent controls, this should be done in the here and now to prevent the profiteering on rents that is leading directly to evictions, homelessness and a social catastrophe, which is inflicting incredible hardship on people. This can be done through this robust legislation. We do not say it is the complete solution by any means. We need a major social housing programme and a right to housing established in the Constitution with rebalanced property rights for the common good. These measures could prevent the economic evictions that are taking place, and the rent racketeering that is driving people into homelessness. I appeal to the Government, the Minister and the House to support the legislation.

**Minister for Housing, Planning, Community and Local Government (Deputy Simon Coveney):** I thank Deputies Bríd Smith, Boyd Barrett and Gino Kenny for bringing forward the Bill and providing us with another opportunity to discuss the development of the rental sector, which is an absolute priority for me and for the Government. As Deputies will be aware, I have tabled an amendment to the motion. Unfortunately, I will be unable to support the legislation as is.

While I acknowledge the Bill's relevance in the context of the current market conditions in the residential rental sector, the Deputies will appreciate that the proposal once again raises issues that have been addressed in the passage of recent legislation and in the Government's strategy for the rental sector, which was launched on 13 December 2016. The strategy contains 29 actions, aimed at achieving improvements in security, standards, services and supply in the residential rental sector. The Planning and Development (Housing) and Residential Tenancies Act 2016, which was signed by the President on 23 December put many of these actions into effect, including the rent predictability measure, which established the system of RPZs. Families remain under pressure in the rental sector but anyone who thinks there are overnight solutions is wrong. The positive impacts of our strategy are being felt and rental inflation is moderating. Supply indicators are all moving in the right direction as well but I acknowledge not fast enough. It would be premature to revisit the decisions of the House on the new rental legislation after much consideration in a few short months. In addition, the measures in the Bill risk undermining stability and confidence in the rental sector and negatively impacting on existing and future supply of rental accommodation.

We all know that strong economic performance and demographic trends mean that demand in the rental sector is high and is likely to remain strong into the future. The sector has doubled in size over the course of the last 20 years. Population growth, economic recovery and challenges in the home ownership market are all driving increased demand for rented housing at present. The changing nature of work also contributes to the growth in demand in the rental sector. Firms increasingly need more mobile workforces, and changing location and employer has become a more common feature in most people's careers. There is an increasing need and a growing demand for the more flexible housing solutions that only the rental sector can offer.

To date, the rental market in Ireland has not responded well to this increased demand. The levels of new investment and the numbers of new rental units coming onto the market are low and in many parts of the country, particularly urban areas of high population density, demand for rental accommodation far outstrips supply. In these areas, rents have been spiralling upwards and people, including many ordinary working families, are finding it more and more difficult to find accommodation they can afford. This situation is unsustainable, causing uncertainty and hardship for many, contributing to homelessness and threatening our economic recovery by undermining competitiveness, driving up wage demands and making Ireland a less attractive investment destination.

The last Government made some important improvements. Significant amendments to the Residential Tenancies Act introduced in December 2015 mean that the minimum period between rent reviews for tenancies has increased from 12 to 24 months. This will apply for a four-year period, until 2019. In addition, the minimum period of notice of new rent is increased from 28 days to 90 days and longer notice periods for the termination of long-term tenancies have been introduced.

I have gone further, with a comprehensive package of reforms of the entire rented sector, addressing issues of security of tenure, supply, services and standards. While the acute pressures on the rental market mean that we need to manage the inflation of rent prices in the short term, ultimately, the most effective way to reduce and stabilise rents in the medium to long-term, and benefit the entire sector, is to increase supply and accelerate delivery of housing for the private and social rental sectors. That is why, in Rebuilding Ireland, the Government has set out a practical and readily implementable set of actions to increase and accelerate housing delivery across all tenures to help individuals and families meet their housing needs. As of today the most recent figures of the number of social houses now in the pipeline is over 10,000 across 607 different sites across the country at various different stages. That figure was 8,400 last January. We are accelerating delivery. We are opening up more sites through local authorities and approved housing bodies, which I think is what the Deputies are calling for.

Together with the strategy for the rental sector, the housing policy sets out over 100 actions that the Government is taking through new policy, new legislation and innovative measures to achieve increased supply. Supply measures include the use of public land. My Department has requested local authorities in rent pressure zones to use publicly owned sites to kick-start supply. Dublin City Council has brought forward a land initiative project covering the three sites at O'Devaney Gardens, Oscar Traynor road and St. Michael's, Inchicore, and is seeking partners to deliver a mix of social, affordable and private housing.

We are also supporting more build-to-rent development through pathfinder sites to help ensure a more supportive regulatory approach. In February, I launched major infrastructure works on the Cherrywood site in Dublin costing €35 million, a first step towards the delivery of over

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1,300 new build-to-rent homes, which will start later this year. The repair and lease scheme, under which local authorities will refurbish vacant properties and lease them from their owners, was rolled out nationwide in February to bring vacant properties back into use. This will deliver 3,500 properties by 2021 and cost just over €150 million. Funding this year will cover getting 800 dwellings back into use for families on the social housing list.

On foot of a commitment contained in the strategy for the rental sector, the Department of Finance has set up a working group on tax and fiscal treatment of landlords. This group will examine and report on the tax treatment of landlords, and, having due regard to the critical role of landlords in a properly functioning rental sector, will put forward options where appropriate for amendments to the tax treatment. The working group is chaired by the Department of Finance and includes officials from the Department of Housing, Planning, Community and Local Government, the Revenue Commissioners and the Residential Tenancies Board. This group will report to Government on potential tax measures in the middle of the year.

Although supply is the central problem, we cannot ignore the high and rising levels of rent in certain areas of the country. The strategy for the rental sector recognises that rapidly increasing rental inflation is the most significant challenge to security of tenure in the rental sector at present and that there is a need for a targeted, time-bound and transparent policy response to the issue of rising rents. That is why the Government has introduced the rent predictability measure and established a system of rent pressure zones.

The rent predictability measure is one of the most significant actions provided for in the strategy. The measure was enacted by the Planning and Development (Housing) and Residential Tenancies Act 2016 and introduced the concept of rent pressure zones to moderate the rate of rent increases in those areas of the country where rents are highest and rising quickly. Rent pressure zones are defined as areas where rent increases have been 7% or more in four of the last six quarters - that is annual rental inflation - and where the rent levels are already above the national average. Once an area is designated a rent pressure zone, rent increases are capped at 4% per annum for up to three years.

Rent pressure zones were introduced with immediate effect last December across the four Dublin local authority areas and in Cork city. On 26 January, I made an order designating a further 12 local electoral areas as rent pressure zones in parts of counties Cork, Galway, Kildare, Meath and Wicklow. On 29 March, I made another two orders designating Maynooth and Cobh as rent pressure zones. Altogether, some 57% of tenancies nationally are now located in rent pressure zones.

Following on from the introduction of rent pressure zones at the end of last year, the methodology for producing the Residential Tenancies Board, RTB, rent index has been revised and developed so that we can now use the RTB data to calculate and monitor changes in average rents at the level of local electoral areas, which allows us to be much more targeted. Up until now, this has only been possible to do from a local authority perspective - Dublin versus the rest of the country, in fact. The new approach recognises that the same pressures do not apply equally in all parts of the country and gives us the objective evidence base we need to appropriately target the rent predictability measure we introduced last year and designate the correct areas as rent pressure zones.

The practical effect of these measures is that over 186,000 households that currently rent their homes in these areas now know exactly what maximum rent they will have to pay over

the next three years. It also means that the rents they will have to pay will be lower than they would otherwise have to pay if the market was allowed to continue as was previously the case. We have also taken account of legitimate concerns that rent regulation can discourage investment in supply. The measure allows exemptions for new rental properties and for those which have been substantially refurbished, thus ensuring a predictable and fair return on investment for landlords. The measure is also time-bound, providing that rents can be capped in an area for a period of three years only to allow for additional supply to come on-stream.

It is essential that any measures taken to address rental prices do not jeopardise supply. So while I appreciate the motivation behind the Residential Tenancies (Housing Emergency Measures in the Public Interest) (Amendment) Bill 2016, its provisions would have a negative effect on both existing and future supply of rental accommodation and risk perpetuating the very imbalance between demand and supply that is driving rental price inflation. Without counterbalancing measures, there is a very real risk that the measures proposed in this Bill would force existing supply to exit the market and discourage future supply for the sector, making the problem much worse. That is why, although I agree with the intention of the proposers to achieve more affordable rents and increased security of tenure, I believe the rent predictability measures that I have already introduced, in addition to the other measures contained in the rental strategy, will bring increased security and provide significant certainty to both landlords and tenants by allowing for reasonable growth in rents while preventing the instability and uncertainty caused by volatility such as we have seen in the last number of years. The pressures in the rental market are borne out by the data published by *daft.ie* recently. This shows that rent asking prices rose nationwide by an average of 13.4% in the year to March. In Dublin rents increased by 13.9%, while rents outside of Dublin increased by 12.7%. However, the report also shows that rent inflation has slowed over the last quarter. The rate of increase in Dublin for rent prices between the fourth quarter of 2016 and the first quarter of 2017 was significantly slower than the rate of increase over the year. The annual inflation figure of 13.9% implies an average quarterly inflation of 3.5%. The quarterly inflation registered in the first quarter of 2017 was less than half of this with south County Dublin at 0.7%, west County Dublin at 1.4%, north County Dublin at 1.6%, north city at 1.5%, city centre at 2.1% and south city at 1.4%. Dublin was designated as a rent pressure zone in December 2016. The *daft.ie* report data for Dublin shows that the rate of rent price increases has dropped since then. Therefore, I believe it is having an effect. It is not perfect, but it is certainly having an effect.

Through implementing the rent predictability measure and establishing the rent pressure zones, the Government has already substantively addressed the objective of this Bill. In passing the relevant legislation the House has already extensively discussed and reached decisions on the issues and options involved. The rent predictability measure currently being implemented does cover the majority of private tenancies that are under real pressure today.

A significant change, of course, such as that involved in undertaking the rent control provisions contained in this Bill, is not appropriate until we have had the opportunity to review the effectiveness and impact of rent pressure zones. We are due to do that in the summer, by the middle of the year. I have already committed to carrying out that review in June this year. At that point, the provisions will have been in place for six months, we will have data from the Residential Tenancies Board and it will be possible to ascertain the effectiveness of the rent predictability measures that we introduced before Christmas and whether any changes, amendments or improvements need to be made. The review will provide the opportunity for Deputies to propose and discuss any new ideas in this regard.

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I will issue a word of caution. We are committed to that review - of course we are. That was the basis on which some Deputies supported the legislation before Christmas. We will honour the commitments that we made. However, I believe we need to be careful. The property sector, and in particular the rental market, cannot bear dramatic changes on a regular basis. We need to give certainty, on the back of which we will get investment. We need to give certainty to tenants too. We cannot give the impression that we are going to change this dramatically every six months. Let us look at this with an open mind. If there are things that need to change and improve, I will certainly be open to that. However, we do need to try to bed down an approach that can allow us to give certainty to the market so that we can facilitate market forces to help us solve some of this problem of a lack of supply.

**An Ceann Comhairle:** I ask the Minister to move his amendment.

**Deputy Simon Coveney:** I move amendment No. 1:

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

“Dáil Éireann, while acknowledging the relevance of the Residential Tenancies (Housing Emergency Measures in the Public Interest) (Amendment) Bill 2016 in the context of the current market conditions in the residential rental sector, declines to give the Bill a second reading for the following reasons:

(a) it seeks to once again raise issues that have been addressed in the passage of recent legislation and in the Government’s Strategy for the Rental Sector, and it is premature to revisit them at such an early stage of implementation of the strategy, and of the Planning and Development (Housing) and Residential Tenancies Act 2016;

(b) it pre-empts the review, due to be undertaken in mid-2017, of the implementation of the Rent Predictability Measure in those areas already designated as Rent Pressure Zones, the potential positive impacts in additional areas to which the measure may be extended in the future, and the potential refinements to the rent pressure zone approach that might arise from the review;

(c) the measures in the Bill risk undermining stability and confidence in the rental sector and negatively impacting on existing and future supply of rented accommodation; and

(d) the Bill has potential legal and constitutional implications which require careful consideration.”.

**Deputy Eoin Ó Broin:** The first thing all of us are agreed on is that rents are continuing to rise. All of the data from both the RTB and *daft.ie* confirm that. It is important to remind ourselves just how much they have risen. In my constituency in Dublin Mid-West, and this is reflected in many areas, an average two-bedroom or three-bedroom family home is currently going for an asking price of €1,800. That is not even the top of the market. That is an annual cost to the household of €21,000. The idea that it is only in rent pressure zones that families are feeling that kind of pressure clearly is not the case, even where rents might be lower than that.

The Minister is right that when one reads the *daft.ie* figures, the rate of rental inflation in the last quarter appears to slow. However, if that level of rental inflation was to carry on over the course of 12 months, in a number of those areas it would breach the 4% limit that the legislation

is meant to prescribe. I would be worried even by that slowing rate of rental inflation from the limited figures that we have.

The other concern, which many of us are beginning to hear in our constituency offices, is that because the policing of the 4% is in the main left with the tenants, particularly tenants at risk of losing their homes who may have a notice to quit, we are beginning to see in the private rental market what we saw for decades under rent supplement, which is under the counter additional payments above the cap. One of the things I urge the Minister to look at in the review is some way other than requiring, for example, a struggling family with only a month or two left on a notice to quit from being the only mechanism for policing whether or not the 4% limit is being adequately adhered to where it applies.

I am also concerned about the exemptions. This needs to be looked at very carefully in terms of what the differentials are going to be between, for example, the rents of refurbished and new properties on the market and those that are covered by the rent pressure zones, if there is data to that effect in the review period. I will make the same point I have made a number of times. The fact the rent pressure zones are based on local electoral areas, LEAs, is causing problems in some areas. I have used the Waterford case repeatedly because in that area, if the Minister went below the LEA to the district electoral division, DED, he would at least start to give some comfort to people in those areas that are facing rents as high as they are in my constituency. In the LEA as a whole, they currently cannot avail of the rent pressure zone. It is something that we are told the RTB is looking at.

Outside the rent pressure zones, the markets still reign supreme. These are families under huge pressure. We warned that this was going to happen. The Minister's own explanation of the slowing of the rate of increase in the rent pressure zones proves the point. We are essentially incentivising landlords outside the rent pressure zones to push their rents up as fast as they can within the existing legislation to the already unsustainable levels in Dublin city, Cork city and elsewhere. That needs to be urgently reviewed.

One of the worrying things about the *daft.ie* rental report that came out last month is that it is now seriously warning about the opening up of a two-tiered rental market. I know this because I experience it myself directly. People like me who have been in a rental property for a long period of time with a stable landlord actually have rents significantly below the new asking prices. However, new entrants into properties on my street are at the very top end. Some action is going to need to be taken to find a way of preventing a two-tier rental market opening up, widening and becoming the norm.

Vacant possession notices to quit are currently the single largest cause of family homelessness in the Dublin region and I presume it is similar in Cork city. The Minister knows this. Those families are presenting as homeless not only because they receive a vacant possession notice to quit, but because, as Deputy Boyd Barrett said, they simply cannot access private rental accommodation. These are not just families on HAP. These are working families, single people on low part-time incomes etc. The Bill is timely because many of us feared that struggling renters, whether they are accessing HAP or working full or part time, would not get the level of relief that was promised to them when the Minister introduced the legislation in December. The evidence is pointing in our direction and we will see where it will go over the next number of quarters.

I believe the Bill has real merit. The reason I say that is because to date, all of the conver-

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sations we have had on Government and Opposition benches on rent issues are about how to constrain rents and stop the accelerating rise of rental inflation. This is the first time we have a Bill that tries to move the conversation on to situations in which rents are already at unsustainable levels and whether there is some mechanism, legislative and legally sound, that can start to draw those rents back to affordable levels. While this Bill may or may not be the most technically correct way of doing that, the very fact that it is being put on the table means that I believe it is deserving of at least committee scrutiny and further discussion and debate rather than being rejected in the House. Sinn Féin is supporting the Bill because the principle of it is right and worthy of moving forward.

In the few minutes I have left, I will respond to the Minister's contribution. First, his rental strategy is not comprehensive. I said this when we had a very limited time to debate it in December. It is to date the weakest part of his housing strategy. It is the shortest in terms of length, detail and specific commitments. Most of the things the Minister listed in terms of supply, services and standards have not yet been actioned. Some of them do not even have concrete deadlines.

The Minister is right that the demand is too high. It is also because too many different types of households that should not be pushed towards the private rental sector are being pushed because of Government failures elsewhere. Social housing is the most obvious one. It is misleading to talk about there being 10,000 social housing units in the pipeline. Here is the reason: a significant number of those have neither planning permission nor agreement from their local authorities to proceed. In my constituency, a third of the properties the Minister is claiming are in the pipeline will never go ahead. Two significant developments in Dublin Mid-West, which the Minister visited today, are not only not at planning stage but will never get off the ground. If that is translated across other areas, the 10,000 figure simply is not credible.

I make the point all the time that supply in and of itself will not guarantee affordability. In the run-up to the height of the boom, both in terms of private rental accommodation and first-time buyer accommodation, supply increased to historic highs but affordability was not guaranteed. Supply on its own, without adequate measures such as the ones outlined in the Bill to ensure affordability, will not address the concerns many have.

Once again, the Minister has said measures such as these will have a negative impact on current supply and future investment and, once again, he has provided no evidence to support the claim. We had exactly the same conversation when we debated the Minister's previous legislation. If there is some evidence - something concrete and tangible - to say these measures, the consumer price index or other measures that have been proposed, will negatively impact supply, the Minister should present the evidence to us. In committee we are all very sensible, reasonable and rational people. We will look at it and study it. Simply stating over and over again that giving struggling renters a break will damage existing and future supply and investment is not evidence. I have no doubt we will be back here in three or four months when the next round of data is out and continues to show people in private rental accommodation are under huge pressure. Struggling renters need a break. What the Minister introduced in December was too modest and piecemeal and did not apply universally to all renters who are having difficulties coping with astronomical rents. This issue should be allowed to go to the committee because it does not deal with the crucial issue that even with a reduced rental increase of 4%, those rents are already unsustainable. They are already putting huge pressure not just on families out of work who depend on social welfare but on students, young working families and older people who, because of changes in their lifestyles, have ended up close to retirement and back in the

private rental sector. They are fearful of what happens when they go onto State or low occupational pensions and will not be able to meet market rents as they stand.

While I have no doubt the Minister has no intention of considering this Bill and allowing it to proceed, I have no difficulty supporting it. I urge others to support it in order that we can have a more detailed conversation in the committee. If we are back here in three or four months when the review is being conducted with the evidence on the table and the data from the Residential Tenancies Board, RTB, and *daft.ie* confirming yet again that struggling renters are not being assisted by this Government, I would urge the Minister then to consider much more substantive changes to the existing regime than suggested by his warning at the end of his remarks.

**Deputy Pat Casey:** The Bill was introduced to the Dáil prior to the passing of the rental pressure zone legislation in December so it is somewhat out of date. That is not to imply the situation in the rental market has in any way improved for the great majority of renters, especially tenants who have had to move to a new property or those looking to rent. It is not clear that this Bill offers any new solutions not already included in the Government rental pressure zone measures. Fundamentally, the 4% cap on rent increases implemented in the rental pressure zones measures has probably helped ease the pressure on some sitting tenants from significant rent increases. It has created greater certainty for sitting tenants. According to Ronan Lyons, there is evidence landlords have passed on rent increases to movers. According to the latest *daft.ie* report, for many sitting tenants there have been no dramatic increases in rent. This may mean the rental pressure zone system is making things worse rather than better by amplifying the insider-outsider nature of the rental sector. Again we are back to the issue of supply. Rent caps and other rent regulations will not fundamentally alleviate the crisis renters face. The message has to be that much greater supply is needed. The Bill proposes to empower the Minister to designate fair rent zones in which the rent shall not exceed the market rent on the fair rent valuation date of 1 October 2011 by more than 5% above the CPI. By my calculation it would mean many areas in Dublin would probably experience an average rent reduction but not by much. Whether we like it or not, forcing a reduction in rents, as this Bill attempts to do, would infringe on property rights which would be unconstitutional. It would also probably make the situation a lot worse for people who are looking for accommodation.

On the other main point of the Bill which seeks to improve tenants' occupancy rights, we have a lot of sympathy. If we want to tackle the rental crisis and in particular the lack of tenant security in the sector, it has to be done in a meaningful way and in a manner that is legal and constitutionally sound. Fianna Fáil supports in principle the removal of sale as a reason for ending tenancies and we are working on measures that would provide greater security of occupancy for tenants in this regard. We will also support the reduction, in the Tyrrelstown amendment, to five units or even fewer. Mike Allen of Focus Ireland argues that eviction for reasons of sale is now the number one source of homelessness. He estimates that one third of households becoming newly homeless is as a result of evictions for this reason. We saw such evictions recently in Balally, Sandyford and Tallaght.

I will address some of the specific issues in the rental pressure zone legislation that will need to be addressed in the review in June. I will discuss where we are going wrong on the supply side and what measures are needed truly to accelerate supply. From rent inflation data in quarter one of 2017, it is clear the 4% rent caps are only having a very limited effect on stabilising rents for those *in situ*. They should be considered a short-term stabilising measure. Rent regulations will not be the solution to the rental inflation of housing prices generally. It is clear there are flaws and inconsistency in the methodology used in the designation of rent pressure

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zones. Many towns with both the highest rents and highest rent inflation, such as Maynooth in Kildare and Greystones in my county, are not covered under the rent cap legislation due to the flaws in the approach used to decide on the designations. Meanwhile many areas within these counties and others that have been designated do not have particularly high rent pressures, such as many rural locations.

Other issues in the rental pressure zone model include its effect on investor uncertainty. This is because designations are decided upon in such a piecemeal manner. If there were a wider or even national roll-out, of rent caps it would be better for investor certainty in the short term. The threat that rent caps can be implemented in any quarter has a bigger impact on investor capacity than the rent caps themselves. We will be ensuring the review in June goes ahead and the flaws in the methodology are rectified to ensure towns and other rental pressure zones can be included.

The publication of the three recent reports on the acceleration of house price inflation, continual rent inflation in 2017 and the lack of progress being made on new social housing construction demonstrate the plan is failing the key test of expanding new housing supply. The Minister, Deputy Coveney, continuously ignores areas where we could deliver significant new housing while introducing procyclical measures that are causing very extreme house price and rent inflation which are clearly creating conditions for the next housing bubble. It is acknowledged that building houses is a time-consuming and difficult undertaking. The constant assertions that targets of new housing supply are being met when apparently the opposite is the case is doing nothing to change policy that will impact the dysfunctional housing market.

Census 2016 results show that Ireland has 2 million homes, a net increase of just 9,000 homes since 2011. Given that there were 170,000 extra people in the country in 2016 compared with 2011, it is quite easy to see why we have a housing crisis. The Government continues to overlook areas which could deliver significant construction cost savings. It could, for example, reform our defective self-certification system of building control introduced by the last Government. Instead, it has introduced pro-cyclical measures aimed at private developers that are causing price inflation and has clearly created the conditions for the next housing bubble.

As has been well documented, the most recent census revealed almost 260,000 vacant homes across the country, representing 15% of the total housing stock. This is both shameful and wasteful but this figure may well be a significant underestimation of vacant properties throughout the country. There are thousands of square feet of liveable space above shop units, for example, as anyone who walks around our cities and towns will see clearly. A vacant building study completed by UCC revealed that the typical city centre conversion of vacant sites' upper floors could increase the residential population in urban centres by over 260%. In Dublin this could translate into over 2,000 additional residential units in a very short space of time. The policy priority should be to focus on returning vacant spaces to use as accommodation. Most vacant spaces have the potential for conversion to residential use in older buildings but it is next to impossible to get sign-off because of the building standards for new builds. Building control and planning regulations make the spaces in older or commercial buildings virtually impossible to convert for residential use and must be changed if we are to make a dent in reducing the levels of vacancy and dereliction.

I see no acceleration in the supply of social housing. In the past six years, the State has built just over 4,000 social housing units, which is fewer than were built in almost every year between 1994 and 2009. This not only affects the families who are eligible for social housing but

also impacts on housing supply across the board. Traditionally the State has acted as the largest single house builder in the country, adding significant levels of new supply annually. However, under Fine Gael Governments, this situation has been reversed and the absence of new supply coming from the State affects all who are in search of affordable housing. There have been no new approvals for large scale housing projects since January 2016. The most optimistic reading of the latest data suggests that fewer than 1,000 new social homes will be constructed in 2017. It is indicative of the Department's strategy that of the 276 social housing projects that have passed the pre-planning stage, just 15 include 50 or more individual houses or apartments. The largest scale housing project proposed is for 100 homes, of which there is only one in the country. Approximately 80% of the projects involve just 30 units or less. There can be no doubt that the preference for small scale housing developments of between ten and 30 units is holding back the delivery of social housing. While no-one is suggesting that we build social housing developments on the scale of Ballymun or other post-war social housing projects, it must be acknowledged by the Minister that the preference for small social housing developments is costly and time consuming and is not appropriate in the context of the current drastic housing situation. Further, it does not address the needs of families throughout the country.

**Deputy Gino Kenny:** I will cut to the chase in this debate. This crisis is manufactured. It has been in the mists for the last seven or eight years. It is a crisis that has been caused by politicians like the Minister of State - I do not mean that personally - and his party colleagues, as well as members of Fianna Fáil looking the other way. It is a crisis that has brought untold misery to thousands of people. It is ideologically driven by the worst forms of neoliberalism, which commodifies housing. Nowadays, most people refer to housing as property but housing is a home, in my eyes.

There are so many examples of families and working people who are in absolute crisis and who have nowhere to go. At the same time, some have made serious profits from this crisis. I want to draw attention to two companies in particular. I had not heard of them until a few weeks ago when I started doing some research for this debate. The companies in question have lovely names but they are actually ruthless. The first is a company called I-RES, a real estate investment trust. This company generated a pre-tax profit of €30 million last year, up from €7.9 million in 2014, on the back of strong rental growth and high occupancy levels. The group said that it had net assets worth €435 million at the end of December. The other company is called Green REIT, which recorded a 10% increase in contracted annual rent this year, to €61.3 million from 21 properties. Its net asset value rose by €148 million. These companies were set up to avail of very generous tax laws introduced by the current Minister for Finance which enable international investors to capitalise by buying properties which were sold very cheaply by the State and then renting them out for astronomical amounts. That is very unjust.

I am from Dublin Mid-West, the same constituency as Deputy Ó Broin. When I was a councillor, the issue that always dominated was housing. I hear stories all the time from people who phone or call into my office but nothing shocks me anymore, such is the extent of the housing crisis in this country. I have spoken to people who have been on the housing waiting list for ten to 12 years and who have run out of options, both physically as well as mentally. Their situation is doing terrible things to their minds and to the lives of their children and it is ruining their social lives. There is a litany of horrible things going on Ireland at the moment. People are being forced to live in hotels or in totally overcrowded conditions. They are living in appalling circumstances that are not of their making but are of the Government's making. This is ideologically driven.

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The housing assistance payment, HAP, scheme is simply not working, according to the vast majority of people who have contacted my office. I heard of a case recently where a family has been given homeless HAP up to the tune of €1,900 for a two-bedroom unit. This is leading to a situation where vulture funds and unscrupulous landlords are increasing rents further, in the face of the unnatural level of demand. There is a huge crisis out there and this Bill, which is not perfect by any means, is an attempt to address the horrendous situation for those in need of social housing, as well as those who simply want to rent and get on with their lives. At the moment, some people are spending up to 70% of their income on rent and that is not acceptable.

I was born and grew up in a housing estate in Neilstown and am very proud of where I am from. That housing estate was not without its problems at the beginning but it has grown into a very mature and good place to live. It is predominantly an area of social housing. I suggest 95% of houses in the area are social housing. I take exception to anybody inside or outside this House suggesting we cannot have 100% social housing anymore because it would lead to social problems. It is absolute rubbish to use such language. When people are given good housing, infrastructure and transport links, they will grow with their communities and become good citizens.

The ideology or policy of the Government and its predecessor has been that there must be mixed-tenure dwellings and projects, which is fair enough. I understand there must be mixed tenure. However, the vast majority of projects are now so diluted that they have less than 20% social housing. If this continues, we are going to keep coming back to the same problem, which is that people cannot be housed in the State. I have many problems with Fianna Fáil, but at least it housed people in the 1950s and the 1960s at a time when the country had nothing. People were housed in great areas of Dublin like Drimnagh and Ballyfermot at a time when the country had very little. It is now extremely wealthy, but it cannot house its citizens, which is an absolute shame. While the Bill is not perfect, at least it tries to deal with some aspects of the ongoing crisis.

**Deputy Bríd Smith:** I admire the fact that the Minister, Deputy Simon Coveney, who is not present in the Chamber shows a little humility in his approach to this matter. He consistently says the measures he has introduced are not perfect and need to be added to. However, I take issue with what he considers to be better and what he would like to add to the current regime. For the moment, I advise him to study a document, Locked out of the Market VII, which has been produced in recent days by Simon Communities. It is worth reading because it illustrates clearly the gap between what is being paid to recipients of housing assistance payment and the rents the market is demanding, particularly in bigger cities like Dublin and Cork. As other Deputies said, on a daily basis we are dealing with families that are extremely stressed because they are about to be evicted by landlords who are selling their properties and do not want housing assistance payments. There is a real problem with the strategy of controlling rents and driving everybody into the private rental market.

I would like to mention an example of the behaviour of I-RES REIT, which was mentioned by Deputy Gino Kenny. In a recent briefing note to his clients Goodbody analyst Colm Lauder noted that the high asking rent at an I-RES REIT development in south Dublin “reflects the quality of product and service [but] is also an effort to overcome the 4%-per-annum rent review cap by starting at a rent that is very much at the top end of the market”. According to the company’s website, apartments at the development in question will be available from early July, with prices starting from €1,925 per month for one-bedroom properties and increasing to €2,750 for three-bedroom units. This is the world in which we are living. If we continue to say

the problem is supply, while doing nothing about soaring rents in the State, those who are in a position to provide the supply needed will do what I-RES REIT is doing in south Dublin by starting at the very top end of the market. In fact, this behaviour is pushing rents up further and there are no mechanisms or measures *in situ* to control it.

Although the Bill is modest, as has been said, it is one of a suite of measures aimed at alleviating the farce of rising rents. It deliberately plays on the precedent set in the Financial Emergency Measures in the Public Interest Acts - the FEMPI legislation - which we will be discussing next week. The FEMPI legislation was designed to overcome the criticism that it would be unconstitutional to go after the private property of public servants, specifically their pensions. According to the Government, the financial emergency is long since over. This measure has been designed to address the housing emergency which has not yet peaked by bringing rents back to 2011 levels.

I would like to deal with the argument that this proposal interferes with the free market. I recently participated in a radio discussion with the Minister and Mr. Tom Parlon of the Construction Industry Federation. I asked Mr. Parlon how much profit builders needed to make in order that they would get out of bed each morning and build. At first he would not answer that question - the Minister was very quick to attempt to defend the Construction Industry Federation - but he eventually conceded that it would not be worthwhile for builders to start building unless they were making 7.5% profit. They would have to wait until they could obtain such a yield. If public sector workers were to lodge a pay claim in the morning for a pay rise of 7.5% and they went on strike in the way builders have gone on strike, the Government would be screaming blue murder at them. The idea that we cannot interfere with the market is an utter farce. We are incentivising landlords by offering REITs tax breaks on their profits and incentivising developers by giving them land for nothing, offering them loans at special rates, giving them tax breaks and throwing funds at them. We are interfering with the market to favour landlords and developers at the expense of tenants and those who are desperate to attain housing.

The housing crisis has worsened in the past few years. Over 100,000 families have joined the housing waiting list and thousands more are homeless. If the market is such a great god, why has it put people in worse circumstances than they have ever been in before? Although Fianna Fáil was clearly involved in winding down the delivery of social housing, its representatives have, rightly, made the point that the Fine Gael-Labour Party coalition Government was the first to cut it out altogether by failing to build any social or public housing. That is at the heart of the problem. I absolutely believe in interfering with the market. The Bill will interfere with it, not in favour of those who make vast profits but in favour of those who need a nest, a roof over their heads and a safe place for their children to put their heads down at night. It is not as if housing is a luxury or an extra gift in life. It is absolutely essential for every family in the country. It would be truly ignorant of the Government to write off the Bill on the basis that it would be unconstitutional to interfere with the market. Such an idea is truly offensive to the thousands of families that are in dire need of housing. We will get no return on our investment by favouring and pampering the Construction Industry Federation and private landlords. We will pay out millions of euro in housing assistance payments in the coming years, but at no stage will the State own any of the properties involved or get a return on the rent payments made. Instead, we will be giving public money to the private sector. In other words, it will be socialism for the very wealthy and capitalism for the homeless and the poor.

My argument is that in a housing emergency such as this, it is the duty of the Dáil to interfere with the market. The true blues of Fine Gael cannot afford to stand back and say they

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would never interfere with the private market. I suggest they have a duty to interfere with it. If they do not, rents will rocket upwards and upwards as supply comes on stream. The I-RES REIT development in south Dublin is an example. If the Minister of State and his colleagues read the documents, they will be unable to deny that all the evidence points in that direction. It should not and cannot be left to the market to meet the basic right to shelter. Landlords, developers and builders cannot be allowed to undermine the lives of real people and tenants as they make their profits. At least the Bill is trying to bring some balance into the relationship, although it will not deal fully with the crisis.

7 o'clock

The Minister has acknowledged humbly that he does not have all of the solutions.

Just as he said his solutions are not perfect, neither are we saying that this Bill is perfect. It is one of a suite of measures that must be taken, and it will bring some balance to the relationship until we deal fully with the crisis and allow tenants more security and landlords to be restricted in how they can raise rents.

The vast majority of workers in this country have not had a pay rise since 2011. The average industrial wage has gone up by 3% but rents have gone up by 66%. I ask the Minister of State to square that circle and tell people that it is okay not to interfere with the rental market. At least we are attempting to do something to bring a sense of equality and justice into their lives.

**Deputy Thomas P. Broughan:** I am delighted to have this opportunity to speak briefly on this very important Bill and I thank the members of People Before Profit for the great work they have done on the Bill and for bringing it before us today. The timing of a discussion on this Bill could not be more appropriate or fortuitous. It seems that our housing and homelessness crisis has reached emergency heights. The idea of coming forward with a housing emergency measures in the public interest, HEMPI, Bill in the rental market and to utilise the same type of dramatic action that we saw taken on behalf of the banks and the bankers six, seven or eight years ago is totally appropriate. It is what the Government should have done and what the next Government will definitely have to do after the next general election.

I tabled a Topical Issue matter earlier today, to which the Minister of State, Deputy English, kindly responded, on the lack of communication with families currently in homeless accommodation and their upcoming move-out dates of 1 July. In just six weeks, the Minister, Deputy Coveney, has promised to move 1,256 families with 2,563 children into alternative, more suitable accommodation.

The Bill before us seeks to amend the Residential Tenancies Act 2004 and utilises the same principles as financial emergency measures in the public interest, FEMPI, legislation. The general thrust of the Bill is that emergency measures are now absolutely necessary for the common good in the housing area, and that is why I fully support and welcome this Bill. It echoes what I have been saying for at least the past two years, that the crisis is so severe and deepening that drastic action is required by Government to address it in a meaningful way. It is no use coming into the House with a mantra, as the Minister, Deputy Coveney, did earlier, about rent certainty and predictability when he is not prepared to regulate the market, which is the market of having a roof over one's head.

Section 2 of the Bill would insert a Chapter 5A into the Residential Tenancies Act 2004. This chapter deals with "fair rent areas", as they are rightly called, and would link rent increases

to the consumer price index. Before Christmas Dublin and Cork city were named rent pressure zones in the Government's so-called rent certainty legislation introduced by the Minister, Deputy Coveney, and by the end of January this year, he had designated 23 more towns and Galway city as rent pressure zones. They are those areas where rent is above the national rent and have had more than 7% rental inflation in four of the preceding six quarters. Rent increases in these areas cannot be more than 4% for three years. New properties and those which have been substantially refurbished are exempt from this limit. Rent pressure zones will only exist for three years and apparently cannot be extended beyond that. That is the value of the Bill and proposal before us and the measures included in it are far stronger and will go much further in providing real stability, affordability and security of tenure for tenants.

Census 2016 showed us that the cost of renting in Dublin city has increased by almost 30% since 2011, in Dún Laoghaire-Rathdown, it increased by 26.2%, in Fingal, it increased by almost 23%, in south Dublin, it increased by almost 23% and in Kildare, it increased by 20%. The average weekly rent paid to private landlords in April 2016 was up 17% on the figure for 2011.

The Minister referred to the rate of the rental increase slowing. That reminded me of a former leader of Fine Gael, a former Taoiseach, Garret FitzGerald, who talked about the rate of the increase in unemployment slowing but it was still increasing. That was the problem we had to deal with when Garret FitzGerald was Taoiseach in the 1980s.

On Tuesday of this week, the Simon Communities in Ireland launched its study, Locked Out of the Market VII: The Gap between Rent Supplement/HAP Limits and Market Rents, which showed that almost 90% of properties for rent are unaffordable to people on housing supports. That is a shocking indictment of the Department under the Minister of State's senior Minister. An example of a gap of around €800 for a two-bed unit in Dublin was cited. In a study over three days, it found that just 12% of the available 600 properties were affordable within the rent supplement-housing assistance payments limits, yet the Minister of State reiterated in the earlier debate on my Topical Issue matter that HAP was working for people facing homelessness or in homeless accommodation. Of that 12%, only two properties were affordable to a single person and just seven properties for a couple who receive those payments. The study also showed that there are now 48% fewer homes available to let than there were in May 2015.

At a briefing on this Bill, organised by Deputy Boyd Barrett earlier this week, representatives from Focus Ireland and Threshold demonstrated how broken the current housing sector is. Focus Ireland has been working directly with families entering homelessness and has previously said that rent increases were the number one reason for homelessness in families, and that is certainly my experience as well. When people become homeless it is always due to their facing increasing rents or to attempts by landlords to use various devices to evict people and then get increased rents when they are gone from the properties. Now, however, the main reason for people entering homelessness is evictions due to landlords selling up. Where is this being monitored? Even though a landlord signs a statutory declaration to say that the property will be sold, where is the follow up?

On Tuesday last, Mr. Mike Allen drew a very apt analogy that people allowing properties to become vacant in such a crisis is comparable with hoarding food in the middle of a famine. He is right. There is more than enough vacant property and land across the country, but again the Government seems to be too scared to act to achieve real rent certainty or even to begin local authority housing programmes rather than the feeble efforts we have had so far from the

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Minister, Deputy Coveney, and the Minister of State, Deputy English.

Census 2016 gave us the up-to-date figures and showed that there has been a 15% decrease in the number of vacant dwellings between 2011 and 2016. Some 62% of those were holiday homes, but that still leaves 183,000 other vacant dwellings. For the first time in census 2016, the type of dwelling was captured in terms of identifying vacant dwellings. It found that in counties like Cavan and Leitrim there were massive developments proportionately in the Celtic tiger era, which represented a high proportion of those.

Rebuilding Ireland has a target of 47,000 units of social housing up to 2,021, yet the vast majority of this is to be provided within the private rented sector through the housing assistance payment, HAP, scheme. There are currently around 20,700 HAP tenancies across Ireland, including 7,000 which have moved from rent supplement payments to HAP. I have consistently been questioning, as I did earlier with the Minister of State, the appropriateness and effectiveness of this programme as, while housing need is considered to be “met” in a HAP tenancy, the local authority has no part in the tenancy and, therefore, gives none of the security of the previous rental accommodation scheme. The Minister, Deputy Coveney, continues to repeat the mantra but even since I last spoke to the Minister of State, I have talked with a constituent in Fingal county who is facing homelessness in two weeks’ time. She has been trying endlessly to access HAP type accommodation because the last thing a family like hers needs, with all the issues a young family faces, is to become homeless in two weeks. She does not want to go into that system, but nobody wants to know when the HAP is mentioned. I urge the Minister of State, and the Minister, Deputy Coveney, in whatever will be the formulation of the next Government, to give the local authorities a direct role in the provision of HAP - in other words, to make them ultimately responsible for securing HAP tenancies because certainly in the Dublin region, their current policy is not working.

There are now almost 7,500 homeless people in Ireland. There has been a huge increase in family homelessness, especially in the 18 to 24 years cohort. According to census 2016, 10% of the population are living in overcrowded conditions, and tens of thousands are languishing on the housing waiting lists.

We are talking about what history will write about various people, including the outgoing Taoiseach and the outgoing Minister for Finance, as if history was some stern person in the future. History will be the work of scholars in years to come. Despite the palaver in the newspapers today, their judgment may very well be harsh on the outgoing Taoiseach and perhaps the Minister for Housing, Planning, Community and Local Government as we have seen this scandal of desperate suffering of families and children who are in homeless accommodation. The Government has allowed that to go on. We have seen many redress schemes arising because of scandals in the past. In the 2020s and 2030s, history might record the offer of redress to the children who suffer tonight because they must live in that kind of accommodation.

This modest, simple and straightforward Bill is the way to go and we need emergency housing legislation. I commend People Before Profit for bringing it forward.

**Deputy Jan O’Sullivan:** I thank Deputies Bríd Smith, Richard Boyd Barrett and Gino Kenny for giving us the opportunity to debate this Bill. My party’s position is that the Bill should go to Committee Stage for further exploration. There may well be some concerns as outlined by the Government but the fact that the Government’s review will happen during the summer is not a reason to prevent the Bill from going to debate on Committee Stage. Why should this

not go in tandem with the Government's review? There is a question of whether there are legal and constitutional implications, and although there may be such problems, there may not be as well. That can certainly be explored at a later stage.

I have stated before that I was a member of an Oireachtas committee on the Constitution more than ten years ago. We examined a number of measures, one being the implementation of the Kenny report relating to the value of land, specifically having only reasonable profit rather than windfall profits. At the time our legal adviser was a very eminent person, Mr. Gerard Hogan, who suggested it was not unconstitutional. We agreed the report as a result and the elements were put into a Bill I presented on behalf of the Labour Party late last year. These matters must be tested. There is a balance in the Constitution between the common good and property rights and we seem to say cautiously that property rights trump the common good; there is no reason the common good might not trump property rights in some cases. It is not a reason to prevent further examination of the proposals.

I have some questions but I am not sure if the Deputy gets the chance to reply.

**Deputy Richard Boyd Barrett:** I do.

**Deputy Jan O'Sullivan:** Why are only certain areas highlighted and why did the Deputies designate some areas as fair rent locations? The Bill in some cases seems to be doing what the Government did with rent pressure zones. I do not really understand why this should not apply to all areas. This brings me to some concerns about what was inserted in that legislation, which we dealt with just before Christmas. There are loopholes, as noted by Deputies Boyd Barrett and Ó Broin. The obligation on tenants, effectively, to report breaches is a real problem. There are people who see their rent increased above the 4% level or those outside the rent pressure zones who have seen landlords trying to increase rent before the two-year limit expires. There are other obligations for areas outside rent pressure zones. These people are in a vulnerable position and they know they cannot get other accommodation at the same price. They are the very last people who should have to police the matter, so I hope the Government will consider that in the review. People are under real pressure in that respect.

Several Deputies have referred to the Simon Communities of Ireland report, *Locked Out of the Market*, and I attended its launch. In the centre of my city, Limerick, the report considered renting by single persons and couples, including sharing adults and one-parent families, as well as one-parent families with two children. Only one property under all those headings in Limerick city centre is within the rent supplement or housing assistance payment, HAP, limits. It is for a couple or one parent with one child; there is nothing for a single person or a couple with two children within the area. The *daft.ie* report up to the third quarter of 2016 indicates an average increase of 13.2% in rents in Limerick, yet it is entirely outside the rent pressure zones. The Minister, Deputy Coveney, visited recently, and he gave some indication that he thought Limerick would be included the next time. That is a kind of invitation to landlords to put up rent now, which is a worry, and I have publicly said that this absolutely should not happen.

There will always be places just outside the rent pressure zones with people hoping they will just about get in. That causes very big problems, as does the point raised by Deputy Ó Broin when he spoke about the use of local authority areas rather than district electoral divisions. I know Limerick city best and because there is a big rural section in that local electoral area, it may not be included in a pressure zone, despite rents being near their highest in the city in part of that local electoral area. It is an imperfect model and I hope it will be examined in the re-

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view. I have just drafted a letter in response to a woman who contacted me and who lives in the suburbs of Limerick. She is renting and works in a professional job full-time. Her husband is a carer because they have two disabled children. The two years of controlled rent, if we call it that, under the regime introduced by the former Minister, Deputy Alan Kelly, are due to expire in the next couple of months. She is really frightened about what will happen at that stage as she knows there is nothing else that the family can afford in the area where they live and their children go to school. There is a real squeeze on people and they need solutions and some hope for the future. Supply is clearly a problem. Deputy Boyd Barrett states that wages have only increased by 2.6% since 2011 but rental costs have increased by a huge amount more. Even from a Government policy perspective, there will be more demands for wage increases if there is no control of housing.

As I do not have much time left I want to make a more general point. The supply issue is really difficult. Other people have referred to social housing and if the Minister, Deputy Coveney, had been here I would have asked him if he had looked at the One Cork idea, which is a very good social housing proposal. The trade unions in Cork have come together to present a very interesting document and I hope the Minister will consider it as a model of how local authorities can provide housing.

In my last few minutes I will speak to a concern raised by others about how publicly owned land is now being used to bring in private developers to build houses. I know the Minister of State, Deputy English, spoke about it last night when we discussed the planning legislation. The difficulty is we do not have an affordable housing scheme. There will be 10% social housing but we must see that this will not lead to very expensive houses on the one hand, with the builders asking why they should not charge such an amount; a small number of social houses, as provided for under current legislation; and no affordable housing. When somebody on an average income is not able to afford to buy an average house, the market is not working, and that is where we are now.

Deputy Gino Kenny was the last person to refer to mixed tenure but if we are to have that, we need affordable housing in the middle. We need the kinds of houses that people can buy because they do not qualify for social housing and at the same are not so beyond people in terms of cost that the person earning an average salary can afford them. We need to focus on intervening in the market in that regard. We urgently need affordable housing to be in that mix. I urge the Government to deal with that issue quickly because it needs to be dealt with.

I agree with some of the points Deputy Casey and others made on vacant properties and the need for more effective ways to bring the properties back into use. I favour sticks as well as carrots in terms of not allowing people to leave empty properties to sit there idle. Deputy Broughan referred to that a moment ago. We need measures to ensure that they are not allowed to just sit there until a bigger profit is to be made.

We will support bringing this legislation to the next Stage.

**Deputy Ruth Coppinger:** It is unfortunate that this Bill is being debated on the day that the Leo and Simon show is dominating the attention of the media, where a press event to discuss and highlight the Bill was not attended because the media were busy elsewhere. The reason I mention it is that the new leaders of Fine Gael will have a huge responsibility in housing, which is the biggest social crisis in this country, bar none. I also wonder if the Minister of State has any advice, or if either Deputy Coveney as Minister for Housing, Planning, Community and

Local Government, or Deputy Varadkar as it happened in his constituency, for the 30 families who last week in Blanchardstown had their lives torn apart when a fire engulfed 30 apartments that they were living in.

Those 30 families have now joined the general homeless blackspot that Blanchardstown is and has been for a number of years. Furthermore, the private rental market in particular which the Minister of State keeps on lauding, as he did in his speech today, means that as private renters they are thrown to the wolves. Owner-occupiers are covered by the management company insurance and will be facilitated with having accommodation subsidised, as is anyone on housing support, but the biggest group of people, who are privately renting, are not covered by that insurance. Landlords are covered by the insurance if they happened to lose out on rental income as a result of the fire. That is a loophole which I would ask the Minister of State to seriously address. I raise it here because these people are facing rents of up to €2,250 per month which are being sought in the Castleknock area, where most of them will end up looking. There are 21 two-bed properties in the whole of Dublin 15 listed on *daft.ie* today, so along with hundreds of other families, those families have now been thrown into the mix. If they were living on a street in certain parts of the constituency, Deputies would have swarmed like locusts around it, but because they are privately renting and many of them are not Irish, there does not seem to be much interest. No task force has been set up. They were each given a cheque for €100 by the Department of Social Protection. That would not get them a night in bed and breakfast accommodation if they could even find a vacancy, never mind the fact that they could not get in to get their clothes, medication and so on.

I wanted to talk about the rent predictability measures that the Minister of State tells us cover everything and so we do not need this Bill. They are simply not working. The rent pressure zones that are covered in the Bill are in respect of a limited number of areas. In Dublin, by the Minister of State's admission, rents have gone up by 13.9% following the imposition of the rent limits. It is pathetic to hear the Minister of State say that the rate of rent price increases has dropped when they have gone up by almost 14%. The rent limits are not, and cannot be, enforced because the Government has put the onus on the desperate tenant, who is in a queue with 40 other people to secure a place to live, to question the landlord. At the time of that Bill, we put forward something that I would have thought was very sensible if one was serious about this. Our proposal was that a certificate ought to be issued by the RTB to the landlord saying that the rent was legal and that any increases were also legal. Instead, the Government put the onus on the tenant to find that out. In a tweet today, the CEO of the RTB said that 85% of rent reviews which were appealed to the RTB are invalid. What does that show? That landlords are chancing their arms, they are introducing rent increases that are not legal. When people have the wherewithal to challenge them, they are successful but if they do not have the wherewithal they do not have much hope.

Having put in a lot of work in the special Oireachtas Joint Committee on Housing and Homelessness, I issued a minority view in which I put forward the idea of real rent controls where what we need is not merely limits on increases but intervention to bring rents down. How could €2,000 per month be an affordable rent for anybody? We need to bring rents down to a level that people's incomes have been brought down to since the crash in 2011. We should go back to 2011 prices.

I also want to raise something as I am not sure if it has been referred to in the Dáil. I do not know if the Minister of State is aware of the sex for rent advertisements that have recently appeared online. Ten advertisements have appeared on two Irish websites in the last week. I have

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not heard the Minister of State say much about it but I wonder how he can tell me that things are working when one can see this form of sexual exploitation. Landlords are offering rent-free accommodation, mostly to women, in exchange for sex. Ten advertisements have appeared on *Craiglist* and *Locanto.ie* websites. To give a flavour, in one advertisement, a man in a Dublin suburb says he is looking for a woman for “a two-week trial period”, that longer availability is possible, they can do housework and massage in exchange for rent. How desperate does the Minister of State think that people would have to be to avail of that? The man in this advertisement is a single 30 year old and he asks those contacting him by email to tell him more about themselves, and says that women should preferably be Latin American. In another advertisement, a free bed was offered to a woman who could “look after me”.

What is most worrying is that one of these gurglers received 30 replies. What does that tell the Minister of State? That under his Government, people have become so degraded that they would avail of something like this. That is how desperate they are. Organisations have called this effective prostitution because something is being given to people in return for sex, and foreign women, arriving in this country and seeing the rents that are being charged, are most likely to take this up.

The housing crisis is not better, it is worse. The Government’s key policy plank now is gifting public land to private developers to get trickle-down housing or paying for essential infrastructure to get building started. The Government announced €200 million recently but it has not even sought guarantees that there will be affordable housing in these projects. The *Dublin Inquirer* this week gives the example of Cherrywood, where 8,000 new homes are planned and the Government set aside €15 million for the upgrade of roads and bridges. Normally a developer would have to pay a key chunk to upgrade a road to get a development built, that would be in the planning permission, but Hines developers have not been able to say how much affordable housing will be in that project. In an email on 10 May it said it would be 10% in line with the legal rate that everyone is obliged to provide but on 3 April, the Minister, Deputy Coveney, claimed that local authorities had received commitments from housing developers with regard to affordability. The Government has not received any commitments at all. I strongly suspect that we will be looking at tribunals about this largess in the not-too-distant future, where the Government is doling out taxpayers’ money to these developers in order to get this trickle-down housing, if we even manage that.

Fine Gael is looking increasingly like callous Tories who seem oblivious to the real suffering that is taking place in the real world outside of the Leo and Simon show. Two funds that we have in this country have money. Both the Minister for Finance, Deputy Michael Noonan, and the Taoiseach have said that money is not the issue. There are two funds, the Irish Strategic Investment Fund and NAMA, that both have up to €7 billion in cash. We could use those funds to build social and affordable housing schemes. Deputy Gino Kenny is correct, the Government has an allergy to social housing and it is demonising people in social housing and has been for months. Why not raise the eligibility for local authority housing and allow middle income workers, lower paid workers, live alongside people who qualify for social housing? Why not bring in an affordable mortgage scheme, for which the Government has been asked countless times? It does not exist in any local authorities. There is no reason that is the case, because they existed in the past. Why not let people who do not qualify for social housing live in the same areas as other people and get affordable mortgages?

We could have good estates with proper infrastructure, green spaces and well-planned schools, as I have seen elsewhere, built by the State. Unfortunately, ideology is the problem.

The Government has already set its face against public housing and challenging the restrictions on it, and will again give largesse to the private sector.

**Minister of State at the Department of Housing, Planning, Community and Local Government (Deputy Damien English):** The rental sector needs to be an attractive option for tenants and a safe and viable investment choice for investors. Tenants need to have certainty that as long as they pay rent to meet their obligations they will be able to stay in the properties they are renting. Equally, landlords and investors, from the individual wishing to secure an income into the future to an institutional investor looking to build a balanced investment portfolio, must have confidence in the long-term value of their investments and the incomes they derive from them.

As the Minister, Deputy Coveney, outlined earlier, the changes proposed in the Bill risk weakening stability and confidence in the rental sector. The type and severity of the rent control proposed in the Bill and the significant reductions in rents that could be enforced as a result of its passage would undermine the economic viability of providing rental accommodation and negatively affect the existing and future supply of residential rental units.

The Bill would set maximum rents today at the consumer price index, CPI, plus 5% above their levels in October 2011. This would mean that over nearly six years, from a point in time where rents were hitting an historic low, the permitted increase would be only 7.3%. To achieve this, the cuts in rent prices would be dramatic and drastic. For example, we would expect the rent for a two-bedroom apartment in Dublin 2 to be cut by over €500 per month.

**Deputy Richard Boyd Barrett:** Excellent.

**Deputy Damien English:** The Deputy might be happy with that but we think that would greatly affect supply. During the debate on the rental strategy at Christmas, we tried to get a balance between supply and demand. It is all very fine to say that we should cut rents and keep them low. We want to keep rents as low as we possibly can but we also want to attract more investment into the sector. We had this discussion yesterday. I know the Deputy wants all housing to be social housing and thinks the State should build every house, but even with the best will in the world-----

**Deputy Bríd Smith:** Just some of them.

**Deputy Damien English:** I am okay with Deputies who believe that but it is not possible to do that overnight. We are trying to ramp up building and we will get back to where we should be. As I said, local authorities should never have stopped building houses. We need to build houses but it takes a little time. We also need investment from the private sector because we need 25,000 or 30,000 houses to come on stream over the next couple of years and the State simply cannot do all of that. Some of those in opposition want the State to do everything in every sector, which is not possible. We genuinely believe we need a balance of social and private housing.

Many landlords would be forced out of the market and the confidence of new investors in long-term returns on investment would be fatally undermined. It would also be naive to think that landlords would accept such a radical interference with their ability to derive an income from their property. If these measures were adopted, it is inevitable that they would become the subject of legal challenge. When we developed the rental strategy before Christmas, we were very careful to present a balanced document and range of measures that would pass a legal test

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and ensure we would not be tied up in the courts but would instead achieve some results. I acknowledge some Deputies want to go further but we must try to balance things in terms of what we believe is achievable and would pass through the court system.

There are acute pressures in the rental market. These pressures are driven by a number of factors, including rising demand as a result of the economic recovery, a lack of supply and the high costs highly indebted landlords face in servicing their loans. I accept quite a lot of, rather than all, landlords are affected. This has led to significant rental price inflation over recent years. However, the long-term solution for the high levels of rent lie in increasing supply.

The rental strategy contains a number of specific measures to encourage and accelerate new supply, to keep existing rental units in the market and to bring vacant units back into use. The rent control proposed in the Bill would undermine all of our efforts to get supply going.

The Government's rent predictability measure is carefully designed to control rent increases without having negative effects on the supply of rental accommodation. It is effective in controlling rent inflation. It limits rent increases to a maximum of 4% per annum, which is less than one third of the rate of rent inflation reported by *www.daft.ie*. Tenants can expect to see significantly smaller rent rises than those they have seen recently or would have faced if the measure had not been introduced. The measure will have a substantial impact. The practical effect of the measure is that rents for more than 186,000 households who currently rent their homes in the areas concerned will be lower than they would have been if the market rents had continued to apply. Recent estimates from my Department indicate that households are likely to see savings of between €1,000 and €2,000 per annum, depending on the property type and location. For example, a family in a two-bedroom apartment in Dublin 3 would pay €1,056 less over one year compared with what they would have paid without the measure. We estimate that for a two-bedroom apartment in Ballincollig, the saving in a year would be over €1,600 while for a three-bedroom semi-detached house in Beaumont, Dublin, the saving would be almost €2,000. The figure of 4% is a carefully measured response to the current extreme pressures in the rental market. It will provide certainty for tenants that they will not face a rental hike of the order that may have been recently seen and provides certainty for landlords that they will continue see a return on their investments in rent pressure zones.

**Deputy Richard Boyd Barrett:** I thank everybody who contributed to the debate, in particular Deputies Broughan and Jan O'Sullivan and Sinn Féin for supporting the Bill. I am not sure whether Fianna Fáil said it would support it.

I want to appeal, even at this late stage, to the Minister of State to get on his mobile phone and ask Fine Gael to reconsider not letting the Bill go to the next stage, which, as we know, would involve a committee scrutinising the Bill. It would not go directly to Committee Stage, because that is not happening with Private Members' Bills. It would be absolutely shameful if the Government did not at least allow this to go to a committee for scrutiny.

The Government seems to imply that it wants to address the same issues that we do. However, the reason given in its amendment to the motion for not letting the Bill go to the next stage is that it pre-empts the June review. The Bill would not be scrutinised before the June review. The Minister said on national radio, in response to the issues raised in Robin Hill, which I brought to public attention, that if there are loopholes we need to seriously review the legislation - I think they were his words. There are loopholes. We have clearly identified them in Robin Hill. They are not suggestions of loopholes; rather, they are loopholes that have been

exposed in a case concerning one small part of Project Gem, which has just been sold to Cerberus. It is a €3 billion project and we know what is happening in one apartment block. Do we believe Cerberus is behaving differently in the rest of the project? Of course it is not. A policy is being pursued.

It is going beyond the 4% by loading on charges, such as a sign-on charge of €250 a month for new charges that were previously paid for through rent, plus bills that are double what one would pay on the open market for other energy providers. A makey-uppy company, Kaizen Energy, is apparently the heating and hot water provider, but the bills will run to €100 or €200 a month. A loophole has been identified and that is what is happening.

Properties are being hoarded. NAMA was doing it, incredibly, and now Cerberus is doing it. It is doing so because it knows rents are increasing and it can start at the top of the market, as Deputy Bríd Smith said. That is happening. It is carrying out refurbishments in order to get around the 4% increase for which legislation allows. That is happening. These loopholes exist. Cerberus has evicted up to ten tenants, which the Government allows, and will be able to do the same again in about six months' time. As others have said, there is no enforcement regime to stop it flagrantly breaking the law. The loopholes exist and it can get around the legislation but there is no enforcement even if it was playing by the rules. In any event, the rules are not robust enough to stop it bypassing them.

The Government has not addressed what it is going to do about these loopholes. If this goes to scrutiny, the Government will have an opportunity. If it does not, there will be a delay in dealing with it. I appeal to the Government to allow us to address these loopholes, as this legislation does. If it wants to debate or amend it, that is fine and we are open to that discussion. To prevent it happening, however, is a disgraceful abdication of responsibility in the face of things that are happening now. This is not speculative. It is happening now.

If the Government will not allow this to progress, it should tell me what I am to tell the tenants who are being evicted by Cerberus. I want to know. I have written to the Minister, as have they. What is the Government going to do for them? What is it going to do about the fact that Cerberus is bypassing its legislation? Is it going to do anything? It has not given me an answer in anything the Minister of State has said. This Bill would prevent that from happening. It is that simple. All the areas in Dublin, Cork, Limerick and Waterford, etc. would be declared fair rent zones and this would not be possible. Cerberus would not be allowed to evict people on the basis of sale except in totally exceptional circumstances where it would have to prove to the Residential Tenancies Board, RTB, that the accommodation was needed for its own family. Cerberus does not have a family in Ireland. It is Mr. Steve Feinberg who is busy advising President Donald Trump on his mad policies. As such, we know those people will not be evicted under this legislation. If the Government is not going to accept it, what is it going to do to stop them being evicted and to stop the racketeering? If it does not let the Bill go through while offering no concrete alternative, the answer is "nothing". That is what is happening. I appeal to the Government not to do it.

This business of the slowing down of rent increases is ridiculous. Average rents have gone up by 60% since 2011. As the Minister of State pointed out, average rents were high even in 2011 at €1,100 and €1,200. That, by the way, is approximately the level of the rent support the Government is offering under the housing assistance payment, HAP, scheme. Even with our measures, which would reduce rents in these areas by approximately €500, it would only bring them to the Government's HAP limits and make those in some way viable. Even at that,

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it is €15,000 a year in rent. The Minister of State is saying we cannot do that. That figure of €15,000 is a hell of a lot but the current situation is that it is €31,000 per year for a two-bedroom apartment in Dublin city centre. Who can afford that? It is crazy stuff. The Minister of State has not addressed how he is going to bridge the gap between a €1,275 HAP limit and €2,660. How is he going to do it? If he does not, every person who approaches the local authority in emergency circumstances, as is happening, will be told to pack his or her bags for emergency hostel accommodation. That is what is happening. They are told to go out and look for HAP but it is just not there. As Deputy Coppinger said, the situation is now so bad that landlords think they can ask for sex in place of rent.

One of the young women at our press conference today, Celine, is facing eviction. She is overholding on a property rather than going homeless and knocking on the door of every empty building she sees to ask if there is any chance she could rent the property. She told me that at one she approached this week, the landlord said he might consider it if she gave him €3,000 up front. This is what is going on. What is the Government going to do about it? “Nothing” is the answer. Its legislation simply does not deal with this. Unless we deal with it, this thing will spiral out of control.

A statement was made about supply and worry about investors. I want to counter that. If we did this, it would actually drive these racketeers out of the market or force them to rent stuff they are currently hoarding in the expectation of increases. If they knew they could not increase rents because it would be pinned back to affordable levels and they could not evict tenants, it might force more supply into the market or drive the racketeers out of the market to allow the State to purchase properties, as Edward Honohan, the Master of the High Court, has been saying for the past year. He believes we can use compulsory purchase powers to get hold of the empty properties. There are 55,000 in Dublin. We have learned that these were hoarded by NAMA and are now being hoarded by the vulture funds. Let us drive these people out of the market and get hold of that property to rent it to those who need it. Let us stop the hoarding and landbanking that is going on. That is precisely what we need to do as opposed to what is currently happening, which is the exploitation of the market.

The Minister of State thinks that if we get down on our knees and give subventions to these people, the supply will eventually come onto the market to deal with this. Is he honestly telling me that even if that supply comes on board, they will reduce rents to affordable levels? Does he think that rents will come down at any point to affordable levels? That is fantasy. It has never happened before. It took a major economic crisis for rents to go down. The idea that if supply rises, rents will come down to affordable levels is the worst type of fantasy. The Government should cop on.

**Deputy Damien English:** It happened six or seven years ago.

**Deputy Richard Boyd Barrett:** It happened with a major economic crash. I have to go back to these individuals who are homeless or who face eviction and give them an answer but there is no answer coming from the Minister of State today. There is nothing but vague assertions about supply in the market. This Bill at least attempts to deal in a concrete way with the dilemma these people face today.

Amendment put.

**An Ceann Comhairle:** In accordance with Standing Order 70(2), the division is postponed

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until the weekly division time on Thursday, 25 May 2017.

Debate adjourned.

### **Message from Seanad**

**An Ceann Comhairle:** Seanad Éireann has passed the Medical Practitioners (Amendment) Bill 2014, without amendment.

### **Estimates for Public Services 2017: Message from Select Committee**

**An Ceann Comhairle:** The Select Committee on Social Protection has completed its consideration of the following Revised Estimate for public services for the service of the year ending 31 December 2017: Vote 37 - Social Protection.

The Dáil adjourned at 7.50 p.m. until 2 p.m. on Tuesday, 23 May 2017.