



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

DÁIL ÉIREANN

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

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DÁIL ÉIREANN

Dé Máirt, 10 Iúil 2018

Tuesday, 10 July 2018

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

Paidir.

Prayer.

Leaders' Questions

Deputy Micheál Martin: Yesterday's drama in London, with the resignation of two senior Cabinet Ministers from the UK Government, should not distract from the key message that has emanated from, as well as the key importance of, the UK Government's Chequers statement on the evolution of negotiations on the UK-EU relationship and Brexit. In essence, the Chequers statement represents a pathway and a platform on which serious negotiations between the United Kingdom and the European Union to determine their future relationship can progress. The resignations of David Davis, MP, and Boris Johnson, MP, confirm this reality. The Chequers statement is much more in line with the economic reality from the perspective of the United Kingdom and reveals a new Brexit realism that rendered it impossible for the hardline Brexiteers to continue in office. Hard-line Brexiteers such as Boris Johnson and David Davis never produced a blueprint and a coherent alternative. The outgoing Foreign Secretary said it was the beginning of the end of the dream. However, dreams rarely correspond with reality. Credit should be given to the British Prime Minister for navigating this new direction in very difficult political circumstances, as we all know.

I have been very critical of the Brexit decision, but the British people took that decision. I was particularly critical of the absence of any coherent blueprint to be put before the electorate in advance. It was fuelled by certain racist tendencies, anti-immigration sentiment and so on. That said, as a country, we export hugely to the United Kingdom. The studies undertaken in Ireland, including the Economic and Social Research Institute's study and those conducted by the Department of Finance, have predicted negative outcomes, depending on the nature of Brexit, for the small and medium enterprise sector. That is particularly the case for the agrifood sector and the Border, west and north-west regions which will be very badly hit by a hard Brexit. We must avoid any such outcome.

We are still facing into very difficult negotiations. Time is short and politics in the United Kingdom are very volatile. Clearly, the negotiations between the UK and EU will be particularly difficult and complex. As a country, we must maintain a key focus on what is optimal for

the entire island of Ireland while preserving the integrity of the European Union and its mission and rules. Does the Taoiseach accept that a positive UK-EU agreement on their future relationship is the optimal outcome for Ireland? In light of this country's significant market presence in the United Kingdom, particularly in the agrifood and SME sectors, does he accept that the east-west relationship between the UK and Ireland is critical to the island's economic growth and well-being? Does he accept that the Chequers statement from the UK Government represents a credible basis for the progression of the next phase of EU-UK negotiations on Brexit?

The Taoiseach: I thank the Deputy. All of us are noting very closely the political events that are unfolding at Westminster. I note the resignation of the former Foreign Secretary, Mr. Johnson, and former Brexit Secretary, Mr. Davis. I also note that the Prime Minister did not waste too much time in replacing them. Of course, these are internal matters for the UK Government and the Conservative Party. As far as the Irish Government is concerned, the Prime Minister is the Prime Minister. Theresa May is the Prime Minister of the United Kingdom and when she speaks, she does so on behalf of the UK Government.

I spoke to Prime Minister May by phone for approximately half an hour on Saturday and she briefed me on the statement released from Chequers on Friday. We had a very good conversation. It was an opportunity for her to explain to me what the statement meant and what the next steps will be. She explained that the first of those steps will be the publication of a White Paper later this week. That White Paper will be approximately 100 pages long and will give us a lot more detail than the three-page statement released on Friday. I specifically asked her what will be the process and she explained that the White Paper will have to be approved by the British Cabinet and not just the Department for Exiting the European Union. We look forward to seeing that White Paper. Deputy Darragh O'Brien, a member of the Fianna Fáil Front Bench, suggested at the weekend that we should read that White Paper and consider it in full - in consultation with the task force and the EU 27 - before producing a definitive response to it. That is exactly what I intend to do. Contact is being kept, on a regular and close basis, between Government Buildings and Downing Street. I am in touch with the Prime Minister - we are in contact sherpa to sherpa and chief adviser to chief adviser. The Tánaiste is in close contact with his opposite number, David Lidington, as is, of course, the Minister for Finance with Philip Hammond.

The Chequers statement is welcome. It can have an input to talks in respect of the future relationship, although we would like to see the White Paper first. As already stated, the statement from Chequers is three pages long and the White Paper will be more than 100 pages long. I imagine there will be lot more in 100-page White Paper than there was in the three-page statement. I hope the White Paper will still be published this week. It will give us the opportunity to consider what is proposed in consultation with Michel Barnier, the task force and the EU 27. On the face of what we see, it can have an input to the talks on the future relationship. It is welcome and, as we have always said in the past, if the United Kingdom was able to relax its position regarding some of its red-line issues, then the European Union could also be flexible. Perhaps we are now entering into that space.

To answer the Deputy's question, I have always said that the best option and the best way to avoid a hard border on the island of Ireland is through what we have been calling for quite some time, namely, option A, which is the future relationship, rather than option C, which is the back-stop. It has always been our view that the best solution is one that would be all-encompassing in nature and that would involve the United Kingdom staying very close to the European Union and, therefore, Ireland and thereby negating the need or even possibility of a hard border on our

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island. Nonetheless we will still need a backstop. It will not be possible to negotiate the final stages treaty, that is the new treaty between the UK and the EU, by October. At best we will have a political declaration. That treaty will have to be ratified not just by this Parliament but by the parliaments of all the member states of the European Union. There is a risk that even if we agree a future relationship treaty, any one parliament in the European Union could reject it, which is why the withdrawal agreement must include a backstop and give us that insurance policy. Should we fail to conclude successfully and to our satisfaction a UK-EU final state treaty, we must have a backstop on which to fall back.

Deputy Micheál Martin: I thank the Taoiseach for his reply. He has said these are internal matters for the British Government, but they are also of relevance to and have a profound impact on Ireland. Put simply, the pathway being pursued by hard-line Brexiters such as Mr. Boris Johnson and Mr. David Davis, if they had succeeded and if they succeed in the future - hard-line Brexiters are still there in numbers within the British Tory Party - would lead to a significantly negative impact on our economic well-being, particularly on the west coast, in the north west and the midlands, as documented by the Economic and Social Research Institute. At times there has not been an adequate focus on the potential economic damage and the downside to a less than optimal east-west relationship between the United Kingdom and Ireland. It affects the island in its entirety in terms of exports to the British market which cannot easily be replaced quickly through diversification and other channels. Does the Taoiseach believe the Chequers statement represents a credible pathway to negotiations? It represents a departure and a significant change in direction, with greater coherence than we have seen to date from the British Government. Therefore, it requires a proximate and proportionate response from the European Union that should be distanced immediately from some of the comments that have emanated from some hidden sources in the Union, with talk of rats deserting sinking ships. Such crowing over-eggs the discussion. It is time to get down to serious negotiations, to find the optimal resolution for the European Union, the United Kingdom and Ireland.

The Taoiseach: The statement produced at Chequers is a valuable input into the negotiations on the final status. It may produce a credible pathway towards further negotiations, but we need to study the White Paper first. On its own, it is not a solution and nobody is claiming that it is. As we have said so many times in the past, if the United Kingdom is willing to modify and evolve some of its red lines, the European Union should be flexible also. In the period ahead it is a space we can be in. It is two years since the referendum occurred in the United Kingdom and for two years we have not known what Brexit means. There has not been a united position in the British Government. I firmly hope what we saw emanating from Chequers on Friday and what we will see in the White Paper later this week will at long last represent an agreed UK Government position on what it wants the future relationship to look like. We have always known what we want it to look like. First, it should protect the common travel area; second, it should allow continued free trade between Britain and Ireland; and, third, it should avoid a hard border on the island. These are and have been our objectives for two years. They are ones I believe we can achieve.

Deputy Mary Lou McDonald: Over the weekend we watched as yet another calamitous chapter in the Tory Brexit debacle unfolded. Two years on from the Brexit referendum, the British Government produced a three-page document. The world was told that it represented a unified approach to Brexit in the British Cabinet. As we now know, that narrative began to unravel on Sunday evening with the resignation of Mr. David Davis as Brexit Secretary. His departure from office was followed yesterday afternoon by the resignation of the British Foreign

Secretary, Mr. Boris Johnson. A chief architect of Brexit, he has decided to run away from the mess he helped to create. I dare say a man who equated the Border in Ireland with boundaries between boroughs in London will be no great loss.

Despite all the drama and the toing and froing in London in the past couple of days, we should make no mistake that the problems for Ireland remain. They are real and present. We still have no workable solutions from the British Government or legal guarantees from the British Prime Minister, Mrs. Theresa May, on the political agreement made last December which the Taoiseach may recall that he described as “cast-iron”. The Tory Party tactic has been to play for time. They have been openly renegeing on the backstop or protocol for a while now. The Chequers document only makes a passing reference to a backstop. Speculation is that the White Paper, publication of which we await, will contain something similarly vague. To add to this, Mrs. May confirmed to the House of Commons yesterday that she would not sign up to the December agreement and backstop. That cast-iron agreement, as the Taoiseach put it, is a non-runner according to Mrs. May.

Obtaining legal guarantees that protect Ireland’s interests, North and South, is essential. A new Brexit realism would understand how essential it is to bring clarity and certainty for our people, our all-island economy and our agreements. A new Brexit realism would understand that the backstop agreed in December is the bottom line. The Taoiseach cannot concede. There cannot be any flexibility, no blurring or softening of the lines on this matter. I believe the Taoiseach cannot continue to accept bad faith from the Tory Government.

We cannot allow these matters to slip into the hazy days of the summer and sit back and hope for the best. My questions are straightforward. What is the Taoiseach’s plan now to ensure that Ireland obtains the necessary legal guarantees from the British Government? Will he now call for a special EU summit before October focused on achieving solutions and answers to the Irish question?

The Taoiseach: Deputy McDonald may be getting a little bit muddled on the detail. In December, there was a political agreement. The UK Government has been very consistent that it stands by the political agreement that was made in December. The UK Government made the agreement in December and reaffirmed it in a letter from Theresa May to President Tusk in March. In fact, the UK Government reaffirmed it again in the paper produced from Chequers on Friday.

The backstop text was produced by the EU 27 in March and the UK Government has never accepted the text. Negotiations will have to continue on the detail of that. As we have said, and as all 27 member states have said, there will be no withdrawal agreement without an Irish protocol, without a backstop. Even if we can agree the parameters of the future relationship in October, we will not be able to negotiate a full, detailed, complicated new treaty between the UK and the EU. It will take the entire transition period, if not longer, to negotiate that. That is why we have to have a protocol on Ireland and Northern Ireland in the withdrawal agreement. Those in the UK Government understand and accept that. They did so in December, by letter in March and reaffirmed that again in the statement from Chequers.

The Deputy asked about a future summit and that is possible. The 28 Heads of State and Government will meet for an informal EU Council meeting in Salzburg in September, hosted by the Austrian Presidency. A chance occurred to us here on Sunday and I discussed with those responsible the possibility of upgrading that meeting to include a formal discussion on Article

50. That is a possibility and I know it was discussed between Prime Minister May and Chancellor Merkel as well. It is too soon to make that judgment call but it is certainly an option. We will all be there together in Austria on 20 September and it might be a good time for us to all talk together about Brexit, but we will make that judgment call nearer the time. It is an obvious opportunity for us to have a further Article 50 Council meeting should it be advisable.

I have set out what we aim to achieve: keeping the common travel area in place, no hard border between North and South; and minimising the impact on free trade between Britain and Ireland. These have been our objectives since the day the referendum votes were counted. They are our objectives still today and I believe they can be achieved.

Deputy Mary Lou McDonald: I am not confused at all. I am clear that the political agreement in December found legal expression in the protocol drafted in March. I am clear that from the moment and hour the British caught sight of it, they have consistently rejected it.

Here is what we need clarification on. The British would say we need a backstop. In other words, they disavow what was agreed to in December, in effect, by rejecting the March protocol. Is the Taoiseach telling us that, as far as he is concerned, that protocol is still open for negotiation? Is that the message he is giving to the Dáil? Is he on the same page as the British Government in arguing for a protocol, rather than the text that was agreed to in March? It is extremely disturbing and very dangerous if that is the case. The protocol, as drafted in March, is the bottom line. It is the bare minimum required to achieve the objectives set out by the Taoiseach. We know that the British have consistently rejected the March protocol. Will the Taoiseach tell us what is the position of the Government? Is the protocol the finished item which he wishes the Government to sign on for, or is there another one? Is it still open for negotiation in his mind?

The Taoiseach: There is always a fair bit of comitology. There is “the customs union” and “a customs union”; there is “the backstop” and “a backstop”. When we talk about the backstop, we are referring to the text produced by the EU 27 in March. When the United Kingdom talks about “a backstop”, it is accepting that there must be a backstop which, it agrees, has to be part of a withdrawal agreement.

Deputy Seán Crowe: It is not its backstop.

The Taoiseach: The legal text might be different from the one produced in March by the EU 27. To answer the Deputy’s question frankly, I am not hung up on legal texts. It is not about the legal texts but the outcome.

Deputy Seán Crowe: The legal text gives the outcome.

The Taoiseach: It is about what it achieves. What “the backstop”, “a backstop”, or any backstop must achieve is a legally binding guarantee that there will be no hard border on the island of Ireland and that must form part of the withdrawal agreement. Of course, I am happy to debate, discuss and negotiate with the European Union and the United Kingdom on the legal text. However, it is not about the legal text but what happens on the ground, whether it allows us to achieve our objective which is a legally binding guarantee that there will be no hard border on the island of Ireland. That is the bottom line, not the paragraphs or the numbering system.

Deputy Mary Lou McDonald: I beg to differ.

Deputy Brendan Howlin: We all welcome the fact that, after two years negotiating among themselves, we finally have before us a document that outlines a future EU-UK relationship. It is useful that we have something with which to engage, although it remains to be seen whether it will continue to be the settled position of the British Government once the more detailed White Paper is published in a few days' time, or if the particular White Paper will command a majority in the British Parliament because there are serious questions to be answered. Mrs. Theresa May has suggested Britain would continue to have access to the Single Market for goods, but she has not declared her willingness to oversee and monitor it and, similarly, the jurisdiction of the European Court of Justice and the maintenance of the four freedoms. They can be debated, but at least we now have something with which to engage.

The direction of travel in the United Kingdom seems to be towards closer alignment with the European Union, rather than the drift away which was prevalent previously. However, we cannot afford to be complacent, welcome though it is. There have been so many variations in the UK proposals that there is no guarantee that the latest variation will survive. There is also a real possibility that Mrs. Theresa May's minority Government will fall, triggering a UK general election. The policy of the British Labour Party, with which I keep in very close contact, is to retain full membership of the customs union and the Single Market for at least a four-year transition period that would ensure an appropriate time within which to negotiate more robust permanent arrangements. Mrs. Theresa May's aim is still to leave both by March next year, at which point Northern Ireland's Border will be thrown into question.

The need for clarity on the backstop position is urgent for us. Last week I said there was a golden opportunity, following the announcement of the Austrian Presidency of a special summit on 20 September, to add to the agenda this one issue, namely, the need for clarity on the legal text of the Irish backstop. I warmly welcome the fact that the Taoiseach has already raised the issue with the Austrian Chancellor. The Taoiseach did not quite indicate what was the Austrian Chancellor's response. I ask him to outline it to the House. I do not think he should leave this option in abeyance. I think it should be the objective in order that the Irish question will be settled and taken off the agenda by the time we get to the October summit. That would be terrific. It would give Ireland and Britain an opportunity to deal with the broader issues without this matter being on the agenda. I ask the Taoiseach to seek the agreement of the Austrian Presidency to have the Irish backstop position formally tabled as a second agenda item for the special summit on 20 September.

The Taoiseach: Much of Deputy Howlin's analysis is very valid. We can see the real effects of political instability across the water in the UK, where a minority Government has a confidence and supply agreement with another party and there is a risk of an early election. None of this is good for the UK and none of it strengthens the position of the latter as we enter into this difficult period. The same applies in Ireland. We need political stability here. We do not want to be going into the autumn - the crucial period of September, October and November - without political stability.

Deputy Micheál Martin: The Taoiseach should listen to the Minister of State, Deputy Finian McGrath, a bit more.

Deputy Joan Burton: Call the election now, come on.

The Taoiseach: That is why it is very much in the national interest for us to have political stability in the autumn.

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Deputy Micheál Martin: The Taoiseach should take the advice of the Minister of State, Deputy Finian McGrath, who is most desirous of an extended term.

The Taoiseach: We should not risk finding ourselves in the situation in which the UK now finds itself.

Deputy Simon Harris: Hear, hear.

The Taoiseach: To answer Deputy Howlin's question about Salzburg, I discussed it with Chancellor Kurz on Sunday and with Michel Barnier a few weeks ago. It is an option, but it is too soon to make that judgment call now.

Deputy Brendan Howlin: Why?

The Taoiseach: We need to know what there is to discuss. Over the next couple of weeks, there will be an engagement between the Barnier task force, which is known as the TF50, and the UK Government. We will have to see what gets achieved during the period of August and September.

Deputy Joan Burton: They will be at the beach.

The Taoiseach: The purpose of having an Article 50 discussion, or an Article 50 Council, in September would be if the EU was to modify our guidelines. That would be the purpose of it. We can have an informal chat at any time, and I am sure we will. We will not have a formal Article 50 Council unless we are going to modify the EU negotiating guidelines. It is too soon at this stage to say we are going to do that. It is definitely a possibility. Everyone is wise to the fact that it is definitely an option. We are all going to be in Salzburg in September. If it makes sense, we will do that.

Deputy Brendan Howlin: I never thought I would say that the UK Government is making this country's Government look positively stable.

Deputy Simon Harris: That is a bit of a stretch.

Deputy Brendan Howlin: I caution the Taoiseach against seeking a mandate for a strong and stable Government because it has not worked out so well for his counterpart across the water. I want to say clearly and passionately that I genuinely believe, on the basis of all the contacts and discussions I have had with my British colleagues, that if there is a deadline of September for a settlement on the backstop issue, that will be infinitely more to our advantage than leaving it in the general pot of issues to be determined in October. I genuinely think that is a better approach for us. I ask the Taoiseach to consider that, even if he cannot give me a definitive answer now. Can we try to secure a deadline for having a legally agreed position in September, rather than leaving it until the absolute deadline with everything else in October, which would be a disadvantage?

The Taoiseach: As I said at the European Council in March, it is absolutely my preference to reach an agreement as soon as possible. An early agreement is in the interests of our citizens, who want certainty, and in the interests of business, which needs to plan for changes that might take place in the future. Of course I want to have an agreement as soon as possible. I am not going to make concessions in order to get an agreement as soon as possible. I want to get the best agreement. If it takes a little longer to get the best agreement for Ireland, so be it. Under the guidelines agreed by the EU 27 in March, the deadline is the October Council in Brussels.

That is when we hope and expect to sign off on the withdrawal agreement. It is understood by the EU 27, including Ireland, and by the UK that nothing is agreed until everything is agreed. If the text of the backstop were to be agreed in August or September, it would not actually be agreed until everything is agreed. The deadline for that is the summit in Brussels in October. It is important to bear in mind why that deadline was put in the guidelines. It is because the withdrawal agreement and backstop require approval of the UK Parliament and the European Parliament. Therefore, we believe five months - November, December, January, February and March - is adequate time to allow both to ratify any agreement.

Deputy Clare Daly: For almost a year now, all the Taoiseach's speeches about the economy have been accompanied by a little catch phrase along these lines, "As we approach full employment, our emphasis now has to be on good jobs, jobs that pay the bills, jobs that allow people to aspire to homeownership and pensions that allow them to plan for the future." Obviously, someone told him this was a great one-liner because he has been repeating it *ad nauseam* for almost a year. The truth, however, is that it means nothing. Behind the figures he boasts about, there lurks a dark underworld - a battlefield for an almighty assault on the working conditions of workers, particularly women, in this country. This week marks its escalation, with a number of industrial disputes brought about as a result of brute intransigence by profitable companies refusing to negotiate with unions or to deal with the industrial relations machinery of the State. Actually, it is becoming quite a trend. The first is Lloyds Pharmacy, the largest pharmacy chain in the country. It has 800 staff, 92% of whom are women. It is owned by a multibillion dollar US pharmaceutical giant. This company is in modern "On the Waterfront". There are no guaranteed hours. One can be brought in to work any day at any time. If one is sick, tough. The company will not pay one if one is sick, forcing many low-paid workers to work sick in a job where they interface with sick people. One could not make it up. Since February 2017, the company has refused to negotiate with Mandate and it is now blatantly ignoring a Labour Court recommendation. Of course, it does not have any problems at all in accepting the State when it comes to putting its hand out for the significant HSE community contracts from which it profits.

Meanwhile, in the Taoiseach's neck of the woods, another group of workers being forced to take action are those at Ryanair. They are due to take that action on Thursday next. We note the irony of Ryanair, the company that wrote the manual on blackmail and bullying, accusing its pilots of bullying. Is Ryanair serious? The pilots are simply demanding a master seniority list, something that costs the company nothing but that would provide a transparent mechanism for dealing with base transfers, command upgrades, holidays and the like, which have a major impact on family life. Of course, Ryanair wants to keep it so that it can continue to bully its staff. As a former Minister with responsibility for transport, the Taoiseach knows well the root cause of this dispute. Precarious employment contracts are being used to deny pilots and cabin crew basic employment rights, such as the rights not to be dismissed unfairly and to maternity leave. We are unique in Ireland in facilitating such employment contracts.

It is about time the Taoiseach started to deal with this rather than talking about it. We are becoming infamous as a flag of convenience for social dumping. I want to know what the Government is doing, against the backdrop of employers abandoning the voluntary industrial relations system, to ensure that workers have access to collective bargaining and a right to have their employment conditions protected.

The Taoiseach: I am delighted Deputy Clare Daly is reading my speeches. I often need to say the same things many times before anyone picks up on them. Nobody told me it was a great one-liner. I wrote that one myself and I did so because I believe it.

(Interruptions).

Deputy Mattie McGrath: The spin machine.

Deputy Dara Calleary: Was it like the one-liner last week?

The Taoiseach: One is always one's own best speechwriter.

Deputy Thomas Byrne: The Taoiseach should rethink that one.

An Ceann Comhairle: Can we have order, please?

The Taoiseach: Let me pick up on some of the points the Deputy raised. Let us look at the facts - the CSO statistics. The unemployment rate peaked at 16% in 2012 when people had trusted Fine Gael, the Independent Alliance and Independents to manage the country's economy. It is now down to 5%. The long-term unemployment rate is 2%. For the past year or so, the number of full-time jobs has been increasing and the number of part-time jobs has been decreasing. We heard from the left consistent arguments that people were drifting into part-time work. The facts say otherwise because part-time work is decreasing and full-time work is increasing. In addition, the number of people in self-employment as a proportion of the entire workforce is stable, so the suggestion that more people are being pushed into self-employment does not stand up. The proportion of people in self-employment is as much as it was many years ago.

To answer the Deputy's question about what we are doing, workers' rights legislation is currently being brought through the Houses by the Minister for Employment Affairs and Social Protection, Deputy Regina Doherty. It deals with matters such as zero-hour contracts and band-ed hours. It is before the Dáil and I hope Members will co-operate with the Minister, Deputy Regina Doherty, in getting it passed before the recess this week. Second, the Cabinet subcommittee yesterday signed off on the straw man proposal, the draft proposal for auto-enrolment. There is an enormous inequality in Irish society at present where two thirds of people working in the private sector have no pension provision other than the State pension. People in the public sector generally have good, guaranteed pensions. We signed off yesterday on our proposals to change that by enrolling automatically everybody over the age of 23 years in a pension scheme, a top-up pension that they can add to their State pension, with the requirement that the employer contributes as well as the person who will benefit in the end. The State will also make a contribution. I look forward to the Minister, Deputy Regina Doherty, producing that, getting agreement on it and drafting the legislation so we can introduce it in 2021 or 2022.

With regard to the specific industrial relations issues the Deputy raised, as always I strongly encourage both sides, the unions and employers, to make use of the Workplace Relations Commission, WRC. It is a State body that stands ready to intervene and to help resolve these disputes. I ask both sides to engage with the WRC, which is more than willing, capable and qualified to help broker a solution in the interests of citizens.

Deputy Clare Daly: I have no problem with the Taoiseach repeating his soundbites, if they are his, as much as he wishes if that is what he is into, but a soundbite does not put food on the table. Statistics show, as Social Justice Ireland did earlier this year, that as the economy has recovered more people at work are in poverty. Over 100,000 workers at work are in poverty because of zero-hour contracts and precarious contracts of employment. My question was about that issue. The Labour Court recovered almost €2 million in unpaid wages last year for vulner-

able women workers in particular. Talking about new legislation is good and we welcome that legislation. However, the point the Taoiseach is missing is that it is not enough when employers are deliberately ignoring the industrial relations machinery of the State.

In the case of Lloyds Pharmacy, for example, why does the Taoiseach not say that those who do business with the Government, the HSE or otherwise should, as a minimum condition, treat their workers fairly, not have zero-hour contracts and adhere to the principles of equality? We should be doing ethical business. If the Taoiseach inserts such clauses in State contracts I guarantee that he will do more for the working conditions of people in the State than through any other measure he might take. It is a little ironic that we talk about measures such as changes to the constitutional clause regarding women in the home and so forth when we ignore, in particular, the areas where women work and the number of women who are exploited because of the failure to recognise unions. Lloyds Pharmacy recognises the union of its male workers in the distribution depots, where wages are good, but not the women's union. People do not want the Taoiseach's soundbites or his talk. They want to see a little action on some of this.

The Taoiseach: The Deputy is absolutely right that soundbites do not put food on the table - jobs do. There are more people at work in Ireland than ever in our history. Almost 2.3 million people are now at work. The working family payment for those in low paid jobs with families, and we improved that payment this year, ensures that people who are in work, do 19 hours work or more every week and who have children are kept out of poverty. That is the reason we have the working family payment. The CSO is not a NGO or a lobby group. It produces official statistics and those statistics show that poverty and deprivation in Ireland are falling and inequality and income inequality are narrowing. Those things should be welcomed.

I acknowledge we have more to do: there is always more work to do. We intend to do that work by continuing to build employment, continuing to increase wages and improve incomes, continuing to give more people their money back through reductions in taxation, reducing the cost of accessing public services such as childcare and healthcare and by putting through the type of legislation being brought forward by the Minister, Deputy Regina Doherty, to enhance workers' rights, ban zero-hour contracts in almost all circumstances and to introduce banded hours. All of those measures are very much part of the Government's programme to improve living standards. I ask the Opposition to co-operate with the Government in getting that legislation through.

Order of Business

Deputy Mattie McGrath: Tuesday's business shall be No. 16, motion re Standing Orders 61, 62 and 64; No. 16, motion re report of Joint Committee on Transport, Tourism and Sport under Standing Order 114 on the proposal for a regulation of the European Parliament and the Council on streamlining measures for advancing the realisation of the trans-European transport network – COM (2018) 277; No. 31, Industrial Development (Amendment) Bill 2018 - Order for Report Stage and Report and Final Stages; No. 1, Education (Admission to Schools) Bill 2016 - amendments from the Seanad; No. 32, Companies (Statutory Audits) Bill 2017 - Order for Report Stage and Report and Final Stages; and No. 9, Insurance (Amendment) Bill 2018 - Order for Second Stage and Second Stage.

Wednesday's business shall be No. 32, Companies (Statutory Audits) Bill 2017 - Order for Report Stage and Report and Final Stages (resumed), if not previously concluded; No. 31,

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Industrial Development (Amendment) Bill 2018 - Report and Final Stages (resumed), if not previously concluded; No. 1, Education (Admission to Schools) Bill 2016 - amendments from the Seanad (resumed), if not previously concluded; No. 2, Health (General Practitioner Service) Bill 2018 [*Seanad*] - Second and Subsequent Stages; No. 10, Children and Family Relationships Bill 2018 - all Stages; No. 33, Employment (Miscellaneous Provisions) Bill 2017 - Report and Final Stages (resumed); and No. 9, Insurance (Amendment) Bill 2018 - Second Stage (resumed), if not previously concluded. Private Members' business shall be No. 195, motion re implications of Brexit for Irish ports, as selected by Fianna Fáil.

Thursday's business shall be No. 16*a*, motion re statement of Estimates for the Houses of the Oireachtas Commission; No. 17, motion re proposed approval by Dáil Éireann of the Employment Equality Act 1998 (Section 12) (Reservation of vocational training places) Order 2018 - back from committee; No. 18, motion re air service agreements with Egypt and the United Arab Emirates - back from committee; No. 19, motion re regulation of the European Parliament and the Council on European production and preservation orders for electronic evidence in criminal matters - COM (2018) 225; No. 54, Fossil Fuel Divestment Bill 2016 in the name of Deputy Thomas Pringle - Order for Report Stage and Report and Final Stages; Intoxicating Liquor (Breweries and Distilleries) Bill 2016 in the name of Deputy Alan Kelly - amendments from the Seanad; No. 2, Health (General Practitioner Service) Bill 2018 [*Seanad*] - Second and Subsequent Stages (resumed), if not previously concluded; No. 10, Children and Family Relationships Bill 2018 - all Stages (resumed), if not previously concluded; No. 33, Employment (Miscellaneous Provisions) Bill 2017 - Report and Final Stages (resumed), if not previously concluded; Judicial Appointments Commission Bill 2017 - amendments from the Seanad; and No. 34, statements on Northern Ireland and Brexit.

In relation to Tuesday's business, it is proposed that (1) the Dáil shall sit later than 10. p.m. and adjourn not later than 11.30 p.m.; (2) Nos. *a*16 and 16 shall be taken without debate; and (3) Private Members' business, under Standing Order 143F, for the Social Democrats-Green Party Group will not be taken on Tuesday. However, the rota shall continue as if it had with Fianna Fáil's Private Members' business on Wednesday.

In relation to Wednesday's business, it is proposed that (1) the Dáil shall sit later than 10.15 p.m. and adjourn not later than 11.30 p.m.; and (2) any division demanded on any proceedings relating to Nos. 2 and 10 shall be taken immediately. Second and Subsequent Stages shall be brought to a conclusion within two hours and the following arrangements shall apply: (i) the proceedings on Second Stage shall, if not previously concluded, be brought to a conclusion after 1 hour and 55 minutes; the opening speech of a Minister or a Minister of State and the main spokespersons for parties and groups, or a member nominated in their stead, shall not exceed ten minutes in each case; in the second round the Government and the parties and groups shall be called in the same sequence, with the speech of each Member called not to exceed three minutes; Members may share time; and a Minister or a Minister of State shall be called to make a speech in reply which shall not exceed ten minutes; and (ii) at the conclusion of Second Stage, Committee and Remaining Stages shall be decided without further debate by one question which shall be put from the Chair. (3) Any division demanded on any proceedings relating to the Second Stage of No. 10 shall be taken immediately. Second Stage and Remaining Stages shall be brought to a conclusion within 2.5 hours and the following arrangements shall apply: (i) the proceedings on the Second Stage shall, if not previously concluded, be brought to a conclusion after 1 hour and 55 minutes; the opening speech of a Minister or Minister of State and of the main spokespersons for parties and groups, or a Member nominated in their stead, shall

not exceed ten minutes in each case; on the second round, the Government and the parties and groups shall be called upon in the same sequence, with the speech of each Member called upon not to exceed three minutes; Members may share time; and a Minister or Minister of State shall be called upon to make a speech in reply which shall not exceed ten minutes; and (ii) on the conclusion of Second Stage, the proceedings on Committee and Remaining Stages shall, if not previously concluded, be brought to a conclusion after 30 minutes by one question which shall be put from the Chair and which shall, in relation to amendments, include only those set down or accepted by the Minister for Health.

In relation to Thursday's business, it is proposed that: (1) The Dáil shall sit later than 7.48 p.m. and shall adjourn not later than 10.48 p.m.; (2) Nos. 16a, 17, 18 and 19 shall be taken without debate; (3) No. 54 shall be taken in Government time and shall commence after the sos and to adjourn after two hours, if not previously concluded, and not to resume that day; (4) No. 34 shall commence after Topical Issue matters and shall be brought to a conclusion after 85 minutes. Statements shall be confined to a single round for a Minister or Minister of State and the main spokespersons for parties or groups, or a member nominated in their stead for a period not exceeding ten minutes each with five-minute response from the Minister or Minister of State and all Members may share time; (5) No Private Members' Bill shall be taken under Standing Order 140A and no committee report shall be taken under Standing Order 91(2); (6) Notwithstanding anything in Standing Order 41, the priority question rota set out in that Standing Order shall resume on day 2 on Tuesday, 18 September 2018; and (7) The Dáil on it rising shall adjourn until 2 p.m. on Tuesday, 18 September 2018.

An Ceann Comhairle: I thank the Deputy for that extensive report.

Visit of United States Delegation

An Ceann Comhairle: I intervene to welcome a group of distinguished visitors in the Gallery. On my behalf and on behalf of the Members, I offer a céad míle fáilte, a most sincere welcome to members of a leadership group under the aegis of the State Legislative Leaders Foundation visiting from the United States. The delegation comprises speakers, senate presidents, and majority and minority leaders of almost 16 states of the USA, along with distinguished officials and corporate leaders. You are all most welcome.

Order of Business (Resumed)

An Ceann Comhairle: There are three proposals to put to the House. Is the proposal for dealing with Tuesday's business agreed to?

Deputy Brendan Howlin: On No. 16, the motion on the report of the Joint Committee on Transport, Tourism and Sport under Standing Order 114, my party does not have a member on the committee and the report is not online this morning in order for us to know exactly what we are doing. This is a European procedure. If a number of national parliaments agree to it, it can actually block a regulation. It is a rather important device. I ask that the reports be circulated well in advance of being tabled before the House.

An Ceann Comhairle: The arrangements will be made.

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Is the proposal for dealing with Tuesday's business agreed to? Agreed. Is the proposal for dealing with Wednesday's business agreed to? Agreed. Is the proposal for dealing with Thursday's business agreed to? Agreed.

Deputy Micheál Martin: Despite the programme for Government commitment to build further capacity in child and adolescent mental health services, CAMHS, the waiting lists for young people are getting longer and, more crucially, professional staff are leaving the service. I do not know if the Taoiseach is aware of a study undertaken by researchers in Trinity College Dublin and published today which describes how young people are presenting with far more complex and acute mental health issues, including self-harm, suicidal ideation and difficulties arising from dysfunction within family relationships. The researchers interviewed groups of staff in CAMHS who outlined how frustrated they are with the stagnation of the service. They confirmed that: "A lot of brilliant people are leaving CAMHS and that there is a collective feeling of frustration among people working in our child and adolescent mental health services." There are 2,500 waiting to get access to CAMHS. The Government's approach is not working. I want the Taoiseach to outline any plans the Government has to improve its performance in the mental health area.

The Taoiseach: The programme for Government commitment is, as the Deputy said, to expand capacity in CAMHS and that is what we are doing. There are 114 new assistant psychologists recruited and almost all have been given their posts. In addition to that, 20 psychologists have been recruited. The other day the Minister of State, Deputy Daly, announced the appointment of ten additional advanced nurse practitioners in the area of children's mental health. We are expanding capacity. I appreciate more needs to be done. There is increasing demand for lots of different reasons when it comes to children's mental health but we are very much honouring the commitment to expand capacity

Deputy Mary Lou McDonald: Page 62 of the programme for Government commits to the establishment of an independent patient advocacy service and this has not been met. Last Saturday, there were rallies throughout the State standing for women in support of the victims of the CervicalCheck scandal. Despite all of the pronouncements and announcements from the Taoiseach and others, serious issues remain for the women affected and for their families. Women are still being forced through the courts to access their medical files; they are being denied their own files. The essential review of 3,000 cervical smear slides has not begun. The final report of the scoping investigation being conducted by Dr. Gabriel Scally is delayed and women are also having terrible difficulty accessing the €2,000 payment that the Government announced. All of this signals that the Government is not serious about fully addressing this scandal or drawing lessons from it. The Taoiseach might be aware that Vicky Phelan and Stephen Teap last week-end called for an independent patient advocacy group to be established specifically for these women and their families. It strikes me as a bare minimum and a very practical idea. Will the Taoiseach make the funding and resources available so this advocacy resource can be afforded to the women and their families?

Minister for Health (Deputy Simon Harris): I thank the Deputy for raising this. We are directly interacting with people who have been impacted by the CervicalCheck situation. As the Deputy probably knows, we have established a steering committee within the Department of Health. It meets every Thursday. It publishes its minutes, agenda and all other documents on my Department's website. On that group we have two advocates, including some of the people the Deputy referenced. With regard to any difficulty accessing an *ex gratia* payment, I would be grateful if the Deputy would forward me the details directly because it is contrary

to the information I have received and to the published documentation from the minutes of the meetings. We will fund the advocacy service and we have conveyed that directly to some of the advocates involved.

Deputy Brendan Howlin: Last year, the then Minister for Justice and Equality said the coroners (amendment) Bill was the absolute priority for the Government and it is on the Government priority list. The Bill will introduce mandatory reporting, post mortem examination and inquests in cases of maternal death, as Deputy Clare Daly has sought for some time in her Private Members' Bill. There have been repeated delays in bringing the Government's Bill forward. I have expressed concerns here on a number of occasions. When will we see the Bill?

Minister for Justice and Equality (Deputy Charles Flanagan): I regret the delay. I am pleased to inform the Deputy that I expect publication within the next three weeks.

Deputy Bríd Smith: As the Taoiseach and Minister have just heard, the Scally inquiry has been seriously frustrated and delayed, possibly well into the next term. There is one simple question I have repeatedly asked and which I will ask for the fifth time. Can we have a list of the laboratories from which the 209 - now 221 - misdiagnosed tests came? I have repeatedly asked this of the HSE, the Taoiseach, the Minister for Health and the Minister for Finance, Deputy Paschal Donohoe, when he was sitting in for the Taoiseach, and I am asking it again. I am informed by the Medical Laboratory Scientists Association that it is a simple question to which there is a simple answer. If the answer is not being provided to an elected Deputy, I suspect that is because it will be shown that all of the misdiagnosed tests came from the outsourcing of this service to the USA. If that is not the case, I would have had the answer sooner. May I have an answer to that question before the summer recess? I will publish it for everybody. We do not have to wait for Scally to scope matters; we can find that out very easily.

Deputy Róisín Shortall: On the same issue, the purpose of the Scally scoping inquiry is to get speedy access to the facts surrounding the CervicalCheck scandal and obtain information on the relative accuracy rates of the different labs concerned and the reason for variations in those rates. Last week, we heard that Dr. Scally still has not got access to that basic data. Can the Minister for Health tell us the reason for that? My understanding is that CervicalCheck can access that data within a matter of days from the labs concerned and that the matter is covered by the contracts. What is the reason for not providing that basic data to Dr. Scally and can the Minister step in to ensure that is done without any further delay?

Deputy Simon Harris: Section 40 of the Health Act 2007 gives me, as Minister, the ability to request any information and to make that information available to a person appointed by me to investigate or examine such a matter. I received correspondence from the HSE on 26 June seeking section 40. I responded favourably on 27 June, the next day. My understanding is, and I note public comments from Dr. Scally to this effect in recent days, that he has now been given all the information he requires to carry out his investigation. He also knows - I have said it to him face to face, on the telephone and I say it again now in the House - that if he has any difficulty obtaining any of the information, he has a direct line to me on that.

Regarding the issue of the lab data, my understanding is that some data on the labs had been shared with the Joint Committee on Health. Dr. Scally has a job of work to do. We cannot appoint somebody to examine all this information, with the expertise that they have and, frankly, we do not have, and then try to predetermine that. Dr. Scally's work is that of a scoping inquiry. It is the Government's intention to establish a commission of investigation in September. We

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do have to allow Dr. Scally do his work and make his determinations.

Deputy Bríd Smith: I asked the Minister, the HSE and the Minister for Finance that question long before we heard of Scally.

An Ceann Comhairle: We cannot have a series of questions.

Deputy Bríd Smith: Can I have the answer? I am asking only about 221 tests.

An Ceann Comhairle: I take it the Minister is not providing the information.

Deputy Simon Harris: I have answered the question.

Deputy Bríd Smith: The Minister has not.

Deputy Róisín Shortall: The Minister has not.

Deputy Bríd Smith: I have asked for these results and I have written to the Minister about them.

Deputy Róisín Shortall: We have asked for that information and we have not received any replies.

Deputy Mattie McGrath: In the context of judicial reform, under the programme for Government, the poor box is being used with great ingenuity by many justices throughout the country. I understand that the Minister is going to disband this service. To name one charity, the Jack and Jill Children's Foundation receives approximately €50,000 per annum from the poor box in respect of the valuable work it does. Many citizens who are before the courts and who are requested to pay sums of money to charity do not get convictions. It is a good process that has served the State well and has been used wisely by most justices. If the Government does away with the poor box, the money will just go into central funds and the charities will lose out. In the case of the Jack and Jill Children's Foundation, it will be sick children who lose out. Is the Government doing away with the poor box in the courts and, if so, when will that happen?

Deputy Charles Flanagan: I wish to restate my unhappiness regarding the manner in which the court poor box is being used in the courts. I intend to reform it. I will not have legislation ready in time for this session but it is an issue I look forward to bringing forward before the end of the year. I am not happy with the system and I intend to do away with it.

Deputy Joan Collins: One of the biggest changes to our public transport system, BusConnects, was launched a couple of weeks ago. Having studied what is proposed in detail, I find many parts of the strategy could be referred to as "BusDisconnects". The consultation process is due to start on 16 July and run for the six-week period during which people close their doors, switch off and go on holidays. We are not engaging with bus users.

I will give one example. My bus stop, the 1937 on the Tyrconnell Road, has lost the 68, 69 and 13 buses. The 63 bus serves the area every hour. We already had a service with three buses. Deputies should be looking at their areas and demanding that this consultation process be put back until at least September when people can engage properly. It is an absolute disgrace.

The Taoiseach: We need a radical improvement of the bus service, not just here in Dublin-----

Deputy Joan Collins: In our bus service.

The Taoiseach: -----but also in Cork and Limerick-----

Deputy Thomas Byrne: The Taoiseach's constituency got looked after.

(Interruptions).

Deputy Thomas Byrne: There is no connection to Blanchardstown. Mine have to connect.

An Ceann Comhairle: Order please.

The Taoiseach: BusConnects is a €2 billion investment in bus services in Dublin with-----

Deputy Thomas Byrne: It is not in my constituency, which needs it.

Deputy Mattie McGrath: It is the hurdy gurdy bus of the Minister for Transport, Tourism and Sport, Deputy Shane Ross.

The Taoiseach: -----hundreds of millions of euro to be invested in Cork and Galway-----

Deputy Mattie McGrath: It is the hurdy gurdy.

The Taoiseach: -----for BusConnects as well. It regularly takes an hour to get from the western part of my constituency into the city centre and, as things stand, it is only going to get worse. We need radical improvements to our bus service.

(Interruptions).

The Taoiseach: BusConnects will reduce journey times by about half but it does involve big changes to routes and also big improvements in infrastructure on street, at stops and of the vehicles themselves.

Deputy Joan Collins: Commuters will have to wait 20 minutes to an hour.

The Taoiseach: This has to go through a public consultation process and a planning process and there will be lots of time for people to feed into that.

Deputy Joan Collins: It is 16 July or August.

Deputy Eamon Ryan: Some in this House do not agree with the Government that we should just delete the constitutional wording on women's place in the home. We should, instead, look at new wording which strengthens and provides cover for all sorts of gender neutral caring work. That, however, is not being allowed. It is going to be a simple deletion. The Minister for Justice and Equality, Deputy Charles Flanagan, said yesterday that he is going to ask the Citizens' Assembly to consider the issue of caring work. Will the Taoiseach outline the timeline for that? How will we engage in this debate on the role of caring in our society between now and October? Why is it being rushed through? This needs time and real thought. Could this referendum not be done in the next batch? I fear that by rushing it through and not allowing a proper policy review of the role of caring in our society we are missing an opportunity.

The Taoiseach: I am happy to answer that. We gave this careful consideration and took the advice of people like former Justice Catherine McGuinness in coming to the decision we did. We decided that we should ask the people whether they want to delete that article on women in

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the home, which we believe is sexist and anachronistic, from our Constitution. We do not think we are rushing it at all. It was the Council for the Status of Women and the all-party committee on the Constitution, chaired by Deputy Brian Lenihan before he became a Minister, that made this recommendation.

Deputy Eamon Ryan: The Convention on the Constitution recommended rewording.

The Taoiseach: This should never have been put into the Constitution in the 1930s never mind being kept there now. We did give consideration to putting in new wording on caring or amending the definition of the family, and bear in mind that this article is in the section on the family. These are, however, bigger issues. I and the Government do not believe we should tie up a decision on deleting this sexist anachronistic language from our Constitution with a debate on caring and families. Caring and families deserves careful consideration in its own right, we will do that in 2019 and, if we can come up with wording that is agreeable, we will put that to the people as well. It is time to separate this idea that women are inherently linked with caring and family because a woman's place is where she wants it to be and that is not necessarily in the home-----

Deputy Eamon Ryan: Nobody is disagreeing with that.

An Ceann Comhairle: We cannot have a debate on the matter.

The Taoiseach: It is complicated. Does it refer to just family carers? It cannot be in the family section of the Constitution-----

An Ceann Comhairle: I know but we cannot have a debate on it here today.

Deputy Eamon Ryan: We do need a debate on this.

An Ceann Comhairle: It cannot be now.

The Taoiseach: Does it include commercial carers? Does it involve changing the definition of the family? The definition of the family in Ireland is based on marriage. That is anachronistic too. The Constitution does not see one parent or lone parent families as families. These are much bigger issues and they should not be tied in with deleting this sexist and anachronistic language from the Constitution. Doing that is long overdue, so let us do that and look at the issues on the definition of the family and constitutional protections on caring, and the people they care for whom we also have to bear in mind, as separate items.

Deputy John Brady: A Programme for a Partnership Government mentions the word "poverty" 19 times. We know from this year's Society of St. Vincent de Paul budget submission that more than 780,000 Irish citizens are living below the poverty line. That is 16.5% of the population. Interestingly, 105,051 of those citizens are currently in employment. Alarming, the pre-budget submission from the Society of St. Vincent de Paul shows that it paid out more than €12.5 million in food vouchers to Irish citizens last year.

The Government has no anti-poverty strategy in place whatsoever. Where is the anti-poverty strategy? When will it be published?

The Taoiseach: The anti-poverty strategy is encompassed in the social inclusion policy and also the Action Plan for Jobs. As the Deputy knows, the phrase "below the poverty line" does not mean that a person is living in poverty. It includes people who are at risk of poverty but

who are not in poverty, as well as those who are in poverty. The figure provided by the Deputy of the number of people who are in employment and also at risk of poverty represents about 5% of people in employment; 95% of people in work are not in poverty. That is one of the better figures when compared against European counterparts. The best thing we can do about that is to help people to work more hours, support people with the cost of childcare, implement the Action Plan for Jobs and reform the working family payment, as we have done already, which means that anybody with children who is working more than 19 hours a week is guaranteed not to be in poverty.

Deputy John Brady: Where is the strategy?

The Taoiseach: The social inclusion policy is the strategy the Deputy is referring to.

Deputy John Brady: When will that be published?

The Taoiseach: It was published two years ago.

Deputy Niamh Smyth: In A Programme for a Partnership Government there is a commitment to safe, timely care for patients in a location as close to home as possible. Did the Minister for Health instruct senior officials of the Royal College of Surgeons in Ireland, RCSI, group to downgrade services at Cavan General Hospital? It is my understanding that consultants were informed that all complex medical procedures and trauma procedures are to stop there and that the hospital will essentially be turned into a day procedure hospital. All complex medical procedures are to be moved to Beaumont. Can the Taoiseach confirm that he has instructed that Cavan General Hospital be downgraded? Is he aware of that? Does he have any plans to invest in the emergency department? That will not be required if these plans are to be realised. Is the hospital being downgraded in favour of Beaumont hospital?

Deputy Simon Harris: No such instruction was given. Cavan General Hospital is one of our best performing hospitals. I met the Deputy there when I opened a state-of-the-art CF unit. The hospital has a consistently low number of people on hospital trolleys - often it has none - and it does very well in terms of its elective waiting lists as well. I visited Monaghan hospital as well, which obviously works in tandem with Cavan General Hospital. I believe we can do an awful lot more there and that what was allowed to happen there in the past was a shame. The RCSI hospital group works as a group in terms of what services are best to deliver-----

Deputy Niamh Smyth: Is it the case that no instruction was given to consultants last week?

Deputy Simon Harris: No instruction was given by me to that effect, but I will follow up with the RCSI.

Deputy Robert Troy: The Minister of State at the Department of Foreign Affairs and Trade, Deputy Cannon, and the Minister for Employment Affairs and Social Protection, Deputy Doherty, launched a Bill concerning the minimum passing distance for cyclists in February 2017. For a number of months the Minister with responsibility in this area, Deputy Ross, failed to act. I proposed an amendment to the Road Traffic (Amendment) Bill 2017 before Christmas last year which would give legal effect to the proposals, and on the day the Committee for Transport, Tourism and Sport met, lo and behold, Minister Ross held a press briefing and said that he was immediately going to bring forward a statutory instrument to introduce a minimum passing distance. When pressed on the meaning of “immediately” he said that it would be done within weeks. That was over four months ago. Hundreds of thousands of people who

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are cycling on a daily basis realise the urgent need for this statutory instrument. The Minister, who has the power to act on this, does not seem to realise the urgency. Can the Taoiseach ask, or instruct, Minister Ross to honour the commitment he gave at that press conference over four months ago in the interests of the hundreds of thousands of cyclists who use our roads on a daily basis? He should sign the statutory instrument and concentrate on his own brief rather than the briefs of others.

The Taoiseach: I do not issue instructions to Minister Ross, but I will certainly ask him-----

Deputy Mattie McGrath: I thought the Taoiseach was the boss.

The Taoiseach: -----to correspond with the Deputy on the progress of that statutory instrument. I know that he wants to sign it and that the Minister of State, Deputy Cannon, and the Minister, Deputy Doherty, are very enthusiastic about having that done. I am aware that some concerns have been raised around enforceability and how a passing distance of 1.5 metres between a car and bike can be established after the fact. Nonetheless, I am aware that Minister Ross wants this statutory instrument in place.

Deputy Danny Healy-Rae: We are told that the price of electricity is to rise by 9.3% and the price of gas by 12.8%. This will affect every man, woman and child in the country. Has the Government any power to regulate these people or control them? This is going to hurt poor people, especially those in receipt of the fuel allowance. Will the Government increase the fuel allowance? Will it intervene? I am asking the Taoiseach to intervene, to stop this increase and to bring these people to book. People's incomes have not risen. Their social welfare has not risen by that much. There has been a 10% increase and not a word from the Taoiseach's Government to try to stop it.

The Taoiseach: Electricity prices are regulated. They are regulated by what used to be the Commission for Energy Regulation but is now the Commission for Regulation of Utilities. We have increased the fuel allowance. We did that already this year and we will certainly consider doing it again next year. However, it is a simple fact that electricity prices are largely linked to the cost of fossil fuels, that is, the cost of oil and gas. When that cost goes up, prices must rise as well. That just emphasises the need for us to do other things, namely, move towards a greater use of renewable energy and to continue what we are doing to incentivise people to insulate their homes and to ensure that public buildings are also insulated. In this way, we can reduce the need to use fossil fuels and electricity for heating.

Deputy Danny Healy-Rae: Reduce the tax.

The Taoiseach: I refer to climate change.

An Ceann Comhairle: That concludes questions on promised legislation. Some 12 Deputies were not reached today. I must observe that if leaders take far longer to ask their questions than is allocated-----

Deputy Mattie McGrath: Some leaders.

An Ceann Comhairle: -----and if the answers take longer, then we do not get to other Members.

Deputy Charlie McConalogue: Some of us have had our hands up for the same time as other Deputies and were not called.

An Ceann Comhairle: Excuse me?

Deputy Charlie McConalogue: This is the third time I have not been called.

An Ceann Comhairle: Everybody puts their hand up at the same time.

Deputy Tony McLoughlin: Can the Deputies who have unfortunately been overlooked today be prioritised for tomorrow?

An Ceann Comhairle: If Deputies want to introduce such a system, I have no problem with that.

Deputy Tony McLoughlin: In fairness-----

Deputy Mattie McGrath: Go back to the card system.

Deputy Tony McLoughlin: -----my colleagues and I have been overlooked on numerous occasions and we have not been given the opportunity to contribute on the following the next day. I propose that, at the least, what has been suggested be given serious consideration.

An Ceann Comhairle: We will bring it to the Business Committee. If the committee wants to introduce that system, I have no problem with it. Deputies suggest extending the available time. We will bring that proposal as well.

Affordable Housing and Fair Mortgage Bill 2018: First Stage

Deputy John McGuinness: I move:

That leave be granted to introduce a Bill entitled an Act to highlight the State's adherence to EU law and the European Convention on Human Rights in regard to the present emergency in the housing sector and, in particular, in dealing with mortgage arrears; to provide for a platform for an open market - "the national affordable cooperative housing exchange" - in which mortgagees and purchasers of home loans and security housing must deal; to secure for preferred not-for-profit housing providers a purchasers first refusal on such sales via a non-compulsory purchase order call option; to designate the Registrar of Friendly Societies as the exchange point for such sales; to promote not-for-profit third sector non-state provision of affordable housing ranging from mutually funded to internationally funded in the ethical bond market; to allow for the broadening of the Mortgage to Rent mortgage rescue model to be available without any local authority involvement to voluntary, mutual and not-for-profit housing providers funded privately and without recourse to public funds or state guarantee; and to provide for reconfiguring Abhaile as a mortgage resolution agency.

I wish to acknowledge the work done by Mr. Edmund Honohan, the Master of the High Court, and the huge contribution he made in terms of the Bill. He did this in a non-political way for reasons arising from his experience in the courts. I compliment Mr. Honohan and also Mr. Brian Reilly of Right2Homes. What is being done by Mr. David Hall in respect of a particular pilot scheme shows that this Bill can work.

The Bill would keep Ireland in line with EU law and with the European Convention on Human Rights in the context of the housing crisis and the mortgage arrears issue in particular. It would also provide for a national affordable housing exchange and a non-compulsory purchase

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option for preferred not-for-profit housing agencies. Furthermore, it would expand the mortgage-to-rent rescue model by removing the dead hand of local authorities and replacing it with the caring hand of voluntary, mutual and not-for-profit housing agencies. The Bill would reconfigure Abhaile as a mortgage resolution agency and would give authority to the not-for-profit housing agency designated for the purpose to raise funds on the open market from ethical funds.

Above all, this Bill, if enacted, would keep people in their homes and would bring vulture funds, which are causing havoc for families and individuals throughout the country and causing homelessness by means of evictions, to heel.

Deputy Mattie McGrath: Hear, hear.

Deputy John McGuinness: What is happening has to stop. As parliamentarians, we have a choice. We can go down the tired old political route, which is stale and out of date, and protect the *status quo*. We can ignore all of what is happening in our courts. We can ignore all of the evictions and repossessions. We can ignore people that are in distress with their mortgage and living with a very poor quality of life. We can say that the Bill lacks clarity. We can say that it is not fit for purpose. We can say all of those things and we can reach for any excuse. However, I am asking the Government not to do so. I am asking every single Member of this Parliament to examine the Bill with a view to bringing it to Second Stage in order that we can debate the real issues that are central to society right now with a view to keeping people safe in their homes. I have said it umpteen times; the first obligation of a Government is to keep its people safe.

Deputy Mattie McGrath: Hear, hear.

Deputy John McGuinness: I invite Members to go to any of the courts or to attend any meetings involving the vulture funds. One can see how arrogant and aggressive they are, and how their lack of understanding is pitted against ordinary individuals and gives them no chance whatsoever. The people have turned to us and to this House. Mr. Edmund Honohan and Right2Homes have given us the option to take this Bill on board. If it is not perfect or if it lacks clarity in any way, let us debate that. Let us move the Bill forward. It is not in my ownership; it is a non-political approach to what is a crisis for society. If we do not do it, more people will be thrown to the vulture funds. People will lose their homes and families throughout the country will be devastated.

Deputy Mattie McGrath: Hear, hear.

Deputy John McGuinness: Those with family farms are next.

Deputy Mattie McGrath: Yes.

Deputy John McGuinness: The banks are queuing up to bring people to court.

My answer to all of that is to call on this House to say “No” to vulture funds and to say “Yes” to families and to keeping them in their homes. I ask Members to support this Bill. Debate the Bill, amend it and add to it. I invite Members to do what they like to improve it, but please bring it to the House for a full debate. I am introducing the Bill, but I ask Deputies of every single party and none to find space on agenda in order that it might be debated. If it is not Fianna Fáil that takes this matter forward, it could be Sinn Féin, Labour, Fine Gael or anyone else. It could be the Independent Alliance. Regardless of who it is, the critical thing is that society needs an answer to the problems of today. We will not find that answer in the Bills that are hanging

around this House. Unfortunately, there seems to be a reluctance to take on the vulture funds or to walk away from financial institutions and banks and allow them to fend for themselves.

We are repeatedly informed by the banks that the protection for the mortgage holder travels with the loan. That is simply not true. By turning a blind eye, we are allowing the vulture funds to do huge damage to society and to families. Please, let us find the time to debate this Bill and have it enacted.

An Ceann Comhairle: Is the Bill being opposed?

Minister of State at the Department of Culture, Heritage and the Gaeltacht (Deputy Joe McHugh): Níl.

Question put and agreed to.

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

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

If it is possible to debate the Bill in Government time, I would like that to be considered as well.

Question put and agreed to.

Forestry (Planning Permission) (Amendment) Bill 2018: First Stage

Deputy Martin Kenny: I move:

That leave be granted to introduce a Bill entitled an Act to amend the provisions of the Forestry Act 2014 to provide for planning permission for all forestry developments over 5 hectares; to amend the Planning and Development Act 2000; and to provide for related matters.

Planning permission for forestry is something that is needed throughout the country. It is important to state that the plantation of forestry is positive and is something that our society needs. Planning permission is needed for almost every development that happens in the State. If a person wants to put a different type of gate on his or her house or paint the roof a different colour, he or she has to obtain planning permission. However, forestry can be planted without practically any planning permission at all. Planning permission is only required in order to plant more than 50 ha of forestry, which is a very large area. As a result of this, very few people have had to apply for planning permission at all over the years.

What we are really concerned about here is the type and scale of forestry that is evident in many parts of the country and the visual, environmental and societal impact it has. The visual impact is certainly something I see in my part of the world, where we have large areas of forestry, mainly, Sitka spruce and pine forests, which grow and block out people's light. In many places on the landscape we see them break the horizon. They completely destroy people's lives. Many people built or bought houses with a beautiful view of a lake or mountains and within a couple of years forests grew in front of them and they have no right to object and no right to say anything to anyone about it.

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Support for the Bill comes from many agencies and groups throughout the country. Bird-watch Ireland supports obtaining planning permission for forestry. Other farming and environmental organisations also support obtaining planning permission for it. Local authorities throughout the country have passed motions in recent years to try to do something to regulate afforestation. It is more than 30 years since the first motion was passed by Leitrim County Council looking for the obtaining of planning permission for forestry. That motion was supported by all parties.

There is cross-party support almost everywhere in rural Ireland to do something about this problem which we continue to see. Local authorities have huge issues in that regard, particularly in the case of roads. Forestry is considered to be a crop which people grow. When we harvest most crops, they do not have an impact on the road structure, but when forestry is removed, it means trucks coming out with 20 or 30 tonnes of timber onto small country roads and destroying them. Local authorities have no way of preventing it from happening. Of course, new entrances are also made in places where there were never entrances before. All of these issues continue to blight the landscape and cause huge problems.

We also have issues where forestry was planted in areas which have become landlocked. In my constituency there are many large blocks of forestry of 20 ha, 30 ha or 40 ha that have never been thinned or extracted. They cannot be extracted because there is no way in or out to them. They were simply put there because there were very good grants available. People make money on grants and leave the trees to die eventually or to be blown away in the wind. This is a huge problem that needs to be addressed.

The environmental cost of planting the wrong type of forestry is part of the problem that needs to be addressed. One of the ways to address it is through looking at the need for planning permission. As well as the visual impact, in seeking planning permission the environmental impact is also looked at. There is monoculture as pine needles block out the light. If anyone goes into a forest of grown pine trees, he or she will be under a complete canopy across the top. The pine needles fall and nothing grows. It is like a desert inside and there is complete silence. There are no birds or wildlife, yet we are talking about biodiversity.

We really need to get hold of and understand the problem, which is the wrong type of forestry is grown. We have to regulate the industry and ensure we will not destroy communities by having the wrong type of forestry in the wrong place. It has to be done properly, with continuous cover. It needs to be done in places where people want it. It is a very poor sign of our society when people object to the growing of trees beside them. We need to sit up and listen and realise there is something wrong and that it is a problem that needs to be addressed. The way to address it is through the obtaining of planning permission in order that people will know what is going on in their community, that they will see a sign going up and that they can object to it if they believe there is a problem. It does not necessarily have to be a problem but a positive way forward. What we should be doing is finding positive ways forward in order that local authorities and public representatives will have a voice in dealing with this issue. Through the Bill which I propose and commend to the House, we suggest planning permission be required for any block of forestry of more than 5 ha. I commend the Bill to the House and seek support for it.

An Ceann Comhairle: Is the Bill opposed?

Minister of State at the Department of the Taoiseach (Deputy Joe McHugh): No.

Question put and agreed to.

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

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

Question put and agreed to.

Child and Family Agency (Foster Care Oversight) Bill 2018: First Stage

Deputy Denise Mitchell: I move:

That leave be granted to introduce a Bill entitled an Act to amend the Child and Family Agency Act 2013 and to provide for related matters.

I welcome the opportunity to introduce the Child and Family Agency (Foster Care Oversight) Bill 2018. It is a straightforward and necessary Bill which will place a statutory obligation on the Child and Family Agency, Tusla, to publish statistics annually for the numbers of children in care. I know that I speak for many Deputies in the House when I say we have had difficulties in accessing information from Tusla. Many believe there is something of a closed loop between Tusla and the Department. One example is the use of voluntary care agreements and the length of time children spend, in some cases, most of their childhood, in what is supposed to be a temporary agreement which can be ended at any time. This is also something many advocacy groups, care leavers and campaigners have criticised. For many young people, there can be a complete lack of security. While most voluntary care agreements are used appropriately, there is a feeling that in a limited number of cases this type of agreement is being used as a quick fix to avoid going through the courts to secure a more appropriate type of care order. On numerous occasions I have asked parliamentary questions about the number of children covered by certain care orders and their timeframe, only to be informed that this information is unavailable. The Bill will oblige Tusla to outline annually the number of children in voluntary care agreements and other care types, as well as noting changes to care orders, and to publish this information. It is about ensuring all data are published. As I said, this is a straightforward Bill, but it is about ensuring transparency in order that, as legislators, we will have up-to-date statistics and data when it comes to the most vulnerable children in the care system.

An Ceann Comhairle: Is the Bill opposed?

Minister of State at the Department of the Taoiseach (Deputy Joe McHugh): No.

Question put and agreed to.

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

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

Question put and agreed to.

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Standing Orders: Motion

Minister of State at the Department of the Taoiseach (Deputy Joe McHugh): I move:

That in accordance with the recommendations under Standing Order 107(1)(a) of the Committee on Procedure, and with effect from 18th September 2018, the Standing Orders of Dáil Éireann relative to Public Business be amended as follows:

(a) in Standing Order 61—

(i) in paragraph (3), by the deletion of all words from ‘If the defamatory nature’ down to and including ‘after the making of the utterance’ and the substitution of the following:

‘If the defamatory nature of the utterance is not apparent at the time during the course of proceedings, and at the earliest opportunity, but not later than six weeks after the making of the utterance, or by the time of the dissolution of the Dáil, whichever is the sooner—’;

(ii) by the deletion of paragraph (5) and the substitution of the following:

‘(5) In any report which it may make to the Dáil on a request, submission or referral under this Standing Order, the Committee may include a response by a person who has been referred to in the utterance by name, or in such a way as to be readily identifiable, and may make any of the following findings:

(a) that *prima facie* no abuse of privilege has occurred, in which case the Committee may recommend that no further action be taken by the Dáil or by the Committee in relation to the request, submission or referral; or

(b) that a member has made an utterance in the nature of being defamatory and that *prima facie* an abuse of privilege has occurred.

(5A) Where the Committee finds under paragraph (5)(b) that an abuse of privilege has occurred, the member who made the utterance is required to withdraw it during a meeting of the Dáil, by reading out the withdrawal in a form of words to be included in the report of the Committee, at any time before the end of a sitting day nominated by the Committee: Provided that the member shall arrange by agreement with the Ceann Comhairle the time on, or before, the nominated sitting day when the member shall make the withdrawal, and the Ceann Comhairle shall read out the Committee’s finding on the utterance immediately prior to the withdrawal.

(5B) If the member does not withdraw his or her utterance in the manner outlined in paragraph (5A), the Ceann Comhairle shall, on the next sitting day after the nominated day, read out the Committee’s finding on the utterance, and name the member in accordance with Standing Order 64(1).’; and

(iii) in paragraph (8)(a), by the deletion of ‘in the case of a response by a person who made a submission’ and the substitution of the following:

‘in the case of a response under paragraph (5)’;

(b) in Standing Order 62, by the insertion of the following paragraph after ‘Standing Order 101(2).’:

‘(2) Nothing in this Standing Order, or in these Standing Orders generally, shall prevent the House from suspending a member from the service of the Dáil and its Committees in accordance with the provisions of Standing Order 64(1).’; and

(c) in Standing Order 64—

(i) by the substitution of the following for paragraph (1):

‘(1) (a) A member may be named by the Ceann Comhairle—

(i) where the member has disregarded the authority of the Chair, in the Dáil, or in Committee of the whole Dáil, (whereupon he or she shall be named immediately after the commission of such offence), or

(ii) where the member has not withdrawn an utterance found to be an abuse of privilege, pursuant to Standing Order 61(5A).

(b) Where the member has been named in accordance with paragraph (a), the Ceann Comhairle shall move and forthwith put the question on a motion — no amendment, adjournment or debate being allowed — “That..... (naming the member) be suspended from the service of the Dáil and its Committees”; and on the declaration of the result the member may stand suspended and, if so, shall withdraw from the Dáil forthwith: Provided, on an exceptional basis, a division may be claimed on the question and, subject to paragraph (3), shall take place immediately, and the member shall be entitled to vote in any such division.’;

(ii) by the substitution of the following for paragraph (2):

‘(2) If any member hereafter be suspended under this Standing Order, his or her suspension—

(a) if it is pursuant to his or her having been named under paragraph (1)(a)(i), shall on the first occasion last for two sitting days, on the second occasion for four sitting days, and on the third or any subsequent occasion for eight sitting days, (with any suspension pursuant to the member having been named under paragraph (1)(a)(ii) not to be reckoned for the purposes of calculating the number of occasions); or

(b) if it is pursuant to his or her having been named under paragraph (1)(a)(ii), shall last for four sitting days;

Provided that—

(i) in any suspension under paragraph (a) or (b), the day on which the member is suspended shall be counted in calculating the number of days of suspension (subject to paragraph (ii) of this proviso);

(ii) where a member is suspended pursuant to having been named under paragraph (1)(a)(ii), while at the same time having been on suspension

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pursuant to having been named under paragraph (1)(a)(i), the member's two periods of suspension shall run consecutively, and paragraph (1) of this proviso shall apply only to the first period of suspension; and

(iii) where a member is suspended, this shall not prevent him or her entering the chamber solely for the purposes of withdrawing, in the manner outlined in Standing Order 61(5A), an utterance which has been found to be an abuse of privilege (subject to the provisions of paragraph (3) where he or she has been suspended pursuant to having been named under paragraph (1)(a)(ii)).';

(iii) in paragraph (3), by the deletion of all words from '(3) The Ceann Comhairle' down to and including 'lay the same before the Dáil, and' and by the substitution of the following:

'(3) The Ceann Comhairle, on the withdrawal by a member of his or her utterance in the manner outlined in Standing Order 61(5A) (where the member has been suspended pursuant to having been named under paragraph (1)(a)(ii)), or on receiving from a member a written and approved expression of regret, to be entered in the Journal of the Proceedings of the Dáil (where the member has been suspended pursuant to having been named under paragraph (1)(a)(i)), shall—

(a) in the case of the expression of regret, lay the same before the Dáil, and'; and

(iv) by the substitution of the following paragraph for paragraph (4):

'(4) The suspension from the service of the Dáil shall include suspension from service with any Standing, Select or Special Committee of the Dáil to which the member may have been appointed previous to, or during, his or her suspension.'

Question put and agreed to.

Report of Joint Committee on Transport, Tourism and Sport: Motion

Deputy Fergus O'Dowd: I move:

That Dáil Éireann:

(1) notes the agreed Report of the Joint Committee on Transport, Tourism and Sport under Standing Order 114 on the Proposal for a Regulation of the European Parliament and of the Council on Streamlining Measures for Advancing the Realisation of the Trans-European Transport Network – COM (2018) 277, which was laid before Dáil Éireann on 5th July 2018, in accordance with Standing Order 114(3)(b);

(2) having regard to the aforementioned Report, and in exercise of its functions under section 7(3) of the European Union Act 2009, is of the opinion that the Proposal for a Regulation of the European Parliament and of the Council on Streamlining Measures for Advancing the Realisation of the Trans-European Transport Network – COM (2018) 277 does not comply with the principle of subsidiarity for the reasons set out in section

4 of the Report; and

(3) notes that, pursuant to Standing Order 114(4), a copy of this Resolution together with the reasoned opinion and the aforementioned Report shall be sent to the Presidents of the European Parliament, the Council and the Commission.

Question put and agreed to.

Ceisteanna - Questions

Programme for Government

1. **Deputy Micheál Martin** asked the Taoiseach the actions he has taken to strengthen Cabinet accountability as outlined in A Programme for a Partnership Government; if the examination of the role of Ministers of State has been completed; and if it will be published. [26881/18]

2. **Deputy Brendan Howlin** asked the Taoiseach the actions taken to strengthen Cabinet accountability as outlined in A Programme for a Partnership Government; and if a report will be published on the outcome of the examination of the role of Ministers of State. [29005/18]

3. **Deputy Martin Heydon** asked the Taoiseach the steps taken to promote Cabinet accountability as outlined in A Programme for a Partnership Government. [30990/18]

The Taoiseach: I propose to take Questions Nos. 1 to 3, inclusive, together.

The Government recently approved the annual report setting out progress on the programme for Government. It sets out detailed progress since May 2017 on commitments being implemented across government. It will be published shortly and laid before the Houses of the Oireachtas.

In addition to delegation orders that assign responsibility for specific statutory functions, I have also assigned Ministers of State specific responsibilities. Following the appointment of Ministers of State, a set of policy priorities was agreed between me, as Taoiseach, Cabinet Ministers and Ministers of State. On the establishment of the Government, I met each Minister and his or her Ministers of State on a bilateral basis to discuss their short, medium and long-term policy priorities. I have since regularly met Ministers of State to receive their updates on the progress they have made in implementing their programme for Government priorities.

This collaborative model is operating effectively in the Oireachtas, with the Business Committee managing the weekly Dáil business and the new Parliamentary Budget Office established to provide independent and impartial information, analysis and advice for the Oireachtas. The cross-party group on Seanad reform held its first meeting in May and recently I met the Chairmen of all Oireachtas committees to discuss a wide range of issues relevant to their work.

Deputy Micheál Martin: The Taoiseach and his predecessor entered office claiming that they would implement a new approach to accountability for Ministers. In fact, the Taoiseach's predecessor said he would have annual score cards for Ministers, which never materialised. In the Taoiseach's case, we were told that he would hold Ministers to account very closely for their delivery. Has he looked at the work of all of his Ministers? Is he happy there are no issues of

concern?

On specifics, despite the number of times the Taoiseach and the Minister for Housing, Planning and Local Government, Deputy Eoghan Murphy, might put on a high visibility jacket, it must be acknowledged that the failure to deliver in the area of housing illustrates a lack of accountability within the Government in meeting the targets the Government set itself.

Seven or eight various schemes have been announced in the past three years and the targets outlined for all those schemes, from repair and lease to rapid build to the affordable homes loans and so on, were not reached. The bottom line is that the facts now paint a different picture from the rhetoric and soundbites emanating from the Government relating to housing, particularly the fact that homelessness is up 24% since the Taoiseach and the Minister took office last year. Child homelessness is up an astonishing 32% in the same period, with almost 1,000 more children homeless. That is unacceptable and represents a clear failure to deliver. Last November, the Taoiseach declared, “We have a plan and it’s working”, but since his announcement, approximately 500 more children have become homeless. Is he happy with that record?

What are his views on the progress on disability matters by the Minister of State with responsibility for the area, Deputy Finian McGrath? I particularly refer to access to therapies, respite care and mental health matters, which I outlined earlier, and the problems with CAMHS? The Minister of State at the Department for Health, Deputy Jim Daly, is responsible for home care packages so will the Taoiseach comment on the lack of any transparent assessment of needs in that area and the real crisis emerging there?

Deputy Brendan Howlin: In the programme for Government there is a reference to strengthening Cabinet accountability, stating the Government will support an enhanced approach by Ministers of State playing a more substantive role in decision-making. Will the Taoiseach explain exactly how that has been achieved? The document also indicates the Government will consider the creation of unpaid parliamentary private secretaries. I am unsure whether any Fine Gael Deputies do not have a job currently. I suppose the former Taoiseach or Minister for Finance could hardly take on a role as a parliamentary private secretary, although maybe they will. Perhaps it was the idea of the Taoiseach’s predecessor but has he thought about it and is there a role for a parliamentary private secretary, which the programme for Government indicates would examine the balance of power and responsibility between Government and the Civil Service? I am not sure how exactly that would happen.

There is a commitment in the programme for Government for all Ministers to appear before the relevant Oireachtas committee on a quarterly basis. Will the Taoiseach indicate whether that has been achieved? There is an indication that the Taoiseach would appear before the Working Group of Committee Chairmen twice per year. Has he done that? Is that commitment being adhered to? In a general sense, there are 19 Ministers of State, which is as many as we have ever had in any Government. Was there 21 at one stage?

The Taoiseach: Yes.

Deputy Brendan Howlin: The law was changed.

Deputy Joan Burton: It is not possible to have 21. It is contrary to the Constitution.

Deputy Brendan Howlin: No, the Ministers are fixed by the Constitution but Ministers of State are fixed by law. Is the law still that 21 are allowed but there are just 19? Did we change

the law? I cannot remember.

The Taoiseach: I believe it allows 20 and we have 19. I will check that.

Deputy Brendan Howlin: Have they all written statutory responsibility? Is there a delegation order for each of them? The Taoiseach might circulate that to see exactly what specific role each of the 19 Ministers of State has.

Deputy Martin Heydon: With respect to Cabinet accountability, I will raise a point from my party's perspective. The role of each and every one of us elected to the House is to hold Ministers to account and question them on certain areas. The responsibility is no less for a Government backbencher than it is for any other Member. As chairman of the Fine Gael Party, I know my colleagues and I feel that dividing speaking slots evenly between political groupings of different sizes leads to a disproportionate impact on Government backbenchers. This is manifested in debates on Private Members' Bills, for example, where it is required that a Minister must open and close the debate on behalf of the Government. The time available for Deputies in my party to raise points in such debates is next to none.

As an example, there was a Private Members' debate not that long ago regarding community employment supervisors. I had constructive points I wanted to make about their pension entitlements but I could not get speaking time here. I had to seek a meeting with the Ministers, Deputies Paschal Donohoe and Regina Doherty, afterwards to make those points. I feel a bit aggrieved that my constructive points or questions to the Minister could not happen here and go on the record. It is not ideal and my mandate is the same as that of everybody else. The nub of this is the equal splitting of time between political groupings of different sizes. It can perhaps give a disproportionate voice to those in the Opposition benches.

Deputy Brendan Howlin: The Deputy is part of the Government.

Deputy Martin Heydon: A solution would be to treat the Fine Gael grouping differently from Ministers. A Minister, as the holder of an office, has a role and responsibility to hold the view of his or her Department. Ministers do not necessarily represent the view of their political party or constituents. I feel strongly that it is a challenge for us on this side of the House.

Deputy Micheál Martin: The Deputy should speak with his Whip.

Deputy Mary Lou McDonald: I do not know how many Government backbenchers there are.

Deputy Brendan Howlin: Not too many.

Deputy Joan Burton: I am not sure there are any.

Deputy Martin Heydon: My point is-----

Deputy Mary Lou McDonald: I understand the point. An equal point is that is a very small group.

Deputy Martin Heydon: There are 23. That is not small.

Deputy Brendan Howlin: They chair committees.

Deputy Mary Lou McDonald: In addition to the questions raised by colleagues I ask about

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the programme for Government commitment that as part of the next wave of local government reform, the Minister, having consulted widely with all relevant stakeholders, will prepare a report for the Government and the Oireachtas by mid-2017 on potential measures to boost local government leadership and accountability. That report has not been published, despite being promised a year ago.

The Taoiseach: We have it here. It has not yet been published, admittedly.

Deputy Mary Lou McDonald: The Taoiseach has it.

Deputy John Paul Phelan: He does not have it yet. I have it.

Deputy Mary Lou McDonald: Bingo. The Minister of State has it.

The Taoiseach: May I see it?

Deputy John Paul Phelan: Not yet.

Deputy Mary Lou McDonald: When will the rest of us have it? I very much doubt the Minister of State will hand it to me across the Chamber. When will it be made available to Members of the Oireachtas and the public?

Deputy Richard Boyd Barrett: The programme for Government indicates that this Government should be judged on the basis of how it addresses the housing crisis. I wonder how accountability for that commitment is being pursued, given the ever-worsening housing and homelessness crisis and record numbers who are homeless. There has been a pretty pathetic output of public housing.

I ask particularly about two of the big ideas from the Government in dealing with housing: Housing Building Finance Ireland, HBFI, and the Local Infrastructure Housing Activation Fund, LIHAF. We were told when LIHAF was introduced that 40% of any development with such funding would deliver affordable housing. That was then dropped with no explanation. Now, essentially no percentage is guaranteed for money that was supposed to deliver affordable housing. It is a similar problem with HBFI, which is a major fund for lending to private developers but absolutely no commitment, guarantee or obligation on the part of those who get those funds to deliver housing that is affordable. What is the point in these initiatives if they deliver large sums to private developers but with no guarantee whatsoever that they will deliver housing that will help address the housing crisis and meet the Government's commitment to address that crisis?

An Ceann Comhairle: There are only three minutes remaining in the slot so I ask Deputy Burton to be brief.

Deputy Joan Burton: There are 15 Cabinet members and there are 19 Ministers of State, only a small proportion of whom are women. The former Tánaiste, the Taoiseach's colleague, Deputy Frances Fitzgerald, recently called for 50% of future Governments to comprise women, whether at Cabinet or Minister of State level. I have given that viewpoint as well. When I was Tánaiste, it was 50:50 or 45:55 with Labour Party women and men in terms of our appointment mix, including the Attorney General. That is the highest level of equality that has ever been achieved by a party represented in Government.

As a newish leader, does the Taoiseach have a commitment to an equality Government that

will, as far as possible, be made up of equal numbers of women and men from whatever party or parties command the Government?

The Taoiseach: I am not into the practice of keeping scorecards on ministerial accountability but I certainly keep close note of whether Ministers are achieving the objectives set for them in the programme for Government and in bilateral meetings. I am happy with the work of my Ministers but of course there are always issues of concern. Where there is concern, it is shared concern and my job as Taoiseach is to work with Ministers and assist them in meeting their objectives.

We should never forget where we are coming from with housing. We had seven years during which virtually no public housing was built because the Government was broke. We had seven years during which the private sector built few houses because the banks were bust and the construction industry was on the floor. We should not forget where we were in 2011. House prices were plummeting and many people were distressed because of that. Many were stuck in negative equity and paying mortgages on houses that were worth far less than they paid for them. There were ghost estates all over the country, homes infested with pyrite and tens of thousands of construction workers on the dole. I appreciate that the Leader of the Opposition apologised for that but the people are still suffering from the consequences of the housing, construction and credit bubbles and what they caused.

We are now seeing some progress. For the past two quarters, rents have increased by 1% or less than 1%. Having increased dramatically, they are now levelling off and that is encouraging. We have seen rough sleeping fall by 40% on the most recent count. Central Statistics Office figures show us that 14,446 new homes were built last year. That was a 50% increase on the year before and a 75% increase on the year before that. Of course that does not include 1,000 unfinished houses that were finished and nearly 2,500 that were reconnected. Student homes are being built too. We are finally starting to see an uptick in construction. Some 7,000 houses were added to the social housing stock last year through various mechanisms. However, we are catching up on a period of seven years when almost no new homes were built, so we have a way to go yet.

The Deputy asked me if I am happy. No, I am not happy and I will not be happy until the numbers of people in emergency accommodation are falling. I will not be happy until home ownership is increasing. I believe in home ownership. I know it is not possible for everyone to own their own home but I want as many people as possible to own their own homes. It distresses me greatly that people who are now buying their first homes are, on average, in their early to mid-30s, whereas it was the case for a long time that people in their mid-20s or late-20s would buy their first homes. We need that to change. We need to get back to the situation where home ownership in Ireland is rising again. That is very much an objective of mine and of Government. We will focus on this issue in the same way as the previous Government focused on solving the employment crisis. We want to apply the same effort and commitment to resolving the housing crisis.

The legislation on Housing Building Finance Ireland is now before the House. LIHAF has made two funding rounds, if not three. The objective of LIHAF is to provide infrastructure to sites so that they can be developed for housing with a proportion of those being affordable housing. I am not sure of the answer to Deputy Boyd Barrett's question but I will check up on it. Obviously, it is public money and if public money is being used to provide access to sites, then a decent proportion of the homes built on those sites, where practicable, should be afford-

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able housing. The same principle should apply with Housing Building Finance Ireland. It is important to bear in mind when it comes to HBFI that the finance is not a grant. It is a loan and the developers will have to pay the money back in full with interest. This is something that the taxpayer or Exchequer will benefit from. It is very different from LIHAF, which is an Exchequer grant to local authorities to access sites. It is important not to confuse the two. I know no one in this House has but people in other places have.

The issue of unpaid private parliamentary secretaries has not been pursued. I do not propose to create any unpaid private parliamentary secretaries, or paid ones for that matter, during the period of this Government. However, it is something that could be considered for the future. I am aware that there is an unfair division of labour among Departments, Ministers and Ministers of State. It is evident that the Departments of Justice and Equality, Health and Housing, Planning and Local Government are required to be in the House far more often whether because of legislation, private members' business or committee work. There is a case to have private parliamentary secretaries in those busy Departments if they need to be represented in the Chamber all the time. The Judicial Appointments Commission Bill has been debated for 72 hours so far in this Chamber and the other Chamber. That is a vast amount of time for the Minister for Justice and Equality and the sole Minister of State at the Department to be in the Chambers. There is a case for the posts in the Departments with a busy parliamentary load but it is not something that I am pursuing during the period of this Government.

An Ceann Comhairle: We are way over time now, Taoiseach.

The Taoiseach: Am I over time?

An Ceann Comhairle: It is not the Taoiseach. The whole lot of us are over time, I am afraid. That is something we need to consider.

The Taoiseach: I am only on the first page.

An Ceann Comhairle: Either we take time from the other questions to allow the Taoiseach to give us his comprehensive answer or we can take it from elsewhere.

Deputy Brendan Howlin: We should allow the Taoiseach another minute because he was asked two further questions.

The Taoiseach: I am happy to continue but it is in the hands of the Members.

Deputy Martin Heydon: It is fair that he answers the questions that were asked.

The Taoiseach: I was asked about the Working Group of Committee Chairmen. I have met that group once in the past year, not twice, but I would be happy to meet them again.

All Ministers of State have assigned responsibilities. They do not all have a delegation order, however, as delegation orders only apply if statutory functions are being transferred to Ministers and Minister of State. That would be the case for approximately half of them.

I fully acknowledge that there are not enough women in ministerial roles in this Government. However, only 12 female Deputies support the Government. Of those 12, seven are Ministers, so more than half the female Deputies who support the Government are in ministerial roles. Clearly that demonstrates the problem. We do not have enough female Deputies. With my Fine Gael leader hat on, I am trying to ensure that we have as many new female Deputies

elected to the Dáil as soon as possible. Fine Gael has more female Deputies than any other party. I want us to have far more than any other party after the next election, whenever it comes. In recent days we have selected or added a number of female candidates and there are more to come. We are going to put a major effort behind getting them elected to increase the pool of female Deputies so that many more can hold international office.

I note that Deputy Burton was a party leader herself and was in a position to appoint six Ministers to Cabinet, but only appointed one other woman aside from herself. I am sorry that opportunity was not used.

Deputy Joan Burton: The Attorney General was also a full member of the Government. There were three and six appointed.

The Taoiseach: She was not a Minister though. I am sorry the opportunity was not taken when Deputy Burton-----

Deputy Joan Burton: There were three-----

An Ceann Comhairle: Can we let the Taoiseach answer, Deputy?

Deputy Joan Burton: No, he needs to get his facts right.

The Taoiseach: I think the super-junior is not being counted either. Aside from Deputy Burton herself, the only other full Minister who was appointed to Cabinet was Deputy Jan O'Sullivan, if I remember correctly. The opportunity was lost on that occasion for gender parity, but I anticipate the opportunity will arise in the future for others; I hope it does anyway.

I strongly agree with what Deputy Heydon had to say. We need greater proportionality of speaking time among political parties.

Deputy Micheál Martin: The Government Chief Whip does nothing about it at the Business Committee.

The Taoiseach: Every Deputy's mandate is equal, whether he or she is elected by Fianna Fáil, Fine Gael, Labour Party, Sinn Féin or any other party. I believe the larger parties are discriminated against in terms of speaking time. As Deputy Heydon has pointed out, there are as many Fine Gael backbenchers as there are Sinn Féin Deputies, so surely Fine Gael backbenchers should have the same amount of time as Sinn Féin. However, that is not the case at the moment. That is an inequality and it is unfair not only to those Deputies but, more important, to their constituents who elect them.

I was asked about the local authority leadership, governance and administration reform report. The report is with the Minister but he has not shown it to me yet. It is intended to go to Government next week.

An Ceann Comhairle: For the purpose of clarity, the Sub-Committee on Dáil Reform has done everything that it can possibly do - I thought it was to the satisfaction of all parties - to ensure that proportionality was applied wherever it could be in the allocation of speaking time. Anyone who is concerned proportionality is not being applied in a specific area should bring the matter to our attention and we will revisit it.

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Taoiseach's Meetings and Engagements

4. **Deputy Joan Burton** asked the Taoiseach if he will report on his meeting with a person (details supplied) on 18 June 2018. [27493/18]

5. **Deputy Richard Boyd Barrett** asked the Taoiseach if he will report on his recent meeting with a person (details supplied). [27746/18]

The Taoiseach: I propose to take Questions Nos. 4 and 5 together.

I met Mr. Tim Cook, chief executive of Apple, on 18 June in Dublin. Apple is a major investor in the country and employs more than 5,000 people in Ireland, mostly in Cork. I regularly meet companies with a presence in Ireland and it is right for me to do so. During our meeting Mr. Cook highlighted Apple's continued investment in Ireland, in particular, a new extension to the Cork facility which was completed in May this year. We discussed some topical issues, including the impact of Brexit, the digital Single Market, digital taxation and data protection. We also discussed the European Commission's state aid case and noted that payments were being made by Apple, in accordance with the agreed schedule, into the escrow fund which had been set up pending the appeal submitted to the European Court of Justice. We discussed the Athenry data centre site and noted the new policy and legal frameworks we were putting in place for future data centre development.

Deputy Joan Burton: Apple is a very important employer in Ireland, particularly in the Cork region, and extremely important to the economy. Was it the Taoiseach's office or the Office of the Ceann Comhairle which was responsible for the rather delicate wording of the question, namely, "To ask the Taoiseach if he will report on his meeting with a person (details supplied)", the person obviously being Mr. Tim Cook of Apple? I would have thought he was world famous and entitled to his name, even in the wording of the question. Someone who is a private citizen falls into a different category.

The Taoiseach mentioned the European Commission's judgment. Why has the tax payment which is being made into the escrow account - I assume it is the full €13 billion, but the Taoiseach might enlighten us in that regard - not included in the Exchequer returns? Many tax payments are made by businesses to the Revenue Commissioners where the final tax liability is in dispute; however, they are included in the normal Exchequer returns. There can be a corresponding note if it is expected that they might be paid to somebody else or not held. Why has there been a departure from a strong tradition in the publishing of Exchequer returns in this case?

Apple is among several significant companies that are being used in citing Ireland as a tax haven. During the years, I have participated in extensive discussions with the OECD on tax reform. I am very concerned that the goodwill towards Ireland is being diluted by constant references in different reports, among them, the Panama Papers, the Luxembourg Leaks, the Commission's report on the Apple tax issues and Wikileaks, all of which cite Ireland.

An Ceann Comhairle: The Deputy should conclude.

Deputy Joan Burton: Has the Government given any consideration to this commentary which potentially is very damaging to our reputation? Has it considered introducing a minimum effective corporation tax rate? That would mean that, no matter what tax mechanisms were open to a company, notwithstanding the 12.5% corporation tax rate, they would have to

pay at a minimum rate of, say, 6.5% or 7.5%, and genuinely pay at that rate.

Deputy Richard Boyd Barrett: I do find it slightly ironic, but I am glad that the Labour Party is now proposing the introduction of a minimum effective corporation tax rate.

Deputy Joan Burton: We always did.

Deputy Brendan Howlin: We always did.

Deputy Richard Boyd Barrett: When we proposed it, when the Labour Party was in government for five years, it did not bring forward a minimum effective corporation tax rate.

Deputy Joan Burton: Read history.

Deputy Richard Boyd Barrett: It did not bring forward a minimum effective corporation tax rate. That is a fact. There is no history to read. We asked the Labour Party to do so time and again. I am glad that it is now in favour of it.

Deputy Joan Burton: We always were.

Deputy Brendan Howlin: Under a Labour Party Government.

Deputy Richard Boyd Barrett: It is amazing.

It is strange that Tim Cook's name cannot be mentioned. It is a little odd. Perhaps it is symptomatic, or just an office thing, but there is a fear of and deference shown to Tim Cook, Apple and similar corporations which I find extraordinary, with the access they enjoy. The Taoiseach and I disagree on Ireland's role in tax avoidance by Apple, but one thing is beyond dispute or doubt - Apple is an aggressive tax avoider which uses, exploits and abuses loopholes, whether it be in the Isle of Man, on the Cayman Island or here to evade tax. I find it odd that we do not challenge it about it, or, specifically, that the Taoiseach does not do so. Instead, we roll out the red carpet; it is given extraordinary access and there is no statement from the Taoiseach to say we think Apple should pay its taxes and that it is unconscionable one of the richest corporations in the world pays less than 2% in tax. How can that be anything other than obscene? When the Taoiseach met Mr. Cook, did he mention the extraordinary housing crisis in this country and the massive deficit in investment in water infrastructure, two issues which should be of importance to him, as well as the €110 million deficit in the public health service? In that context, did he perhaps reconsider, with Mr. Cook, whether it was a good idea to engage in a legal action to try to prevent the €13 billion from being paid into the Exchequer in taxes the European Union believed Apple owed to this country? Do the huge deficits in housing and infrastructure provision not give the Taoiseach and Mr. Cook cause for thought?

Deputy Micheál Martin: On a contrary approach, one of the entirely false accusations made against some of the large companies that operate out of Ireland is that they are somehow brass plate entities or that they are only tax vehicles. That is nonsense. Apple has been one of the biggest employers in Cork for almost four decades. I can recall that in the late 1990s, when we had just entered into government, there was huge clamour from the Opposition to do what we could to prevent Apple from closing in Cork. It was related to its pipeline at the time and so on. The late Joe Gantly who was managing director of Apple in Cork went to Steve Jobs and told him that they could do different things in Cork, in the provision of customer support and financial operations in the European and the Middle East and Africa, MEA, region. The level of employment was not significant at the time; I do not think it was as much as 700 or 800. Its

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growth has been dramatic and the real innovation has been the advent of touchscreen iPhones, the iPod, the music revolution, Apple's research capacity and so on, which transformed its operations in Cork, in both manufacturing and also service support for the MEA region.

Whether we like it, a report was published today on growth in Ireland from the 1980s to date. Notwithstanding the global financial crisis and its impact on this country, growth has been upward. Without question, our foreign direct investment policy has been the linchpin of Ireland's industrial and economic growth from the 1980s and before, the 1960s and 1970s. If one looks to see what was the defining change historically, it was opening the country to foreign direct investment.

Deputy Richard Boyd Barrett: Does that mean we ought to ignore tax avoidance?

Deputy Micheál Martin: No, but I challenge the Deputy and others to talk to the workforces in these companies, including Intel and the pharmaceutical companies. I was the Minister with responsibility for enterprise for four years. Who are we up against? It is not other European states but Switzerland, Israel and Singapore. People from Singapore were knocking on every door on which representatives of IDA Ireland were knocking.

That is what we are up against. We cannot change unilaterally or arbitrarily target certain companies. I say this at European level. There is protectionism in Europe. We have to be very careful not to change taxation policy unilaterally in a way that would favour larger economies in Europe. That would be the net outcome of some of what is being proposed. I accept that global companies should pay tax, but there has to be a global resolution of this issue. Equally, we have to revise and review our industrial policy. What worked for the last 40 years might not work for the next 30, in the light of what is happening in America and Europe and the changes that are occurring globally.

There is an element that keeps targeting and hitting companies that have been providing thousands of jobs in various parts of the country for well over four decades. I would like to see the alternative blueprints others might have for creating similar numbers of jobs. How do they propose to facilitate the creation of thousands of jobs in the decades ahead? I am prepared to work on that issue. The attacks on our largest employers have been far too simplistic and negative so far. What does the Taoiseach understand to be the likely timing of future movements in the Apple tax case?

Deputy Mary Lou McDonald: It is important not to have a false argument. Although there are brass plate operations, I did not hear anybody make a blanket assertion that all of the large foreign direct investment corporates are simply brass plate operations. I
4 o'clock hear an increasingly unanswerable case for fair taxation, for large corporate entities to pay their fair share, but that does not represent an attack on large employers. I would have thought it was simply a fairly basic statement in an open democratic society. Just as citizens comply with the law, play their part and pay their taxes, corporate citizens should do likewise. The Deputy should not get excited or go off on a false tangent.

Deputy Micheál Martin: I am not getting excited. I am getting very real. I am focusing on the jobs in the economy which are often ignored.

Deputy Mary Lou McDonald: Of course. Everybody wants people to be in jobs. That is the type of nonsense that has prevented a thoughtful debate on fair taxation in this jurisdiction. The minute one mentions fair play in terms of corporate entities-----

Deputy Micheál Martin: No.

Deputy Mary Lou McDonald: I support foreign direct investment and the generation of high quality jobs, just as the Deputy does.

Deputy Micheál Martin: That was not the case for a long time.

Deputy Mary Lou McDonald: Everybody wants people to have decent work. Taxes are needed because we have to pay for things.

Deputy Micheál Martin: I agree with fair taxation.

Deputy Mary Lou McDonald: I have seen documents from the Department of Finance and the then Department of Jobs, Enterprise and Innovation related to the decision taken by the former Minister, Deputy Michael Noonan, to raise to 100% the amount of intangible assets multinationals could write off against profits in any given year. The result of this decision was a massive placing onshore of billions of euro of such assets. While the documents to which I refer leave some questions unanswered, they shed some light on the motivations behind a move that is costing the State €650 million a year. At the time, a senior policy adviser in the tax unit of the then Department of Jobs, Enterprise and Innovation warned against the former Minister's proposal, saying he disagreed with it "on reputation grounds" on the basis that it "would reduce the potential minimum effective tax rate from 2.5 per cent to 1.25 per cent, as 1.25 per cent is too low and such a change could backfire." Rather than taking this advice, the former Minister decided to increase the threshold which was under discussion in the paper in question, from 90% to 100%. We know from a letter that the Minister for Finance, Deputy Paschal Donohoe, sent to Deputy Pearse Doherty that the Department of Finance admits that Apple raised these precise changes in 2014 during the passage of the Finance Bill. The Department will not release the minutes of four meetings it had with Apple which was the largest beneficiary of this tax move. Why are the meetings with Apple at which this issue was discussed being kept secret? Will the minutes be published for the purposes of transparency? Was this issue discussed when the Taoiseach had his meeting with Mr. Cook? Will budget 2019 close the gap and make these billions of euro of assets taxable?

The Taoiseach: For the avoidance of doubt, Mr. Tim Cook's name can be mentioned in the Chamber. His name was mentioned in my response. I do not know why it did not appear in the question. I have used his name in the Chamber. I do not think there is any person in the world whose name cannot be mentioned in this Chamber.

The money that has been mentioned is being paid into an escrow account which is now open. Billions of euro have been deposited in it so far. It is being paid into the account in phases according to a schedule. It has not been paid in full into the account.

Deputy Brendan Howlin: How much has been paid in?

The Taoiseach: I do not have the exact amount that has been paid in so far.

Deputy Joan Burton: Is it the full amount?

The Taoiseach: It is not the full amount, but it will be by the end of the year. It is being paid in in tranches on the basis of an agreed schedule. I do not know why it is not part of the Exchequer returns. I will ask the Minister for Finance to provide an answer for Deputy Joan Burton in that respect. I am sure there is a good reason, but I honestly do not know what it is.

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Ireland is not a tax haven and we do not want it to be one. We certainly do not want it to be seen as a tax haven. That is not our industrial policy at all. We are working with the OECD, particularly in the base erosion and profit-sharing process, to remove loopholes in our tax system that companies or individuals might use to exploit our tax laws. We have got rid of the double Irish arrangement. We have also got rid of the idea of state incorporations. Under the information sharing agreements we now have, we share with the revenue commissioners in other countries how much tax individual companies are paying. It is really important for us to know how much they are paying in Germany or Ireland because it enables us to make sure tax is being paid. Today the Cabinet signed off on a further OECD-led international agreement on tax transparency and base erosion and profit sharing. It will be ratified by the Dáil and enable us to deal with the issue further.

To be frank, large corporations should pay their taxes. They should pay them in full and where they are owed. Often, there are disputes about how much is owed and where it is owed. That applies to all taxpayers.

We dispute the European Commission's view that Ireland gave Apple state aid by means of a special bespoke tax deal. I ask Deputies to bear in mind that this is a state aid, rather than a tax, case. We dispute the Commission's argument that many decades ago Ireland gave Apple state aid in the form of a special tax deal that was not open to other companies. Ultimately, the matter will be decided in the European court. We do not yet have a court date. The date for the appeal is at the discretion of the court. It is expected that we will receive approximately six weeks' notice. Although Apple's appeal is separate from Ireland's, given that they relate to the same subject matter, it is possible that the court will arrange for the cases to be heard together in what is known as a rejoinder. The US Government sought for the court to intervene in Apple's appeal, but this was rejected by the general court of the European Court of Justice.

I was asked whether housing had come up during the discussion. Yes, it did. Almost every time I meet the chief executive of a major corporation, he or she raises the issue of housing. It is a major concern for citizens looking for homes in which to live. It is a major concern for employers also because their employees need homes in which to live. Increasing housing and rental costs are putting upward pressure on wages. This is one of the areas in which the Government, the Opposition and the big corporations are totally aligned. Nobody disputes that we need more housing in Ireland. Mr. Cook and I had a particular discussion about the need to build many new homes in Cork in the context of the increasing Apple workforce in Hollyhill.

I had a very interesting discussion with Mr. Cook on the proportion of Apple employees who now work from home. Between one quarter and one third of Apple employees work from home. This has huge benefits. It means that more people can live in other parts of Cork and Munster and work from home. If they have to go into the office just one or two days a week, it makes good sense in finding affordable housing and good planning. It also spreads the benefits of investment well beyond Cork city to a much wider region. As broadband is extended to more and more parts of the country, the opportunities for more and more people to work from home are enormous. That will help in dealing with the transport problems and traffic congestion we face in cities. It will also help in dealing with climate change. We had a really interesting discussion on that issue. Apple could have even more employees working from home. Other employers might be able to follow its example by increasing the level of working from home. It would be useful for parents - men and women - if we could enable more of them to work from home.

I was also asked about the minimum effective rate of corporation tax. I will have to study it because I have not looked at it for a couple of years. I will have to understand its impact before being able to say whether it is a good idea. One would certainly have to consider the impact it would have on research and development, the knowledge box and intellectual property. A big part of our industrial strategy is to encourage more research and development, more intellectual property development and more value creation at the highest end in Ireland. If the introduction of a minimum effective tax rate were to undermine our knowledge box, it would undermine our industrial policy and tax base. That would not be a good move. I would have to understand how the proposals being made by the Labour Party and others would affect the knowledge box, particularly research and development. Without having studied this, which I admit is the case, I would be concerned that it would be damaging. I would have to study it properly to give an informed view.

I do not have the documents that Deputy McDonald has, or at least I do not have them in front of me. The change that was made to our tax laws at the time in question was linked to the abolition of the double Irish. That is why the decision was made at the time. It has been already reversed. It was reversed by the Minister for Finance, Deputy Paschal Donohoe, in the last budget, if not the one before.

The matters to which Deputy McDonald referred were not discussed at the meeting I had with Tim Cook. I was not at the meeting in question. I do not have the minutes.

Deputy Mary Lou McDonald: Can they be published?

The Taoiseach: I do not know why they cannot be published. It may be due to commercial sensitivities. I will ask the Minister for Finance to respond to the Deputy directly on it.

Topical Issue Matters

An Leas-Cheann Comhairle: I wish to advise the House of the following matters in respect of which notice has been given under Standing Order 29A and the name of the Member in each case: Deputy Seamus Healy — to discuss the differential rent scheme as a reserved function of elected local authority members; (2) Deputy Niamh Smyth — the need to progress the Down's syndrome centre for the north east in Carrickmacross; (3) Deputy Carol Nolan — to discuss the implications of reducing the intake of preschool children to once annually; (4) Deputy Thomas P. Broughan — to discuss safety concerns at Cromcastle Court apartment complex in Kilmore West, Dublin; (5) Deputy Fergus O'Dowd — to ask the Minister for Transport, Tourism and Sport to respond to representations from Flexibus-Local Link for Louth, Meath and Fingal concerning the restructuring of the Local Link transport programme (details enclosed) and if the Minister will make a statement on the matter; (6) Deputy Marcella Corcoran Kennedy — to discuss the HSE's staffing levels at the young adult mental health service in Laois and Offaly; (7) Deputies Aengus Ó Snodaigh and Pat Buckley — to discuss the CAMH services at the Linn Dara centre in Cherry Orchard, Dublin; (8) Deputies Eoin Ó Broin, John Brady and Bríd Smith — to discuss the failure of LloydsPharmacy to adhere to a Labour Court recommendation "that the parties engage in order to seek agreement in relation to the matters raised by the Trade Union" and the company's refusal to engage with the workers and their unions; (9) Deputies John McGuinness, Marc MacSharry and Alan Kelly — the need to expedite consideration of protected disclosures relative to CIT and the Committee of Public Accounts record; (10) Deputy Frank O'Rourke — to discuss the advancement of housing development in Celbridge; (11)

Deputy Brian Stanley — to discuss with the Minister the plan for St. Francis School, Portlaoise, which is to be proposed to be situated on the site of the former St. Paul's school, Borris Road, Portlaoise; (12) Deputy Joe Carey — the need to move the Ennis south flood relief scheme in County Clare to construction; (13) Deputy Maurice Quinlivan — to ask the Minister for Health to discuss staffing issues at St. John's Hospital, Limerick, which caused the local injuries unit to be closed due to staffing shortages; (14) Deputies Sean Sherlock and Kevin O'Keeffe — the need for a proposal for capital works and funding for Ballyhooly, County Cork, to alleviate regular water shortages and drops in water pressure for residents; (15) Deputy Gino Kenny — the recommendation by the Health Products Regulatory Authority in January 2017 that the Government set up a cannabis access programme to meet the demands for medical use of cannabis in Ireland; (16) Deputy Mattie McGrath — the need to consider establishing a contemporary model of the Land Commission; (17) Deputy Martin Heydon — delays in the delivery of home care packages in CHO area 7, Kildare-west Wicklow; (18) Deputy Pearse Doherty — the need to approve funding for Letterkenny University Hospital to reopen the short-stay ward; (19) Deputy Kathleen Funchion — to discuss the restriction of services in the paediatric diabetic clinic, St. Luke's Hospital, Kilkenny; (20) Deputy Michael McGrath — to ask the Minister for Health if he will ensure, following consultation with Carrigaline Senior Citizens Association, a continuation of services at the Carrigaline Day Care Centre, Carrigaline, County Cork; (21) Deputy John Brassil — to ask the Minister for Health if he is satisfied with the response by the HSE and HPRA to the recent Valsartan product recall, and if he can give assurances that appropriate steps have been taken to ensure correct guidelines and protocols will be in place for pharmacists and GPs should there be a similar occurrence, and if he will make a statement on the matter; (22) Deputy Dessie Ellis — to raise concerns over the number of roadside drugs and alcohol tests taken at the scene of accidents or in hospitals after accidents; (23) Deputy Mick Barry — the unofficial strike action of firefighters in Cork City Council; (24) Deputies Robert Troy and Michael Moynihan — the need for the Minister for Communications, Climate Action and Environment to review the rolling out of the commercial broadband scheme to ensure flexibility so that pockets of areas currently excluded could be included; (25) Deputy Peadar Tóibín — to discuss the huge delay in processing travel documentation applications for people in direct provision; (26) Deputy Clare Daly — to discuss industrial unrest at Ryanair; and (27) Deputy Joan Collins — the number of companies that are refusing to engage with the industrial relations machinery of the state when it comes to collective bargaining over pay and conditions, which companies include Microsemi, AbbVie Capita giant's AMT-Sybex subsidiary, Dunnes Stores, Tesco, Extern and recently LloydsPharmacy and TK-Maxx whose workers have taken industrial action in response to this situation. This is undermining the State's industrial relations machinery.

The matters raised by Deputies Seamus Healy; John McGuinness, Mark MacSharry and Alan Kelly; Deputies Aengus Ó Snodaigh and Pat Buckley; and Deputy Marcella Corcoran Kennedy have been selected for discussion.

Ceisteanna - Questions (Resumed)

Priority Questions

Labour Market

66. **Deputy Billy Kelleher** asked the Minister for Business, Enterprise and Innovation if she has a long-term plan in place to deal with skills shortages in various sectors; her views on whether the current employment permits system is fit for purpose for sourcing non-EU labour; and the strategies in place to deal with labour shortages. [30833/18]

Deputy Billy Kelleher: Has the Minister's Department a long-term plan in place to deal with the skills shortages in various sectors? Is the current employment permit system fit for the purpose of sourcing non-EU labour? What are the strategies in place to deal with labour shortages across the economy?

Minister for Business, Enterprise and Innovation (Deputy Heather Humphreys): I thank the Deputy for raising this issue.

Access to a high-quality, innovative and adaptable talent pool is critical for the sustainable growth of the Irish economy and keeping Ireland competitive. While skills policy is primarily a matter for the Department of Education and Skills, my Department supports the work of the expert group on future skills needs, EGFSN, which plays a key role in identifying the future skills needs of enterprise. Recently completed work and ongoing work being undertaken by the EGFSN focuses on the food and drink sector, design, high-level ICT, Brexit-related skills needs and digitalisation.

As part of the new national skills architecture, the work of the EGFSN feeds into the National Skills Council, NSC. Together with additional skills and labour market intelligence provided by the regional skills fora and SOLAS, the council, of which the Secretary General of my Department is a member, provides a mechanism for mediating demands on resources in a manner that facilitates the prioritisation of investment in identified skills needs and enhancing the responses by education and training providers to delivery of those needs.

The work of the EGFSN informs my Department's employment permit policy. Employment permits are part of the response to addressing skills needs likely to continue into the medium term. Employment permit policy has focused on facilitating the recruitment of highly skilled personnel from outside the European Economic Area, EEA, where skills needs cannot be met by normal recruitment or training.

The system for determining eligibility for employment permits is flexible and responsive to change, with the list of eligible occupations reviewed on a biannual basis. It is not, however, intended as a long-term substitute for upskilling the State's resident workforce or sourcing skills from within the EEA. In undertaking any adjustment in the orientation of the system, the interests of the 219,300 people on the live register in Ireland and the 17.5 million unemployed in the EU 28 must be remembered.

As we have been approaching full employment, I have requested my Department to conduct

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a review of economic migration policies underpinning the current permits system to ensure our policies fully support Ireland's emerging labour market needs. This review is scheduled for completion in the coming weeks. As the review was under way, I became acutely aware of the emerging labour shortages being experienced in the agriculture and hospitality sectors, and I asked that these sectors be prioritised. This resulted in a pilot scheme being developed to allow workers for specific occupations in the agriculture sector to be sourced from outside the EEA. The temporary scheme provides for 500 permits for the horticulture sector, 250 for the meat industry and 50 for the dairy sector. Other recent changes to the regulations removed certain chef grades from the ineligible occupation list.

The strategies in place to ensure Ireland's skills needs are met include the overarching National Skills Strategy 2025 and the Action Plan for Education 2016-2019 and its associated annual implementation plans, in addition to strategies focused on apprenticeships and traineeships, ICT skills, STEM and foreign languages.

Deputy Billy Kelleher: I thank the Minister for the reply. There is no doubt, based on the assessments made by the Department and stakeholders in industry, and by those who analyse the broader economy, that there are massive labour and skills shortages across huge swathes of the economy. The construction sector will have considerable difficulties meeting the demand that will be placed on it in the years ahead in terms of infrastructural development and meeting the housing needs of the population. This difficulty is coupled with a shortage of skills in transport, the hospitality sector, agriculture, which the Minister mentioned, and other key areas of the economy. Therefore, we have a major problem.

The expert group on future skills needs assesses the economy based on a five-year horizon. Training some of the people takes longer than that so we need to look beyond five, seven, ten or 12 years in assessing what the economy needs. The most damning point is that there are only four civil servants working in the expert group in the Department to assess what the economy needs. This is in the context of a labour shortage of considerable proportions. We have failed to assess the demand and, more important, we have failed to assess and meet the need.

Deputy Heather Humphreys: There are nine regional skills fora across the country. They are engaging with industry to ascertain the needs.

With regard to the work permits, which are the responsibility of my Department, I need evidence before we can issue them for certain sectors. In the area of agriculture, the horticulture sector was issued with 500 permits. The meat-processing sector got 250 permits and the dairy sector got 50. The allocation was evidence-based. The sectors sent the information to the relevant Department, which in their case was the Department of Agriculture, Food and the Marine, and a case was then made to my Department. I absolutely recognise that there were pressures in that area. If there are pressures in other areas, I encourage them to feed into the relevant Department. What I described happened in the hospitality sector also. The matter was raised with me.

We need evidence. A priority for me is to address the needs of the 219,300 on the live register. We have to take account of the fact that there are 17.5 million people unemployed across the European Union. These are areas that we need to address.

Deputy Billy Kelleher: I accept all that but the harsh reality is that the economy does need labour. There are considerable shortages in certain areas, including construction, agriculture, hospitality and transport. There are now shortages across the healthcare sector. There are la-

bour shortages across huge swathes of the economy. If one wishes to highlight an indictment or failure of policy one need only look at the apprenticeship programmes. There are simply not enough people either applying for or expressing an interest in key areas of the crafts and trades. That alone indicates there has been a failure of policy in terms of assessing the demand and putting in place policies that would alleviate the pressures that will invariably arise. Take the example of construction. We have a housing requirement of approximately 35,000 new houses per year but before we start building any houses there are already labour shortages in the construction industry. That is how far behind we are. We also do not have a pool of labour available from Latvia, Lithuania, Poland and elsewhere in eastern Europe, as we had previously, because their economies have converged with the European economies.

Deputy Heather Humphreys: We are developing apprenticeship schemes in all areas of the economy and there have been a huge number of calls in respect of different sectors. In fact, I am familiar with a number of cases where industry has come together with the education sector to develop the apprenticeship courses that are required. They start off with traineeships and then develop into full apprenticeships. These have been very beneficial. I am acutely aware that industry needs a pool of highly talented people to continue to fill the demands on the workforce. We have an expanding and growing economy and there are a number of different initiatives across the board in terms of upskilling, reskilling and apprenticeship schemes. We are working hard to develop and roll them out nationally. As I said, I was aware of the ones that have been addressed but there are further pressures, for example, in the healthcare sector as the Deputy mentioned. I recently met representatives of the nursing homes and I told them to put their case to the Department of Health and show the evidence. I am happy to look at it in order to ease those pressures.

Brexit Issues

67. **Deputy Maurice Quinlivan** asked the Minister for Business, Enterprise and Innovation the plans being put in place for a hard Brexit; and if she will make a statement on the matter. [30826/18]

Deputy Maurice Quinlivan: My question is about the plans being put in place for a hard Brexit. That is a real possibility now after what has happened in the past week and especially last weekend with the British Cabinet in disarray. Is the Minister developing contingency plans for a situation where the landbridge through Britain becomes unusable for Irish lorries travelling to and from the Continent? Businesses need answers on this issue. It is a crucial issue that is arising with all the stakeholders I have met, as many retailers and exporters rely on this route. Also, why was a portion of my question sent to the Department of Foreign Affairs and Trade for a reply?

Minister for Business, Enterprise and Innovation (Deputy Heather Humphreys): I thank the Deputy for raising this matter. On his question about why a portion of his question was sent to another Department, I cannot answer that and I do not know. I presume it was a decision made in the Ceann Comhairle's office.

Co-ordination of the whole-of-Government response to Brexit is being taken forward through the cross-departmental co-ordination structures chaired by the Department of Foreign Affairs and Trade, and my Department is central to those efforts. Contingency planning for a no-deal or worst case outcome, bringing together the detailed work being undertaken by

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individual Ministers and their Departments on issues within their policy remit, is now well advanced. Its focus is on the immediate economic, regulatory and operational challenges which would result from such an outcome.

This work is therefore providing baseline scenarios for the impact of Brexit across all sectors, which can then be adapted as appropriate in light of developments in the EU-UK negotiations, including in regard to transition arrangements and the future relationship. However, the Government is already acting to get Ireland Brexit ready and this is a priority for my Department and the enterprise agencies. Our objective is to support firms to adapt to the challenges and opportunities Brexit presents by ensuring we have fit-for-purpose policies. Our strategy is to minimise risks and to maximise opportunities by ensuring the growth and resilience of Irish enterprise post Brexit working across four pillars which are: helping firms to compete; enabling firms to innovate; supporting firms to trade; negotiating for the best possible outcome.

Several important steps have been already taken to prepare our economy, including through a range of measures announced in budgets 2017 and 2018, as well as commitments set out in the Action Plan for Jobs, 2017 and 2018, and the targets included in the trade, tourism and investment strategy. My Department has secured an additional €6 million which will enable the Department and its agencies to recruit up to 100 additional staff focused on helping Irish exporters grow their international sales, diversify their markets and secure new investments in Ireland.

The enterprise agencies are at the forefront in working with firms to ensure they are equipped to deal with Brexit and to enhance their performances in an increasingly competitive global trading environment through lean programmes, skills development and reducing business costs. This is being achieved through the provision of information, advice, training and other supports.

Deputy Maurice Quinlivan: The Minister will be well aware that exports worth €26 billion were destined for the other 26 countries in the EU, excluding Britain, last year. Getting these goods to the Continent could become an issue if a hard Brexit occurs. Currently, it takes approximately ten hours for a truck to travel from Dublin through Britain to Calais. If this route becomes unusable, due to restrictions, checks or massive queues at the channel tunnel, the alternative direct route to Zeebrugge in Belgium can take 38 hours. Any additional time in transit will cost businesses money and every hour counts in the transport of perishable goods. What contingency plan has the Minister prepared to date in this regard? Has she explored using bonded warehousing in Britain and is that part of the negotiations? In addition, could IDA land be used to set up large warehousing depots in Ireland to replace similar ones the Irish companies currently use in Britain?

Deputy Heather Humphreys: EI and InterTradeIreland Brexit advisory clinics focus on priority areas for contingency action in financial and currency management, strategic sourcing, customs, transport and logistics. There is also a customs and logistics component of EI's Brexit: Act On Initiative, which involves the provision of independent consultants to client companies for two half-day sessions. This is designed to help them decide on specific actions over a short period to address the risks and opportunities of Brexit. The Revenue Commissioners have extensive engagement with industry and are providing advice on long-term planning around skills for customs post Brexit. Industry representative bodies are also playing their part. Customs awareness and clearance training is being offered by the Irish Exporters Association, Freight Transport Association Ireland and the Irish International Freight Association. Private sector providers are also active in this space. A great deal of work is taking place in that regard. Enterprise Ireland, InterTradeIreland and the local enterprise offices are providing many sup-

ports to businesses. They are asking the businesses to identify the risks that Brexit presents and to mitigate those risks.

Deputy Maurice Quinlivan: I thank the Minister. However, I am still deeply concerned that the Department does not have more plans to date on the specific issue I raised. If the country is not prepared for a hard Brexit there will be a devastating effect on Irish businesses, exporters and farmers. Unfortunately, I believe that is where we are heading. Businesses need to know what structures will be in place. We can no longer wait for the Tories and their partners in the DUP to come up with a solution. The state of that government is very worrying and is making a hard Brexit more likely. It is clear the Tories are so fractured they will be unable to come up with a solution by next October or March. Has the Minister considered increasing air and shipping capacity in the short term should a hard Brexit occur, by which I mean the State taking a role in providing extra capacity at a reasonable cost for businesses should the landbridge become unusable? In addition, is there an internal report entitled “Disorderly Brexit Contingency: executive summary paper” and, if so, what does it contain?

Deputy Heather Humphreys: As I said, contingency planning across Government for a range of Brexit scenarios is well advanced. Co-ordination of the whole-of-Government response to Brexit is being taken forward through the cross-departmental co-ordination structures chaired by the Department of Foreign Affairs and Trade. Contingency planning for a no-deal or worst case outcome is well advanced and is focused on the immediate economic, regulatory and operational challenges which would result from such an outcome. The Brexit negotiations are ongoing and, therefore, there is still a lot of uncertainty around for what we need to prepare. However, there are certain changes for which the Government can prepare, including getting our ports and airports ready for what may be a changed trading relationship with the UK at the end of March next year or the expiry of the transitional period in December 2020. In this regard, additional customs officers, veterinary inspectors and infrastructure will be required at our ports. This work is well advanced and the Government will be in a position to take the necessary decision if and when required. In the meantime, we are advising business to prepare for the worst outcome, while the Government negotiates for the best.

Economic Competitiveness

68. **Deputy Billy Kelleher** asked the Minister for Business, Enterprise and Innovation the actions being taken to reduce the costs of doing business here and reverse Irish competitiveness deficiencies; and if she will make a statement on the matter. [30834/18]

Deputy Billy Kelleher: What actions are being taken to reduce the cost of doing business in Ireland and to reverse Irish competitiveness deficiencies? I ask this question in light of the alarm bells being sounded in terms of how the economy is progressing and the inefficiencies creeping into the cost of doing business and the impact this is having on our competitiveness.

Deputy Heather Humphreys: I thank the Deputy for his question. Ireland’s overall competitiveness performance remains positive. Our improved fiscal position and increased cost competitiveness have contributed to Ireland’s improved international competitiveness. This improvement is reflected in a range of metrics, notably economic growth, increased employment, falling unemployment and a strong trade performance. In particular, our overall strong competitive position is reflected in the strong performance of the labour market across sectors and regions. The results from the Labour Force Survey in respect of quarter 1 2018 shows

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employment totalled 2,220,500, up 2.9% or 62,100, from the same quarter in 2017 with employment increasing in 11 of 14 economic sectors over the year. Notwithstanding this strong position, addressing Ireland's cost competitiveness remains a key economic priority for Government. We continue to monitor Ireland's cost base and to analyse the factors that are crucial to improving our cost competitiveness.

The Costs of Doing Business in Ireland 2018 report, published by the National Competitiveness Council on 1 June, found that the cost base for enterprise is internationally competitive across a range of metrics, including the cost of starting a business, communications costs and average income taxes. However, the council also highlighted that Ireland remains a relatively high cost location and cost pressures are evident in residential property, credit, labour and business service costs.

A range of initiatives set out in the Action Plan for Jobs 2018 are in train across Departments to enhance our cost competitiveness and productivity, improve the ease of doing business, reduce the administrative burden and drive greater efficiencies across the enterprise base. Through the action plan for education and pathways to work the Government is working to ensure the pipeline of talent can meet the demand for labour to reduce labour cost pressure. The ongoing work of the Personal Injuries Commission, the implementation of the report on the cost of motor insurance and the complementary work of the cost of insurance working group should help to reduce insurance costs for businesses.

Rebuilding Ireland - action plan for housing and homelessness - presents a wide-ranging set of commitments to address housing supply and while many of these will take time, the Government is implementing and driving change.

Additional information not given on the floor of the House.

Enterprise 2025 Renewed, which I launched in March, placed an increased emphasis on enhancing our competitiveness position by developing our Irish-owned enterprises. We are placing a spotlight on innovation and on skills. Enterprise Ireland also places a strong emphasis on competitiveness. It supports exporting enterprises with initiatives in Lean, research, development and innovation and management development. The agency helps enterprises to take a strategic approach to understanding and responding to potential implications arising from Brexit and assists them to enter into new markets and diversify their export base. The local enterprise offices offer a suite of supports to enhance the competitiveness of small and micro enterprises. Initiatives include mentoring, innovation vouchers, Lean Start and access to a Brexit diagnostic and guidance.

In terms of ensuring our cost competitiveness, there is a role for the public and private sectors alike to proactively manage the controllable portion of their respective cost bases, drive productivity and continue to take action to minimise costs.

Deputy Billy Kelleher: There is no doubt that trade is improving and that we have increased growth, rising employment and decreasing unemployment but this is camouflaging major deficiencies within the broader economy. For example, insurance costs, childcare costs, housing costs, rental costs and so on are feeding into and underpinning uncompetitiveness in the broader economy. While we have a successful economy, we need to learn from previous times. Growth, a good trade surplus, rising employment and decreasing unemployment are key components of a good economy but if we allow uncompetitiveness to feed into the broader

economy it will be undermined quickly. This can happen rapidly. Has it been brought to the Minister's attention that to attract foreign direct investment, FDI, and a skilled labour pool into the country we need to address the issue of housing and shortage of quality rental accommodation?

Deputy Heather Humphreys: I am conscious of the issues relating to competitiveness. We are at full employment, the public finances are stabilised and Ireland is the fastest growing economy in Europe but we cannot become complacent. We need to ensure companies are competitive and their productivity levels are high. The foreign companies here invested in research and development and innovation and their productivity levels are probably a lot higher than those of indigenous companies. We need to focus on indigenous companies and to encourage them to invest in research and development. This work is being done the local employment offices, LEOs.

The issues surrounding competitiveness are problems of a fast growing economy. We know what happened in the past and I am conscious of the need to ensure it does not happen again. As a Government, we are taking action to address areas of concern. In the area of housing, we have the Rebuilding Ireland plan, which is taking time but it is working.

Deputy Billy Kelleher: American Chamber of Commerce Ireland carried out a review of the housing shortage and found that there would be a requirement for 30,000 one-bedroom and two-bedroom apartments in the greater Dublin area between now and 2022 to address the issue of facilitating accommodation for companies and FDI. Leaving aside indigenous housing need, we need to increase supply for FDI. Regardless of how one assesses the economy and the performance of the economy, if we do not have quality accommodation we will quickly find ourselves at a huge disadvantage of terms of our competitors not only in the European Union but in the UK when it leaves the EU on 29 March next year, and from other areas of the world as well. It would be a shameful indictment if we could not address the housing needs of our own people and, equally, if we undermine the broader economy we will not be able to assist anybody because of a housing shortage.

Deputy Heather Humphreys: Rebuilding Ireland is working. The total number of new homes built in 2017 increased significantly to 14,500, an increase of 46% on the previous year. This figure continues to rise. The CSO confirms that 75% more homes came on the market at the end of 2017 than at the end of 2015. In the first quarter of 2018, approximately 3,500 homes were built. This report is in regard to Dublin but, as the Deputy will be aware, I am anxious of the need for regional spread. There is a huge opportunity for companies, multinationals and FDI to move outside of Dublin to the regions, where there is a great quality of life, more housing available and good education systems. We have a lot to offer in this country. While I accept that there are pressures on Dublin, there are huge opportunities in the regions. I am committed to ensuring the regions get their fair share of any FDI coming into the country.

IDA Ireland Portfolio

69. **Deputy Maurice Quinlivan** asked the Minister for Business, Enterprise and Innovation if consideration has been given to using part of the land bank held by the IDA to provide for housing, childcare facilities or other community facilities in view of the number of new companies locating here and the lack of housing; and if she will make a statement on the matter. [30601/18]

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Deputy Maurice Quinlivan: This question is about the land bank held by the IDA. Has the Minister consulted the IDA on the use of some of that land for the provision of housing and childcare and other community facilities in light of the increased number of companies locating in Ireland and the current lack of housing throughout the State?

Minister of State at the Department of Business, Enterprise and Innovation (Deputy John Halligan): The Government is fully committed to increasing the supply of affordable and quality housing and in this regard published the Rebuilding Ireland action plan, which includes financing measures, new construction and rental sector improvements. These steps will ensure Irish people are better able to buy and rent suitable homes. They will also serve to reinforce our national infrastructure in terms of its capacity to accommodate FDI.

Significant progress has already been made on the Rebuilding Ireland plan. The CSO has confirmed that more than 18,000 new homes were made available for use last year, of which 2,500 were vacant homes brought back in to use, 1,000 were unfinished homes and 14,500 were newly built homes occupied for the first time. There was a 45% increase in new builds year on year and we expect further strong growth this year again. The Government has also taken other actions to increase the supply of housing, such as removing the capital gains tax incentive to retain residential land and increasing the penalties relating to land hoarding.

The Government rightly intends to use the broader State landbank for the development of further housing and community facilities. In 2017, the Government identified 30 publicly-owned sites. The Deputy can view these on the Rebuilding Ireland housing land map. Last week, the Minister for Housing, Planning and Local Government, Deputy Eoghan Murphy, attended the housing summit and asked local authorities to consider, in terms of the delivery of housing, State-owned sites in their areas that are strategically important for them. The Minister will be working with those authorities on the active management and utilisation of the wider public landbank to contribute to key housing and planning policies such as securing more compact and sustainable growth. This may include engagement with IDA Ireland and other State bodies.

Deputy Maurice Quinlivan: I thank the Minister of State for his answer. Obviously, I am disappointed that the Minister, Deputy Humphreys, has not spoken to IDA Ireland about this matter. There is an opportunity to use some of this landbank. I do not need to explain to the Minister of State the current situation regarding housing. We are all aware of what is happening. At constituency clinics, Deputies are inundated with questions on the matter. The Taoiseach said this morning that every time he has a meeting with a company, a key issue that arises is the lack of affordable housing for people coming here looking for jobs. Some 10,000 people across the State are homeless and hundreds of thousands of people are paying rents they cannot afford. Rents are at an all-time high. Hundreds of thousands of others have their hopes of buying or renting homes dashed because of house price increases.

Based on these well-worn statistics and considering that IDA Ireland has more than 2,700 acres lying vacant, would it not be fair and just to carry out an audit to see if some of this land could be used for housing or essential services? I agree that foreign direct investment is a very important part of our economy and I fully support it, but so too is housing our people.

Deputy John Halligan: As regard specific lands owned by the IDA Ireland - I have met its representatives on a number of occasions particularly in the south east - it remains important that the agency has a supply of available sites that can be offered to firms considering making

job-rich investments in Ireland. Regarding contacts with IDA Ireland, based on my knowledge of the region I represent, there is no doubt that IDA Ireland works closely with city and county councils to ensure its property acquisitions are in line with local area, county and city development plans. IDA Ireland-owned sites are never left intentionally idle or vacant. In fact, from my experience the opposite is the case. IDA Ireland is doing everything it possibly can to showcase these properties to investors and to convince them to locate there.

There are pressures on sites and so on, but there are two issues that arise. The Deputy rightly mentioned contacts with IDA Ireland. I firmly believe that the regional and local areas are aware of the landbanks that are available and the housing needs in those areas. They consistently communicate with IDA Ireland. The Government has an objective to develop foreign direct investment and locate big companies outside Dublin and the major cities, in areas where IDA Ireland has landbanks. It would be regressive if some of the locally-held IDA Ireland land was not available if foreign companies came to regions looking to set up there.

Deputy Maurice Quinlivan: I understand how the landbanks work and the strategic need for them. I am just asking for an audit of them. Some of the land might be able to be used for the social and affordable housing, community facilities and crèches we will need. The Industrial Development (Amendment) Bill 2018 will come before the Dáil this evening. We will be supporting the Bill for some of the reasons the Minister of State has outlined and to ensure we do whatever we can to bring foreign direct investment into the country.

I appreciate that the availability of an adequate supply of marketable serviced land and buildings in advance of demand is a key element in IDA Ireland's ability to compete for mobile foreign direct investment and it is very successful in that. However, the housing crisis is very severe. Recently, Amazon announced 1,000 extra jobs for Dublin. Those jobs are very welcome. Although this is great news, the reality is that *daft.ie* today is showing only 2,813 properties available to rent in all of County Dublin. Where will these workers live? Prices look set to continue to rise. People are being forced out of their homes by massive rents and the Government's reliance on the market is not working. Despite all the numbers the Minister of State might quote, it is simply not working for people looking for rental properties. The Government must do much more to provide places for citizens to live. It is time to carry out an audit of land that could be used for other purposes.

Deputy John Halligan: The national regeneration development agency will have a role in respect of land for social and affordable housing delivery. The idea is to bring together relevant Departments and agencies in order to unlock the potential for State landbanks and to ensure the best allocation for funding.

I return to the development plans set in all areas and regions. They deal with landbanks that are available from all agencies. If the Deputy logs on to the web page, he can select by county, town, land address and hectares available. I can send him the details for his area and all the areas in Ireland, which shows the land available. Contrary to what the indications are it may look substantial but it would be a failure on our behalf with the economy growing and the long-term development of our economy that we would not have substantial landbanks available for multinational foreign direct investment companies and other companies that might want to set up in regional areas. The Deputy is correct that there is a balance in making landbanks available for housing and making landbanks available for jobs in particular areas of the country.

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Brexit Issues

70. **Deputy Jan O’Sullivan** asked the Minister for Business, Enterprise and Innovation the efforts being made to encourage benefits to accrue to other cities, including opportunities for information technology and other technical supports, software development and accounting services, particularly stressing the lower cost of accommodation in cities other than the capital, in the context of indications that Dublin will benefit from Brexit by way of financial services and other service sector employment; and if she will make a statement on the matter. [30936/18]

Deputy Jan O’Sullivan: We have heard much about the fears and threats of Brexit. My question relates to getting some of the benefits of Brexit to cities outside Dublin. The evidence seems to be that, particularly in the financial service area but in other service areas as well, Dublin has already got companies that are relocating and that there will be others. I encourage the Government to ensure some of that benefit goes to cities outside Dublin. The housing issue that was just discussed is part of that because accommodation is cheaper in the other cities.

Minister of State at the Department of Business, Enterprise and Innovation (Deputy Pat Breen): I thank the Deputy for raising the issue. All three Ministers in the Department of Business, Enterprise and Innovation are from the regions. I assure the Deputy that the Department is very focused on spreading investment across the country. This includes jobs and investment that could potentially arise as a result of Brexit.

Creating more jobs in the regions is a particular priority for IDA Ireland and my Department. That is why additional financial resources have been secured to support the strategic response to Brexit by our enterprise agencies, including IDA Ireland. This is aimed at both capitalising on the opportunities and addressing the challenges associated with the UK’s withdrawal from the European Union. These resources have already allowed for new posts to be created and for an increase in marketing and communication activities.

While, as the Deputy has pointed out, lower accommodation costs are a selling point for cities outside the capital, attracting foreign direct investment to regional areas is not without its challenges. This is largely because there is a global trend to base foreign direct investment in large urban areas. For example, they want to be near transport hubs or in close proximity to third level institutions. Companies also often want to be located near competitors or clusters of other similar enterprises, which means they are more likely to decide to on an urban area. If they are near others in their sector they can get more workers for their companies. This can make securing investment a little bit more difficult. At the same time quality of life is also important.

Despite all that, real progress has been made in the level of foreign direct investment outside the main urban areas. In 2017 alone 70% of all jobs created were outside the Dublin region, including 45% of all jobs created by IDA Ireland. Similarly, 65% of all Enterprise Ireland client employment is outside Dublin. In recent times, there has been a great deal of investment in the regions - for example, in Longford, Sligo and Dundalk. We are working hard, across Government, to ensure further projects are secured in regional areas throughout the remainder of 2018 and beyond.

Yesterday the Minister, Deputy Humphreys, visited Athlone. I stress that the IDA does its utmost to encourage clients to locate in areas that are most in need of investment and highlights the benefits of expanding or locating in all counties to its client base. It is encouraging that

in the first quarter of 2018 there were 135 site visits and about half of those were outside the greater Dublin area.

Additional information not given on the floor of the House

The IDA will continue to showcase regional areas to potential investors and we are determined that the benefits of FDI will be felt, as best as possible, all across the country. We have to remember, however, that the ultimate decision as to where to invest is always taken by overseas firms themselves.

Deputy Jan O’Sullivan: The Minister of State, Deputy Breen, will be aware of a report published last week. It was an economic advisory report carried out by EY-DKM for Limerick City and County Council. The report specifically said Limerick was an attractive destination for FDI in light of Brexit. It went on to suggest potential activities, including accounting, business support services, payroll, HR, technical support desks, including IT technical support, software development and other research and development innovation. It talks about back-office support and so on.

I am making a case for Limerick. I know it best. There are two Members present who might make a case for Waterford or Cork. I ask the Minister and the Ministers of State if they will ensure the IDA is aware of this report when it is encouraging people to come to Ireland and that it does not put all the eggs into the Dublin basket.

We debated the national planning framework in the House last Friday. It proposes a 50% growth of the cities outside of Dublin. That will only happen if these kinds of proactive measures are taken to ensure this kind of work goes to other cities besides Dublin.

Deputy Pat Breen: The mid-west is one of the fastest growing regions in the country. Limerick has attracted a lot of FDI in recent times. More investment there is imminent. The Deputy has talked about the IDA. The IDA is well aware of the document the Deputy mentioned. I refer to the Patrick Street development proposed for Limerick city centre. It is a fantastic initiative funded by the European Investment Bank and the local authorities. It is a great area to develop further investment in the region particularly in the tech sector. Much of the recent investment in Limerick has been in city centre locations but there is also Raheen Business Park and there will be more development there. There is a lot happening out there. The Deputy should be aware that FDI only forms one part of the investment in regional locations. Indigenous enterprise is also important and is responsible for most of the employment growth in the country outside of Dublin; 98% of enterprises are SMEs and comprise approximately 70% of the workforce. The LEOs are playing an important role. It is a combination of factors. I understand why the Deputy has raised the issue. Limerick is a beautiful city. It is a great city and a great place to invest. There is a university there and also LIT and Mary Immaculate College while Shannon Airport is nearby. There are also all of the tourist attractions. All of those factors make it an attractive place for its quality of life and for people to invest in.

Deputy Jan O’Sullivan: I recognise the importance of indigenous industry but my question is specifically on benefitting from Brexit which means we are primarily talking about FDI. I want to ensure the Government proactively pushes cities other than Dublin. I have nothing against Dublin but if we are going to achieve the kinds of numbers in the national planning framework up to 2040, we have to see that kind of investment in the other cities. I urge that it be a priority for Government.

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Deputy Pat Breen: The Deputy is correct. There is an old saying, “You can lead a horse to water, but you can’t make it drink”. That is part of the problem we have. The IDA has put all the incentives it has at the disposal of companies that want to invest in the regions but at the end of the day it is the property people of these companies that might invest in Ireland who decide where their company should be. I listed the factors that contribute to such a decision at the beginning of my reply. As a result of the Brexit scenario, 40 companies across the various sectors the Deputy spoke about - the financial, life sciences, technology and engineering sectors - have all chosen Ireland. I expect more of these companies to come to Ireland because we are English-speaking and we have the fastest growing economy in Europe. We also have a reputation for having a good, young, educated workforce. I expect to see more of that because of the rollercoaster effect. The IDA is targeting that. We certainly will convey the Deputy’s concerns about it to the IDA. I see more investment coming into the regions because of the quality of life they offer, the talent in them, the universities, other third level institutions and the various infrastructure such as transport hubs. All of these are important, as Ireland’s road network reduces the time it takes to get to Dublin. It only takes two to two and a half hours to get to Dublin from the mid-west. That is considered quite close for most companies that want to invest in a region.

Other Questions

Economic Growth

71. **Deputy Maurice Quinlivan** asked the Minister for Business, Enterprise and Innovation if an independent report into the economic benefits a united Ireland economy would bring to the island of Ireland will be considered; and if she will make a statement on the matter. [30603/18]

Deputy Maurice Quinlivan: Will the Department commission an independent report into the economic benefits a united Ireland economy would bring to the whole of the island? I find it hard to believe that despite partition occurring almost 100 years ago there are no Government reports or analysis on the economic benefits or challenges that reunification of the island would bring. Will Fine Gael, the united Ireland party, commission such an independent report into the economic benefits of a united Ireland?

Deputy Heather Humphreys: The economies of Ireland and Northern Ireland are closely connected. An open border has allowed industries of all types to develop in both jurisdictions without constraints. I have had the privilege on a number of occasions during the past year of meeting with some of the enterprises that operate smoothly and successfully on an all-Ireland basis. We know how important the ease of this cross-Border trade is to enterprises based here in Ireland and the Deputy is well aware of Ireland’s negotiating position in this regard.

The benefits of free and open trade between Ireland and Northern Ireland are readily apparent to my Department and we have been working, for example through the many InterTradeIreland initiatives, to promote even greater cross-fertilisation of ideas, expertise and sector-specific skills between enterprises and third-level institutes across the island of Ireland. I have no plans to commission research on a united Ireland economy as a speculative approach to such a scenario would not serve the immediate concerns of enterprise policy.

I can point to the informative research my Department has undertaken to inform how we

best support enterprises that face particular challenges from Brexit. For example, my Department supported the analysis undertaken by InterTradeIreland for its report on cross-Border trade and supply chain linkages which was published earlier this year. The analysis highlighted the significance of cross-border trade, for example finding that Northern Ireland accounts for between 10% and 12% of total exports from Ireland to the UK as a whole and accounted for 7% to 8% of imports. The report also found that a significant share of cross-Border trade is accounted for by firms that trade simultaneously in both directions. These two-way traders comprise approximately 18% of firms but accounted for more than 60% of exports and more than 70% of imports. Trade between Ireland and Northern Ireland sees 177,000 lorries and 250,000 vans cross the Border every month, ferrying goods from one side to the other. It is very much a case of success for one of us being success for the other.

Additional information not given on the floor of the House

InterTradeIreland is one of the six North-South implementation bodies established under the Good Friday Agreement. Its mission is to support businesses through innovation and trade initiatives to take advantage of North-South co-operative opportunities, driving competitiveness, jobs and growth. It has a key role to play in protecting North-South trade in the context of Brexit, as the body is uniquely well positioned when it comes to understanding the needs of businesses on both sides of the Border. My Department provided additional funding last year and again this year to allow InterTradeIreland undertake a range of initiatives aimed at assisting Irish SMEs to prepare for the UK's withdrawal from the European Union. This work includes the provision of factual advice, information materials and supports for capability building and the provision of other specialist expertise for companies.

Deputy Maurice Quinlivan: I thank the Minister for her response. I am disappointed she will not commission a report. I appreciate the work she and her Department have done on Brexit so far but this is a separate issue. I have asked this question a number of times. It is an important issue. I find it astonishing that no such Government data are available to us. The Modeling Irish Unification study by Dr. Kurt Hübner was published in 2015. It found the political and economic reunification of Ireland could deliver a €35.6 billion boost in GDP for the island in the first eight years. As the demographics change in the North and as the disaster of Brexit becomes more of a reality, the debate about the reunification of Ireland will continue to intensify. Data on the economic benefits will form a central part of that debate on a united Ireland. There is a responsibility on the Government to provide such data. The Minister will probably come to regret her failure to commission a report. Are there any internal reports or analysis on this topic that can be made available? Has the Department looked into it?

Deputy Heather Humphreys: I emphasise the Government is fully committed to the Good Friday Agreement, the principle of consent and the institutions that were established at that time. The need to address economic business development matters on the whole island was recognised and resulted in the establishment of InterTradeIreland, the cross-Border trade and development body.

InterTrade Ireland is one of the six North-South implementation bodies established under the Good Friday Agreement. Its mission is to support businesses, through innovation and trade initiatives, to take advantage of North South co-operative opportunities, driving competitiveness, jobs and growth. InterTrade Ireland has been doing wonderful work in supporting businesses on a cross-Border basis. The Deputy mentioned the Dr. Kurt Hübner report. I am aware of the report and my understanding is that it undertakes some economic analysis of issues aris-

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ing in the event of the potential unification of Ireland I am also aware that the report's conclusions are based on an economic model and a significant number of assumptions so it would be very difficult to say whether the conclusions of the report on the potential growth boost to the Irish economy would be borne out in practice. There is a significant range of different legal, administrative, regulatory and financial systems in place and Northern Ireland is part of the much larger United Kingdom economy. However, regardless of the political structures in place on the island there is an overwhelming economic case to be made for more economic agreement and I absolutely support and encourage more cross-Border initiatives.

Deputy Maurice Quinlivan: I commend InterTrade Ireland on its work. I have met the staff at their offices in Newry. I encourage the Minister to consider the proposal I have put to her. We cannot rely on private reports for our data. We need Government data. Last year the Department of Business, Enterprise and Innovation spent more than €1.3 million on 19 reports and to date this year it has spent €650,000 on reports ranging from Brexit to IT security to geocoding. Therefore, I do not think it is unreasonable to ask that a report on the economic benefits of a united Ireland be commissioned. As this is a core objective of Sinn Féin and I assume of Fianna Fáil, the Republican Party and Fine Gael the united Ireland party, this would be money well spent and provide a very valuable insight into the benefits and challenges that reunification would bring.

Deputy Heather Humphreys: The reports to which the Deputy refers help inform us to support our enterprise base and help it grow. I prefer to talk about the benefits of a strong all-island partnership. The national development plan contains a full chapter on that. It is a question of building partnership. It is not a question of barriers or using language that inflames. I am from the Border area and I can tell the Deputy that jobs in Fermanagh, Armagh and Tyrone benefit people in Cavan, Monaghan and across the Border area. Jobs in Derry benefit people in Donegal. We trade across the Border every day. I want to see that continue and I want to encourage more of that. I want to develop regional clusters because in the area from which I come there is a very strong engineering tradition and I want to see how we can work together better. We will achieve far more if we collaborate. That is the most important thing.

5 o'clock

Brexit Supports

72. **Deputy Lisa Chambers** asked the Minister for Business, Enterprise and Innovation the status of the uptake of Brexit be prepared grant supports provided by Enterprise Ireland to date; and if she will make a statement on the matter. [30643/18]

Deputy Billy Kelleher: Will the Minister of State at the Department of Business, Enterprise and Innovation, update us on the uptake of the Brexit be prepared support grants provided by Enterprise Ireland to its client base? Will he make a statement on the matter?

Deputy John Halligan: On Friday last, my colleague the Minister for Business, Enterprise and Innovation, Deputy Humphreys, published new Economic and Social Research Institute, ESRI, research commissioned by my Department on the potential impacts of Brexit on our trade relationships with the UK, and it was stated then, and I say it again, that the Government is committed to ensuring the continued growth and resilience of Irish enterprise after Brexit by helping firms to remain competitive.

In the immediate term, the focus of the Department and its agencies is to promote firm

level awareness of, and level of preparedness for, Brexit. Enterprise Ireland's be prepared grant is one of a number of supports provided through the Department's agencies. It was introduced in June 2017, and is a grant support of up to €5,000 for SME clients in preparing a plan to mitigate risks and optimise opportunities arising from Brexit. To date 113 companies have been approved for support under this initiative. However, it is important to highlight that the be prepared grant is one of a suite of initiatives designed to help companies plan for Brexit and complement the range of existing Enterprise Ireland supports to make companies more competitive and resilient in export markets.

So far in 2018, EI has supported 639 Brexit exposed clients. These supports included 50 innovation grants, 108 competitiveness grants and 100 market diversification supports. In addition, 180 Brexit exposed clients have participated on trade missions in the first six months of the year.

In terms of Brexit advisory services, EI's seventh Brexit preparedness clinic, which I attended, took place in the Aviva Stadium on 21 June with more than 110 companies attending, 67 of which were EI clients. Four more clinics are planned over the next six months. To date, 2,328 Brexit scorecards have been completed, 999 by EI clients, 231 by local enterprise office, LEO, clients and 1,098 by non-clients. The number of 'act on' consultancy assignments completed is 41 and a strong pipeline is in place.

Additional information not given on the floor of the House

A range of sectoral round table client discussions have been also convened and are planned, including in financial services. The LEOs are also providing a range of supports including, in the year to date, 186 clients have availed of Technical Assistance for Micro-Enterprises TAME programme and 137 have availed of 'lean for micro' Brexit-related supports. Similarly, Inter-Trade Ireland is also providing a range of supports with, for example, 149 'start to plan' vouchers with a value of up to €2,000 approved to date. In conclusion Deputy, I would emphasise that the be prepared grant is but one of a number of supports that are helping businesses to plan their Brexit response and I will ensure we step up our work with impacted firms as the potential shape of Brexit becomes clearer in the coming months.

Deputy Billy Kelleher: Behind the Minister of State's comprehensive reply there is poor uptake of the various schemes available to companies, for example, 2% of Enterprise Ireland's, EI, clients. EI was established for export. Only 2% of the exporting companies supported by EI have applied for the be prepared grant.

There are 250,000 small businesses in this country and just 2,311 have filled out the Brexit small and medium enterprise, SME, scorecard to self-assess their exposure to Brexit. We have a lot of work to do. It does not just fall to Government but to stakeholders in broader society, the business interest advocacy groups, chambers of commerce and others, but the Government must lead on this.

Deputy John Halligan: The local enterprise offices provide a range of support, including in the year to date 185 clients have availed of what they call the technical assistance to micro-enterprises. I acknowledge what the Deputy says but we have a booklet, which is on our website, entitled *Building Stronger Businesses Getting Brexit Ready*. The Department and its agencies work intensively with Irish companies to deal with the challenges and opportunities arising from Brexit. There are strategies to maintain and grow in the UK market. The take-up

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was not as big as we thought it would be in the many companies we have met dealing into the UK market. Let us give companies credit. Many Irish companies are confident and competent that they can deal with whatever Brexit throws at them and they do not necessarily need to take up any assistance from EI or otherwise. We would not be too sure what companies they would be. We can only go by the companies that come to us with all that we make available to them. One of the major initiatives we had was the €300 million Brexit loan scheme to enable companies to fund a Brexit response strategy. I urge companies to look at the summary of Brexit supports available from the Department. It goes through loan schemes, tourism, hospitality and everything one can think of. There is an onus on companies to come to the Department if they want help and want to know the schemes that are available. We are working intensively with Irish companies to maintain business and to grow in the UK market.

Deputy Billy Kelleher: The last thing we need to do is scaremonger business but at the same time we need to make sure there is access to information and that businesses are prepared for eventualities. There is one certain eventuality: on 29 March next year the UK will cease to be a member of the European Union. That is a certainty. What comes after that is grave uncertainty. We have to support businesses by means of access to information, grant schemes and the scorecards. We must ensure that a sector by sector detailed analysis is done of the impact that various scales of Brexit could have. If the rules of the World Trade Organization are reverted to in the event of a hard Brexit, for example, what impact would that have and what tariffs could be placed on Irish products entering the UK? I refer also to the softer, linear type of Brexit that might evolve during the discussions in the coming months in the context of what was announced at Chequers last Friday and what might transpire towards the end of the Council meeting in October or November. There is much work to be done and we are depending on the Minister, Deputy Humphreys.

Deputy John Halligan: I will address Deputy Kelleher's question by saying that the Copenhagen Economics report did that. An interesting statement was made this morning by Mr. Simon McKeever, the CEO of the Irish Exporters Association. He acknowledged that much work is being done by the Government. As the Minister stated earlier, we are reasonably prepared, considering the complexities that face us and the unknowns. We do not have to go into great detail regarding what is happening in Great Britain.

We are doing everything we can with small and medium-sized companies and Enterprise Ireland. We have the market discovery fund, at which everybody should look, that offers three levels of grants. The first is up to €35,000, the second is greater than €35,000 but less than €75,000 and the third is greater than €75,000 but less than €150,000. The fund was launched in January in order to encourage companies to expand. We are confident and not only are we urging companies to be resilient, we are also urging them to expand into the English market and into new markets. We are providing finance to allow them to do that. All the help we are giving companies and everything we are making available can be seen on the website. We are doing everything possible. For example, we launched the credit guarantee scheme earlier today. As Brexit looms - or perhaps does not since we are not too sure of what is happening - the Department is well prepared to deal with whatever outcome it may have for companies in Ireland trading into the UK or elsewhere.

Office of the Director of Corporate Enforcement Data

73. **Deputy Maurice Quinlivan** asked the Minister for Business, Enterprise and Innovation the status of the reform of the Office of the Director of Corporate Enforcement, ODCE; when she plans to publish the report into the failings of the ODCE in the investigation of a person (details supplied); and if she will make a statement on the matter. [30602/18]

Deputy Maurice Quinlivan: I am seeking an update on the reform of the Office of the Director of Corporate Enforcement and when the Minister will be publishing her report on the failings of the ODCE in the Sean Fitzpatrick investigation.

Deputy Heather Humphreys: Organisational reforms in the ODCE were commenced in 2012 by the current Director of Corporate Enforcement upon his appointment in order to enhance the capability of the office to investigate complex breaches of company law and to ensure a more efficient and effective use of its resources. These reforms include reorganising the structure of the office and recruiting additional expertise, including seven forensic accountants, a digital forensic specialist, two enforcement portfolio managers and an enforcement lawyer. In addition, a forensic accountant was identified from a recruitment campaign run by the Public Appointments Service, PAS, and is expected to be appointed shortly. Similarly an enforcement lawyer has been identified and an assignment date is expected shortly.

As senior level vacancies have arisen, there has been a reconfiguration of the skill sets, competencies, roles and responsibilities associated with those posts to better reflect the organisation's current needs. The investigative procedures used by the office have been fundamentally amended so that members of An Garda Síochána take the lead in all criminal investigations. A greater culture of risk management has also been fostered within the office. A key action in the Government's package of measures to strengthen Ireland's response to white-collar crime centres on the establishment of the ODCE as an agency.

Work on the development of the legislative framework for the establishment of the ODCE as an agency is well advanced. It is expected that the general scheme of a Bill to give effect to this decision will be forthcoming in the third quarter of 2018, with publication of the final Bill expected by the end of the fourth quarter. Changing the structure of the ODCE from an office to a statutory agency will provide greater autonomy to the agency and ensure it is better equipped to investigate increasingly complex breaches of company law. Sourcing of expertise and specialist staff, such as forensic accountants, will be enhanced under the agency model. The ODCE has played, and continues to play, a vital role in facilitating compliance and enforcement of company law.

Additional information not given on the floor of the House

The ODCE has been successful in several recent high-profile white-collar crime prosecutions. In 2014, two individuals were convicted for the giving of unlawful financial assistance by Anglo Irish Bank for the purchase of its own shares and in 2016 and one individual was convicted of fraudulent trading on foot of a plea of guilty. Also in 2016, another individual was convicted for failing to maintain a licensed bank's register of loans to directors on foot of a plea of guilty. In 2017, a person was arrested and charged with fraudulent trading based on an invoice discounting fraud, entered a plea of guilty and was sentenced in March 2018 to 18 months in prison, with the final six months suspended. The person was also disqualified from being a director for a period of five years. In June 2018, a person entered a plea of guilty on ten

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counts of offering unlawful financial assistance, relating to loans provided to property developers by Anglo Irish Bank.

Over the past ten years the ODCE has referred files in respect of a number of investigations to the Director of Public Prosecutions, DPP, on foot of which the latter has directed a total of 214 charges on indictment.

Deputy Maurice Quinlivan: The Director of Corporate Enforcement delivered his report to the Minister's office this time last year. I appreciate that she is the third Minister in that office in a short period but surely a summary of the report is finalised by now and could be published. On the new agency, will the reformed ODCE have a significantly larger budget? It is worrying to think that the ODCE is currently only allocated €5 million per year. That amount is equivalent to the budget allocated to the famous spin unit the Taoiseach established. It is over €1 million less than what was provided at the height of the recession in 2010. The new agency must be well resourced in the context of its budget, staffing and powers to ensure white-collar crime is investigated thoroughly, particularly as many people at present do not believe that it is.

Deputy Heather Humphreys: On the report into the shortcomings identified by Judge Alymer, my Department sought the advice of the Attorney General on this document. My Department is considering that advice and it is important that the account is in line with fair procedures, due process and natural justice. I intend to publish the account very shortly.

On the funding of the ODCE, the funding allocation in 2017 was €4.895 million and in 2018 it is €5.057 million. Organisational reforms undertaken by the ODCE since 2012, together with the ongoing recruitment of staff with a variety of specific skills and expertise I outlined, mean that it is well resourced to tackle increasingly complex breaches of company law. As of 10 July, the number of Department staff in place in the ODCE is 38 - that is actual staff and not full time equivalents. In addition, seven gardaí are assigned to the ODCE and, over recent years, 11 professional staff have been recruited to the office to enhance its capability to deal with increasingly complex investigations. I am satisfied that the ODCE has sufficient resources to enable it to carry the important work it does.

Deputy Maurice Quinlivan: Will the Minister confirm when the companies (enforcement) Bill will be published and come before the Dáil, and is it a priority for the Minister? I refer also to whether she is satisfied in respect of the mistakes made in the past, mistakes that unfortunately we in the Opposition are still not fully aware of due to the report not being published. Is the Minister also looking at white-collar crime agencies internationally and will she give us an insight into her plan for the new agency that is proposed?

Deputy Heather Humphreys: To which Bill did Deputy Quinlivan refer?

Deputy Maurice Quinlivan: The companies (enforcement) Bill.

Deputy Heather Humphreys: Work is under way on these Bills and I expect that the legislation in question will be forthcoming in the near future. We are doing much work to tackle white-collar crime and it is important that this work is done. We have taken a range of measures and the Government is committed to ensuring this new ODCE agency will be created in keeping with international best practice, including its internal controls, staffing, budget, etc. We want to ensure that we tackle white-collar crime. We have a number of Bills to facilitate that and we want to ensure that they are enacted as quickly as possible.

Consumer Protection

74. **Deputy Billy Kelleher** asked the Minister for Business, Enterprise and Innovation if she is satisfied with national consumer legislation in place to protect consumers from false advertising from online blogger influencers. [30637/18]

Deputy Billy Kelleher: Is the Minister satisfied with the national consumer protection legislation in place to protect consumers from false advertising from online blogger influencers? Observing how retail has evolved in recent years, there is a need to look at how we protect consumers when we have people who have a huge social media following. I refer to big bloggers who are key influencers in people's purchasing habits. Is there legislation in place to protect that?

Deputy Pat Breen: The Consumer Protection Act 2007 - specifically sections 43, 46, 47, 55 and 56 - implements the directive on unfair commercial practices and gives consumers protection from false advertising by online bloggers and influencers.

A study undertaken on behalf of the European Commission as part of the recent fitness check of EU consumer protection law concluded that the directive's principles-based approach, combined with its blacklist of prohibited practices, had provided an effective framework for consumer protection from unfair and misleading commercial practices. The directive was also sufficiently future-proofed and technologically neutral to allow it to address new products, media and sales methods.

A parallel review of Directive 2011/83/EU on consumer rights identified a need for additional information requirements for contracts concluded on online marketplaces such as eBay, Facebook and YouTube. The recently published proposal for a directive on the better enforcement and modernisation of EU consumer protection law includes a provision that places a direct obligation on online marketplaces to indicate whether a third party offering goods, services or digital content is a trader. If, as expected and supported by my Department, this provision is adopted at EU level, it will further assist in clarifying the commercial status of online influencers and countering misinformation on that status. If the Deputy has concerns that some of the practices of online influencers may not be adequately dealt with by these provisions, I would be glad to receive details of any such practice from him. That is important; it is what public representatives should do.

The system of industry self-regulation of advertising administered by the Advertising Standards Authority of Ireland also has an important role to play in protecting consumers from false and misleading advertising. The authority's code of standards for advertising and marketing includes a number of provisions relevant to the activities of online influencers. Its complaints committee has considered a number of complaints related to these activities.

Deputy Billy Kelleher: This was brought about because of a complaint which was upheld by the Advertising Standards Authority of Ireland. The complainant said the blogger had photoshopped and filtered her face while advertising a Rimmel foundation. I am not quite sure whether the Minister of State uses Rimmel foundation. I do not. The important point, however, is that people who are key influencers of purchasing habits are able to circumvent laws and advertise in a false and misleading way which undermines the integrity of the system. Is the Minister of State satisfied that we have enough powers in the area of consumer protection to ensure online bloggers and influencers are obligated by statute to comply with the standards

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we expect from retail stores on the high street or in any other form of advertising to consumers across the economy?

Deputy Pat Breen: The European Union carried out a fitness check of the Consumer Protection Act to ensure it complied with EU consumer protection law and concluded that the approach we had taken was very effective, particularly in providing protection from unfair and misleading commercial practices. The Competition and Consumer Protection Commission which enforces the Act has only received three calls since 2016 from consumers about the activities of online influencers. It, of course, provided those callers with the relevant consumer protection advice. There have been no prosecutions or enforcement actions to date for breach of the provisions by online influencers. The law is in place and adequately served by the Competition and Consumer Protection Commission. It is kept under review all of the time, particularly as a result of the fitness check carried out by the European Commission. It did not recommend any addition to the unfair commercial practices directive to cover the relevant activities of online influencers.

Deputy Billy Kelleher: To be helpful to the Minister of State, the foundation in question keeps one's skin moisturised for up to 25 hours, providing a flawless foundation and finish all day for work and play. I asked the question to ascertain whether the Minister of State was satisfied-----

Deputy Brendan Smith: The Deputy had better tell the House that he has no interest in it.

Deputy Heather Humphreys: I will take some of it.

Deputy Billy Kelleher: I have buckets of it in my car. If the Minister of State is satisfied, that is fine. However, bloggers and key influencers hold huge sway over how people view a product. We should consistently observe this issue and keep on top of it to ensure that, as online purchasing becomes more prevalent, those participating will be obligated to ensure a product is advertised accurately. Otherwise one might buy a product that does not actually offer the consumer 25 hours of lasting freshness for work and play.

Deputy Pat Breen: If the Deputy has concerns about malpractices online, he should report them to me straight away and I would be delighted to deal with them. The Advertising Standards Authority of Ireland, ASAI, was not mentioned, but it has a very important role to play. It is an independent body which is financed by the advertising industry. Consumers can also refer complaints to it. In 2017, 2,100 complaints were referred to it, of which 75 were upheld. The authority's complaints committee has also considered three complaints from online influencers since 2017. One of these complaints is the one to which the Deputy has referred, involving images of beauty bloggers which had been photoshopped and filtered. The complaint was upheld. This shows that the authority is on top of its brief. In the other two cases the committee issued a statement which read: "Members of the ASAI are required to abide by the code and not to publish or continue to publish any advertising which contravenes the code rule". Between the ASAI, the Competition and Consumer Protection Commission and the fitness check carried out by the European Commission, we are satisfied that we are on top of the issue. Of course, we read from time to time in newspapers about complaints against advertisements which have been upheld by the ASAI and the advertisements have been removed.

Dáil Éireann
Brexit Supports

75. **Deputy Brendan Smith** asked the Minister for Business, Enterprise and Innovation her plans to introduce additional support measures for small and medium enterprises in the sectors in the Border region that will be most adversely impacted on by Brexit; and if she will make a statement on the matter. [30640/18]

Deputy Brendan Smith: As the Minister is fully aware, the economy of Cavan-Monaghan is very heavily dependent on the agrifood, engineering and construction products sectors. In turn, these sectors are very heavily dependent on exports to Northern Ireland and the British market. They are experiencing huge uncertainty because of Brexit and very anxious that all possible assistance will be provided to ensure existing levels of employment can be maintained and increased and to create much-needed jobs in the region.

Deputy Heather Humphreys: The work carried out by the Government on preparedness at all levels and all outcomes is well advanced, focusing, in particular, on trade with Britain. Brexit presents the most significant economic challenge of the past 50 years for businesses in all parts of the country and my Department and its agencies are working hard to ensure firms that potentially will be impacted on are taking the necessary steps to prepare and mitigate risks and take advantage of potential opportunities. I am conscious that further efforts are needed to ensure companies in the Border region are resilient to economic shocks, including Brexit. To that end, I am committed to ensuring Enterprise Ireland, the local enterprise offices and Inter-TradeIreland will continue to work with companies in the region to drive innovation, competitiveness, internationalisation and Brexit preparedness.

My objective is to sustain the progress made in job creation and economic recovery. On the broader employment aspect, although the Border region had a relatively low unemployment rate of 4.4% in quarter one of 2018, I am conscious that more can and must be done. The north-east and north-west regional action plan for jobs will also boost enterprise and job creation across the Border region. In 2017 the number of Enterprise Ireland jobs increased by 7% in the north west and by 5% in the north east, while the number of IDA Ireland jobs grew by 4% across the region as a whole.

I am very conscious of the potential exposure of the north-west and north-east regions to Brexit and the deep links with local economies on both sides of the Border. The north west and north east already have special status in terms of state aid rules. My officials are continuing to engage with colleagues in the European Commission as part of a state aids technical working group on how best to ensure we can support the transformation needed at firm level to diversify trade to third countries and protect rural economies. This group, which also includes colleagues from the Department of Agriculture, Food and Marine and Enterprise Ireland, will meet again later this month in Brussels.

A major initiative which my Department recently introduced for all firms impacted on by Brexit is the €300 million Brexit working capital loan scheme, under which accessible finance is made available to businesses on favourable terms. Clearly, firms in the Border area are more likely to be impacted on by Brexit and should seek to avail of this funding. I am pleased that 12 firms have already applied for working capital, at an interest rate of 4% under the scheme. I am also working with my colleague, the Minister for Agriculture, Food and Marine, on proposals for a longer term finance scheme in order that firms can invest for the future and increase productivity and incomes.

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Additional information not given on the floor of the House.

More generally, the agencies supported by my Department are continuing to offer a comprehensive range of supports and guidance to firms in the Border area, as well as elsewhere. The six LEOs in the Border region also provide additional Brexit supports which are focused on capability building, market diversification, driving increased competitiveness and promoting innovation in order that LEO client companies can better cope with the challenges arising on foot of Brexit and explore opportunities presented. In addition, the LEOs work with their Northern Ireland counterparts under the EU Co-Innovate Programme.

In summary, I am committed to supporting the agencies within my remit to continue to respond to the needs of companies affected by Brexit to protect jobs and build resilience across the country.

Deputy Brendan Smith: I thank the Minister for her reply. I have referred on a number of occasions to the importance we attach to a good economy in our neighbouring counties of Fermanagh, Tyrone and Armagh. I welcome the fact that the Minister referred to this cross-Border interdependence earlier. I mentioned the three sectors upon which our local economy in Cavan-Monaghan is heavily dependent. The economy in the area comprising Armagh, Tyrone and Fermanagh is heavily dependent on those three sectors as well. We have a huge interest in ensuring that there are vibrant sectors north and south of the Border.

Due to the impasse at Stormont and the unfortunate fact that we do not have an Executive or a functioning assembly in Northern Ireland, what contacts are there at Department and agency level with the Northern Ireland authorities? We all have a joint interest in ensuring that the proper supports are put in place to deal with the adverse impacts of Brexit. Can the Minister give an assurance that work is ongoing at official Department level, and between our agencies here and agencies north of the Border? I know it is not easy at ministerial level as a result of the lack of a Northern Ireland Executive.

Deputy Heather Humphreys: I thank the Deputy. I absolutely agree with him. As Chair of the Committee on Foreign Affairs and Trade, and Defence, Deputy Brendan Smith has been doing a huge amount of work to highlight the difficulties for the Border region that Brexit presents. I know that he recently brought parliamentarians to Cavan in order that they could see at first hand the impact that Brexit could have. The Deputy is also a member of the Joint Committee on the Implementation of the Good Friday Agreement. The work of that committee is now more important than ever in building bridges and maintaining good relations.

InterTradeIreland continues to work on a cross-Border basis. I am happy to go to the North and talk to businesses there at every opportunity. I attended the Northern Ireland Chamber of Commerce and Industry breakfast in Belfast some time ago, at which I spoke to businesses in Northern Ireland, discussing the impacts of Brexit and the need to strengthen those links. I met the Joint Business Council in Newry recently. That body is affiliated to IBEC. Again, it is about cementing those links and working more closely than ever in the face of Brexit.

Deputy Brendan Smith: I welcome that engagement. It is very important because so many of our companies have sister companies north of the Border. Thankfully, since the signing of the Good Friday Agreement in 1998, there has been a huge development of business on an all-Ireland basis. We want that to continue.

Have the Department or the relevant agencies carried out studies on the impact of Brexit on

a geographical area? I know that one of the universities will be publishing material in August which shows the very adverse impact that Brexit will have on the Cavan-Monaghan area, as opposed to the east coast of this country. If the Department or the agencies have not done such studies, I think it is very important to do so. It would show that we need even more supports in our specific geographic area than those which have been put in place to date because of our dependence on the Northern Ireland economy and the British market. As we all know, many of the international corporations that we are so proud of today started off as one-person operations. The first export market they had from Cavan or Monaghan was to our neighbours north of the Border and then to Britain. It is very important that this market is protected as much as possible. We know of the difficulties with currency fluctuations as well.

Deputy Heather Humphreys: A number of reports on the impact of Brexit right across the island have been carried out. Obviously, like Deputy Brendan Smith, I am particularly conscious of the Border region. Companies that have sister companies in Northern Ireland - the Deputy and I both know who they are - are working closely with Enterprise Ireland. There are a lot of supports available from Enterprise Ireland, InterTradeIreland and the local enterprise offices, LEOs. I wish to use this opportunity to encourage companies to engage with the LEOs, Enterprise Ireland and InterTradeIreland. There are a range of supports out there that they can avail of, and it is important that they do so. I want to see that happening, but sometimes it is hard for companies to do it. They say that they are not exactly sure. I would advise them to prepare for the worst and we will negotiate for the best. That is the best advice I can give them; to go to their LEOs, see what is available and use the supports.

Question No. 76 replied to with Written Answers.

Brexit Supports

77. **Deputy Niamh Smyth** asked the Minister for Business, Enterprise and Innovation the number of applications for the Brexit loan scheme announced in budget 2018 from counties Cavan and Monaghan; and if she will make a statement on the matter. [30089/18]

Deputy Niamh Smyth: I wish to ask the Minister for Business, Enterprise and Innovation the number of applications for the Brexit loan scheme announced in the 2018 budget, particularly for counties Cavan and Monaghan, and if she will make a statement on the matter.

Deputy Heather Humphreys: The Brexit loan scheme is a loan guarantee scheme for eligible businesses with up to 499 employees that need relatively short-term credit to address working capital challenges brought about by Brexit. It enables eligible Irish businesses to overcome temporary cashflow issues that might otherwise have adverse effects in the long term.

The purpose of the scheme is to support businesses responding to their Brexit challenges through innovating, changing or adapting to a Brexit or post-Brexit environment. These responses may include strengthening their product offerings, developing new markets to diversify their trade footprint, changing their organisational structure or developing new capabilities.

The scheme is open to State agency clients and to businesses that do not have any relationship with State agencies. Sole traders may also apply.

The scheme features a two-stage application process. First, businesses must apply to the

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Strategic Banking Corporation of Ireland, SBCI, to confirm their eligibility for the scheme. This application process requires businesses to use guidelines provided on the SBCI website to determine if they are eligible, and if so to complete the eligibility form. As part of the process, businesses must submit business plans demonstrating the means by which they intend to innovate, change or adapt to meet the challenges posed by Brexit. Guidance on completing a business plan is available on the SBCI website. The SBCI assesses the applications and successful applicants receive an eligibility reference number.

Successful applicants can then apply for a loan under the scheme with one of the participating finance providers. Participating finance providers are the Bank of Ireland, Ulster Bank and Allied Irish Banks, AIB. Approval of loans under the Brexit loan scheme is subject to the finance providers' credit policies and procedures. As part of its efforts to promote the scheme, the SBCI has participated in numerous Brexit-related events, including a recent event in Cootehill, County Cavan.

The scheme was launched on 28 March this year and to date there have been 12 applications in total from Cavan and Monaghan, with six coming from each county.

Deputy Niamh Smyth: I suppose the Minister will find it worrying that we only have six applications from both counties at this stage. I appreciate that she is trying to take action that will identify where concerns exist and where measures need to be taken, and that she is putting measures in place to galvanise the businesses and enterprises in Cavan-Monaghan and protect them against a hard Brexit, which it certainly looks like we are facing. The €300 million Brexit loan scheme for SMEs was announced to much fanfare in the 2018 budget. Can the Minister inform the House how many businesses have applied for the SBCI to confirm their eligibility for the scheme? The Minister referred to it in her opening remarks. How many businesses received an eligibility reference number? How many submitted a business plan for the application process and how many loans have been approved nationally, particularly from the Border counties of Cavan and Monaghan?

Deputy Heather Humphreys: As already stated, there have been 151 applications to the SBCI. Some 132 applications have been deemed eligible to seek loans under the scheme. They can proceed to one of the participating finance providers, which as I said are Bank of Ireland, Ulster Bank and AIB. Approval of loans is subject to the finance providers' own credit policies and procedures. To date, ten loans have been progressed to sanction at finance provider level. These loans total €2.49 million of lending under the Brexit loan scheme.

Deputy Niamh Smyth: Those figures are extremely low. I am sure the Minister would have to agree with that. We have learned that just 122 of Enterprise Ireland's more than 5,000 client companies - that is, just 2% of the total - have availed of the agency's Be Prepared Brexit grant. The figures the Minister read into the record will not instil any confidence that people are actually engaging with the packages that are being provided. Perhaps they do not have the wherewithal. As we know, people involved in business are consumed with the job of running the business. It would appear from the figures the Minister has read out, and from replies to parliamentary questions submitted by my colleague, Deputy Billy Kelleher, that the uptake is alarmingly low at 2%, that is, 122 of Enterprise Ireland's more than 5,000 clients. These are staggeringly alarming low figures. What is the Minister doing to address this? My concern about Border counties is the same as that of the Minister and Deputy Brendan Smith. How will we grasp their troubles by the neck and get them involved and get them to take up the packages being made available?

Deputy Heather Humphreys: A range of suites is available to businesses.

Deputy Niamh Smyth: But they are not taking them up.

Deputy Heather Humphreys: Can I say, without interruption, that businesses are engaging with Enterprise Ireland and local enterprise offices? To be fair, it is incumbent on all of us in the House to let people know. This is a simple brochure and it outlines all of the supports that are available. We should use every opportunity. In fairness to Enterprise Ireland, there are advertisements on the radio every day. We can only do so much. Once again, I use this forum to encourage businesses to engage with Enterprise Ireland, InterTradeIreland and the local enterprise offices. So far in 2018, Enterprise Ireland has supported 639 Brexit exposed clients. These supports included 50 innovation grants, 180 competitiveness grants and 100 market diversification supports. In addition, 180 Brexit exposed clients participated on trade missions in the first six months of the year. With regard to Brexit advisory services, Enterprise Ireland's seventh Brexit advisory clinic took place in the Aviva Stadium on 21 June, with more than 110 companies attending, 67 of which were Enterprise Ireland clients. I ask everybody to please use the opportunity. There are loads of supports and I ask companies to engage. That is the message I want them to hear. The help is there. They should engage with Enterprise Ireland, local enterprise offices or InterTradeIreland.

An Leas-Cheann Comhairle: We have about two minutes left and I will give an opportunity to Deputy Durkan, who has waited here, providing he does not take the 30 seconds. I ask the Minister of State, Deputy Halligan, to go straight into the response to the Deputy's question.

Research Funding

78. **Deputy Bernard J. Durkan** asked the Minister for Business, Enterprise and Innovation if she has received indications on the utilisation of innovation leading to increased job creation throughout the country; if the workforce continues to possess the adequate and necessary expertise to maximise opportunities for the economy now and in the future; and if she will make a statement on the matter. [30619/18]

Deputy John Halligan: I thank the Deputy for his interesting question. Investment in research, development and innovation increases economic productivity and competitiveness, improves quality of life and health and has positive social and environmental outcomes. There is no question that with the advancements in technology over the next ten, 15 or 20 years every country will have to invest substantially in innovation, research and development.

In recent years, the Department has undertaken a number of evaluations and studies to assess the impact of expenditure on research. An example is that in 2016 the Department published a review of capital expenditure on research, development and innovation as part of a comprehensive review of expenditure initiated by the Department of Public Expenditure and Reform. The review found that between 2006 and 2014 the main source of employment increases were firms with research and development expenditure greater than €100,000 per annum. The average annual growth of these firms between 2006 and 2014 ranged between 2% and 3.9%. Another study undertaken by the Department on economic and enterprise impacts from public investment in research and development in Ireland, also published in 2016, found that among agency firms in manufacturing and services, research and development activity is a characteristic of those firms that contributed most to employment growth between 2000 and

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2014. The companies dealt with by Science Foundation Ireland, with regard to research and development, created 31,000 direct and indirect jobs. The funding we make available through Science Foundation Ireland and the Irish Research Council has contributed to high technology jobs in innovation, research and development.

Higher and further education institutions are providing more science, mathematics and ICT graduates. Since a focus has been placed on science, technology, engineering and mathematics in the education and training system, Ireland has done exceptionally well on the European barometer of creating PhD's per percentage of population.

To answer the question very briefly, all of the evidence and statistics prove that investing in innovation, technology and research and development makes these companies more sustainable and creates more jobs.

An Leas-Cheann Comhairle: Deputy Durkan may ask one supplementary question.

Deputy Bernard J. Durkan: I thank the Leas-Cheann Comhairle and I thank the Minister of State for his reply. Will he indicate the extent to which the manufacturing and service sectors have been able to avail of advanced technology and research? Do we have the expertise and skills necessary to maximise the impact for the benefit of the economy at large?

Deputy John Halligan: It is interesting that in the Deputy's region of Kildare 15 companies supported by Enterprise Ireland and IDA Ireland are involved in research and development. These include Dawn Farm Foods, Green Isle Foods, Hewlett-Packard and Pfizer Ireland.

Through Enterprise Ireland, the Department, Science Foundation Ireland and the enterprise boards, there is a driving influence in research and innovation under Horizon 2020. Recently, we launched a disruptive technology fund, which is worth €500 million. The idea is to replace existing technology through research, development and innovation. It is important to note we can only go on European statistics. Ireland has gone from No. 9 to No. 8 in the list of top European countries for investing in research and development and for getting a good PhD. On the innovation scoreboard we have 17 dedicated research centres, which are highly regarded throughout Europe and the world for investment in those centres creating jobs. Through Science Foundation Ireland we have created approximately 31,000 jobs.

An Leas-Cheann Comhairle: I thank the Members for their co-operation.

Written Answers are published on the Oireachtas website.

Topical Issue Debate

Local Authority Housing Rents

Deputy Seamus Healy: Draconian rent increases for local authority tenants have been introduced by Tipperary County Council since 2 July. It has no regard for the effects these huge increases have on the tenants concerned. They have been introduced without the specific approval of the local councillors, on the basis that management claims the making of a differential rent scheme is a function for the manager and not the elected members.

Section 31 of the Housing (Miscellaneous Provisions) Act 2009 made the making and revocation of a differential rent scheme a reserved function of local authority members. This provision was never introduced, despite promises it would be as far back as 2011. A similar provision to make the revocation or making of a differential rent scheme a reserved function of local authority members was included in the Local Government Reform Act 2014. That was on the basis that the Government was delegating to local councillors new functions at the same time that local councils, town councils and borough councils were being abolished. There is now confusion as to whether that provision in the 2014 Act is operational.

I have a copy of a statutory instrument that seems to suggest the Act is operable. It is SI 214 of 2014 in the name of Phil Hogan, who was the Minister for the Environment, Community and Local Government at the time. One section of the order states 1 June 2014 is appointed as the day on which the Local Government Reform Act 2014, insofar as it is not in operation, comes into operation.

The increases are draconian and I have numerous examples of that. To give a flavour of the type of increases introduced, the rent of a family of four comprising two young children and both the husband and wife on social welfare with one on a carer's allowance went from €39.80 to €91.80, a difference of €52 per week or €208 per month. I have a number of similar cases. These draconian increases should and must be reversed. What is the position on the making of a differential rent scheme? Is it a reserved function of local authority members? If not, when will it be made a reserved function as set out in the 2009 and 2014 legislation? It is clear that management in councils throughout the country is now using this confusion to impose huge and savage increases on local authority tenants.

Minister of State at the Department of Housing, Planning and Local Government (Deputy John Paul Phelan): I thank the Deputy for raising this matter, which I am taking on behalf of my colleague, the Minister. I thank him for the opportunity to outline the current position. In response to his final question, my understanding is this is not currently a reserved function for local authority members. I will try to get an answer on the effect of SI 214 of 2014 on the differential rent scheme.

Section 31 of the Housing (Miscellaneous Provisions) Act 2009, which has not been commenced, provides that the Minister may make regulations providing for matters to be included in a rent scheme to be made by a housing authority, including the manner in which the financial circumstances of households and their ability to pay rent shall be taken into account in determining rent. This includes the level, type and sources of household income that may be assessed for the purposes of determining rents; the manner in which adjustments may be made to the rent in respect of any obligations imposed on the tenant under the tenancy agreement relating to the maintenance of the dwelling; the amount or method of calculation of any allowances in respect of rent that may be made for dependants; and the procedure for rent reviews during the period of a tenancy, having regard to any changes in household circumstances or income levels. Section 31(7) of the Housing (Miscellaneous Provisions) Act 2009 provides for, among other provisions, the making or revocation of a rent scheme to be a reserved function. However, as indicated earlier, this section has not been commenced.

The practice of a national differential rent scheme was abandoned in 1986, when rent setting was devolved completely to individual housing authorities, subject to broad principles laid down in departmental guidance. Housing authorities are also empowered under section 58 of the Housing Act 1966 to include charges in the rent relating to costs of works and services pro-

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vided to dwellings under the Housing Acts. The current practice involves a disparate approach across housing authorities to rent setting for accommodation funded wholly by the Exchequer. Whereas all housing authorities charge rents related to household income, similar households in similar accommodation are charged varying amounts of differential rent depending on which local authority is letting the accommodation. Individual authorities also differ on matters such as types and amounts of income reckonable for differential rent purposes. On that basis it is recognised that a greater degree of national uniformity needs to be introduced.

Considerable work has been carried out by the Department in developing a national rents framework, including common income thresholds and disregards. The new system aims to be more equitable and transparent, with regulations setting out a common method for determining household income across the country for rent purposes. This work is now being examined further in light of a broader commitment in Rebuilding Ireland - Action Plan for Housing and Homelessness to review the disparate systems of differential rent for social housing in place across local authorities. The objective is to ensure housing supports are fair and sustainable, to prioritise those on the lowest incomes and to avoid creating welfare traps that may prevent people from either returning to work or the private housing market. The Minister expects the results of this review will be available shortly and on foot of that we will consider the appropriate next steps.

Deputy Seamus Healy: I thank the Minister of State for the response but it is the usual Department script. We need to know why, nine years after the 2009 Act, the rent differential scheme is not yet a reserved function for local authority members. It is now four years since the introduction of the Housing Act 2014. Reserving this function for local authority members is an element of both Acts. Will the Minister of State clarify the position of SI 214 of 2014? The increases that have been introduced are horrendous. The example I provided indicated a more than 100% increase but I have numerous others.

There is a new method of assessing incomes of joint tenants or of partners and spouses. It imposes a 20% rather than 10% assessment of additional income. In many cases, there are husbands and wives, spouses or partners where one has a half-rate carer's allowance. The new system reduces the €107 per week of the half-rate carer's allowance by €21.40, or 20%. These carers are looking after spouses or partners on a 24-7 basis but they are effectively being cut by 20%. There is a similar issue with family income supplement, as workers on very low incomes entitled to family income supplement lose 20% under these new rent rules. These are horrendous increases. When will the process become a reserved function, as indicated in two Acts going back over nine years? We have heard promises before but they have not been implemented. When will the reserved function be implemented finally?

Deputy John Paul Phelan: The only answer I can give the Deputy is that the results of the review undertaken by the Minister and his officials on his behalf are imminent. Following that, a scheme for a more uniform system of differential rent will be introduced. That is the Government's proposal. I am not sure why the original proposal from the 2009 legislation has not yet become law. I will endeavour to find out. The Deputy cannot expect to ask about SI 214 of 2014 and expect me to know the answer off the top of my head but I will get the answer to that question. The review's results are imminent and the Minister has indicated he will act on it.

It is unfair that there is not a common yardstick for different types of income in the calculation of differential rents across local authorities and the Deputy is right to point that out. That is one of the main purposes of the review. This stems from the fact that the common scheme

disappeared in 1986 and was replaced with individual rent setting by housing authorities. There are 31 of them now and there would have been many more in 1986. The purpose of the review that the Minister will act on is to ensure the same broad standards and system apply in the calculation of differential rents in Tipperary County Council, Kilkenny County Council and every other local authority in the country. I will revert directly to the Deputy on SI 214 of 2014.

Protected Disclosures

Deputy Alan Kelly: There is a review ongoing by the Department of Public Expenditure and Reform of how protected disclosures legislation is operating.

The case shows the legislation to be operating in a shambolic way when it comes to Cork Institute of Technology. A protected disclosure was made from CIT in 2012 and was acknowledged as such – I have a copy of the email acknowledging it. The disclosure was repeated in 2017. It was mishandled across the board, including by the Higher Education Authority, HEA, and the Department. Evidence was given before the Committee of Public Accounts but I do not believe it stands up to scrutiny. The Minister for Education and Skills, Deputy Bruton, the Minister of State, Deputy Mitchell O'Connor, and the Minister for Public Expenditure and Reform, Deputy Donohoe, are all aware of this.

The individual in the case who took out the protected disclosure has been out of work for more than four years without an income. This is not the way these issues should be treated.

The president of the college has not dealt with this issue appropriately. The HEA has not dealt with it appropriately and, dare I say it, the Department has not dealt with it appropriately. All along, this person has been without an income because of doing the right thing. The Minister of State is well aware of this case. It is strange for myself and the two Deputies opposite. We come from Tipperary, Kilkenny and Sligo and yet we are raising an issue relating to Cork Institute of Technology.

I appeal to the Minister of State to use her offices to deal with this issue and give faith back to people so they can make protected disclosures.

Deputy John McGuinness: I have read over the minutes of the meeting at which this was raised. My experience of this case informs me that the Committee of Public Accounts was grossly misled, perhaps deliberately. I can say as much from my experience of the case and from reading the minutes.

The vice president of this particular institution is responsible for finance and human resources. He acknowledges receipt of a protected disclosure. He suggested ways and means of dealing with the protected disclosure. He made no effort whatsoever to protect the individual involved. As a result, the person has had no income since 2014. That is not the way to do business and it is certainly not the way to put information before the Committee of Public Accounts.

I have looked down through the minutes. Many statements are incorrect and misleading. There is an onus now on the Department to accept the disclosure made in 2012 and to acknowledge that it happened. I have it before me in writing. The Department should take the necessary steps to compensate the person concerned and to deal with the issues raised. They were raised by someone who has experience in governance and good practice and who was a decent

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employee of the college. Yet, that person is being blackguarded by the same college and by the Department. It is not right and the Minister of State should intervene.

Deputy Marc MacSharry: The vice president of Cork Institute of Technology said the college attempted to engage but that the individual did not engage. That is a lie, quite frankly.

6 o'clock This person went to the chair of the board of CIT, the chairman of the audit committee, the vice president of strategy, the head of the school and faculty, the vice president and the registrar. All these approaches occurred in 2012 and 2013 but no action was taken. In August 2017 the person requested to meet the new president. This was refused and the person was not granted a meeting. In June 2017, the person wrote to each member of the board of CIT. This was clearly ignored and was not reflected in the minutes of the board. The vice president said before the Committee of Public Accounts that he accepted that risk management as a methodology within CIT was not well-developed at this stage. At the same meeting, the president stated that serious failures in governance existed.

How can we expect anyone to have confidence in this institution? This is about protecting taxpayers' money. No matter who is in government, it is a case of circling the wagons and throwing the whistleblower under the bus. That is what we are doing: we are throwing someone under the bus and leaving that person with no salary. On the one hand we encourage all people to come forward and tell the truth. That is only so long as they know that when they do, the shutters will come down in lightening fashion. Instead of a policy of delay, deny and defend, the Minister of State should do what is right by this person and the taxpayer.

An Ceann Comhairle: It is probably not wise, Deputy, to accuse someone outside the House of lying.

Deputy Marc MacSharry: I am only being guided by the minutes and the facts in terms of the documents.

An Ceann Comhairle: Maybe you are, but it is still not-----

Deputy Marc MacSharry: Sometimes privilege exists to be used in the appropriate fashion and I do not take it back. Thank you.

An Ceann Comhairle: I take it that you do not take it back, Deputy, but I am still suggesting to you that it is not a wise course of action.

Deputy Marc MacSharry: Thank you for your suggestion, a Cheann Comhairle. I know you have my best interests at heart but I am thinking about the taxpayer.

An Ceann Comhairle: We are all concerned for the taxpayer.

Minister of State at the Department of Education and Skills (Deputy Mary Mitchell O'Connor): I thank Deputy Alan Kelly, Deputy John McGuinness and Deputy Marc MacSharry for raising this issue.

The Deputies will be aware that the Protected Disclosures Act 2014 provides a detailed and comprehensive legal framework to allow any worker who is penalised for making a protected disclosure to secure redress. The Act is supplemented by the procedures that all public bodies are required to put in place under section 21 for the making of protected disclosures and for dealing with such disclosures.

The Department of Education and Skills operates within this legal framework when dealing with protected disclosures. The Deputies will appreciate that there is a legal responsibility on the Department to protect the identity of the individual who makes a protected disclosure. While respecting this legal responsibility, I am happy to provide the Deputies with an update on the specific issue raised today. I can confirm that the Department received a protected disclosure relating to CIT in May 2017. There have been 12 steps to the process since then. In line with the agreed procedures within the Department, the disclosure was referred to the Higher Education Authority for examination. Under step two, I understand officials from the HEA made initial contact with Cork Institute of Technology in July 2017 to provide the officials with an outline of the allegations, but in a manner to protect the identity of the discloser consistent with the strict confidentiality provisions set out in section 16. The HEA has also met the discloser to discuss the allegations in more detail.

Under step three, following an initial response from CIT, officials from the HEA met the discloser to discuss the disclosures in more detail. Under step four, there was subsequent correspondence between the HEA and the discloser arising from that meeting. Under step five, in light of the additional information arising from this subsequent engagement with the discloser, the HEA has recently taken further steps to examine the issues raised. Specifically, under step seven, the HEA wrote to the chair of the governing body of CIT on 29 June seeking the definitive response from CIT to the allegations.

Under step eight, the HEA has asked CIT to respond to a specific set of questions relating to the disclosures. The HEA sought confirmation that CIT is satisfied that academic staff in the department in question are not engaged in any external activities that are in conflict with their roles in CIT. The HEA sought confirmation that academic staff in that department have sought the necessary approvals to engage in external employment outside CIT. The HEA sought confirmation that CIT is satisfied that there has been no breach of the code of conduct for employees by academic staff in that department. The HEA sought details of the actions taken by CIT to investigate any previous or similar complaints or allegations made about those same issues. The HEA also asked whether CIT has suffered any adverse financial impact as a result of the practices that are alleged to have happened in the protected disclosure.

Deputy Alan Kelly: The Department and the HEA know that this has been going on for six years. The Minister of State provided information about the response from the HEA on 20 July. Although welcome, this does not acknowledge the fact that this has been an issue since 2012.

I have in my possession, as do my two colleagues, the email showing that this disclosure goes back to 2012. This person has been out of work since 2014. No one with knowledge about this case would make a protected disclosure. I appeal to the Minister of State to use her offices to ensure the person who made the disclosure is reinstated. The HEA has responded to the requests of the Minister of State. Will she, please, get it to look at what its representatives said in their last three appearances related to Cork Institute of Technology before the Committee of Public Accounts, the last being only two months ago when they were asked if there had been any protective disclosure prior to 2017, even under draft policy, and they said no. This issue must be put to bed. The Minister of State knows about it, as does the Department, the HEA and the president, as well as the college and its board, although, for some reason, it is not included in its minutes. They have all known about it for some time. It is disgraceful that it has not been dealt with one way or the other in six years.

Deputy John McGuinness: I respect the Minister of State's intervention; however, it is

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clear from the response that neither she, CIT nor the Higher Education Authority is dealing with the reasons the whistleblower made the protected disclosure in the first place. It is because she was treated badly having made the disclosure. The whistleblower needs to be put back in employment and there must be recognition of what was done in the context of the information she gave to Mr. Paul Gallagher. Bearing in mind how the legislation is meant to protect whistleblowers, like the draft policy of the college in 2012, they should, in conscience, pay the whistleblower from 2014 onwards. That is what is stated in the legislation. Will the Minister of State ensure the HEA, which, incidentally, takes its time in responding to Deputies, will make sure she is put back on salary and compensated, dating back to 2014?

For the record, I gave the protected disclosure directly to the Minister, Deputy Richard Bruton. I passed it to him, but nothing really constructive has happened since.

Deputy Marc MacSharry: In order that there can be no doubt, I can testify that the whistleblower is sane, highly competent and skilled in the area of governance and that she was thrown under the bus. I will give the email to which Deputy Alan Kelly referred to the Minister of State as soon as I conclude in order that she will definitely have it.

We need to start by paying the person's salary and backdating it. The Department of Education and Skills botched its response to the second disclosure in 2017, to which Deputy John McGuinness referred. It contacted CIT through back channels without telling the whistleblower, which was entirely against its own code of conduct. The wagons were circled to see what story the Department and CIT could put on it to save their faces and that of the HEA. CIT continues to dream up ways of destroying the individual who, as the other Deputies have noted, has not worked since. CIT has failed to comply with the request made by the HEA and the Department in May that it sort out any whistleblower in May 2014 prior to the passing of the Act. It did not do so. What we need is goodwill on the part of the HEA and the Department, as well as closure. They need to take control of the matter, with CIT, and get this done. Ultimately, the whistleblower did it with only taxpayers in mind. It is time we did the right thing by them.

Deputy Mary Mitchell O'Connor: One of the Deputies mentioned the date of 20 July. We will receive informed responses to the questions we put to CIT by that date.

The Department is satisfied that the issues raised in the protected disclosure received by it in May 2017 are being addressed by the HEA in accordance with the provisions of the Protected Disclosures Act, by which I am bound.

Deputy John McGuinness: Only now; they covered it up.

Deputy Mary Mitchell O'Connor: My understanding is-----

Deputy Alan Kelly: What is the first sentence?

An Ceann Comhairle: Will the Deputies, please, let the Minister of State continue?

Deputy Mary Mitchell O'Connor: As I said in my first sentence, the Department received the protected disclosure in May 2017. The discloser has been kept informed of progress. CIT has been asked to respond by 20 July to the allegations made. The HEA, not the Minister, will determine the appropriate next steps to be taken based on the response.

Returning to what the Deputies asked about the meeting of the Committee of Public Accounts, I am not aware of any aspect of the record of that meeting on 24 May that needs to be

corrected. The meeting discussed a number of issues related to CIT, including whether it had received a protected disclosure prior to 2017. The Protected Disclosures Act has retrospective effect to the extent that redress can be sought by a worker for penalisation for making a protected disclosure made before the legislation was commenced. Any concern raised internally prior to July 2014, when the Protected Disclosure Act came into force, would have been a matter for CIT to deal with, whatever policies and procedures were in place at the time.

Deputy Alan Kelly: The Minister will have the emails.

Deputy John McGuinness: They have them.

Deputy Mary Mitchell O'Connor: The Department is not aware of any specific instance where the record of the Committee of Public Accounts needs to be amended arising from anything stated by an official of the Department or the HEA on 24 May.

Deputy Alan Kelly: We are going to give them to the Minister of State.

An Ceann Comhairle: Please, Deputy.

Deputy Mary Mitchell O'Connor: May I finish? It is a matter for the representatives of CIT to determine whether there is a need to correct any statement they made at the meeting.

An Ceann Comhairle: That concludes consideration of that particularly vexed matter.

Child and Adolescent Mental Health Services Provision

Deputy Aengus Ó Snodaigh: I do not know if the Minister of State, Deputy Finian McGrath, was here earlier when the Taoiseach was boasting about living up to the commitments made in the programme for Government about expanding capacity in child and adolescent mental health services, CAMHS. I do not know how he or the Minister of State could square that boast with the decision made two weeks ago by the HSE to close one of the most successful child and adolescent day care centres, the Linn Dara CAMHS unit in Cherry Orchard Hospital. It was closed on 6 July for possibly five or six months. It has played a vital and highly positive role in the lives of many young people who have availed of its services since it opened. The decision to close it is ridiculous and follows on from a decision made last year to close half of the inpatient services for the months of June, July, August, September and October last year.

Every parent I know who had a child attend the Linn Dara CAMHS unit in Cherry Orchard Hospital has had very positive experiences and praised the service and the staff, in particular, and acknowledged the benefits for his or her child. Closing the service is a retrograde step which will add huge pressure on inpatient services not only in the future but also now, as those who cannot access the day service will try to get their children into the inpatient service. It will also put pressure on the local adult mental health services because the parents of children will have to reach out somehow to get some help or seek relief for their children, as well as some access to psychiatry, social workers, nurses, occupational therapists, dieticians, social care workers, speech and language therapists and educationists who are available in the day services provided in the CAMHS centre. It is a multi-disciplinary service which has worked well. I commend the Mental Health Warriors who have protested against the closure and will arrange another protest this Thursday.

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I ask the Minister of State to intervene to ensure the centre will reopen as quickly as possible, which means tomorrow or this week.

Deputy Pat Buckley: I echo what my party colleague said. It is a bit like “Groundhog Day”. I raised the closure of 11 beds last year. Approximately 12 months to the day - there may be a couple of days in it - I am raising the decision to close the outpatient clinic at Linn Dara at a time when the 22 inpatient beds are full. According to the staff members to whom we have been listening, the HSE is not putting a sufficient focus on this. We had the same situation last year and - lo and behold - we are back with the same old thing this year. There is no such thing as forward planning. Things are breaking down. The Minister admitted earlier this year that the closure of the Linn Dara beds has put pressure on adult admissions into mental health services. For two years, this House has been debating the need to keep children out of adult services. This is another example of the failure to engage in forward planning.

I am aggrieved about the reply I received to a parliamentary question I tabled in respect of Linn Dara services, which asked “the Minister for Health the estimated annual cost of reopening the closed CAMHS” beds at the centre. It is ironic that I received the reply in question on 5 July, which was the day before the closure of the outpatient clinic. Even though I had asked about the annual cost of reopening the beds, I was told in the reply I received that it had been decided to reduce temporarily from 22 to 11 the number of inpatient beds available at Linn Dara. I was advised that this temporary reduction was applied from June 2017 to October 2017 and was necessary because of ongoing nursing staff shortages. I was further advised that funding was maintained throughout the year to assist with the reopening of these beds. It is like saying, “We gave them a bucket with no ass in it and sent them to the river to empty it”. Twelve months on, we are in the exact same situation. All we are getting is absolute waffle from the Department. It cannot even answer a question. I asked for costs. There is no forward planning. If we keep going down this road, we will lose more people and more staff. Individuals and their family members and friends are suffering, unfortunately,

Minister of State at the Department of Health (Deputy Finian McGrath): I thank Deputies Ó Snodaigh and Buckley for raising this important issue. I know they are genuinely interested in mental health services. The policy of the HSE, as reflected in its annual service plans, is to provide age-appropriate mental health services to people under the age of 18. In view of the significant additional funding that has been provided over recent years, I reiterate this Government’s commitment to the development of all aspects of mental health, including that relating to young people. The Minister of State, Deputy Jim Daly, is continuing to make the case for further resources annually, in line with evolving demands and in accordance with the commitments set out in A Programme for a Partnership Government.

The HSE service plan for 2018 commits to further developing child and adolescent mental health services, known as CAMHS. This is happening against a background where the demand for CAMHS increased by 26% between 2012 and 2017. Various youth mental health initiatives other than the specialist CAMHS service are also being progressed. We have 69 CAMHS teams and three paediatric liaison teams supported by approximately 75 CAMHS beds nationally. Further beds are planned to come on stream as quickly as possible. The Government has funded an additional 140 psychiatric nurse undergraduates places each year to help to improve the planning and delivery of services over the coming years.

The issue of staff recruitment and retention, particularly in the sphere of CAMHS, is a key difficulty that is being addressed on a steady basis by the HSE. These are two key issues in this

debate. The recent appointment by the HSE of 114 assistant psychologists and 20 psychologists will help to develop counselling services in primary care. It is anticipated that these posts will deal with less complex child and adolescent cases, thereby reducing the demand on CAMHS. The Minister of State recently approved ten new posts for advance nurse practitioners that will be specifically directed to the CAMHS service nationally. These new practitioners will play a key role in delivering better service co-ordination where local service pressures are greatest.

The HSE Linn Dara CAMHS service covers a population of approximately 420,000 across County Kildare, west Wicklow and south-west Dublin. There are seven multidisciplinary community CAMHS teams for these areas. The HSE has indicated that a decision was taken by the Linn Dara management team to temporarily suspend its day programme from Friday, 6 July 2018 to maintain essential community and inpatient services. It is expected that the day programme will reopen in September or October. This decision was taken due to psychiatry and allied health professional temporary staffing shortages in the community sectors.

To maintain essential provision of services, psychiatry and multidisciplinary staff have been reassigned from the adolescent day programme to maintain other key community-based Linn Dara services and manage their overall capacity at this time. The small number of young people who were scheduled to attend the adolescent day programme will continue to attend their existing community CAMHS teams and to receive appropriate individual and therapeutic programmes. The HSE has a statutory responsibility to ensure safe, adequate and sufficient service provision to all areas of the CAMHS service. The Linn Dara inpatient unit will remain fully operational as normal, with 22 beds and functioning community teams available. I assure the Deputies that the Minister of State will keep this matter under close review. All efforts will continue to be made by the HSE to address the ongoing service difficulties at Linn Dara.

Deputy Aengus Ó Snodaigh: This closure is unacceptable and inexcusable. I agree with Deputy Buckley that this is a question of forward planning. As the Minister of State said, the Linn Dara CAMHS unit in Cherry Orchard hospital covers a population of nearly 500,000 people. This means that more than 200,000 young people no longer have access to day programmes. The Minister of State has said they have access to local CAMHS services, but that is not what many of those involved need at this stage. Most of them have been through the CAMHS service and have been referred to the day service for a particular reason. If they are unable to access those day services for a number of months, it could be detrimental to their health and future well-being. I urge the Minister of State to get the HSE to look at this again now, rather than waiting until September or October before deciding when this service will be reopened. It needs to be reopened now.

Deputy Pat Buckley: I thank the Minister of State for his answer. He mentioned HSE policy. The HSE is unable to plan. I question the Government's commitment. We do not have enough time to go through these issues. The Minister of State referred to 69 CAMHS teams. How many of them are fully staffed? I would not like to see a CAMHS premier league because there would not be too many teams playing against each other. It is not good enough to say this is a staffing problem. Surely we should have moved on over the past 12 months. It is a HSE problem and a Department of Health problem. It appears that the cost of getting staff to work in providing these services is too high a target for the Government. It seems to be afraid to spend money. The problem is that we are putting children at risk. When we, as legislators, put children at risk, it is not just their problem - it is our problem and the Government's problem as well. I reiterate that we should not try to fix something that has not been broken.

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Deputy Finian McGrath: I thank the Deputies for raising this important issue. I commend them for mentioning that there are some positive experiences in child and adolescent mental health services. Of course I will bring the views they have set out during this debate to the attention of the Minister of State, Deputy Jim Daly. They have raised some important issues. As I mentioned, some 69 CAMHS teams and three paediatric liaison teams are supported by 75 CAMHS beds. It is planned that further beds will come on stream as soon as possible. We have to face the reality that staff recruitment and retention is a particular issue for the CAMHS service. I take on board the strong points that have been made about the failure to engage in future or forward planning. We have to look at that issue and address it strongly. We must ensure we get value for money for patients from the 26% increase in spending. In the context of this debate, I am referring particularly to young people with mental health issues. I will bring back the Deputies' concerns to the Minister of State to see whether they can be responded to positively.

Mental Health Services Provision

Deputy Marcella Corcoran Kennedy: I welcome the opportunity to raise this important issue with the Minister of State. As a member of the Joint Committee on the Future of Mental Health Care, I recently paid a visit to my local Offaly-Laois child and adult mental health service, CAHMS, located at St. Fintan's Hospital in Portlaoise. Built in 1832, it was formerly known as St. Fintan's Asylum. It is an intimidating building and much of it is in a poor state of repair. Even the main entrance steps are damaged, with grey timber panels on either side attached to the railing. The first impressions are not great. Internally, however, the Laois CAMHS facility has been upgraded and is modern and bright. The Offaly service is also run out of this old building. It has not been refurbished but I was delighted to learn on the day of my visit that there are plans to move to a modern premises in Tullamore, which will result in a better experience for young people. The new premises will be more accessible to them and their parents.

While on my visit, I was extremely concerned to learn of plans to reduce the staffing levels in the young adult mental health service, YAMHS, in Offaly and Laois. This service is specifically targeted at those between 16 and 18 and has a fully functioning team and no waiting lists. I was dismayed to learn during my visit that, at a time when the Government's stated objective is to prioritise mental health services and increase the resources for youth mental health services, the HSE management team in CHO area 8 is planning to cut three full-time equivalent posts in the YAMHS. This means that one psychotherapist position, two nursing posts and an administrator are due to be cut by the HSE. This proposal flies in the face of a cross-sectoral commitment to improving mental health services for children and young adults. We are all aware of the vital importance of access to services and treatment in a timely manner for young people who find themselves distressed or in an emergency. I know from my dealings with local families who have engaged with the YAMHS in Offaly and Laois that they are highly complimentary of the quality of the service and the dedication and commitment of the multidisciplinary teams working there.

I am informed that the service is currently meeting targets for all its performance indicators but the proposed cut to staffing levels would inevitably damage the capacity of the service to cope with the ever-increasing number of referrals it is receiving. Over five years, the service has dealt with 1,000 referrals. What plans has the HSE to deal with the young people from 16 to 18 who may be referred over the next five years? Reducing the staffing levels in the YAMHS

is just going to place increased pressure on the CAMHS, which is trying to manage significant waiting lists in Offaly and Laois. Is it intended to put those patients back into the CAMHS where there are existing waiting lists? How will emergency cases be dealt with?

I understand that, year on year, the number of children and young people engaging with the service for diagnosis and treatment for conditions such as attention deficit hyperactivity disorder is increasing. It is important that our children and young people have access to early intervention and that the necessary professional supports and services be provided at the appropriate time.

Psychotherapists play a pivotal role in the delivery of the youth mental health services, as do the specialist nurses. The operation of the service requires skilled administrators. All play a vital role in the lives of the young people who need to access the service. I am perplexed as to why staff numbers are being reduced at a time when anxiety among young people is at an unprecedented level. There are myriad reasons for this but there is emerging evidence that social media have a large role in this.

We must ensure that the proposed cutback in this area does not happen. Can the Minister of State confirm the accuracy of the reports that one of the psychotherapists working in the YAMHS in Laois and Offaly will be leaving their position at the end of July and that two nurses and an administrator will have to leave their posts? What is the reason for this? Does the HSE intend to get rid of the YAMHS altogether? It seems to be providing a service that we all aspire to. Should the HSE not be trying to replicate this model across the country instead of trying to get rid of it?

Deputy Finian McGrath: I thank Deputy Marcella Corcoran Kennedy for raising this important issue. I am well aware of the great work of the Oireachtas committee, particularly on this issue.

There are six CAMHS teams in the midlands mental health services. The staffing levels of these teams are currently at or above the national average. The staff allocation for the two young adult mental health service, YAMHS, teams in the midlands is also above the national average. The level of staff in Laois-Offaly YAMHS is at 222.6% of the figure in A Vision for Change and that for Longford-Westmeath YAMHS is at 182.4% of the figure in A Vision for Change. As such, the Minister of State, Deputy Jim Daly, has been informed that the HSE intends to reconfigure the staffing levels by removing any unfunded posts, which do not form part of the sanctioned allocation. This is necessary to provide a service within the allocated resources available and to comply with the policy in A Vision for Change.

Mental health remains a priority for the Government. This is reflected by the allocation in budget 2018 of an additional €35 million for new service developments, bringing total HSE mental health funding to around €910 million this year. Since 2012, around €200 million in additional funding has been provided for this care programme, and some 2,000 new posts were approved. The HSE continues to enhance various aspects of its CAMHS, including improved access at local level for areas such as Laois and Offaly. There has been increased funding for CAMHS for Laois-Offaly, rising from €1.387 million in 2011 to €2.528 million in 2018. The overall staff number for the service increased from approximately 16 in 2011 to 34 in 2018. It should be noted that there has been a significant increase in activity levels for the respective years. For example, the number of referrals received increased from 167 to 1,044. New appointments offered increased from 146 to 797, and the number of new clients seen increased

from 107 to 484.

The HSE service plan for 2018 will further develop all aspects of CAMHS, including in-patient or community-based care. This is a strategic priority action in the plan, against a background where the population of children is increasing and where demand for CAMHS has seen a 26% increase since 2012. Approximately 18,800 referrals are expected for HSE CAMHS nationally this year, with in the region of 14,300 being seen by this specialist service.

Among the other CAMHS-specific measures included in the HSE service plan for 2018 are: an initiative to increase the number of CAMHS referrals to be seen this year by 27% over the number in 2017; provision for a seven-day-week service for CAMHS to ensure supports for young people, in line with Connecting for Life; and improvement of the day-hospital services within CAMHS. The HSE is also focusing on enhanced access for older adolescents to specialist mental health services, along with continued appropriate placement and care in CAMHS-specific settings.

I must also mention the broader mental health activity in this area. The HSE midlands, Louth and Meath community healthcare organisation, in partnership with community, voluntary and statutory organisations, is developing a regional suicide prevention action plan for the counties of Laois, Offaly, Longford, Westmeath, Louth and Meath. This local strategy is aligned with the national strategy to reduce suicide, Connecting for Life, in which young people have been identified as a priority group for support and prevention.

Deputy Marcella Corcoran Kennedy: I just cannot accept this diminution in the service when the Government is increasing budgets to the mental health services every year and, crucially, when the demand for the service is also increasing. That staffing levels are above the national average, that there are no waiting lists at this point and that the services are dealing with the emergencies when they come to them point to the success of the YAMHS team. I would not be penalising it by suggesting it is overstaffed, wishing it luck and stating that its staffing number will be reduced to that of others that are not able to deal with those they need to deal with when they need to do so.

The HSE has no grade for art therapist. Art therapy is widely accepted as an important aspect of therapy and treatment for young and old alike. Now it seems that position is to be dispensed with. That the HSE does not even have a grade goes to show how little it emphasises something of such importance to young and old alike.

The HSE's stated position in its mission statement on mental health is to "Promote and protect the mental health of the population, to provide effective services to those who need them making the best use of existing resources and to seek to continuously improve those services making best use of the resources available". How can the HSE stand over this decision given the negative consequences for the remaining staff and young patients who are and will be accessing the service? This development is completely avoidable. I really resent what the Minister of State said about the service being overstaffed. The 2016 census indicates Ireland's population of people aged between ten and 24 years is expected to increase to more than 1 million in the next seven years. There are still far too many young people dying by suicide across this country, especially young men, so we have a duty to maintain and expand our mental health services in the years ahead. The services that are succeeding and capable of delivering to young people and young adults should be maintained, not reduced.

Deputy Finian McGrath: The figure for overall spending in 2018 is €910 million. That is a huge increase in spending on mental health services over the past number of years. The second point, which is important, is that in April there were 10,008 people employed in mental health services in this country. That is an increase of approximately 193 compared with 2017. Another important point is that the staffing levels in CAMHS teams in the midlands mental health services - there are six teams - is at or above the national average for CAMHS services. The staff allocation for the YAMHS in the midlands is significantly above the average of 58% of A Vision for Change. The HSE has informed the Department that it is necessary to reconfigure its staffing levels by removing any unfunded posts which do not form part of its sanctioned allocation.

On the specific issue the Deputy raised, I will convey her concern to the Minister of State, Deputy Jim Daly, that he look again at this issue. The locally based multi-agency response to self-harm and suicide is in final development and when launched will support local communities to respond to suicidal behaviour. The Minister of State, Deputy Jim Daly, has also asked his officials to continue to monitor the ongoing delivery of services in Laois and Offaly in conjunction with the HSE. Finally, I will refer all the issues and concerns Deputy Corcoran Kennedy raised to the Minister of State, Deputy Jim Daly.

Industrial Development (Amendment) Bill 2018: Order for Report Stage

Minister of State at the Department of Business, Enterprise and Innovation (Deputy Pat Breen): I move: “That Report Stage be taken now.”

Question put and agreed to.

Industrial Development (Amendment) Bill 2018: Report and Final Stages

An Ceann Comhairle: Amendments Nos. 1 and 3 are related and will be discussed together.

Deputy Clare Daly: I move amendment No. 1:

In page 3, between lines 24 and 25, to insert the following:

“(ii) by the substitution in paragraph (a) of “by agreement;” for “and either by agreement or compulsorily;”,

(iii) by the insertion of the following after paragraph (a):

“(aa) acquire compulsorily, if no viable alternative land may be acquired by agreement;”,

I tabled a number of amendments on Committee Stage with a view to removing IDA Ireland’s power to compulsorily acquire land but they were ruled out of order. It would have been my preference that IDA Ireland did not have such power, particularly as the power to take land from people at the behest of foreign private companies is quite extraordinary, not only in the sense that it is very far reaching but also in the sense of it being very unusual in a global context. As I cannot table those amendments again, I have put forward amendments Nos. 1 and 3, which

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at least curb the powers of IDA Ireland under the 1986 Act. If passed, all the amendments would do is create a situation where IDA Ireland could only exercise its power to use compulsory purchase orders, CPOs, if there was no viable alternative land available for whatever American multinational for which it wishes to seize the land.

For example, if the Thomas Reid case, which gave rise to this Bill, were to be rerun tomorrow with the no-viable-alternative provision I am proposing here, there is every chance that Mr. Reid would not have had to be put through the years of hell through which he was put by IDA Ireland when seeking to grab his lands for Intel. There would be many other landowners, as there were, in the 2 km radius of the site who would have been willing to sell their land to Intel or to have it compulsorily purchased. However, Intel wanted his land because it was the easiest option. I do not believe that facilitating the bottom line of private companies and their shareholders should be our key goal. It is a little strange that political parties, which otherwise would be crying over interference with private property, do not seem to be as exercised about this issue as we are. The key to the provision I am putting forward, as a happy middle ground, is that it would stop people from being forced off their lands and out of their homes purely on the basis of what constitutes the most economically advantageous route for a multinational corporation.

It is worth pointing out that while Thomas Reid was being dragged through the courts by IDA Ireland and Intel in 2014, Intel had global profits of \$11.7 billion and our Government deficit was \$7.2 billion yet the taxpayer spent €1.4 million going out to bat for this multibillion corporation against one Irish citizen who just wanted to hold onto his land and home. That is quite incredible. The literature globally on the use of CPOs talks about them being absolutely appropriate for state infrastructure projects and occasionally appropriate for public private partnerships, which is unsurprising in a neoliberal world order, but the concept of forcibly expropriating land for private multinationals is rare. It is practically unparalleled on the global scale. The Bill only deals with CPOs for large industry, which in Ireland overwhelmingly means foreign industry. In fact, Enterprise Ireland has been specifically excluded from the Bill so if anybody thinks that we are getting land for small and medium sized businesses, we are not. A review of compulsory purchase order laws by a World Bank senior counsel said that an overarching principle in most cases is that a government's taking powers are extraordinary powers that are intended to meet public needs that are not well addressed through the operation of the market, hence it was not typical for laws to allow governments to use compulsory acquisition as the normal means of assembling land for purposes that are clearly commercial, industrial or for other profitable private uses alone. That is exactly what we are talking about facilitating here.

There is a deep irony in the situation when one considers some of the case law from the United States in the 2000s. In one instance the state of Connecticut won a case that allowed it to expropriate homes for the redevelopment of an area in the city of New London where the pharmaceutical giant Pfizer wanted to build a research facility. As a result of the outcry from this case, 42 states changed their laws to prohibit or limit the taking of homes and lands for the benefit of private corporations under the pretext of economic development. It is interesting that in the wake of that case the then President of the United States, George W. Bush, who was not a famous socialist, signed an executive order restricting the use of CPOs, stating that they were only permitted for the purpose of benefitting the general public and not merely for the purpose of advancing the economic interest of private parties by being given ownership or use of the property taken. In other words, in the United States, the home country of most of the multinationals that have bases here in Ireland, those companies cannot ask their government to grab land for them. They can only do that here. One could not make this stuff up.

There is another lesson from the aftermath of that high profile case. When it hit the headlines in the United States the public were predictably horrified at the idea that the state had the power to grab land for private enterprise, and the political response to that public horror was to curb those powers. Ireland had its high-profile court case and the political reaction was to entrench the powers here, the complete opposite response. It is absolutely disgraceful.

My final point is that the fourth programme of law reform of the Law Reform Commission, which looked at the laws on compulsory purchase, came up with a possible list of guiding principles for reform. Having reviewed case law and legal principles the commission wrote that in deciding on the approach that should be taken when considering whether a CPO is consistent with an interference with a person's property rights under the Constitution or the European Convention on Human Rights the acquiring authority may intervene with those rights only where it is in the pursuit of a legitimate aim which seeks to further the common good and not solely private interests. My amendments are compliant with those requirements.

Deputy Maurice Quinlivan: As I mentioned on previous Stages, Sinn Féin is happy to support this Bill. However, we would also like to see stated in the Bill that a compulsory purchase order, CPO, may only be exercised by the IDA in circumstances where no other alternative options are available, and as a last resort. I am happy, therefore, to support amendments Nos. 1 and 3, as we believe they clarify the approach the IDA would be expected to take in considering a CPO, namely, that it may only be exercised where no other viable land is available by agreement. This spells out the common sense approach the IDA would be expected to take in these rare circumstances and that it strikes a fair balance. I thank Deputy Daly for tabling these amendments, both of which Sinn Féin supports. This proposal strikes the fine balance that must be achieved to ensure that land and property owners are not adversely affected in the pursuit of suitable sites for multinational companies.

On Committee Stage, the Minister of State undertook to come back on what would happen if land was acquired by CPO but for some reason the use of the land fell through and on whether the land could be sold back to the landowner at the same price.

I take this opportunity to acknowledge the work and success of the IDA in attracting jobs to Ireland. We need to focus on bringing more of these jobs to regional Ireland, which will require greater investment by the Government in our infrastructure.

Minister of State at the Department of Business, Enterprise and Innovation (Deputy Pat Breen): I thank Deputies Daly and Quinlivan for their contributions throughout the entire debate on this Bill. I thank Deputy Daly for tabling this amendment but I am unable to accept it because it is not necessary to include this provision in the legislation. The Deputy will be aware that this Bill addresses the implications of the 2015 Supreme Court judgment and seeks to ensure that the IDA will continue to have the capacity to compulsorily acquire property on an exceptional basis, in limited circumstances and subject to strict requirements. I must emphasise, as I did on previous Stages, that this Bill does not grant any additional or expanded compulsory purchase powers to the IDA. It remains the case that a CPO will only ever be considered as a last resort in a truly exceptional circumstance where all other viable options have been exhausted. It is abundantly clear that a compulsory purchase would not be pursued unless it was necessary and this would not be the case if there was a suitable alternative.

I reiterate that the aim of this Bill is to modernise and apply fair practice to the IDA's CPO process. The process used in this legislation is well established process outlined in the Housing

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Act 1966. I remind the Deputy that as per the terms of the Supreme Court judgment provision has been made in section 7 for an independent body, An Bord Pleanála, to take a full adjudication role in the process. This role, which is written directly into the legislation, is aligned to An Bord Pleanála's existing role in compulsory purchases carried out by other State bodies. The consideration of suitable alternative sites is a key part of the existing objection procedure that is overseen by An Bord Pleanála and will now be applied to the IDA. For this reason, the amendment is not necessary and I do not propose to accept it.

Deputy Clare Daly: The Minister of State said that a CPO will be used only when all other avenues have been exhausted and for this reason the amendments are not necessary. This may be the case but that did not happen in the Reid case and there is no reason to believe it will happen in the future either. The amendment says to multinationals that if they can afford to buy other land from a willing seller, which is viable for their use, they cannot turn to the IDA to get it cheaper by way of a CPO. This is in line with the Law Reform Commission's recommendations, the Constitution and the European Court of Human Rights. It is not asking too much. I need the amendment accepted if I am to support the Bill.

The IDA has had this power since the 1980s but the only time it used it was in the Thomas Reid case. It is important to point out that in that regard the Supreme Court adjudicated that it had acted *ultra vires* of the 1986 legislation and also that it was objectively biased in its quest to CPO Thomas Reid's home, the objective bias being that the chairman of the IDA at the time of the CPO was also a non-executive director of the consultancy group that targeted the site. The judge in this case found that a reasonable observer would say that he could not have been objective. Giving powers to a State agency which is not democratically accountable - An Bord Pleanála has limited oversight provisions - leaves the door open to massive potential abuses. There is no guarantee that the same will not happen again. The Minister of State said that the IDA can only exercise a CPO when all other avenues have been exhausted. The amendment seeks to copperfasten that. It is even better for Fine Gael supporters in that the farmers will benefit because the people buying the land will have to go to a willing seller and maybe pay a bit more rather than relying on the IDA.

Amendment put:

<i>The Dáil divided: Tá, 33; Níl, 58; Staon, 0.</i>		
<i>Tá</i>	<i>Níl</i>	<i>Staon</i>
<i>Brady, John.</i>	<i>Bailey, Maria.</i>	
<i>Broughan, Thomas P.</i>	<i>Barrett, Seán.</i>	
<i>Buckley, Pat.</i>	<i>Breathnach, Declan.</i>	
<i>Collins, Michael.</i>	<i>Breen, Pat.</i>	
<i>Connolly, Catherine.</i>	<i>Brophy, Colm.</i>	
<i>Crowe, Seán.</i>	<i>Browne, James.</i>	
<i>Cullinane, David.</i>	<i>Bruton, Richard.</i>	
<i>Daly, Clare.</i>	<i>Burke, Peter.</i>	
<i>Doherty, Pearse.</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>Canney, Seán.</i>	

Dáil Éireann

<i>Healy, Seamus.</i>	<i>Cannon, Ciarán.</i>	
<i>Kelly, Alan.</i>	<i>Carey, Joe.</i>	
<i>Kenny, Gino.</i>	<i>Corcoran Kennedy, Marcella.</i>	
<i>Kenny, Martin.</i>	<i>Creed, Michael.</i>	
<i>Martin, Catherine.</i>	<i>Curran, John.</i>	
<i>McGrath, Mattie.</i>	<i>D'Arcy, Michael.</i>	
<i>Mitchell, Denise.</i>	<i>Deering, Pat.</i>	
<i>Munster, Imelda.</i>	<i>Doherty, Regina.</i>	
<i>O'Reilly, Louise.</i>	<i>Donnelly, Stephen S.</i>	
<i>O'Sullivan, Jan.</i>	<i>Doyle, Andrew.</i>	
<i>O'Sullivan, Maureen.</i>	<i>Durkan, Bernard J.</i>	
<i>Ó Broin, Eoin.</i>	<i>English, Damien.</i>	
<i>Ó Caoláin, Caoimhghín.</i>	<i>Fitzpatrick, Peter.</i>	
<i>Ó Laoghaire, Donnchadh.</i>	<i>Fleming, Sean.</i>	
<i>Ó Snodaigh, Aengus.</i>	<i>Gallagher, Pat The Cope.</i>	
<i>Pringle, Thomas.</i>	<i>Grealish, Noel.</i>	
<i>Quinlivan, Maurice.</i>	<i>Haughey, Seán.</i>	
<i>Shortall, Róisín.</i>	<i>Humphreys, Heather.</i>	
<i>Smith, Bríd.</i>	<i>Kelleher, Billy.</i>	
<i>Stanley, Brian.</i>	<i>Lahart, John.</i>	
<i>Tóibín, Peadar.</i>	<i>Lawless, James.</i>	
	<i>MacSharry, Marc.</i>	
	<i>McGrath, Finian.</i>	
	<i>McGrath, Michael.</i>	
	<i>McHugh, Joe.</i>	
	<i>McLoughlin, Tony.</i>	
	<i>Mitchell O'Connor, Mary.</i>	
	<i>Moran, Kevin Boxer.</i>	
	<i>Moynihan, Aindrias.</i>	
	<i>Moynihan, Michael.</i>	
	<i>Murphy O'Mahony, Margaret.</i>	
	<i>Murphy, Eugene.</i>	
	<i>Naughten, Denis.</i>	
	<i>Naughton, Hildegard.</i>	
	<i>Neville, Tom.</i>	
	<i>O'Dea, Willie.</i>	
	<i>O'Donovan, Patrick.</i>	
	<i>O'Rourke, Frank.</i>	
	<i>Ó Cuív, Éamon.</i>	
	<i>Phelan, John Paul.</i>	
	<i>Rock, Noel.</i>	

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	<i>Ross, Shane.</i>	
	<i>Scanlon, Eamon.</i>	
	<i>Smith, Brendan.</i>	
	<i>Smyth, Niamh.</i>	
	<i>Stanton, David.</i>	

Tellers: Tá, Deputies Clare Daly and Maurice Quinlivan; Níl, Deputies Joe McHugh and Tony McLoughlin.

Amendment declared lost.

An Ceann Comhairle: Amendment No. 2 has been ruled out of order.

Amendment No. 2 not moved.

Deputy Clare Daly: I move amendment No. 3:

In page 5, between lines 4 and 5, to insert the following:

“(a) is satisfied, and can demonstrate, that no viable alternative land may be acquired by agreement.”.

Amendment put and declared lost.

Bill received for final consideration.

Question put: “That the Bill do now pass.”

<i>The Dáil divided: Tá, 81; Níl, 10; Staon, 0.</i>		
<i>Tá</i>	<i>Níl</i>	<i>Staon</i>
<i>Bailey, Maria.</i>	<i>Boyd Barrett, Richard.</i>	
<i>Barrett, Seán.</i>	<i>Collins, Michael.</i>	
<i>Brady, John.</i>	<i>Daly, Clare.</i>	
<i>Breathnach, Declan.</i>	<i>Healy-Rae, Danny.</i>	
<i>Breen, Pat.</i>	<i>Healy, Seamus.</i>	
<i>Brophy, Colm.</i>	<i>Kenny, Gino.</i>	
<i>Broughan, Thomas P.</i>	<i>Martin, Catherine.</i>	
<i>Browne, James.</i>	<i>McGrath, Mattie.</i>	
<i>Bruton, Richard.</i>	<i>O’Sullivan, Maureen.</i>	
<i>Buckley, Pat.</i>	<i>Pringle, Thomas.</i>	
<i>Burke, Peter.</i>		
<i>Butler, Mary.</i>		
<i>Byrne, Catherine.</i>		
<i>Byrne, Thomas.</i>		

<i>Canney, Seán.</i>		
<i>Cannon, Ciarán.</i>		
<i>Carey, Joe.</i>		
<i>Corcoran Kennedy, Marcella.</i>		
<i>Crowe, Seán.</i>		
<i>Cullinane, David.</i>		
<i>Curran, John.</i>		
<i>D'Arcy, Michael.</i>		
<i>Deering, Pat.</i>		
<i>Doherty, Pearse.</i>		
<i>Doherty, Regina.</i>		
<i>Donnelly, Stephen S.</i>		
<i>Dooley, Timmy.</i>		
<i>Doyle, Andrew.</i>		
<i>Durkan, Bernard J.</i>		
<i>English, Damien.</i>		
<i>Ferris, Martin.</i>		
<i>Fitzpatrick, Peter.</i>		
<i>Fleming, Sean.</i>		
<i>Funchion, Kathleen.</i>		
<i>Gallagher, Pat The Cope.</i>		
<i>Grealish, Noel.</i>		
<i>Halligan, John.</i>		
<i>Haughey, Seán.</i>		
<i>Humphreys, Heather.</i>		
<i>Kelleher, Billy.</i>		
<i>Kelly, Alan.</i>		
<i>Kenny, Martin.</i>		
<i>Lahart, John.</i>		
<i>Lawless, James.</i>		
<i>MacSharry, Marc.</i>		
<i>McGrath, Finian.</i>		
<i>McGrath, Michael.</i>		
<i>McHugh, Joe.</i>		
<i>McLoughlin, Tony.</i>		
<i>Mitchell O'Connor, Mary.</i>		
<i>Mitchell, Denise.</i>		
<i>Moran, Kevin Boxer.</i>		
<i>Moynihan, Aindrias.</i>		
<i>Moynihan, Michael.</i>		
<i>Munster, Imelda.</i>		

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<i>Murphy O'Mahony, Margaret.</i>		
<i>Murphy, Eugene.</i>		
<i>Naughten, Denis.</i>		
<i>Naughton, Hildegard.</i>		
<i>Neville, Tom.</i>		
<i>O'Dea, Willie.</i>		
<i>O'Donovan, Patrick.</i>		
<i>O'Reilly, Louise.</i>		
<i>O'Rourke, Frank.</i>		
<i>O'Sullivan, Jan.</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>Phelan, John Paul.</i>		
<i>Quinlivan, Maurice.</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>Stanley, Brian.</i>		
<i>Stanton, David.</i>		
<i>Tóibín, Peadar.</i>		

Tellers: Tá, Deputies Joe McHugh and Tony McLoughlin; Níl, Deputies Clare Daly and Mattie McGrath.

Question declared carried.

Education (Admission to Schools) Bill 2016: From the Seanad

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

An Ceann Comhairle: Seanad amendments Nos. 1, 4 to 8, inclusive, and 11 are related and may be discussed together.

Seanad amendment No. 1:

Section 7: In page 5, to delete lines 19 to 25 and substitute the following:

“ ‘Act of 2018’ means the Education (Admission to Schools) Act 2018;

‘annual admission notice’ has the same meaning as it has in Part X (inserted by section 9 of the Act of 2018);

‘applicant’ has the meaning assigned to it by subsection (1);

‘board’ includes a committee established under section 44(1) or 44(7) of the Education and Training Boards Act 2013;

‘oversubscribed’ has the same meaning as it has in Part X (inserted by section 9 of the Act of 2018);

‘school’ has the same meaning as it has in Part X (inserted by section 9 of the Act of 2018);

‘school year’ has the same meaning as it has in Part X (inserted by section 9 of the Act of 2018);

‘special class’ has the same meaning as it has in Part X (inserted by section 9 of the Act of 2018);

‘special educational needs’ has the same meaning as it has in the Education for Persons with Special Educational Needs Act 2004;”.

Seanad amendment agreed to.

An Ceann Comhairle: Seanad amendments Nos. 2, 3, 9, 10 and 12 to 14, inclusive, are related and may be discussed together.

Seanad amendment No. 2:

Section 7: In page 8, between lines 4 and 5, to insert the following:

“(k) the manner in which, and period during which, a review under section 29F(5) shall be undertaken;”.

Seanad amendment agreed to.

Seanad amendment No. 3:

Section 7: In page 8, line 5, to delete “(k) such” and substitute “(l) such”.

Seanad amendment agreed to.

Seanad amendment No. 4:

Section 7: In page 8, line 5, to delete “matter” and substitute “matters”.

Seanad amendment agreed to.

Seanad amendment No. 5:

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Section 7: In page 8, line 31, to delete “therefore” and substitute “therefor”.

Seanad amendment agreed to.

Seanad amendment No. 6:

Section 7: In page 9, lines 8 to 11, to delete all words from and including “error” in line 8 down to and including line 11 and substitute the following:

“error—

(a) where the failure or error related to the admission of a student to a school or special class, by admitting the student to the school or special class concerned, or

(b) where the failure or error related to a student’s ranking on the waiting list, by adjusting the ranking of the student on the waiting list.”.

Seanad amendment agreed to.

Seanad amendment No. 7:

Section 7: In page 10, line 31, to delete “in the case of an appeal brought by a parent or a student,”.

Seanad amendment agreed to.

Seanad amendment No. 8:

Section 7: In page 12, lines 10 and 11, to delete all words from and including “by” in line 10 down to and including line 11 and substitute “when the decision to refuse admission was made.”.

Seanad amendment agreed to.

Seanad amendment No. 9:

Section 7: In page 13, between lines 29 and 30, to insert the following:

“(5) An applicant may, after receiving a copy of a decision under subsection (4), request the Minister to review the decision.

(6) Where the Minister receives a request under subsection (5) he or she shall, as soon as practicable and subject to subsection (7), appoint a member of an appeals panel established under section 29A to review the decision.

(7) A person appointed under subsection (6) shall not have been a member of the appeals committee that made the decision in relation to the request concerned.

(8) A person appointed under subsection (6) shall review the decision in accordance with procedures under section 29B and, following the review shall make a recommendation to the Minister—

(a) that the decision of the appeals committee is upheld, or

(b) that the decision of the appeals committee is set aside.

(9) Where the Minister receives a recommendation under subsection (8)(b), he or she shall set aside the decision and direct the appeals committee to proceed to hear or determine, or continue to hear and determine, the appeal concerned.”.

Seanad amendment agreed to.

Seanad amendment No. 10:

Section 7: In page 13, line 30, to delete “(5) Subject” and substitute “(10) Subject”.

Seanad amendment agreed to.

Seanad amendment No. 11:

Section 7: In page 13, line 35, to delete “Education (Admission to Schools) Act 2018” and substitute “Act of 2018”.

Seanad amendment agreed to.

Seanad amendment No. 12:

Section 7: In page 13, line 38, to delete “(6) Where” and substitute “(11) Where”.

Seanad amendment agreed to.

Seanad amendment No. 13:

Section 7: In page 13, line 39, to delete “subsection (5)” and substitute “subsection (10)”.

Seanad amendment agreed to.

Seanad amendment No. 14:

Section 7: In page 14, line 1, to delete “(7) An appeals” and substitute “(12) An appeals”.

Seanad amendment agreed to.

An Ceann Comhairle: Seanad amendments Nos. 15 to 28, inclusive, are related and may be discussed together.

Seanad amendment No. 15:

Section 8: In page 15, line 6, to delete “may” and substitute “shall”.

Deputy Thomas Byrne: I acknowledge the amendments which have improved the version that the Minister put forward, on foot of our request that these provisions be inserted in the Bill to ensure that special classes can be formed in schools where there is an identified need. Senator Kelleher, together with my colleague, Senator Gallagher and others made significant amendments to change it slightly and improve it. I am delighted to have worked with Senator Kelleher and Graham Manning, a teacher in Cork who brought this matter to the attention of all political parties, to ensure this is in the Bill. This is a key priority for us and we are glad to see it in the Bill. We hope it will be matched with the resources to ensure that children are educated as they need to be in particular cases. A special class will not be suitable for everybody. Some people may need a special school; some may need education in a mainstream classroom. Some

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people, in certain areas, and particularly at second level, will need special classes. I appeal in particular to the voluntary secondary sector to come to the table in greater numbers than it has done to open special classes where there is an identified need in the relevant area. It cannot all be left to one particular sector. Children have a right to be educated in their local school, and in a particular ethos, insofar as they can, despite their special needs.

Minister for Education and Skills (Deputy Richard Bruton): I acknowledge the contribution of Deputy Byrne and Senator Kelleher. The changes are small but significant in that they speed up the process through which a school could be required to open a special class and make it clearer that the Minister will act on recommendations that come forward. They also provide for a review not later than three years after this goes into operation so that we will be able to see whether it is working satisfactorily.

Seanad amendment agreed to.

Seanad amendment No. 16:

Section 8: In page 15, line 15, to delete “28 days” and substitute “14 days”.

Seanad amendment agreed to.

Seanad amendment No. 17:

Section 8: In page 15, line 28, to delete “may” and substitute “shall”.

Seanad amendment agreed to.

Seanad amendment No. 18:

Section 8: In page 16, line 7, to delete “21 days” and substitute “14 days”.

Seanad amendment agreed to.

Seanad amendment No. 19:

Section 8: In page 16, line 19, to delete “21 days” and substitute “14 days”.

Seanad amendment agreed to.

Seanad amendment No. 20:

Section 8: In page 16, line 26, to delete “may” and substitute “shall”.

Seanad amendment agreed to.

Seanad amendment No. 21:

Section 8: In page 16, line 34, to delete “21 days” and substitute “14 days”.

Seanad amendment agreed to.

Seanad amendment No. 22:

Section 8: In page 17, line 1, to delete “21 days” and substitute “14 days”.

Seanad amendment agreed to.

Seanad amendment No. 23:

Section 8: In page 17, line 8, to delete “may” and substitute “shall”.

Seanad amendment agreed to.

Seanad amendment No. 24:

Section 8: In page 17, line 19, to delete “21 days” and substitute “14 days”.

Seanad amendment agreed to.

Seanad amendment No. 25:

Section 8: In page 17, line 28, to delete “21 days” and substitute “14 days”.

Seanad amendment agreed to.

Seanad amendment No. 26:

Section 8: In page 17, line 34, to delete “may” and substitute “shall”.

Seanad amendment agreed to.

Seanad amendment No. 27:

Section 8: In page 18, between lines 17 and 18, to insert the following:

“(21)The Minister shall—

(a) not later than 3 years after *section 8* of the *Education (Admission to Schools) Act 2018* comes into operation, commence a review of the operation of this section, and

(b) not later than 12 months after the expiration of the said 3 years, make a report to each House of the Oireachtas of his or her findings and conclusions resulting from that review.”.

Seanad amendment agreed to.

Seanad amendment No. 28:

Section 8: In page 18, line 18, to delete “(21) In this” and substitute “(22) In this”.

Seanad amendment agreed to.

An Ceann Comhairle: Seanad amendments Nos. 29 and 32 are related and can be discussed together.

Seanad amendment No. 29:

Section 9: In page 23, to delete lines 39 and 40 and substitute the following:

“(iii) other than in relation to a course known as a post leaving certificate course or a

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further education and training course and subject to subsections (8) and (9), a student's academic ability, skills or aptitude;”.

Seanad amendment agreed to.

An Ceann Comhairle: Seanad amendments Nos. 30, 31 and 33 to 35, inclusive, are related and may be discussed together.

Seanad amendment No. 30:

Section 9: In page 24, line 7, to delete “subsection (9)” and substitute “subsection (10)”.

Deputy Thomas Byrne: Ba mhaith liom mo bhuíochas a ghabháil le gach páirtí sa Teach agus leis na heagraíochtaí Gaeilge agus Gaeltachta, go háirithe Conradh na Gaeilge agus Cearta Oideachais, a rinne sár-obair le chéile chun próiseas iontrála nua do lucht na Gaeilge, na Gaelscoileanna agus na Gaelcholáistí a chur le chéile. Measaim go bhfuil gach duine sásta leis an bpróiseas seo. Bhí go leor daoine buartha go raibh céimniú síos ar siúl maidir leis an nGaeilge agus na Gaelscoileanna. Cheap siad go mbeadh deacrachtaí le teaghlaigh le Gaeilge acu freastal ar Ghaelscoileanna áirithe. Measaim go bhfuil jab maith déanta. Ba mhaith liom mo bhuíochas a ghabháil leis an Teachta Ó Cuív, a bhí i mbun idirbheartaíochta ar son Fhianna Fáil, agus leis an Aire. Níor aontaigh an Freasúra anseo sa Dáil leis an treo ina raibh an tAire ag dul, ach nuair a d'iarramar air gan dul ar aghaidh leis an gcur chuige a bhí i gceist aige maidir leis an gceist seo, d'fhreagair sé go dearfach agus d'oibrigh sé lena oifigigh chun leasú suntasach a chur chun cinn sa Seanad. Tá muidne sásta leis an leasú sin. Measaim go bhfuil an pobal go léir sásta. Is slí an-mhaith é sin chun an jab reachtaíochta a dhéanamh sa Dáil agus sa Seanad. Nuair a oibríonn gach duine le chéile - na hoifigigh a bhfuil saineolas acu ar nithe reachtúla san áireamh - is féidir linn an míniú agus an bhrí atá á lorg againn sa Dáil a scríobh isteach sa reachtaíocht. Tá sé sin tábhachtach. Measaim go bhfuil jab ceart agus cruinn déanta maidir leis na leasuithe seo. Tá muidne sásta. Gabhaim buíochas leis an Aire agus leis na Teachtaí ó gach páirtí a d'oibrigh le chéile ar an bpróiseas seo.

Deputy Aengus Ó Snodaigh: Cé nach raibh mé bainteach leis na díospóireachtaí ar an reachtaíocht seo laistigh den Dáil, sna coistí nó in aon áit eile, bhí idirbheartaíocht idir mé féin agus roinnt de na heagrais atá luaite ag an Teachta Byrne. Measaim go bhfuil an ceart aige go bhfuil dul chun cinn déanta. Measaim nach raibh sé riamh i gceist go mbeadh bac i gceist. Cheap pobal na Gaeilge go raibh seans ann go mbeadh bac i gceist maidir le coinníollacha iontrála sna Gaelscoileanna dá leanfaimid ar aghaidh leis an mbunfhocláíocht a bhí ann. Tháinig muid ar fad le chéile chun iarracht a dhéanamh teacht ar fhocláíocht a chinnteodh go mbeadh an reachtaíocht seo chun leasa na teanga agus go dtiocfadh borradh ar an nGaelscolaíocht. Measaim gur athrú maith é sa deireadh thiar thall. Tá súil agam go bhfuil athrú meoin le feiceáil laistigh den Roinn. Léiríonn an leasú seo gur féidir leis na heagrais agus na polaiteoirí ar fad suí síos agus teacht ar fhocláíocht a shásaíonn gach éinne má bhíonn deis againn. Sa deireadh thiar thall, measaim go ndéanfaidh an fhocláíocht seo an beart. Tá gá le hathrú bunúsach ar mheon na Roinne ó thaobh éileamh a chothú, seachas éileamh a shásamh. Ní dhéanann an Roinn an t-éileamh maidir le Gaelscoileanna a shásamh, san iomlán. Má tá an chéad réabhlóid eile atá ag teastáil ó thaobh an na nGaelscolaíochta le titim amach, ba cheart go mbeadh sé mar dhualgas ar an Stát - agus go háirithe ar an Roinn Oideachais agus Scileanna - an t-éileamh sin a chothú. Ba cheart don Roinn dul amach agus déanamh cinnte de go bhfuil seans ag tuismitheoirí éileamh a lorg. Faoi láthair, fanann an Roinn chun an t-éileamh atá ag teacht ó lasmuigh a mheas, rud a bhí deacair le tamall de bhlianta anuas. Tá sórt athrú ag teacht anois. Molaim an mhéid

atá déanta ag daoine sa chás seo. Tá súil agam go n-éireoidh leis an meon atá taobh thiar den leasú seo amach anseo.

Deputy Richard Bruton: I thank Deputies on all sides for the work that has gone into this Bill. When we brought it forward on Report Stage, we had a series of amendments that were well intentioned, but there was a need to take more time to consider what would meet the issues we had sought to pursue. That opportunity was taken in the Seanad and we are now back with an amendment that I think has a broad basis of support. The purpose of the amendment is to ensure a Gaelscoil or a Gaelcholáiste can give priority to a pupil who has a level of fluency that is consistent with him or her using Irish in his or her normal non-educational context. That level of fluency, of which the pupil or the parent would have to provide evidence, sets a high bar. It is not intended that a person would be able to go to a naíonraí for a year or to the Gaeltacht and be deemed to have priority access to a Gaelscoil. This will apply to someone who is genuinely using Irish as part of his or her normal life. The belief on all sides was that such a pupil should have priority access to a Gaelscoil in order that his or her level of Irish would not regress. That is what we have done. We had to take care to ensure it would be legally robust because some of the phraseology used earlier as the thinking was evolving did fall foul of some requirements of the Constitution. We have amended it in such a way that we are satisfied it is robust and technically sound.

Senator Robbie Gallagher had sought an assurance, which I gave to him, that when we were setting out the procedures for section 29 appeals, we would set out additional guidelines for how the provision should be interpreted. We intend it to be a high bar. The Senator and others, including Deputy Éamon Ó Cuív, to whom I spoke outside the Chamber, wanted that assurance. We can give it through the procedures for section 29 appeals and the intention of the Oireachtas will be clearly conveyed.

I should mention that Seanad amendment No. 31 requires a small amendment to be agreed verbally. A new paragraph (h) was inserted. Because of that I have to name the next paragraph h(a). Amendment No. 31 made in the Seanad on Report Stage inserted a new paragraph (h) in section 62(7) of the Education Act which was inserted by section 9 of the Bill. That results in two paragraphs labelled as (h) in this section of the Act of 1998. Accordingly, I am requesting the Clerk of the Dáil to renumber the second paragraph (h) as paragraph h(a). This correction will have no effect on the wording or meaning of the text or provision, but it is necessary in order to avoid a numbering anomaly in the Bill. Amendment No. 31 provides that a Gaelcholáiste can give prior access to students of a Gaelscoil. This is already provided for in the case of feeder schools, but Senators wanted it to be written into the legislation and it was passed in the Upper House.

Seanad amendment agreed to.

Seanad amendment No. 31:

Section 9: In page 24, between lines 25 and 26, to insert the following:

“(h) provide that the admission policy of a second level school that provides education through the medium of Irish may provide for the inclusion of students that have attended a primary school that provides education through the medium of Irish.”

Deputy Aengus Ó Snodaigh: This is the amendment about which the Minister just spoke.

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An Leas-Cheann Comhairle: It was discussed with amendment No. 30.

Deputy Richard Bruton: May I make the renumbering amendment?

An Leas-Cheann Comhairle: It is only a clerical correction.

Deputy Kathleen Funchion: It is agreed to.

Deputy Aengus Ó Snodaigh: It is.

Seanad amendment agreed to.

Seanad amendment No. 32:

Section 9: In page 26, to delete lines 21 to 28 and substitute the following:

“(8) Notwithstanding subsection (7)(e)(iii) in relation to—

(a) a school approved by the Minister to provide an education exclusively for students with a specified category or categories of special educational needs, or

(b) a special class,

a student’s academic ability, skills or aptitude may be considered or taken into account insofar only as is necessary in order to ascertain whether or not the student has the category of special educational needs concerned.”.

Seanad amendment agreed to.

Seanad amendment No. 33:

Section 9: In page 26, between lines 28 and 29, to insert the following:

“(9) (a) Notwithstanding subsection (7)(e)(iii), and subject to this subsection, an Irish language school may prioritise the admission of a student where the school is satisfied that the student has attained a level of fluency in the Irish language and that the said fluency would be likely to regress were the student not admitted to an Irish language school.

(b) An applicant may, when making an application for admission to an Irish language school, include a statement confirming that the student in respect of whom the application concerned relates has attained a level of fluency in the Irish language and that the said fluency would be likely to regress were the student not admitted to an Irish language school.

(c) When making an application in accordance with paragraph (b), the applicant shall provide such evidence as he or she considers appropriate in relation to the level of fluency in the Irish language of the student in respect of whom the application relates, which may include confirmation that the student concerned is available to attend an interview or meeting to demonstrate his or her level of fluency in the Irish language.

(d) In satisfying itself that a student has attained a level of fluency in the Irish language and that the said fluency would be likely to regress were the student not admitted to an Irish language school, a school shall take into account only the evidence that the

applicant has provided in accordance with paragraph (c).

(e) An Irish language school may not rank in order of preference, for the purposes of admission to the school concerned, a student who has satisfied the school in accordance with paragraph (a) relative to other students who have satisfied the school in accordance with that paragraph, by virtue of the students' relative fluency in the Irish language.

(f) Nothing in paragraph (e) shall preclude an Irish language school from applying the selection criteria set out in the school's admission policy to students who have satisfied the school in accordance with paragraph (a), where the number of such students is greater than the number of places available.

(g) Nothing in this subsection shall be construed as permitting an Irish language school to require a student attend an interview or other meeting to assess his or her level of fluency in the Irish language.

(h) In this subsection—

‘Irish language school’ means a school that provides education through the medium of Irish;

‘level of fluency in the Irish language’, in relation to a student, means a level of fluency indicative of what would be expected of a student who uses the Irish language as a normal means of communication in a non-educational environment, taking into account the age and any special educational needs of the student concerned.”.

Seanad amendment agreed to.

Seanad amendment No. 34:

Section 9: In page 26, line 29, to delete “(9) Subsection (7)(e)(vi)” and substitute “(10) Subsection (7)(e)(vi)”.

Seanad amendment agreed to.

Seanad amendment No. 35:

Section 9: In page 26, line 38, to delete “(10)(a) Notwithstanding” and substitute “(11) (a) Notwithstanding”.

Seanad amendment agreed to.

An Leas-Cheann Comhairle: Seanad amendments Nos. 36 to 39, inclusive, are related and may be discussed together.

Seanad amendment No. 36:

Section 9: In page 27, to delete lines 9 and 10 and substitute the following:

“(12) In this section—

‘code of behaviour’ has the same meaning as it has in the Education (Welfare) Act 2000;

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‘pre-school service’ has the same meaning as it has in section 58A (inserted by section 92 of the Child and Family Agency Act 2013) of the Child Care Act 1991.”.

Deputy Richard Bruton: These four amendments were all agreed to on Committee Stage in the Seanad. They are technical and proofing amendments to section 9 of the Bill.

Seanad amendment agreed to.

Seanad amendment No. 37:

Section 9: In page 28, line 5, after “sought,” to insert “include”.

Seanad amendment agreed to.

Seanad amendment No. 38:

Section 9: In page 31, to delete lines 7 to 9.

Seanad amendment agreed to.

Seanad amendment No. 39:

Section 9: In page 37, line 26, after “an” to insert “annual”.

Seanad amendment agreed to.

An Leas-Cheann Comhairle: Amendments Nos. 40 and 41 are related and may be discussed together.

Seanad amendment No. 40:

Section 11: In page 43, between lines 19 and 20, to insert the following:

“(5) The Minister for Education and Skills shall—

(a) not later than 5 years after *section 11* of the *Education (Admission to Schools) Act 2018* comes into operation, commence a review of the operation of this section, and

(b) not later than 12 months after the expiration of the said 5 years, make a report to each House of the Oireachtas of his or her findings and conclusions resulting from that review.”.

Deputy Richard Bruton: These amendments were made in the Seanad where a request was made that, not later than five years after the section comes into operation, the Minister commence a review and make a report on the findings of the review to each House of the Oireachtas within 12 months of the expiration of that period. It was to be a review of the way we were implementing the removal of religion as a criterion in selection but leaving it open for minority religions in certain circumstances. Senator Lynn Ruane was anxious that the provision be reviewed after a period and I was happy to accede to her request.

Seanad amendment agreed to.

Seanad amendment No. 41:

Section 11: In page 43, line 20, to delete “(5) In this” and substitute “(6) In this”.

Seanad amendment agreed to.

Deputy Richard Bruton: I thank Deputies and Senators on all sides for their co-operation on the Bill. It has taken a long time to get it through, but the time taken has been well used in that we will succeed in getting to introduce new provisions that Deputies on all sides want to see. One deals with religion in the context of admissions policy. We now have a provision that has broad support. We have also introduced a provision such that not only can the NCSE ensure a child with special needs will be accommodated in a school but also that schools will open special needs units where needed. That was something many Deputies believed was an invaluable part of the Bill.

We have also succeeded in dealing with access to Gaelscoileanna. More widely, the Bill gives more certainty and provides for transparency and fairness in the way we administer admissions. It will make a significant contribution to the modernisation of the way we run schools. Everyone recognises that Ireland is changing rapidly and the system has to respond. Many of these issues will be revisited in the future. It is recognised on all sides that the situation is evolving, but this is an important contribution. Many people have put a lot of time and effort into the amendments and developing the Bill. I thank them and my own staff for the work that has gone into it.

Deputy Thomas Byrne: I also pay tribute to all those involved in the passage of this legislation. In fact, my only complaint, to which the Minister did allude, is that it has taken so long to get it through. It has been knocking around for years. It is one year since the leader of my party offered it as one of five Bills that could be progressed quickly. I think we have got two of them through. Both were in the area of education, the Technological Universities Act and this Bill. I do not think either the Dáil or the Seanad can be faulted for the fact that it has taken a long time to get the Bill through. I do not know the reason it has taken so long. In fairness to the Minister, he has achieved consensus on the Bill and taken ideas from the Opposition such as the provision dealing with special classes. He has also taken on board ideas on the Gaelscoileanna. A genuinely collaborative effort has been adopted to pass the best possible legislation.

I welcome all the Bill's provisions. I have spoken to people involved in Catholic schools, and it is clearly the case that those schools have no fear of this Bill. In fact, quite a few schools had moved away from a baptism barrier in recent years. The barrier was operating, but quite a few schools operating it had made it clear that a different approach was desired. Those schools will not now be able to operate a barrier, which is good news in some of the areas affected.

While it is great to pass legislation, the unrelenting focus must be on resources for our schools. We have to ensure they have the time, wherewithal and money to put some of the Bill's provision into practice. It involves drawing up a policy in each school, which is not expensive but which adds to the administrative hassle in schools. We must be conscious of that; I am always slow to legislate because of that consideration. The target of 400 new multi-denominational schools set by the Minister must be massively ramped up. It is one thing to remove the baptism barrier, but it must be remembered that people are entitled to education in an ethos other than Catholicism. One way of doing that is by honouring that commitment, which has been happening very slowly so far. It has to happen.

I again pay tribute to Mr. Graham Manning, who brought the issue of special classes to the

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fore. We were all aware of it, but he brought it to our attention, and an opportunity to bring in a legislative provision to deal with the issue was spotted in this Bill. Mr. Manning is an ordinary citizen who brought his concerns to his local representatives in Cork, who then forwarded them to the education spokespersons of the various parties in Dáil Éireann. He has managed to get the law changed. We took the issue up as a priority and told the Minister that we would not facilitate the Bill without it, even though there was reluctance at some levels within his Department to include this measure. In fairness to the Minister, he accepted it and worked collaboratively with us on that.

We do not want any delay on the commencement of the sections, which has become a feature of legislation in the past year or so. We will insist on that, and I do not believe the Minister will have any difficulty with that approach. We have worked well on this. It is a signal moment in Irish education, and represents a big change. Indeed, it will probably signal further change in terms of the ethos of schools in Ireland. There are other debates to be had, but I want the main focus to be on resources and on making sure that our schools are able to educate our students without being tied up in knots, rules and regulations.

Seanad amendments reported.

Companies (Statutory Audits) Bill 2017: Order for Report Stage

Minister for Business, Enterprise and Innovation (Deputy Heather Humphreys): I move: “That Report Stage be taken now.”

Question put and agreed to.

Companies (Statutory Audits) Bill 2017: Report and Final Stages

An Leas-Cheann Comhairle: Amendments Nos. 1, 3, 4 and 6 are related and may be discussed together.

Minister for Business, Enterprise and Innovation (Deputy Heather Humphreys): I move amendment No. 1:

In page 6, to delete lines 18 to 25 and substitute the following:

“(a) section 344;

(b) section 935A;

(c) section 935B;

(d) section 935C;

(e) section 935D;

(f) section 936;

(g) section 941A;

- (h) subsections (4) and (5) of section 996;
- (i) subsections (7) and (8) of section 1220;
- (j) subsections (3) and (4) of section 1277;
- (k) section 1441;
- (l) section 1448.”.

With this group of amendments we are asked to choose how we should provide in law for the few companies which find themselves unable to meet the deadlines for transparency obligations. These are important obligations that come with the privilege of limited liability. They provide that an annual return and financial statement must be filed with the Companies Registration Office, CRO. The approach I propose in amendments Nos. 1, 3 and 6 seeks to help companies avoid late filing in the first place. After all, companies which file on time face no late filing fees or applications to court for more time, and keep any entitlement to the audit exemption. It also means the financial information provided is relatively up to date and therefore has the benefit of being useful to all companies.

Deputies Kelleher and Quinlivan have both tabled amendments proposing that we continue to permit companies which are late to apply to the District Court for extra time. That approach only benefits a few companies and undermines the protection that transparency brings for all, but I will return to their amendments shortly.

It is important to remember the purpose of asking companies to file on time. This is done because public filing by each company is an essential protection for all other companies, suppliers and employees who rely on meaningful financial information. The law currently allows up to 11 months after the end of a financial year for public disclosures. This is not onerous, especially when the recent simplifications that have been introduced are considered. Any further delay in publishing this information means that it becomes less useful for anyone trying to assess whether a company can meet its financial obligations, that is, pay its bills and wages owed.

My amendments will streamline the process for filing annual returns and financial statements with the CRO. We have excellent levels of compliance - approximately 95% - but we can still improve. My amendments seek to bring practical and real time saving benefits to all companies. The amendments retain the full period currently allowed for filing but remove one interim step so that the annual return and the financial statements may be filed in a single step. I hope that the amendments proposed will be supported by the House.

We have a choice between amendment No. 3, which is an integral part of my approach, and amendment No. 4 in the names of Deputies Kelleher and Quinlivan. Due to the way in which the amendments are structured, we cannot have both. Amendment No. 4 represents a backwards step. I accept the spirit in which both Deputies have tabled the amendment, and that they are motivated to act on behalf of the few small companies which are unable, for genuine reasons, to meet filing deadlines. I can see the point they are making, and I have received representations from local accountants on this matter. That is why I have tabled amendments to help those small companies avoid being in that situation in the first place. However, I do not agree that going to court is the solution.

The provision the Deputies are seeking to maintain only came into operation in 2015, and

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experience has shown that it is not appropriate as it risks undermining transparency and can be used to avoid proper disclosure. Last year, just over 1,000 companies were granted an extension of time by the courts. That may not seem like many companies, but each one of those is likely to have a network of suppliers, employees and other creditors. The purpose of filing annual returns and financial statements in the first place is so that those suppliers, employees and other creditors can access that information. Each time a company goes to court for an extension of time, the result is that its financial statements may not be publically available for as much as two years after the end of a financial year. This renders the information almost useless to third parties. Clearly this undermines the protection that transparency is intended to give to creditors and employees. In effect, amendment No. 4 rewards the few companies that fail to meet deadlines at the expense of the vast majority of companies that comply with the law every year.

I am advised by my officials that the experience of the CRO is that a number of companies are persistently late. These companies do not face a once-off, genuine circumstance we can all understand, but rather are repeat offenders. They are happy to work the system by paying the late filing fees and applying to the courts to withhold information. It is not right that some companies can deliberately abuse the system in that way. As legislators, we have made several changes over the past few years that make filing and financial reporting obligations easier and simpler. We have extended the audit exemption to more companies. It is only correct that we also consider the rights and the interests of others that rely on timely and meaningful disclosure. For this reason I have reservations about the amendments proposed by Deputies Kelleher and Quinlivan, but I am happy to listen to their arguments. With the Leas-Cheann Comhairle's permission, I would like the opportunity to reply to those when we come to amendments Nos. 3 and 4.

An Leas-Cheann Comhairle: We are discussing all amendments together, so if the Minister has moved amendment No. 1, she will have two more opportunities to speak. She will have to take one of those opportunities to respond.

Deputy Billy Kelleher: Are we discussing all the amendments together?

An Leas-Cheann Comhairle: We are discussing amendments Nos. 1, 3, 4 and 6 together, which are related. Amendment No. 4 is a physical alternative to amendment No. 3.

Deputy Billy Kelleher: I thank the Minister. Nobody wants to be argumentative about ensuring compliance with company law. In recent times, there have been some high profile cases of people breaching company law. We need, therefore, to ensure integrity in the process and that we have a system in place where suppliers and people who trade with companies have confidence in the accounting system and certainty that the books they present on an annualised basis are fair and compliant. It is critically important for the confidence of people trading with a company to know that what is said in the accounting system and on their accounts is audited and signed off. By and large, that happens with almost all companies. However, a small proportion of companies fail to comply in a timely manner each year. They currently apply to the District Court. Fewer than 0.5% of companies apply to the District Court because of late filing. It is not as if the number of companies that are taking this particular route is hugely significant.

With that in mind, we believe that this procedure should be retained at District Court level. Most of the companies that apply are doing so for genuine reasons. This change would penalise small companies by forcing them to pay exorbitant fees to go to the High Court. An appearance at the High Court will cost at least five to six times what it will cost to go to a District Court.

That in itself is a huge inhibitor for companies that have been unable, for good reasons, to comply with the filing process laid out in statute. That is the main reason.

Within that, the companies could have genuine reasons for late filing. There could be *force majeure* in the form of something happening to one of the directors. There could be myriad reasons why they are late in filing, yet we will compel a company to go to the High Court if this legislation is passed. That is unacceptable given that every day of the week we come in here and talk about small and medium-sized businesses being put to the pin of their collar. We were talking about it today during Oral Questions. We talk about the pressures on small businesses, the exorbitant costs, the creeping anti-competitiveness in the economy and so on. To be consistent, these matters should be dealt with by the District Court. That is why we will oppose amendment No. 3 and press amendment No. 4.

We need to ensure that there is unanimity in the House where corporate governance is concerned. We need to ensure there is integrity in how we govern companies and how we enforce company law. I believe in all of that. Equally, I also believe in fairness, proportionality and in ensuring that we do not use a sledgehammer to crack the odd nut. Unfortunately, the High Court is a place where we will be sledgehammering an awful lot of small nuts. Instead, I urge that we go down the route of proportionality and leave these matters to the District Court. It is not a huge number; just over 1,000 companies go to the district court because of late filing. It is less than 0.5%. It is not locking up the court system or judicial system, but it does allow a company with a good reason to make its case to the District Court without having the burden of exorbitant fees placed on it, which would arise if it had to make its case at the High Court. I urge the Minister to look at it through the lens of proportionality. That suggests that the District Court is the place to be.

Deputy Maurice Quinlivan: First, I thank the Minister and her officials for forwarding the notes on the 40 amendments she has tabled to what was a complex Bill.

Along with Deputy Kelleher, I have tabled two amendments. A large number of small and medium enterprises, SMEs, and accountants got in touch with us during the last few months. They were concerned about sections 9 and 10 of the Companies (Statutory Audits) Bill 2017. They were unhappy about changes in this Bill which would see District Court judges being allowed only to waive the late filing fees and not to save the audit exemption. To preserve the audit exemption status of the company, an application will have to be made to the High Court, which will be prohibitively expensive for most companies. Therefore, our amendment seeks to maintain the current situation, which would allow companies who have missed the filing deadline due to mitigating circumstances to make an application to the District Court to save the audit exemption.

This is a fair approach to take for most SMEs. I have an issue with amendment No. 3, which provides for the deletion of section 343(7) of the Companies Act 2014. Sinn Féin and Fianna Fáil's amendment seeks to retain this subsection while deleting lines 4 and 5 of page 8 of the Companies (Statutory Audits) Bill 2017. We cannot support the Minister's amendment as it goes against our own amendment. In addition, Sinn Féin will not support amendment No. 7. We are happy to continue to support the other amendments tabled by the Minister, and to support the rest of the Bill.

Deputy Mattie McGrath: I too have no big issue with the Bill. As Deputy Kelleher said, fewer than 0.5% of companies apply to the District Court on foot of late filing. However, that

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option is available. It is a local solution and it is not overly onerous or expensive. I know that we want to uphold the concepts of good governance and proper accounting, but I feel we are legislating here to deal with white collar crime, or bigger companies who might prevaricate and delay or go to courts for reasons that are not always genuine. In doing this, we will catch and penalise small companies. I refer to limited companies that are small and that do not have the resources, the time or the ability to go to the High Court. They can put their reasons for late filing forward at the District Court. They can file returns late if they have genuine reasons. The matter is resolved locally, and the companies are not afraid to go before their peers or the local District Court. The High Court, as any of us who has been there will have seen, has a backlog amounting to hundreds of cases. It is a totally unwieldy system as it is. All kinds of cases are heard, and a business that has to appear there will have to pay solicitors and barristers and junior counsel for three days, which is punitive. It is using a sledgehammer to crack a chestnut and it does not make sense.

Let us leave this at local level to the District Court. I ask the Minister to consider sections 9 and 10, because they provide for another layer of expense and difficulties foisted on SMEs and small companies that cannot afford it.

It is different for the conglomerates and the big heavy hitters as they have their own legal teams on hand all of the time. They are used to dealing with various issues causing late filing, for example, trying to take over other companies. There are genuine cases where people have ill-health or something has happened so accountants are unable to file. A couple of years ago my accountant's mother died. One tax officer was very lenient with him but another was very demanding that all of the companies he represented had to have filed by the deadline no matter who died or what happened. There needs to be flexibility. As we know, the majority are paying their way and paying their taxes. They want to work with their accountant locally. The accountant does not have time to be going off to the High Court. I appeal for common sense to prevail. It is difficult enough for businesses having to engage with company legislation and the plethora of other legislation, such as employment legislation and health and safety legislation. It is putting huge demands on companies and there is not a lot of leeway. I support the amendments that have been tabled proposing that this be left at local level in the District Court.

Deputy Jan O'Sullivan: I acknowledge the Minister sent us an explanation of her amendments, and she has moved a little in terms of the 56 days and some modification on the link with audit exemption. The one year period is somewhat of a change. The point being made, which was made in correspondence we all received, is that Ireland is the only country in the EU that links audit exemption to late filing. It is this link that is the problem. It is because the two are linked that the late filing issue is of such concern.

I am concerned that any process whatsoever for anybody, in particular for a small business, would be prohibitive in terms of the cost of the High Court as opposed to the cost of the District Court. I do not understand why the District Court is not kept within the picture. Surely anything that can be done at District Court level should be done at that level rather than at High Court level. The response we have received is still that the accountancy companies are concerned, particularly with the effect on a relatively small number of small businesses. We all acknowledge this is a complex Bill, but for the sake of what are relatively small proposals coming from the Opposition, I ask the Minister to consider what is being proposed.

Deputy Danny Healy-Rae: I am glad to have an opportunity to speak on this because I have a gripe with regard to small companies having to go to the High Court to get the deadline

extended. Today, I had contact from a person whose accountant was sick. That person received a fine because the deadline was missed by a few days. The small companies in my neck of the woods are all family-run operations. They have to work all of the hours God gives them to make ends meet. On my way here this morning, I received a call from a fellow trying very hard and just because his accountant was sick and could not do the accounts he has to pay a fine. This man can do everything but he is not good at paperwork and he depends on his accountant to keep things straight. This is what has happened to him.

It will be very prohibitive and costly for companies if they have to go to the High Court and employ barristers, and we know what they cost. I appeal to the Minister and I will vote against this part of the Bill because it is not fair on small companies. I do not know who thought up this idea. I do not know whether it is the Government or the officials, but I regret very much this is what they are at because these small companies are the people keeping us in here. They are paying the Bills for the civil servants, the Members and the local authorities, and they help to pay for the services. If we nail these people by insisting they must go to the High Court to extend the deadline it will be a very regrettable day.

8 o'clock I am glad I have an opportunity to lodge my complaint against this. There are many things going through the House, but we are going to hurt small companies with this. The District Court is well able to deal with it. The way the thing has gone now, it is totally loaded on the side of the State because there are only so many days to make returns. People do not have a C2 certificate for the year any more. It is now on a two monthly basis. It is a hard struggle for many companies out there. I do not know what line of business the Minister is in besides politics, but I know what small employers are going through because I am one and I know about many others.

What happens on top of everything is the people who are working hard are caught by the big contractors for massive sums of money at the end of the jobs. We have asked the Government to do something about this. The big contractors do not care when they are tendering because they know they will not pay the subcontractors at the end of the job but will let them go whistle their ducks and not pay them the last of their money. I know of one company that had €20 million practically written off. It reddened people from Malin Head to Mizen Head and down through the country, including small shopkeepers and operators who needed their money but they left them without it. They are after getting away scot clean. They are out now and they will pay a sum of 5 cent in the euro to all of the creditors who are struggling. One young fellow was left without €600,000, and that is the truth.

We are doing nothing to help the people who are affected. We are doing nothing to prevent the larger companies from doing this. They are able to get these jobs because they have such a big turnover. There are only so many of them allowed to tender for the big contracts or any worthwhile contract. One of the bars to being allowed to tender is turnover. These companies have the turnover, which is why they can put in whatever price they like and let the small businesses suffer at the end of the line because they will not get the last of their money. This is happening. It is not happening just in Kerry. It is happening throughout the country. To think we are coming in here this evening and agreeing that these poor contractors or companies, that are trying to put bread on the table and working very hard for their money and not getting it for nothing, should come up to the High Court or go to the High Court in Tralee or Cork to extend their deadline. This is highly unsatisfactory and I ask the Minister to drop it because it will hurt a lot of small businesses and drive them further into the ground.

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Deputy Aengus Ó Snodaigh: I agree with Deputy Danny Healy-Rae that small companies are the backbone of the economy. We need to be very careful the actions we take do not hinder them in trying to survive. We have seen some of them survive for many years on very little and they have kept many people employed, sometimes to the detriment of the company owner, etc. We need to bear that in mind.

I have not followed this Bill's passage through the Houses so far but it is odd that the Minister is suggesting we go to the pre-2015 mechanism of the High Court. Anybody who has been to the courts or looks in the newspapers can see that the High Court is clogged and one cannot get hearings but the Government wants to transfer this process from the less onerous District Court, where it could be done quite quickly. If the process is transferred to the High Court, there would be a huge cost both for the State, I presume, and also for small companies that cannot afford the expense. We need to be careful with any step we take that there are no unforeseen circumstances.

When the Minister introduced the amendment, she spoke about persistent offenders and companies that continuously file late. There is usually a reason for this but if companies are persistent offenders, there is a way to address the issue. I presume that the State can go to court and argue that it is the first, second, third or tenth time that a company has applied for an extension. An extension would not have to be granted because in a court, a judge can take a decision based on the evidence. If the Revenue Commissioners are not happy with the same companies persistently seeking extensions, they should note that in court.

It is correct that deadlines are onerous and that our tax system is secure. Another recent change in society is the trend towards making everything into a company. Community development projects are now companies, as are sports clubs and charities, although they have charitable status. I do not have a problem with all of those having to comply with the law but it can be very onerous on a community development programme, for example. I am involved with a number of these and I am the treasurer at one of them. It comes up every year and we must comply with the law like everybody else, despite it being so onerous. It is the same with charities, which do not operate at a profit and which cannot necessarily always afford the large fees charged by auditors and accountants. They often try to make do with their own books and when the time comes to file, they may not be in the correct order. The onus is on a small company, charity or community development project to organise its affairs in a proper manner. I am not saying they should not do so. There is the threat of High Court proceedings, with such an extra cost that could end up damaging companies trading with nominal costs, such as charities. It could end up with those companies closing.

Will the Minister bear in mind that she should not move towards a High Court process? The District Court is sufficient, particularly for the smaller companies. With persistent offenders, the State just needs to defend itself and argue that these companies cannot continuously get extensions. Perhaps the Minister should consider giving companies only three extensions in a ten-year period or something of that nature. It could be the mechanism to force companies to get their act together, which must happen. Companies must ensure that files are returned, although there will be occasions when some may not have the wherewithal to do that. Sometimes there are odd incidents where people have not been able to file an account because of sickness, etc. Such things happen and that is why the mechanism is there in the first instance. It is not meant to be as onerous as having the large cost of a trip to the High Court for a small company.

Deputy Heather Humphreys: As already stated, I have reservations about deleting section

9. However, I have heard the Deputies' arguments and I realise that there is a support for removing it in its entirety. On that basis, I will not move amendment No. 3. I have also outlined my concerns about the application to the District Court for an extension of time but I accept the spirit in which Deputies Kelleher and Quinlivan have brought forward this amendment. I clearly say I am not trying to target small companies which for genuine reasons may end up filing late but I am trying to target companies repeatedly filing late, perhaps for cynical reasons and in order to withhold information and reduce transparency. By deleting section 9, this will continue. It sometimes happens that a company waits until the CRO sends an enforcement notice and then it applies to the court, which puts a stay on any enforcement until the court decides on whether to grant a time extension.

The CRO is introducing a new information technology system that will make it easier for us to obtain accurate figures on the profile of companies that are persistently filing late. Deputies will agree that there should be repercussions for those companies that are abusing the system. I hope the Deputies will keep an open mind and perhaps this is a matter we can keep under review. If, when we collect the data, we find there is a cohort of repeat offenders, perhaps we can revisit the matter. As public representatives, we should not stand over a position where companies use the courts to withhold information that should rightly be in the public domain much sooner. Having said that, I am happy not to move the amendment No. 3.

Deputy Billy Kelleher: I thank the Minister for listening to us. The European Union set out the thresholds for companies needing audits under EU Directive 2013/34/EU as companies with a €12 million turnover, €6 million on the balance sheet or over 50 employees. All we are saying is that small companies late with their filings should still be able to go to the District Court and apply to retain the audit exemption. We are one of the only countries that attaches a loss of audit exemption with late filing. Most other European countries do not do it. We would be forcing small companies into a very onerous position.

I acknowledge the Minister's views and bona fides in this regard. Nobody in this room is trying to create a loophole for rogue corporate structures but we are highlighting a small number of companies. Across Europe, the audit exemption is not lost to a small company if it files late but it is lost in this country. That we can retain this option in the District Court at least lightens that burden and potential cost. We should bear in mind that this could happen for a genuine or a *force majeure* reason. We do not know why a company might be delayed in presenting its accounts for filing. I welcome the Minister's intervention. To be clear, she is not going to move amendment No. 3.

Deputy Heather Humphreys: I am not moving amendment No. 3.

Deputy Danny Healy-Rae: I thank the Minister for acceding to our request because the protection of small family companies in particular - I know so many of them - is paramount. It would be very harsh to make a law meaning they would have to apply to the High Court for this process because it entails costs such as hiring barristers. There is also the worry for people in these small companies, which would be too much. I thank the Minister and I hope that is the end of this.

Deputy Maurice Quinlivan: I thank the Minister for taking our concerns into consideration. We welcome the work done on this by the Minister but we had a problem with the amendment put down by her. Thankfully, she has listened to us. That is good politics.

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Deputy Jan O’Sullivan: This is basically a question of getting the balance right between oversight and good governance on the one hand and not having too much pressure on small businesses on the other hand. I support the Minister’s comments on monitoring of repeat offenders. Essentially, everyone wants to ensure we do not have people abusing the system for their own benefit. That is not what has been argued for here and the Minister understands that. Certainly, if the Minister has to come back at some stage to find a better way to deal with repeat offenders, I imagine she will find support from the Opposition.

Deputy Heather Humphreys: I accept the spirit in which the Deputies have put forward the arguments and I am happy with that. I am not going to move the amendment.

Amendment No. 4 is also grouped. I do not oppose amendment No. 4 either.

Amendment agreed to.

An Leas-Cheann Comhairle: Amendments Nos. 2, 12, 27 and 35 are related and may be discussed together.

Deputy Heather Humphreys: I move amendment No. 2:

In page 7, to delete lines 13 and 14 and substitute the following:

“(c) by the insertion of the following definitions:

“ ‘public-interest entity’ has the meaning given to it by Part 27;

‘Regulation (EU) 2016/679’ means Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC (General Data Protection Regulation);”.”.

The amendments in this group are technical. They update the references in the Bill to the Data Protection Acts to take account of the 2018 Act, which was enacted in May and which inserts references to the EU regulation on data protection.

Amendment agreed to.

Amendment No. 3 not moved.

An Leas-Cheann Comhairle: Amendment No. 4 has been already discussed with amendment No. 1.

Deputy Billy Kelleher: I move amendment No. 4:

In page 8, to delete lines 4 and 5.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 5:

In page 8, to delete lines 6 to 20.

I welcome the fact that Deputies Kelleher, Quinlivan and I are agreed on this issue. Amend-

ment No. 5 deletes section 10, which is the section that proposes to introduce the possibility for a company to apply to the District Court for a waiver of the late filing fee. However, following representations made to me and other Deputies, I can see this is not practical. The late filing fee is €100 for the first day and €3 for each day after that up to a maximum of €1,200. On that basis there might be little or no saving for a company that applies to the courts. For this reason I support amendment No. 5.

Amendment agreed to.

An Leas-Cheann Comhairle: Amendment No. 6 has been already discussed with amendment No. 1.

Deputy Heather Humphreys: I move amendment No. 6:

In page 8, between lines 20 and 21, to insert the following:

“Amendment of section 346 of Principal Act

11. Section 346 of the Principal Act is amended, in subsection (2)(a), by the substitution of “56 days” for “28 days”.”.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 7:

In page 8, between lines 20 and 21, to insert the following:

“Amendment of Principal Act - substitution of sections 363 and 364

12. The Principal Act is amended by the substitution of the following sections for sections 363 and 364:

“Audit exemption (non-group situation) not available in certain cases

363. (1) Subject to subsection (2) and notwithstanding that section 358 is complied with, a company is not entitled to the audit exemption referred to in that section in respect of its statutory financial statements for the 2 financial years immediately succeeding a financial year (in this section referred to as the ‘relevant financial year’) where the company failed to deliver to the Registrar, in compliance with section 343, the company’s annual return to which the statutory financial statements or (as appropriate) abridged financial statements for the relevant financial year are annexed.

(2) Subsection (1) shall not apply in the case of an annual return of a company which is the company’s first annual return referred to in section 349.

Audit exemption (group situation) not available in certain cases

364. (1) Subject to subsection (3), in this section a reference to a relevant body is a reference to the holding company or any other member of the group.

(2) Subject to subsection (4) and notwithstanding that section 359 is complied with, a holding company and the other members of the group are not entitled to the audit exemption referred to in that section in respect of their statutory financial statements for the 2 financial years immediately succeeding a financial year (in this

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section referred to as the ‘relevant financial year’) where any relevant body failed to deliver to the Registrar, in compliance with section 343, the annual return of that relevant body to which such body’s statutory financial statements or (as appropriate) abridged financial statements for the relevant financial year are annexed.

(3) There shall not be reckoned as another member of the group for the purposes of this section (other than for the purposes of the expression ‘other members of the group’ in subsection (2)) a subsidiary undertaking that is not a company registered under this Act or an existing company and the construction provided for by subsection (1) (of references to each of the relevant bodies) shall be read accordingly.

(4) Subsection (2) shall not apply in the case of an annual return which is a relevant body’s first annual return referred to in section 349.”.”.

I signalled this amendment on Committee Stage with a view to reducing the impact of losing the audit exemption where a company has filed an annual return late. Since 2003 it has been the policy of successive Governments that where a company files its annual return late, any entitlement to the audit exemption shall be lost for two consecutive years. As things stand, this applies to a past financial year and the current financial year. However, this look-back to a past financial year that may be long finished can be particularly costly and time-consuming. Therefore, my amendments to sections 363 and 364 of the Companies Act 2014 remove the requirement to audit the current financial year as, in practice, this is the past year, as well as the following year, which is typically the year in train. We have replaced that requirement with an obligation to audit the financial year in train and then the following year. These amendments will be of practical benefit for those few companies which find that they are unable to meet their filing deadlines. There no longer will be a need to look back in time to conduct the audit. This should reduce the cost and impact of the audit for companies. I understand that two of the larger professional accountancy bodies have supported this move as a practical improvement.

Amendment agreed to.

An Leas-Cheann Comhairle: Amendments Nos. 8 to 11, inclusive, 13 to 17, inclusive, 19, 22, 26, 28, 31 and 32 are related and may be discussed together.

Deputy Heather Humphreys: I move amendment No. 8:

In page 16, line 3, to delete “section 957A” and substitute “section 957AA”.

The amendments in this group are all technical. They amend section numbers and some cross-references. They correct a small number of grammar matters for clarity. They change a reference to the supervisory authority, as it should be a reference to a recognised accountancy body.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 9:

In page 17, line 9, to delete “section 957A” and substitute “section 957AA”.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 10:

In page 17, line 11, to delete “section 957A” and substitute “section 957AA”.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 11:

In page 35, line 19, to delete “subsection (1)” and substitute “subsection (2)”.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 12:

In page 39, lines 20 and 21, to delete “and 2003” and substitute “to 2018 and Regulation (EU) 2016/679”.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 13:

In page 40, line 38, to delete “section 957A” and substitute “section 957AA”.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 14:

In page 41, line 28, to delete “section 957A” and substitute “section 957AA”.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 15:

In page 41, line 32, to delete “section 957A” and substitute “section 957AA”.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 16:

In page 45, line 10, to delete “after section 957” and substitute “before Chapter 4 of that Part”.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 17:

In page 45, line 12, to delete “**957A. In**” and substitute “**957AA. In**”.

Amendment agreed to.

An Leas-Cheann Comhairle: Amendments Nos. 18, 20, 21, 23 to 25, inclusive, 29, 30, 33, 34 and 36 to 41, inclusive, are related and may be discussed together.

Deputy Heather Humphreys: I move amendment No. 18:

In page 53, line 18, to delete “annual or group accounts” and substitute “accounts or consolidated accounts”.

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The amendments in this group are technical. They amend financial terms in sections of the Bill to ensure consistency of terminology used in the Companies Act 2014 in respect of how the Act distinguishes between Irish companies and external companies.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 19:

In page 53, line 21, to delete “by a” and substitute “by the”.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 20:

In page 53, line 22, to delete “annual or group accounts” and substitute “accounts or consolidated accounts”.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 21:

In page 54, lines 7 and 8, to delete “individual accounts or group accounts” and substitute “entity financial statements or group financial statements”.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 22:

In page 56, line 6, to delete “a counterpart” and substitute “the counterpart”.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 23:

In page 58, line 26, to delete “individual accounts and group accounts” and substitute “entity financial statements and group financial statements”.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 24:

In page 73, lines 21 and 22, to delete “annual and consolidated” and substitute “entity and group”.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 25:

In page 75, line 13, to delete “annual or consolidated” and substitute “entity or group”.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 26:

In page 76, line 29, to delete “the Supervisory Authority” and substitute “a recognised accountancy body”.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 27:

In page 90, line 32, to delete “and 2003” and substitute “to 2018 and Regulation (EU) 2016/679”.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 28:

In page 91, line 21, to delete “audit firm” and substitute “statutory audit firm”.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 29:

In page 113, line 8, to delete “annual and consolidated” and substitute “entity and group”.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 30:

In page 113, line 29, to delete “accounts” and substitute “financial statements”.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 31:

In page 117, line 38, to delete “a counterpart” and substitute “the counterpart”.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 32:

In page 117, line 41, to delete “a counterpart” and substitute “the counterpart”.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 33:

In page 120, line 22, to delete “annual or consolidated financial statements” and substitute “accounts or consolidated accounts”.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 34:

In page 120, lines 27 and 28, to delete “annual or consolidated financial statements” and substitute “accounts or consolidated accounts”.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 35:

In page 121, line 11, to delete “and 2003” and substitute “to 2018 and Regulation (EU)

2016/679”.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 36:

In page 123, lines 33 and 34, to delete “annual or group financial statements” and substitute “accounts or consolidated accounts”.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 37:

In page 126, line 11, to delete “annual or group financial statements” and substitute “accounts or consolidated accounts”.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 38:

In page 126, line 34, to delete “annual or group financial statements” and substitute “accounts or consolidated accounts”.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 39:

In page 138, line 22, to delete “annual and consolidated accounts” and substitute “entity and group financial statements”.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 40:

In page 139, line 9, to delete “annual” and substitute “entity”.

Amendment agreed to.

Deputy Heather Humphreys: I move amendment No. 41:

In page 139, line 10, to delete “consolidated” and substitute “group”.

Amendment agreed to.

Bill, as amended, received for final consideration.

Question proposed: “That the Bill do now pass.”

Minister for Business, Enterprise and Innovation (Deputy Heather Humphreys): I will take this opportunity to thank the Deputies for their interest in this Bill and their contribution to its passage through the Dáil. I am pleased that the key features of the Bill, such as those on oversight of statutory audit, have been welcomed on all sides. These are important provisions and I believe they will strengthen our system of oversight and support the other audit reforms that came in two years ago.

I also wish to thank my officials. They put a huge amount of work into this Bill and I thank them for all their work and the long hours that they spent on it. I look forward to introducing the Bill in the Seanad.

Deputy Billy Kelleher: I thank the Minister and her officials who provided briefing materials to us, as well as briefing time. We can have consensus on this issue. I accept it may need to be kept under review but the amendments were put forward for the right reasons. I thank the many organisations, professional bodies, accountancy firms and individual companies that got in touch with us and related their experiences in the context of the current legislation and the impact the proposed changes would have on them. Common sense has prevailed but, as the Minister says, it will be continually under review and we can address issues if they arise.

Question put and agreed to.

An Leas-Cheann Comhairle: A message shall be sent to the Seanad acquainting it accordingly.

Insurance (Amendment) Bill 2018: Order for Second Stage

Bill entitled an Act to amend and extend the law relating to insolvent insurers; to provide for the transfer of the administration of the Insurance Compensation Fund to the Central Bank of Ireland; to provide for the conferral of certain functions on the Central Bank of Ireland and the National Treasury Management Agency relating to the Insurance Compensation Fund and payments to certain persons in the case of insolvent insurers; to provide for the establishment of a fund to be known as the Motor Insurers Insolvency Compensation Fund and the manner in which that fund shall be administered, controlled and managed by the Motor Insurers' Bureau of Ireland; to provide for the making of contributions by vehicle insurers to that fund, the rate of the contribution to be made and adjustments to that rate; to provide for enforcement of the provisions relating to the making of those contributions; for those purposes to amend and extend the Insurance Act 1964 and the National Treasury Management Agency (Amendment) Act 2000; and to provide for related matters.

Minister of State at the Department of Finance (Deputy Michael D'Arcy): I move: "That Second Stage be taken now".

Question put and agreed to.

Insurance (Amendment) Bill 2018: Second Stage

Minister of State at the Department of Finance (Deputy Michael D'Arcy): I move: "That the Bill be now read a Second Time."

I welcome the opportunity to address Dáil Éireann today on the Insurance (Amendment) Bill 2018, which was published on 19 June 2018. This important legislation seeks to amend certain provisions of the Insurance Act 1964, as amended, to clarify the role of the Insurance Compensation Fund, ICF, and to implement the recommendations of the review of the framework for motor insurance compensation in Ireland report of 2016. The review was triggered following the failure of Setanta Insurance, a Maltese incorporated company, in 2014 and the un-

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certainty that followed over compensation arrangements for third-party claimants which highlighted weaknesses with the current insurance compensation framework in Ireland.

The cause of this uncertainty is the fact that there are two insurance guarantee schemes in place in Ireland with differing compensation levels, namely, the ICF and the Motor Insurers Bureau of Ireland, MIBI. The ICF covers the liabilities of non-life insurance policy holders in the event of a failure of an insurance undertaking and covers 65% of a claim or €825,000, whichever is the lesser, and the MIBI's primary purpose is to compensate victims of road traffic accidents caused by uninsured drivers and unidentified vehicles and covers 100% of a claim, subject to a limit of €1.22 million in the case of claims for property damage. This uncertainty was reinforced when, taking account of a clearly outlined reference to MIBI in the ICF legislation, the Law Society of Ireland brought a case to the High Court seeking that MIBI was liable to pay the Setanta third-party claimants. The outcome of this case was that in September 2015, the High Court ruled in the Law Society's favour and the Court of Appeal, in January 2016, upheld this decision.

This was the context in which the review of the framework for motor insurance compensation in Ireland was carried out in 2016. The review made a number of recommendations, which are addressed in the Bill, with the key recommendations being that the level of compensation from the ICF for third-party motor claims be increased from 65% to 100% in line with that currently provided by MIBI, and the increased coverage of the ICF be funded by a direct contribution to the ICF from the motor insurance industry via the MIBI to the value of 35% of the third-party motor insurance claims.

Subsequently, in May 2017 the Supreme Court overturned the decisions of the High Court and Court of Appeal and found that the ICF was liable for the payment of compensation to Setanta third-party claimants. The major effect of this was that Setanta third-party claimants who had previously thought they were going to receive full compensations were now only entitled to 65% of their claim or €825,000, whichever was the lesser. As a consequence, the Minister for Finance after appropriate consideration agreed that Setanta third-party claimants will receive 100% of a claim subject to a limit of €1.22 million in the case of claims for property damage and this decision is reflected in the Bill.

As Members will be aware, the heads of the Bill underwent pre-legislative scrutiny in March 2018 and I welcome the report of the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach. The report contains a number of recommendations regarding the heads to which I will return later.

I will now outline the main elements of the Bill, which comprises 17 sections. Part 1 deals with preliminary matters, including the Short Title of the Bill, definitions of terms used in the Bill and the authority for expenses incurred in the administration of the Bill. A separate commencement of Part 4 is included to allow the MIBI adequate time to put arrangements in place for the new motor insurers insolvency compensation, MIIC, fund. This part also provides for the transfer of functions relating to the administration of the ICF from the office of the accountant attached to the High Court to the Central Bank and relevant functions in relation to applications to the High Court, to the State Claims Agency, where liquidations are already in progress.

Part 2 deals with matters relating to the transfer of the administration of the fund such as the preparation of final accounts of the ICF, the payment of any moneys in the ICF to the Central Bank and the transfer of records from the accountant attached to the High Court to the Central

Bank and the State Claims Agency.

Part 3 relates to the amendment of the Act of 1964 and comprises sections 8 to 15, inclusive. Section 8 amends section 1 of Act of 1964, including definitions. Section 8 amends some of the existing definitions contained in the Insurance Act 1964 and inserts new definitions. Section 9 amends section 2 of Act of 1964 to provide that the Central Bank of Ireland will take over the functions performed by the accountant attached to the High Court in respect of the administration and governance of the ICF. It provides that the accounts of the ICF be given to the Office of the Comptroller and Auditor General not later than six months after the end of each financial year to be audited and thereafter laid before the Houses of the Oireachtas by the Minister for Finance.

Section 10 amends section 3 of the Insurance Act 1964 to disapply the current limit of 65% or €825,000, whichever is the lesser, to be paid to third-party claimants from the ICF in the case of the failure of a motor insurer. This amendment provides for the payment of personal injury claims in full and to a maximum of €1.22 million for injury to property in the case of third-party motor insurance claims, in line with the amounts paid by MIBI where a driver is unidentified or uninsured. It also provides that in such a scenario, the ICF will be able to recoup the balance over the limits mentioned from a new motor insurers insolvency compensation fund, which is to be established under section 16. These amendments implement the key recommendations of the review of the framework for motor insurance compensation in Ireland. Finally, this Part of the Bill facilitates the payment of 100% compensation to third-party claimants for existing motor insurers that have gone into liquidation since 30 September 2011, namely, Setanta and Enterprise Limited.

Section 11 amends section 3A of the Insurance Act 1964 to provide that applications to the High Court by a liquidator, in the case of an insolvent insurer authorised in Ireland, for approval of payment from the ICF must be accompanied by a report from the State Claims Agency following its assessment and verification of the claims. A provision is also included in this section and in the following section to ensure any moneys which are recovered from the liquidation of a motor insurer are repaid on a *pro rata* basis to the ICF and the motor insurers insolvency compensation fund.

Section 12 amends section 3B of the Insurance Act 1964 so that in the case of an insolvent insurer authorised in another member state, the State Claims Agency will make the application to the High Court. Before doing this, it will have assessed and validated claims on the basis of information provided by the person appointed to perform the functions of a liquidator in that other state. The amounts approved by the High Court will be paid by the Central Bank of Ireland from the ICF to the State Claims Agency for disbursement to individual claimants. This section also shortens the time limit for making applications to the High Court for payments from the ICF from no more than once in any six-month period to no more than once in any three-month period. This will allow payments to be made more frequently.

Section 13 amends section 3C of the Insurance Act 1964, which deals with companies in administration, to provide that any application to the High Court for payment from the ICF shall be accompanied by a report prepared by the State Claims Agency confirming that the methodology applied for estimating claims reserves and assessing liabilities is appropriate and in line with generally accepted accounting principles or practice.

Section 14 amends section 6(6) of the Insurance Act 1964 to update the existing regulatory

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powers of the Central Bank of Ireland to take action in the event of an insurer failing to contribute to the ICF. Section 15 repeals section 14 of the Insurance Act 1964, which provided for the regulation-making powers of the Central Bank in relation to the Act. This is being done because the Central Bank already has appropriate regulation-making powers under section 48 of the Central Bank (Supervision and Enforcement) Act 2013.

In Part 4, section 16 provides a legal basis and sets out the arrangements for motor insurers operating in the Irish market to contribute an amount under normal circumstances equivalent to 2% of gross written motor premiums to an *ex ante* fund to be held by MIBI, to be known as the motor insurers insolvency compensation, MIIC, fund. The purpose of this payment is to build up a fund to enable industry to meet its 35% commitment in the event that a motor insurer is liquidated in the future. The contribution rate will be subject to an annual review by the Minister, and may be varied between 0% and 3% depending on factors such as the amount held in the MIIC fund and the likelihood of a call on that fund in line with the following parameters: an amount equivalent to 2% of gross written motor premiums until the MIIC fund reaches €150 million; reducing to a contribution equivalent to 1% until the MIIC fund reaches €200 million; and contributions to be then suspended until such time as there is a call on the fund. In the event of a significant call on the MIIC fund and there being insufficient moneys in the fund, the contribution can be increased to the equivalent of 3% of gross written motor premiums until the fund reaches €50 million, after which time a contribution equivalent to 2% of gross written motor premiums will again apply. It also sets out the circumstances in which payments will be paid out of the MIIC fund to the ICF. In the event of an insurer failing to make a contribution to the MIIC fund, MIBI may seek to recover the debt and may refer the matter to the Central Bank for regulatory action if deemed appropriate.

In Part 5, section 17 contains consequential amendments. This section amends the National Treasury Management Agency (Amendment) Act 2000 to provide the statutory basis for the State Claims Agency to carry out the additional functions given to it under this Bill.

I note the work of the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach on the scrutiny of the general scheme of the Bill. I thank the committee for its detailed consideration of the proposals. Deputies will note that many of the committee's recommendations have been taken into account in the drafting of the Bill. For example, provisions have been made for the recovery of costs by the agencies involved - MIBI, Central Bank and the State Claims Agency. A mechanism has been provided for to make sure there is flexibility to change the levy in response to the amount held in the fund and other relevant regulatory considerations. The policy options in respect of other matters, such as the funding mechanism, were thoroughly examined in the regulatory impact analysis before the scheme was published. On the basis of this exercise, the preferred option was to establish an *ex ante* industry fund into which insurers would contribute an amount equivalent to 2% of gross written motor insurance premiums to be used to meet any future obligations in respect of motor insolvencies. This approach seeks to strike an appropriate balance between protecting policyholders affected by an insolvency and minimising the exposure of the Exchequer, particularly in the event of the insolvency of a larger insurer, while at the same time ensuring Ireland remains an attractive place for insurers to conduct business through the provision of as much certainty as possible to insurers operating in the State.

I reiterate the importance of the swift passage of this amending Bill to ensure full compensation can be paid to third-party claimants who have been waiting a long time for the resolution of this matter. I look forward to working with Deputies to bring this important legislative measure

through the Houses of the Oireachtas as quickly as possible. I commend the Bill to the Dáil.

Deputy Michael McGrath: I would like to share time with Deputy Michael Moynihan.

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

Deputy Michael McGrath: I welcome the opportunity to contribute to this Second Stage debate. I am pleased that this Bill has finally been introduced. Now that we have a chance to discuss it, its progress through the legislative process can commence in a meaningful way. It has to be acknowledged that over two years have passed since the review of the motor insurance compensation framework and over four years have passed since the collapse of Setanta Insurance. The Minister of State will confirm that along with other Deputies, I have pressed him on this issue consistently over recent years.

The consequences of the collapse of Setanta Insurance left many people in the lurch and in complete limbo. Claimants were and continue to be left short. Policyholders who took out valid insurance policies in this State from Setanta Insurance, which was principally regulated in Malta but regulated here for conduct of business purposes, faced the prospect of being held personally liable for any shortfall in claims made against their policies. People were getting letters from solicitors to advise them that judgments could be taken out against them in respect of any shortfall. Ultimately, such a judgment could be made against the mortgage on one's home. People were deeply fearful of what all of this might mean for them.

The nightmare is continuing for claimants. Over 1,500 active claims are associated with the collapse of Setanta Insurance. Not a single cent has yet been paid as compensation to approximately 750 claimants. A further 826 claimants have received the 65% limit set out under the insurance compensation fund. I welcome the fact that this Bill provides a statutory basis for dealing with this issue. The Government committed in January that people caught up in the collapse of Setanta Insurance would have 100% of the cost of their claims met. That needs to happen. The Minister of State knows many stories of individuals, as do I. I got to know some of them quite well because they check in with me very often to learn the current state of play on the legislation. It is not an exaggeration to state some of them have had their lives on hold, in many cases for more than four years since the collapse of the company. In some cases, people have still not got anything seven or eight years after the accidents that led to their claims. This issue needs to be dealt with as a matter of priority.

With regard to the other central elements of the Bill, the Minister of State might elaborate, in wrapping up or later, on why a new insolvency compensation fund has to be established. Why is he not requiring the extra contributions to go into the insurance compensation fund, which was after all set up to deal with the failure of an insurance company. Why is there to be a separate fund under MIBI? If the Minister of State could address that issue, it would be very helpful.

While there is some good news in the pipeline for those caught up in the Setanta Insurance collapse, it does mean, in effect, another levy on policyholders. A 2% levy will be imposed in respect of non-life insurance policies. That is on top of the existing 2% levy paid into the insurance compensation fund and which is passed on directly to policyholders. It is also on top of the 3% stamp duty paid on non-life insurance policies and which has been paid since 1982. Therefore, there is stamp duty of 3%, a levy to the insurance compensation fund of 2% and a new levy going to the new insolvency fund of 2%. This amounts to 7%. Three percent is tax

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and the remaining 4% is in the form of a levy. I understand the insurance compensation fund is in deficit to the tune of more than €800 million and that the current amount collected from the existing 2% contribution to the fund is approximately €70 million per year. Therefore, it will be another 11 or 12 years before the legacy from the collapse of Quinn Insurance will be fully paid.

There is a real sting in the tail for consumers because we are all acutely aware of the challenges posed by the cost of insurance. This House has rightly deemed it to be a priority issue following on from the work of the cost of insurance working group, its recommendations and the work on employer and public liability insurance conducted in phase 2. As the Minister of State knows, the Oireachtas finance committee has dedicated considerable time and resources to focusing on the issue of insurance, particularly from a consumer perspective. That there is an extra levy needs to be put in context by the Minister of State. He should explain the overall numbers and the long-term plan. When the insurance compensation fund eventually washes its face, in a dozen years or so, will it be the Government's plan to build up more money in the fund, meaning that the 2% levy will remain in place indefinitely?

The new levy provided for in this Bill will reduce to zero eventually when a certain amount of money is collected in the fund. Consumers need to see light at the end of the tunnel when paying all these extra levies. It really is a moot point to state that insurance companies do not have to pass on these levies to consumers. We all know that, in practice, they are passed on directly to policyholders in the form of an increased premium.

While there is oversight regarding the cost of motor insurance through the CSO data, there is no oversight regarding the cost of business insurance or insurance for sports clubs, community groups and voluntary bodies. We have plenty of anecdotal evidence of the really serious threat that is posed to so many businesses and voluntary, community and sports organisations, right down to the level of festival organisers, owing to the rising cost of insurance, especially public liability insurance. It seems that any activity or business that involves considerable public footfall faces increased premiums and, if not increased premiums, an increase in the excess in the policy or an increasing number of exclusions from the policy. That is a key issue.

We will continue to hold to account the Minister of State and the Government with respect to bringing about the necessary reforms needed right across the insurance industry, whether dealing with issues of data and transparency, getting the national claims information database in place quickly, benchmarking awards in Ireland against those in other jurisdictions through the working of the Personal Injuries Commission, or having a much more robust approach to dealing with fraudulent and exaggerated claims. We hope the Minister of State will get around, as a priority, to setting up the anti-fraud unit within An Garda Síochána in conjunction with his colleague the Minister for Justice and Equality with a view to focusing on insurance fraud. That is important also.

I would like the Minister of State, when concluding, to set out in practical terms when he expects this legislation to be enacted. He will have the co-operation and support of Fianna Fáil. We will engage constructively. We will bring forward amendments on Committee Stage but we want this legislation put into effect as quickly as possible. We are not going to reach Committee Stage this side of the recess but I hope and expect that this legislation will be regarded as a priority. As a member of the Select Committee on Finance, I will advocate that we prioritise this when we come back in the autumn so we can get to Report and Final Stages and have the Bill commence its journey through the Seanad.

In the Minister of State's concluding remarks, I would like him to state when he expects all the outstanding claims related to Setanta Insurance to be paid in full. That is information that people are waiting on. Could the Minister of State outline his intentions regarding the new levy, the proceeds of which will go into the insolvency fund? When can people expect that to be hitting their premium statements in the period ahead? How quickly after the enactment of this legislation does the Minister of State anticipate putting that into effect? That concludes my opening remarks. I look forward to engaging with the Minister and colleagues on this Bill in the autumn Committee Stage.

Deputy Michael Moynihan: I welcome the opportunity to speak on the Bill. I compliment our finance spokesman, Deputy Michael McGrath, on the work he has done for those affected by the Setanta Insurance issue and on the amount of work he put into our Private Members' business.

I am disappointed the Government did not move a little faster on trying to pass the Bill in both Houses prior to the summer because people have been living a nightmare since the collapse of the insurance company. A number of issues arise in this regard. First, there are the difficulties the affected people have had regarding insurance and existing claims. Also to be considered is the legacy and the 2% levy to be imposed on insurance.

Society from top to bottom is concerned about how insurance is working and crippling people. Deputy Michael McGrath mentioned small festivals. Right across the spectrum, however, from vehicle owners, homeowners and those seeking public liability insurance to businesspeople, people have been very seriously affected by the rising cost of insurance. There is unanimity in this House on this issue and its seriousness. A series of legislative changes need to be made in the Houses to effect real and substantial change in the insurance industry.

The Minister of State is meeting people every day and attends meetings throughout the country so he must be encountering the same issue we encounter, which is that nobody appears to be getting to grips with the rising cost of insurance. A new group that was formed, the Business Insurance Reform Group, met the Minister of State last February when it was here for a Fianna Fáil Private Members' motion. That group seeks major change. It and other groups and businesses have sought substantial changes in different legislative measures in this regard. There have been reports on how the cost of insurance has stagnated in certain sectors of motor insurance, but that is not enough. What we need is an absolute understanding from the Government down that insurance is a challenge for everybody.

Last week, at a meeting in a nearby hotel, Members heard about problems people were having with regard to ten year old cars. That is another issue that has manifested itself. The logic of it is very difficult to understand. These cars are tested every 12 months and are deemed to be roadworthy yet a loading is imposed by the insurance industry. People who left this country in the past nine or ten years are returning from other countries and we welcome them back. They have been driving without claims in this jurisdiction and other jurisdictions over the years but they are being given loaded quotes of €3,000 and €4,000 for insurance policies. That is simply not good enough. This is one legislative measure to deal with a company that collapsed and left people who had paid their premiums high and dry. Industries and businesses are making calculated decisions not to take out insurance or pay an insurance premium. This is extremely dangerous. It is dangerous for them with regard to their personal liability, their homes and so forth.

We must have an insurance industry that works in this country. We have a growing population and a growing number of people are paying into an insurance pot. The logic of how insurance premiums are rising must be explained carefully and we must be shown how the formulas are done because it is challenging to know why the premiums are being loaded in many insurance companies. We must be very clear that if a person pays for an insurance policy and if there is a claim against that policy it must be explained to the policyholder why the claim has arisen and that it is up to the policyholder to contest it if the person so wishes. We have seen from television programmes and from the contributions of Members on all sides of the Houses of the Oireachtas, because everybody is hearing about it, that the policyholder is never informed until he or she goes to renew the insurance and then is met with a massive loading. That is simply not fair.

I wish to turn to the other sectors, such as the charity sector, festivals and local community events. Many of these people are operating without insurance. Many communities throughout the country are considering holding charity walks and so forth, which do great good in their communities. However, if the letter of the law was applied these events could not go ahead. Charity organisations have insurance, such as some of the service providers for people with intellectual disabilities. One of them is in Charleville in north Cork. St. Joseph's Foundation had an insurance premium of approximately €100,000 but over the last two years the cost of that premium has gone up to €580,000. This organisation is serving people across five Dáil constituencies in Cork, Kerry and Limerick. It has built up massive goodwill and provides a fantastic service. It has been innovative with regard to challenges on the autistic spectrum, animal training on Liskennet Farm and so forth. It is at the cutting edge. It is a voluntary board that is working its way through by raising funds and receiving a block grant from the HSE.

9 o'clock There is another argument to be had in that regard.

However, its premium has gone from a little over €100,000 to €568,000. That is unacceptable. It looks at that premium and the challenges. Then we find that in some instances there is only one underwriter in the country and only one quote available. That is unsustainable. If we are to have an orderly society where insurance is in place, as it must be, the premiums must reflect the conditions and must be explained to the people who are putting their hands in their pockets and paying for the insurance policies. Some of the smaller community groups, sporting organisations, community centres and so forth that are seeking insurance are seeing their premiums escalating. They have to hold one fundraising event just to cover insurance. That is unacceptable.

I believe that this is the most important issue across the spectrum as it affects all age groups from the young to the elderly as well as the business community. The people who formed the Business Insurance Reform Group were here in their droves to make their case and tell their stories. Those stories have been aired on television and elsewhere since then. They told us their experiences and that they are at their wits' end trying to ensure they have proper policies in place. Many small businesses are seeking to expand, whether it is by putting more vehicles on the road or by expanding into different sectors or areas of their business. However, when they seek insurance and see the quoted premium they realise they cannot service that amount of insurance. There is no way that St. Joseph's Foundation in Charleville can continue with that insurance cost. It is more than €500,000 for a voluntary organisation that is fundraising to expand its services and for capital investment to provide badly needed houses and facilities for people and families. We can have another debate on the amount of money being given by the HSE, but its insurance policy has gone through the roof.

The single message the Minister of State should take from this debate is that we must see a desperate urgency at Government level on the insurance problem. Our spokesperson, Deputy Michael McGrath, has been lobbying on this for some time. It is a desperate problem across all sectors. For God's sake, can something be done about it at this point?

Deputy Pearse Doherty: It is not lost on me or many other people that we are dealing with a Bill that will impose another charge on premiums on the day that David Drumm was given a suspended sentence in court for offering illegal loans to ten wealthy businessmen worth €450 million. Those loans, known as the "maple ten", originated from the fact that Seán Quinn of Quinn Insurance was betting on Anglo Irish Bank and built up a contract for difference of 28%. As he admitted, he was chasing his losses so he took €280 million out of Quinn Insurance to try to cover those losses. Today, everybody who has a non-life insurance policy is picking up his tab and the tab of the bankers who facilitated such schemes, while people walk free from it. For the past number of years we have picked up the tab. The cost of that tab was €1.15 billion. Irish consumers will be picking up that tab for many years to come. That puts the issue in context. We cannot continually revisit the fact that insurance companies are collapsing in this State because of dodgy regulation, criminal practices or alerts that should have been identified but were not acted on.

I welcome the Bill and the fact that we are finally discussing this issue. Three years ago I said from these benches that this is exactly what the Minister had to do. People were at their wits' end with their lives put on hold. They were entitled to major claims but there was a legal argument between the ICF and the MIBI and the State was picking up the legal tab as it went through the High Court and the Supreme Court. In the middle of all of this were the people who were injured in accidents and had legitimate claims, but who were not having those claims paid.

At that time, I made the point that we needed to amend the legislation to allow the ICF to pay out 100% and to remove the €825,000 threshold. Four years later, we are now dealing with that legislation. In April 2014, Setanta Insurance went into liquidation, which is over four years ago. As I established from communications with the Maltese authorities problems at Setanta were well known before then. The company was breaching its regulatory buffer as far back as 2011. In September 2013, the Central Bank was given the information about the company. A material shortfall in the reserves of the company was identified early in January 2014 and it was only ordered to stop selling insurance on 24 January 2014. From 2011 when the buffers were being breached to 24 January the company was on the brink but customers were still in the dark buying its insurance products. Many people were left high and dry in terms of claims. Many others who paid yearly premiums were also left high and dry and those premiums went down the drain. The most serious victims are those who have been waiting for what they are entitled to, namely, 100% of the claim for an accident in respect of which they were not at fault. I support the Bill because those claimants and victims have waited long enough. Some of them have received 65% of their claims but almost half have received nothing. Those who have received the 65% are still wondering when the Government will get its act together and get this legislation enacted so that the remaining 35% can be paid. I ask that in his closing remarks the Minister of State, Deputy D'Arcy, would give us a date for the enactment of this legislation so that the remaining 35% can be paid.

There are wider issues that deserve full debate and scrutiny. It is striking how complex the proposed system is in this legislation in that it is begging from pot A to put into pot B, with pot C being refunded. I cannot help but think there is a more straightforward way of doing this. We know that other countries operate a single fund. This is an idea worthy of consideration but not

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one I would not want to hold up or stall this legislation. I welcome the transfer of administration of the fund from the Office of the Accountant of the Courts of Justice to the Central Bank such that the ICF will now rest with the Central Bank. This brings an accountability structure as funds that are under the courts are excluded from the scrutiny of the Comptroller and Auditor General and it is only right that such an important fund would come under the scrutiny of the State's financial watchdog. This is a massive fund. As I mentioned, the cost for Quinn Insurance is €1.15 billion and for Setanta Insurance is in excess of €100 million.

I am conscious that asking the Central Bank to look after everything is the default position, in particular when discussing the insurance industry. In giving the Central Bank additional tasks we need to provide it with additional staff and the resources to do the job properly. For this reason, I believe serious consideration needs to be given to finding an alternative body to run the national claims information database when established. A more critical reason is that, unfortunately, the Central Bank's mandate, or at least its interpretation of its mandate, is that stability trumps everything and, therefore, profitability of companies outweighs the rights of consumers. We all agree that transparency is essential if we are to see a real reduction in premiums but I am not convinced that the Central Bank is the body to take up the mantle of driver in this area. Therefore, serious considerations needs to be given to having the national claims information database housed with a different agency. However, we can have that discussion when that legislation becomes before us. The fact that it has not yet come before us tells its own story, and the priorities of the Government.

Following much public anger and good work by the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach, the Government produced a report on the cost of rising motor insurance. Major elements of that report, like the national claims information database, remain unimplemented. The Government has taken its foot off the pedal on these issues, which is evident from the level of insurance premiums right across the business community and, in some cases, motor insurance also. During the pre-legislative scrutiny of this Bill one of the issues raised was the fact that as MIBI will hold this fund it can be tapped into for public use. In other words, the public can call on this fund and the Minister of the day can direct the level of money that will go into the fund. This raises the question of whether MIBI too should now come under the lens of the Comptroller and Auditor General. I believe this is worthy of consideration.

When it comes to the industry and my experience of it, the maximum level of accountability and transparency is required. It has been placed in the position where reform is necessary but despite the rhetoric there is no reason to believe it has any interest in real reform. The insurers thrive in the world of spin, vagueness, legal costs and fraud, exaggerated claims and so on. All these are real issues. I acknowledge the sterling work done by some journalists, in particular Charlie Weston who has been running a series of articles on fraudulent claims and questionable claims. The front page of *The Irish Sun* reports that one of the Minister of State's colleagues is involved in what the courts called a questionable claim. There is a need for scrutiny of insurance fraud. Fraudulent insurance is theft and it needs to be dealt with as such. There is no doubt insurance fraud adds to insurance premiums. We know from former Governor Honohan's private correspondence to the previous Minister for Finance that the industry was lying to the Central Bank. This is the reason he called for reform of the law in this area. We know also that the industry gambled in the purchase of Government bonds and that when through quantitative easing those Government bonds reduced in terms of value to the insurance industry it left a major gap in terms of its funding.

I am opposed to allowing Insurance Ireland to fund our police service. It is a terrible idea. I understand that at a time when there is huge pressures on premiums it is easy to go for the easy fix but An Garda Síochána needs to be independent and above reproach. The idea that private business would fund a section of the Garda Síochána is not a good one. It is a slippery slope. It must be remembered that the insurance industry in this city was subject to dawn raids not too long ago. It is under investigation by national authorities and by European authorities and yet we somehow think it is a good idea that it would fund a part of An Garda Síochána. This is not the way to go. If it needs to be taxed and brought into the general taxation system then we should do that and use that money to fund the services. It is more than 12 months since those raids took place. As I said, they are subject to anti-competitive practices in terms of the investigations that are ongoing.

Insurance fraud is theft and it must be pursued rigorously and prosecuted. More action needs to be taken to stamp out insurance fraud, including by way of establishment of a specialised Garda insurance fraud unit and the introduction of a new offence of insurance fraud but this must be paid for by the central Exchequer and not private business interests. Just as important is challenging the insurance industry to stop settling suspicious claims. It is important that claims deemed to be suspicious or fraudulent are reported and acted upon. My legislation, which I touched on earlier, provided that those in the industry would be subject to imprisonment if found to be lying to the Central Bank. As we know, the industry has done so in the past, as reported by the former Governor to the previous Minister for Finance. This is the type of action we need, and more of it, to keep this industry on the straight and to ensure that it reduces premiums.

Returning to one of the core areas of this Bill to help reduce premiums, for years we have been told that one of the reasons for the 70% increase that occurred over a three year period was the uncertainty around what would happen in another Setanta-type collapse. This is what the industry told us was the reason for it increasing premiums to the level it did. Through this legislation, we now have a roadmap for reducing premiums but are not hearing the insurers commit to reducing premiums to previous levels or anywhere near those levels. The excuse has been removed and the solution has been given but there is no commitment from the industry.

One issue not addressed in the Bill which needs to be considered on Committee Stage relates to the changes to the waterfall of preferences in the liquidation processes. The ideal in cases such as Setanta would be that claimants get priority in the liquidation process and that, to the maximum degree possible, the process meets the majority of claims. The ICF or MIBI could pay upfront and then recoup the moneys during the liquidation process. That would be preferable to having to wait for a long period to deal with this.

I see no reason for applying an extra 2% levy to premiums. This move provides the certainty the industry claimed it needed and it sets an insurance policy for itself. Over the longer term this new fund is supposed to save money for the industry and therefore this levy should not be placed on customers' insurance premiums.

I would like to go through much more on this legislation, but we will have time to do that on Committee Stage. I urge the Minister of State to ensure the Bill gets through these Houses with the appropriate scrutiny as quickly as possible.

Deputy Brian Stanley: I will be sharing time with Deputy Munster.

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As the motor insurance business affects thousands of people's lives, how the State regulates it is very important. The State in some aspects is not acting to protect people. I wish to highlight the effect on rural dwellers and low-income workers who need a car for work. Last week I attended a briefing on insurance by the motor industry. We were presented with the shocking reality of people being refused insurance despite having a valid NCT certificate. I get complaints about that in my constituency office every week from people who cannot get insurance simply because their cars are more than ten years old. This is being used by the motor insurance industry to either not give a quote or give astronomical quotations. It is putting people under huge pressure to buy new cars or putting people off the road completely. It disproportionately affects rural dwellers and low-income workers who need a car for work.

More than 77,000 cars more than ten years old were scrapped in 2017, an increase of 49% on 2016. From an environmental and financial point of view, this represents a loss to the Exchequer. It accelerates the devaluation of cars, particularly cars more than ten years old. It increases CO2 emissions because the CO2 emissions created by manufacturing a new car is equal to what is pumped out of the exhaust pipe of a car over 160,000 km, as shown by a recent report. That needs to be factored in. It causes a reduction in rural mobility and particularly causes problems for the people who need their cars for work, the people who the Taoiseach says get up early in the morning and whom we need to look after.

There is no logic in this. These cars have passed their NCT every year. There is also evidence to show that older cars are not on the roads as much. Someone with a car that is 12 or 13 years old is not doing 50,000 km like some of us are doing. I always drove an old car until I was elected to this House and then I discovered that an old car would not stick the going so I had to get a new car. My point is that older vehicles are not on the road as much.

Once a car has passed its NCT, that is it; it is in good condition. The NCT is very thorough and very professionally done. There is no reason to take these cars off the road. In Australia it is common for cars 20 years old to be driven around and the same is true in parts of Europe. Therefore it cannot continue. While we support the Bill, I am using this opportunity to highlight the issue to the Minister of State. I want the Government to do something about it. This is in the interests of motorists. We talk about protecting rural Ireland; this is in the interests of rural Ireland.

I do not advocate having bangers driving around that are not fit to be on the road. I am advocating a bit of common sense here. At the moment the insurance companies are picking the pockets of low-income workers and those people living in country areas who need their cars to get to places such as Portlaoise, Tullamore, Edenderry or elsewhere in the morning. That is exactly what is happening and we need to stop it. I want the Government to give serious consideration to this and to put a stop to it.

Deputy Imelda Munster: I welcome the Bill which has been a long time coming. In the case of Setanta customers, it has been more than four years. It is simply unacceptable that private insurance companies in this State can become insolvent without their customers being protected. I commend the work of my colleagues, particularly Deputy Pearse Doherty and others, on pushing for this Bill to ensure customers are treated fairly when these companies fail. It is only right that they are compensated in full and that customers in future can be confident that they will be protected should another insurance company fold.

The legislation to establish the motor insurance insolvency compensation fund is therefore

a welcome development. The Government operates a system of mandatory motor insurance, which is only right, but it leaves the regulation of that sector to the market, meaning that the State opts out. For-profit companies are left to operate as they see fit, which inevitably has led to the utterly dysfunctional market we know.

Every other week my office receives calls from motorists who are unable to insure their vehicles due to the outrageous rip-off quotations received from insurance companies. Many people, especially those in rural areas cannot go about their daily lives without the use of a car. As we well know, public transport is lacking and they have no choice. Others drive for a living or need to drive as part of their jobs. We know that premium quotes are outrageously high for some, especially those with cars older than ten years. Insurance companies like to claim that this is because of fraud, which is the fault of drivers. While, of course, we know fraud is a problem, it is not the cause of a dysfunctional insurance market.

The market is as it is because the sector was not regulated in a proper fashion. When it came under pressure during the recession the companies hiked up the cost to cover themselves. That is the fault of the companies and the market. It is also the fault of the Government for washing its hands of this issue. While I welcome the Bill, I would like the Government to examine other issues in the insurance sector. The current system is grossly unfair and is causing great hardship for thousands of people.

An Leas-Cheann Comhairle: I call Deputy Michael Collins, who is sharing with Deputies Mattie McGrath and Danny Healy-Rae.

Deputy Michael Collins: I welcome the opportunity to speak on the Bill, which seeks to amend and extend the law relating to insolvent insurers and to provide for the establishment of a fund to be known as the motor insurance insolvency compensation fund. This fund will be controlled and managed by the Motor Insurers' Bureau of Ireland. Vehicle insurers will be asked to make a contribution to that fund. What effect will this have on people's premiums?

As we are all aware, in recent years insurance costs have become totally unjustified and unsustainable. They are placing huge financial pressure on people and businesses. These rising insurance premiums simply cannot go on. We are hearing a lot of sympathy for young people this week, but we did not hear much sympathy for them last week. When getting insurance, every obstacle is being put in front of them. On the one hand we criminalise their parents if they drive on their own. If they are lucky enough to get a driving test and pass it, they are then being hit with out-of-control quotes for insurance which they cannot afford. It is very difficult for young people to get off the ground.

As other Deputies have said already, I am inundated with constituents coming to me distressed and upset over the quotes they are getting for motor insurance. Some of them get no quote if they have a car more than ten years old. We need insurance companies to be transparent and to explain why they are increasing their customers' premiums. Insurance companies are in total control of what is going on. Nobody has any control over them; they are a law unto themselves. Fraud and exaggerated claims need to be clamped down on. There should be zero tolerance for these types of claims and we need to ensure they are pursued and tackled more aggressively by the Office of the Director of Public Prosecutions and insurance companies.

Owners of cars of ten years and older are being penalised with huge insurance premiums. Why are these motorists quoted these high premiums as we have the NCT to ensure all vehicles

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are roadworthy? Why is the owner of a car of ten years or older getting such an excessively high insurance quotation and in many cases not getting any quotes when compared with the owner of a similar car that is newer?

Another important point to mention regarding motor insurance is people returning to Ireland after living abroad who are now accessing motor insurance and being quoted very high premiums. We should be welcoming back people who have decided to return home and ensuring they are not priced out of the market. We should also look at businesses and community organisations. Many have been forced out of business. Nightclub owners are at the end of their tether.

We need to see urgent action. The time for talking is over. Action on the ground is needed. In Kilbrittain secret gardens, the O'Mahony family has put a huge amount of money into building a fantastic activity centre enjoyed by many children throughout west Cork. Their insurance bill this year went from €4,000 to €5,000 to close to €25,000. They employ more than 20 people in a rural community. They cannot sustain it. They will take the hit for one year but will go out of business the next year and we are standing idly by as politicians. We are doing an awful lot of talking. I have been talking about this for two and a half years and nothing is happening on the ground. The bottom line is people are paying excessively high insurance premiums and we need to look at ways to reduce these premiums as insurance prices are not sustainable.

Deputy Mattie McGrath: I am delighted to speak on the Insurance (Amendment) Bill 2018 which was published on 19 June. The House is rising this week and nothing has been done about insurance during the tenure of the Minister of State or that of his predecessor or even before that. We promise and promise. We are being robbed left, right and centre. It is extortion. A person cannot go without it. He or she has to have it but when it comes to the fine print, that person has nothing. I am sick and tired of talking about it. A committee was set up and there was a report containing 79 recommendations. It was nothing short of a fudge. It was a total and absolute fudge. Nine actions would be too many. Maybe two or three would be implemented. The Government does not want to do it. There is no appetite in the Government to tackle the cartels. That is the situation across the line because they are all supporting the Government. It is a sad day.

I am old enough to remember when PMPA went into liquidation and the levy that went on and was never taken off. Now we have the issues with Quinn Insurance and Setanta Insurance. Deputy Michael McGrath gave the numbers earlier. He mentioned €800 million. People have been left high and dry. Many thousands are waiting and waiting. They cannot afford to wait. They are not big business people. They are ordinary families trying to eke out a living, educate their children, do their business and stay within the law. The Government is passing more legislation. The public will get a break from it after tomorrow because the Government will be away from here for two months so there will be no more regressive legislation passed. The Bill the Government is passing is demonising and weighing down self-employed people and ordinary families. It is evidence of the Government's failure and ineptitude in dealing with the insurance companies.

I am a small businessman like my colleagues, but I am more involved in the community and voluntary sector and it is being crucified and blackguarded. Many events have been cancelled because of insurance costs. Many wonderful events which were wonderful days for our people, especially in weather such as this, have been cancelled because of insurance costs. Everything is about insurance. There are assessors waiting. That is not to mention car insurance, fleet insurance or lorry insurance.

Why can we not go to Europe or the world market to get insurance? Why are we stuck here with a limited number of companies that can treat us like dirt? If a person rings up an insurance company, he or she has to press button after button because all the offices have been removed. The office of AXA Insurance will leave Clonmel in Tipperary very soon. It is not possible to engage with a person. We had a broker before whom we could deal with but now we are talking to machines and robots and we are told the call is being recorded for training purposes. They want to record everything but it is all one-way traffic. We cannot record what they say. It is just obstacle after obstacle. When the proposals in the Bill are up and running, there will be a 7% levy but 3% of it is tax and 2% goes elsewhere. That is punitive.

Insurance companies are now giving two fingers to the national car test, NCT, system. I have a lot of issues with the Road Safety Authority, RSA, but the NCT is one of the things I agree with. There are people with cars that have valid NCTs and have passed the test but the insurance companies are rejecting them. The driving testers are rejecting them. They are saying there is something wrong with them. What standing does the NCT have if insurance companies and driving testers say a car is not fit even though it passed the NCT the day before?

The haulage industry is being crippled. Last week we heard about the Ponzi fund racket in which people have to keep buying a car every four years and then trade it in. We are trying to bring in legislation on electric cars, which Deputy Ryan and the Minister, Deputy Naughten, are championing. They are talking about lowering emissions and lowering toll charges for fully electric cars when we are having all these cars crushed. What about the pollution and carbon dioxide emissions generated by that? Our right hand does not know what our left hand is doing. That is the extent of it.

The attack on ordinary families is merciless and continuing. It should not be allowed to go on. There is an issue for nightclubs. Bar room owners were here recently. They told us insurance has gone up 100%, 200% and 300%. It is like phone book numbers. Then a claim goes in and the minute a claim goes in, an excess is put on the policy. There is excess on the policy anyway but there is a charge then to take account of an impending bad outcome.

The Government has refused steadfastly to tackle that big building down on the quays, the Four Courts, where all the murky business goes on and where all the deals are done. People are dragged along. I have been there many a time myself. People tell their insurance companies that it is a fraudulent claim and they do not want them to pay out. One comes along like a good boy and turns up for several sessions in the High Court only to find out the legal eagles have had a cup of tea together and a chat. It is a “You scratch my back and I’ll scratch yours” attitude or one of “You rub soap to my something and I’ll rub soap to yours”. The Minister of State knows what I am talking about. The attitude is to hell with him, he is only the punter, he will pay anyway because his insurance company is going to pay. It is about the greasy paws of the legal system. The free legal aid racket will not be tackled. It is a revolving door.

The Minister of State will have to tackle the insurance industry. I have no faith in this. We are rising this week and will wait until we come back in September. It will be October before it will be on the agenda again. I have no faith in it. A lot of this is very aspirational. It is about preliminary measures and a general scheme. It is legal jargon obviously done up by the legal adviser for pre-legislative scrutiny. It is giving all the cards to the insurance companies. Let the buyer beware. Let the taxpayer and insurance payer beware. He or she will have to pay anyway.

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We have mentioned young people trying to get on the road. Mol an óige agus tiocfaidh siad is a wonderful saying. We are not doing much of it here. We are persecuting them. We did it last week on legislation and the Minister, Deputy Ross, is now proclaiming we were vandals to be opposing legislation and using the filibuster which is one of the oldest traditions in democracies all over the world. That man has gone off the radar and off the Richter scale. He should deal with some of the issues in road transport which the RSA will not deal with. They are flagrantly abusing people. We passed legislation that criminalised people who want to stay within the law but cannot because they cannot get a driving test. Is that fair? It is the same with insurance. They cannot get insurance. The Government would love to tell them all they can get it.

What about the famous leader, St. Leo, the Taoiseach, when he talks about full employment? How will the people in rural Ireland get to the employment? How are they going to go to apprenticeships if they get apprenticeships? How will they go? Will it be by air or kangaroo or something? We need a gluaisteán. We need people to learn how to drive a gluaisteán.

To hell or to Connacht is the attitude of the Government to people in rural Ireland. That is not to mention the people who want to go to the pub for a social drink. We will park that issue. To hell with them. They are consigned to a future of depression and being locked away. Our young people who want to have lives, education and career paths cannot because they have no Luas, DART, bus, bicycle scheme or taxis. The Government is not interested in rural Ireland but rural Ireland will be interested in the Government. I do not know if the Government will get another confidence and supply agreement from the boys here on my right. I do not know if the Government will or not. I do not have much confidence in the Government or Fianna Fáil because they are voting for the same legislation which is regressive towards rural Ireland and especially towards young people. They will be waiting. Most of them are registered to vote.

An Ceann Comhairle: The Deputy is wandering away a bit.

Deputy Mattie McGrath: I am not. It is the Insurance (Amendment) Bill. I am nearly finished.

An Ceann Comhairle: I understand the Deputy's enthusiasm but he is wandering.

Deputy Mattie McGrath: I am just saying this is toothless, fruitless and useless like the regulators before it and like some of the Ministers.

Deputy Danny Healy-Rae: I thought that after two and a half years something would be done to help young people to get insurance at a reasonable cost. I gave several weeks to discussing the programme for Government and pulled out before I had finished because most of the stuff I was putting into it was being pulled out as fast as we were putting it into it. I did, however, think the Government would do something about insurance. It has the power to do something about the cost of insurance, the cost of claims and all of the racket that is going on, but it is doing nothing about them. There is nothing in the Bill that will help the ordinary young person on the road today or who will try to go on the road tomorrow to get insurance at a reasonable cost. All I can see is that there will be a percentage added to insurance premiums to help insurance companies to go wallop as they have been doing. We all saw clearly after Quinn Insurance went out of business how the cost of insurance went up. Surely the Government can also see that they now have a monopoly. There is no one competing with them; they are all doing the same and offering the same price.

Will the Minister of State do something about the business of ten-year-old cars which are

perfect in every way, with a low mileage and doing a low mileage, for which the insurance companies will not quote? Will he talk to them and did he talk to them? He will not talk to them because it is clear that if he did, he would get some results. Quotes for older people are being doubled from €400 to €800 or €900. Young fellows who deserve a chance to go on the road for the first time are being quoted €3,500, €5,000 or €6,500. How can they manage to pay that sum? I am talking about people living in rural Ireland who do not have a bus, DART or taxi service or access to any public service. The Government talks about seven or eight bus routes that it has added to Rural Link in County Kerry. For what will that cater?

It may be wrong for me to point my finger or direct my venom at the Minister of State, but where is the rest of his gang who were here in numbers last Friday clapping for the Minister for Transport, Tourism and Sport, Deputy Shane Ross? Where are they tonight? Why are they not all here listening to this debate on the serious matter of insurance for people who do not want to break the law and need insurance to go on the road to get to work, their apprenticeship or college? There is no holding them here tonight, but they will clap for the Minister all right when he ensures more people will have to stay at home, thumb or cycle from vast distances into towns.

Business people are being hit by the cost of claims. In England someone who suffers a whiplash injury will receive £7,600. In Ireland, for a very minor injury, someone will receive €19,400 and the figure has been known to go up to €77,000. They must have brass necks or gold necks. It is very unfair to think that is happening here and that the Government has been told about it before, but it has done nothing and will do nothing about it. It is two and a half years since it promised that it would. I thought that in this Bill it was going to sort out everything to do with insurance, but there is nothing in it. The Government is only coddling the people. It told lies and I mean that. A few weeks ago it stated the cost of insurance had gone down by 17%.

An Ceann Comhairle: The Deputy should not accuse the Minister or anyone else of telling lies.

Deputy Danny Healy-Rae: They were untruths. I am not naming any particular man, but the rumour was spread by the Government that the cost of insurance had gone down by 17%. That is certainly not true. There are all sorts of racket going on. If an area is designated by the catchment flood risk assessment and management, CFRAM, programme as being in danger of being flooded, owners of houses in its vicinity will not get house insurance. There have not been floods there and will not be, but it is stated the area may be flooded in the next 50 years. In the meantime people will not be able to get insurance. That is happening and has happened in County Kerry. More places will now be designated as flood plains and walls will be built around them to hold the water, rather than clearing out rivers. In the meantime the people living all around the area will not be able to get house insurance. That is what is going on.

We had one great event in County Kerry, but it is not going ahead this year. Local communities need these yearly events, whether it be a music festival, a carnival, or whatever else.

Deputy Mattie McGrath: A jamboree.

Deputy Danny Healy-Rae: They cannot get insurance. One event is not going ahead this year because it could not get insurance. It was a mighty event that brought people from all over south Kerry to it, but it will not go ahead this year.

Deputy Mattie McGrath: I hope it is not Puck Fair.

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An Ceann Comhairle: Is it Puck Fair?

Deputy Danny Healy-Rae: No, it is not Puck Fair, but it was a mighty event.

Deputy Eugene Murphy: It is not the Rose of Tralee, is it?

Deputy Danny Healy-Rae: Many people were involved in it and gave much of their time doing voluntary work, but they could not take the chance and go ahead this year because they could not get insurance. This is the Minister of State's and the Government's time. They should be doing something about the cost of insurance for young and old, but they are not. It has all kinds of Bill to see after Ross because he will see after the Government and will keep it in power for a few days longer, but he could blow with the wind and go out from under the Government at any time and leave it high and dry. I ask the Minister of State not to bring him to the door with the Government because he is not wanted in County Kerry. His name should not be mentioned at all because he is hated for what he has done to people living in rural Ireland.

An Ceann Comhairle: The Deputy should, please, not be unfair to the Minister for Transport, Tourism and Sport, Deputy Shane Ross.

Deputy Danny Healy-Rae: I am not being unfair, but I was out last weekend and got the lot of it. People are very disappointed. Now another set of people will be equally disappointed. They are the ones who cannot pay the cost of insurance and the Government is not doing anything about it. I am afraid that it will not do anything about it, but I am pleading with the Minister of State not to ignore our pleas because we know what is happening on the ground. The Government should be doing something about the cost of insurance.

Deputy Tom Neville: I am also a rural Deputy. Deputy Danny Healy-Rae has mentioned much of what is happening in his part of County Kerry. I am from a neighbouring constituency and we are seeing continuing high prices in the cost of motor insurance around the country. I believe the statistic of a 17% drop on average comes from the Central Statistics Office.

Deputy Michael D'Arcy: Deputy Mattie McGrath should not run out. He will want to hear my response.

Deputy Tom Neville: I share people's frustration at the cost of car insurance. I was an immigrant who came back, but I was walloped for not having a no claims bonus. That is how I got into this issue. In the 2016 general election this was a major issue on the doorsteps and it continues to be. Because of that the Government reacted and set up the cost of insurance working group. I have been working behind the scenes with the Minister of State, Deputy Michael D'Arcy, and his predecessor who is now the Minister for Housing, Planning and Local Government, Deputy Eoghan Murphy. We want to make this happen. We want to do what we can to make it happen, but in trying to do so we are encroaching on and working with the private sector. There are several anomalies. The Government is on one side; the insurance companies are on another, while the Judiciary are on another. There are several pillars involved. There has been a change of culture in the insurance companies because they use more sophisticated systems to segment the market. These strands were never segmented before. This allows insurance companies to concentrate on the vehicle, the age of applicants, demographics, emigrants - they never had them before because they never came home. They now use these various segments to gain competitive advantage. That culture has crept in, as I know from talking to people and receiving their feedback.

I quizzed representatives of Insurance Ireland for 15 minutes at a committee three weeks ago on some of the issues raised by previous speakers. I am not convinced by some of the answers they provided given the anecdotal feedback I have received on the ground. I will give some examples. Sales representatives who have been on the road for 15 years and are insured under an employer's group insurance policy are told when they seek insurance in their own name that they do not have a no claims bonus built up because it is the first time they have ever had insurance. The advice given to them is to get a slip of paper or confirmation from the insurance company that provided cover to the company they worked for previously and present that to their new insurance company. What is being pushed back on them now is that because they cannot prove they did not have an accident, because it was a group policy, they are still being charged the same. That is not fair play. That is not the Government's fault though. It is private enterprise pushing back.

Deputy Mattie McGrath: Where is the regulator?

An Ceann Comhairle: Order, please.

Deputy Tom Neville: There is an anomaly straightaway. There is also the issue of ten year old cars. Given that these cars have been tested under the NCT procedure, I cannot see any reason they should not be on the road. I have been told there are data on this but I have not seen any to justify the current position. We need to have the national claims information database in place in order that all the data are available and the system is open and transparent. I ask the insurance companies and Insurance Ireland to work with us as much as possible. The Minister of State will soon publish the relevant legislation, which should be pushed through the Dáil as quickly as possible. I ask the insurance companies to work with us. I keep getting responses mentioning commercial sensitivity. I understand that but it is being used as a catch-all or a stick to beat us with when we are trying to get these data. If it does stack up, that is fine, we will have to deal with that some other way. We should at least see the data to allow us to address the matter.

We have also had problems in respect of business insurance. Businesses are being quoted higher premiums and then finding out or being told that a claim has been made. That communication process and style is a simple thing that needs to be changed. Road hauliers are another group feeling the effect. The Government backed road hauliers because exports were one of the first parts of the economy to recover. The Government realised that help with tax cuts three or four years ago, if I remember off the top of my head. They are now again feeling the effect of insurance on their business. Exports and road haulage are a big part of our economy and the issue of insurance is now having a significant impact on them.

We have to address this issue, which is coming back from the private sector. We must take a unified position and push back on the private sector in respect of what is happening here. We need to speak with one voice because if I know the private sector, it is trying to divide and conquer us anyway in what we are trying to do. There is a public relations battle going on here and I urge the House to pull together on this and try to push measures through as quickly as possible, specifically the national claims information database which will give us the information we need.

Drivers in rural areas are feeling the impact of insurance costs. People starting college and driving for the first time are able to get a car more easily than before. The price of insurance, however, is crippling them. In Limerick, for example, people from County Limerick will drive

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into the University of Limerick or Limerick Institute of Technology because they are not far, relatively speaking, and it makes more sense economically to drive to college than to stay in the city. They can live and perhaps work at home but the insurance price is also starting to hurt these people.

There are a number of facets to this issue. We need to maintain the momentum of the cost of insurance working group. We also need to examine and debate trying to benchmark claims in respect of the Judiciary. We must also address the fraud and claims culture, of which we have seen some examples. There are different strands to be tackled.

I hear what Opposition Deputies are saying. We all hear the same things on the ground but there is no simple solution. Different strands have to be pulled together and major bodies of work have to be done. I want to see that done as quickly as possible and I want to push that as quickly as possible. I ask the Minister of State to convey to the Cabinet our desire to have the issue of insurance costs prioritised. It is a real and live issue and, for want of a better word, one of the lowest common denominators on the ground because it affects almost everybody.

An Ceann Comhairle: I call Deputy Eugene Murphy, who is sharing with Deputy Eamon Scanlon.

Deputy Eugene Murphy: I am speaking on the same issue, the same difficulties and the same problems as previous speakers. I refer to the collapse of insurance companies. People believe they have insurance cover for a year and then a company collapses, as happened with Setanta Insurance, and they have to seek to be reinsured. Many have still not received compensation following the collapse of Setanta four years ago. We should remember in this debate that many people are on low income. When a person pays €700, €800, €900 or maybe €1,000 - or even €500 or €600 in the case of someone on low income, a blow such as the collapse of an insurance company creates more problems. Sometimes people shop around and believe they are getting a good deal. If the company collapses, however, they find they have to go to their credit union and refinance their insurance policy. This issue must be tackled quickly.

I welcome this Bill but this has been a long process for such an urgent issue. People simply cannot wait. It will probably be a long time before this legislation is passed because the Dáil will wrap up for the summer on Thursday. I presume the Bill will be before the House again early in the autumn and we will try to deal with it as quickly as we can. In the meantime, many people are frustrated, annoyed and coming into our clinics. I am sure the Minister of State is well aware of that.

Deputy Michael D'Arcy: Yes, I am.

Deputy Eugene Murphy: Insurance costs mean that people are not able to get insurance. There is a serious problem with the whole insurance business. While we are focusing specifically on motor insurance, business and flood insurance are also a problem. The whole insurance business must be reviewed. In recent months, we have seen raids on certain insurance businesses and there is an ongoing investigation. It would be interesting to find out when that investigation will come to a conclusion and what will be the outcome. Every aspect of the insurance business needs to be addressed.

Like Deputy Mattie McGrath, I welcome the Bill and my great wish is that it can be dealt with as quickly as possible. I have an issue with the 2% levy. While I accept there has to be a fund because there is no such thing as a free dinner, I want to know for how many years the

levy will apply. Has this been calculated? It must not become a permanent fixture in insurance costs.

We heard many examples this evening of what people are suffering in the motor sector. Insurance for taxis can now cost anything from €5,000 to €14,000 and some companies will not even quote for taxis. We have all heard the stories of young people. I often talk about my daughter who has a full driver's licence and has never been involved in a crash or other incident. A decent car can be obtained for €3,000 or €4,000 but the best quote somebody like my daughter and many of her friends can get is for €5,000 or €6,000. This is a serious problem for students, young workers and people living in rural Ireland where there is not the same level of public transport. I am sure the Minister of State sees it in his own county of Wexford.

The issue of returning emigrants also arises. They seem to have major difficulty in getting insurance cover, or have to pay an exorbitant fee for it, even if they have a good, clean record. The issue also affects lorry drivers and road hauliers. It is a fact that many road hauliers are based outside the country, in other parts of Europe, which causes Ireland to lose business. The hauliers say that they simply cannot afford it.

It is great to hear so many contributions on the issue of ten year old cars. They might have a full NCT and a very low mileage. I raised this issue in this House approximately ten months ago. I made the point at the time that there are many ten year old cars with low mileage, particularly those owned by people living in cities who do not run up large mileages. These cars are in perfect condition and fly through the NCT. So many young people, in particular, are disappointed when they look for insurance; they are told that companies cannot insure a ten year old car. We are living in the era of NCTs, which is a good practice. It forces us to look after our cars more carefully; we have to. I fully endorse the process. However, there are people who put their car, which is in perfect condition, through the NCT, who then go to the insurance company and cannot get cover. I am sure that the Minister of State knows this from his own constituency.

We are in a crisis situation in terms of the insurance industry. I welcome this Bill, arriving as it does in the last days before the summer recess. However, it is extremely important that it is pursued with absolute vigour in the autumn. The approach of the Government, and I do not mean this as an attack on the Minister of State because I know he means well in this area, has been extremely frustrating and slow. It is a complex area, and I am not going to deny that, but motor insurance premiums have shot up by 31% since 2012. That is a fact. There is currently no index tracking business insurance costs. Despite this, the major recommendations of the cost of insurance working group have yet to be acted upon. There are many issues to deal with, and in the meantime people are suffering, unable to get cover. This must be tackled as a matter of urgency.

Like many other Deputies in this House, I am concerned at the slow pace of progress on this issue. We will speak again about flood insurance and business insurance but the Bill this evening deals with motor insurance. The Government must realise that this is a huge issue for many people, and must be progressed as quickly as possible. The Bill raises a number of issues in terms of the compensation fund, which has been well explained in the details. I do not have an issue with that, and generally accept the levy issue. I do not want it to become a permanent levy on everyone, but I am a realist and know that a fund has to be in place. I urge the Minister of State to pursue this issue with vigour, and ask him to go back to his senior Cabinet colleagues to ensure we progress this issue as quickly as possible. There are many people out there who are trapped due to insurance issues and the cost of insurance. In many situations, they cannot

get insurance cover at all.

Deputy Eamon Scanlon: Much of what I am going to say has already been said, but it is important that it is said. I want to compliment my colleague, Deputy Michael McGrath, because he has pursued this for many years. Quite a number of people were badly affected by what happened to Setanta Insurance. At least 1,500 people have been left in limbo for the past number of years, not knowing where they were going to go. They were stressed out. They received legal letters, and wondered what their future was going to be. I am glad that issue is being dealt with at the moment.

I am aware that there are no free dinners. Someone is going to have to pick up the tab for this, which is unfortunate, but it is the right thing to do. Quinn Insurance has added 2%, and another 2% will now be added on top, plus 3% tax. That amounts to a 7% increase overall. I would like to think that this levy will be abolished as soon as this fund has been collected. It is important that happens. I am old enough to remember PMPA insurance and the levy that was put in place at the time to sort that problem out. I do not believe that levy was ever removed. Perhaps it was; the Minister of State might let me know. It is important that when the required moneys are collected the levies are removed.

There has been much talk about claims and the cost of insurance, particularly around motor insurance and motor insurance claims. The Personal Injuries Assessment Board, PIAB, was brought in by this House in 2009. PIAB did its job for a number of years. It worked. It brought down the cost of claims and insurance, particularly for young people. The way young people are treated in terms of insurance has been mentioned tonight, and I believe it is very unfair. Every young person who seeks insurance today is treated like a road hog. The quotes they get for insurance are very unfair. There are many very good young people out there who are willing to work. They can buy a car, but cannot pay for the insurance. That is the unfortunate, sad thing. I come from south Sligo, which is a rural constituency, much like that of the Minister of State. If people want to get to work they have to get a lift from someone who is travelling close to their work, or a lift from their parents, which is often not easy. They need transport. There is no such thing as a bus, DART or Luas in my constituency and in many others around the country. It is discriminatory against these young people. I believe they need help. PIAB worked, but unfortunately the legal profession, over a period of time, wound it out. The facility is not being used as much as it should be now, and claims have crept up.

One day a car rolled back and hit the front of my car. There was no damage done whatsoever. I got out and looked at it and found no damage to my car or the other car. Everything was fine. My no claims bonus was protected. I eventually discovered that the person who owned the car that rolled into mine was paid €36,000. That is a fact. I only found out by accident. I insisted that my car and the other car were inspected by the insurance company and was told that there was no damage to either car. This is the type of thing that is going on. I am glad to see that in recent times these insurance claims are being investigated and stopped. They are robbing everyone in this country, and it is only right that such claims are stopped.

The issue of ten year old cars was mentioned. It is important that it is mentioned as often as possible. We all drive on the roads every day. A car might overtake us, and we might have to add up the years to figure out how old it is. A car that looks well and is driving well could be 13, 14 or 15 years old if it is well looked after, well serviced and taken for an NCT regularly. Believe it or not, 147,000 people in this country own cars which are over ten years old. There are many reasons for that, one of which is affordability. Other reasons include that cars today,

which are well serviced, will last for 15, 16 or 17 years. It is outrageous that insurance companies inflate premiums for people driving these cars. It is legal robbery. Most of the people who have these cars look after them. If they did not, they would not be in the condition that they are in. What is being done is outrageous.

Moreover, this is affecting rural areas and rural jobs. It is affecting the small garages that employ three or four people in small towns like Ballymote, Tubbercurry, Gurteen and other places like that. It is affecting jobs there. It is affecting the person supplying the tyres for those cars. Little businesses have built up throughout the rural areas servicing that type of business. This phenomenon is taking jobs away. That is exactly what it is doing. It should not be allowed to happen, because it is forcing people to change their car more often. That is the reason.

Something else it will do, which people do not yet realise, is devalue the six year old, seven year old or eight year old car. What is that car going to be worth? Nothing, quite honestly, if they get away with what they are doing. It is outrageous, and a lot more should be done to make sure that they do not get away with it.

I refer also to public liability insurance. The haulage business was mentioned in that context. I have a friend who employs 42 people in the haulage business. His insurance premium went from €70,000 to €140,000. That is a fact. Will the Minister of State imagine taking out his chequebook and writing a cheque for €140,000 just to stay in business and keep employing 42 people? There is no support for those people. They get no support whatever. In fairness to them, they do not want it provided they get a level playing field. They are definitely not getting that today where insurance is concerned. It is outrageous, quite honestly.

The other issue that was mentioned was people returning home. If someone has been away from the country for three years and comes back, they are new again as far as motor insurance is concerned. That is not fair to people. As was said by the Minister of State's colleague, Deputy Neville, some people work in a company and drive a company car for ten, 15 or 20 years. They may have 20 years' worth of no-claims bonuses. When they retire from work, purchase a car for themselves and try to get insurance for the car, the same company tells them they are starting out again. That is outrageous carry-on. They should not be allowed to do what they are doing.

Another issue is driving licences. I know it is not the Minister of State's brief, but people are coming back to this country and we welcome them back. If I come from Canada, Japan, Korea, Australia or England, I can exchange my licence in that country for an Irish licence. If I come from America, however, I cannot exchange an American licence from an Irish licence unless I come from one of three states. People coming from America have to start off again with a provisional licence. Thanks to the Bill passed through the Dáil last week by the Minister for Transport, Tourism and Sport, Deputy Shane Ross, even though they might have driven for 40 or 50 years, they have to have a fully licensed driver with them until they can do their test. This is the nonsense that is going on. Quite honestly, it has to stop. I know the Minister of State is a decent individual, and I hope that he carries the message loud and clear to the senior Ministers of this Government so that this can be dealt with fairly.

Deputy Éamon Ó Cuív: While I welcome this Bill to the House, it is unsatisfactorily late for the people who suffered in the Setanta Insurance debacle. That includes both those who were insured with Setanta, and those who were involved in accidents, in which they were not at fault, with people who were insured with Setanta. They were left hanging for years on end. The way that this issue was dealt with was very unsatisfactory.

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My view of life is that if people comply with the law, if people buy products that are meant to be checked by regulation, either at European or national level, they are innocent victims and should not be hung out to dry like those injured parties in accidents involving somebody who was insured with Setanta, whether the damages they suffered consisted of vehicular damage or personal injuries. Then there are the people who thought they had insurance with Setanta. They were also left hanging with no money.

If I were asked what the biggest change in recent years has been, and it is one thing I have noticed about the world, I would say it is the amazing ability to do everything very slowly, to make everything so complicated that we can never seem to get to a conclusion on any issue. If the public are left waiting, so what? That seems to be the attitude. It should not be the attitude. These are ordinary human beings going about their ordinary daily business, following the law and doing everything perfectly. As I have said, in many cases they were not insured with Setanta themselves but they were involved in an accident with someone who was. Even that person was innocent because they thought they had good, valid insurance.

I look at all the schemes that come in now such as housing schemes. We ask for the numbers of people who are successful under those schemes. I look at this debacle. We have created a society where ordinary people always seem to be the losers. I welcome this Bill coming in, and I hope that we can truly say that this will never happen again, that people driving on our roads, insured with companies that are legally allowed to operate in this jurisdiction, will never be a risk to themselves or anybody else because of the insurance that they carry.

I know one constituent with a very modest income who was involved in an accident. The reality was that having to carry this for all this period has been a huge financial burden. What did they do wrong? Nothing. They drove on the public road in a perfectly insured vehicle, they were hit by someone in a vehicle that was supposedly insured, and they were let down by the State. I have been told about all the legal complications in the High Court, the Supreme Court and whatever. My attitude is that all those things should be fought out, but in the meantime we should make sure that the ordinary small punter is sorted and work out who pays what in the end between all the big people. I have been told that is not possible. I do not believe it. When things have to be done, they can be done. I welcome what has been done, but I wonder why it took so long.

I was listening to Deputy Scanlon when he spoke about the wider issue of the inaction of the Government on insurance, particularly concerning loading. He spoke about older cars, which is a very valid issue. I believe that under the law, no insurance company should be allowed to load anybody for anything - penalty points, age of car or any of those issues - unless it can produce objective evidence that the risk is higher.

Many moons ago I was discussing getting a reduction in insurance premiums for those living on the islands. We had a special regime of lower taxation on the islands because of the small amount of roads. That provision still exists to this day on the islands. We also had a regime whereby there was no need to carry out a national car test, NCT, on cars on the islands, because taking a car off an offshore island and onto the mainland was a very expensive operation. Inis Mór, the biggest island, might have six miles of road but they are narrow roads and people cannot get great speed on them. I was negotiating discounts for them on the same basis. I asked whether the fact they do not have to do an NCT would make a difference. In fairness, at the time the islanders got a 30% discount, but they have lost it since. They said to me that the NCT does not really make that much difference because a mechanical failure rarely causes accidents in the

modern world. I know there are exceptions but insurance companies do not work on individual cases, they work on statistical risk issues. If someone can prove to me that statistically a ten or 11 year old car with an NCT is more prone to accidents and that mechanically it is more likely to fail and cause a serious accident, or an accident of any type, I will say that is fair enough and it is a justified loading, but I wonder whether there is any objective criterion. My belief is the law should state insurance companies should not be allowed to load unless they have objective criteria to prove the loading is justified and not something that is done on the back of an envelope.

I fully accept a 30 or 40 year old car is significantly different because modern vehicles are made differently and are designed to crumple in a way that reduces the damage compared to what would have happened in an equivalent car 30 or 40 years ago. I do not believe there has been that much development in the past ten or 15 years but, again, let us base it on fact. Let us base it on the model. One would have to look at all the different models of car and decide which are the safe models in terms of safety features and their ability to crumple in a serious accident in the places they should crumple and not to crumple in the places they should not crumple and provide maximum protection in the cab.

As somebody who was involved in a head-on collision I realise the importance of the driver. I was not driving as it happens, and I was lucky that day that I probably had one of the best trained drivers in the State driving me. It is certainly a credit to him that we came out with very minor injuries. Furthermore, it made a difference that we were driving in a good well-built car that was very well designed. It was a Volvo. It did what it said on the tin in terms of the way it acted. If that car were still on the road it would be well over ten years old, but its design features would not have changed. Again, I believe we have to tackle the insurance loading issue and the insurance cost issue.

This country has become particularly cruel for young people. Houses are out of their price range and their wages are reduced if they join the public service. There is also the cost of car insurance, which virtually everybody needs to get to work and for leisure purposes in the modern world. All the Government is thinking and talking about, and what the universities persistently want them to do, is pay for their education by taking out loans they will pay back when they get to work and get a job. This insurance issue needs to be tackled scientifically and the insurance companies acting as prima donnas, without any explanation to anybody and without any evidence, has to be eliminated.

I welcome the Bill. Is fearr deireanach ná go brách, ach tá sé seo thar a bheith deireanach. Is maith an rud é go bhfuil sé ag teacht faoinár mbráid. An bhfuil an tAire Stáit in ann a rá liom an mbeidh an reachtaíocht seo achtaithe roimh sos an tsamhraidh? Will the Bill be enacted before the summer recess and will it be law by then, or are we just having a preliminary debate about something for which people will again have to wait for the final conclusion of the Bill, having waited far too long already?

An Ceann Comhairle: Obviously, this is a Second Stage debate, so the normal processes will have to be gone through.

Deputy Éamon Ó Cuív: Yes, but if it was very important and urgent legislation all of the Stages could be done before we go on holidays.

An Ceann Comhairle: Yes.

Deputy Éamon Ó Cuív: I do not think it is very contentious either.

An Ceann Comhairle: Yes, we might.

Minister of State at the Department of Finance (Deputy Michael D'Arcy): I thank the Deputies for their contributions on the Bill and the general conversation about insurance. I have to say the level of ignorance of some Deputies, specifically Deputies Mattie McGrath, Michael Collins and Danny Healy-Rae, about insurance and what has happened, what is happening and what is to happen is astounding and I find it disappointing. I asked Deputy Mattie McGrath to stay so he might listen to what I have to say, but he did not do so and neither did his colleagues. That is disappointing. This is on top of what happened three weeks ago, when I had an information session on insurance in the AV Room and over the two hours four people showed up. If we look around the Chamber there is myself and Deputy Ó Cuív and nobody else. Nobody is really interested in the answers and solutions on insurance at this moment in time. They want to come in and throw boots around the place and say we are doing nothing. Nothing could be further from the truth.

This is a very important issue and it is the appropriate place for me to put on the record of the House what has happened, what is happening and what is yet to happen. The Bill is to amend what happened with regard to Setanta Insurance. The failure of Setanta Insurance in 2014, and the uncertainty that followed over the compensation arrangements with third-party claimants, highlighted weaknesses with the current insurance compensation framework, in particular the fact that a third-party motor insurance claimant under the insurance compensation fund is only entitled to 65% of a claim, or €825,000, whichever is the lesser, while the equivalent third-party claimant under the Motor Insurers Bureau of Ireland for uninsured, unidentified vehicles is generally entitled to full compensation. This is undoubtedly inequitable. Even in overturning the decision that may have been liable for the Setanta Insurance payments, this was recognised by the Supreme Court. The purpose of the Bill, therefore, is to address this unfairness by increasing the level of insurance compensation fund coverage for all future third-party motor claims from 65% to 100% for personal injuries, and to €1.22 million per claim to ensure Setanta Insurance and Enterprise Insurance third-party claimants are compensated in full. The other key element of the Bill is to require that the increased coverage be funded by a contribution to the insurance compensation fund by the motor insurance industry to cover this extra 35% as well as providing for enhanced governance and administrative arrangements.

It is important that we prioritise the passing of this legislation on our return in September, in particular to enable those who have settled their claims and have already received compensation from the insurance compensation fund to receive the balance of 35% owing to them. To Deputy Ó Cuív and anybody else who is listening, I am quite happy to pass this before the recess. If Members of other groups and the Business Committee want to conclude this I will do so with them, but I cannot do it on my own.

It should be remembered that only claims that have been settled can be included in any future applications to the High Court for payment from the insurance compensation fund, ICF. The settlement of claims is very much a matter between claimant and liquidator or for the courts, and it is something over which the Government has no control. In many cases I understand the process of settling claims is ongoing and subject in some cases to complex negotiation between all relevant parties. It is hoped, therefore, that by the State taking steps to ensure that third-party claimants are compensated in full, this will lead to an acceleration of the settlement of all outstanding claims.

I will speak to insurance in general and some of the areas touched on by the debate. No-

body used the most important word applying to insurance in Ireland today, which is “awards”. We had some conversation about claims but nobody mentioned awards. The Department of Finance has done work on awards and we are referencing them to our closest neighbours, the UK. The indications are that an award in Ireland, when compared with an equivalent award in the UK, is between three and six times as much. One does not need to know much about insurance to understand that if there is a high awards system, there will be a high premium system. It is as black and white as that.

The cost of insurance working group report was published in January 2017. Flowing from that was the Personal Injuries Commission report from Mr. Justice Nicholas Kearns and the report from the working group on the cost of employer and public liability. By the end of this year, we will have 26 from 29 recommended actions concluded from those reports. There will be approximately six actions not concluded that relate to the motor insurance report.

Mr. Justice Kearns in his report highlighted many important areas, including the progression of the updated book of quantum. The book of quantum is not what anybody might think an award should be for an injury but rather it considers the previous three years, averaging those awards. The reduction of the book of quantum is a matter for the courts, and if the awards are reduced, the book of quantum can be reduced. There was criticism to the effect that this Chamber does not set the awards but it does not have the authority to do that. Awards are civil matters between an individual and, most likely, an insurance company. If somebody is not insured, the process involves another individual or party. These are civil matters in the civil courts of this jurisdictions. These are the limitations. We made requests of the Attorney General and it in turn asked the Law Reform Commission to make an examination. We hope the Law Reform Commission will take this on and produce a large body of work.

I will turn to the comments of Deputies. A Deputy raised the matter of levies and we expect the 2% levy to be in place for four or perhaps five years. That will bring the total to €150 million. Subsequent to this, the opportunity exists to reduce the levy to 1% and take the amount up by €50 million to €200 million. At that stage we will have the opportunity to bring the amount to nil. We hope to do that in four to five years. A Deputy mentioned the PMPA levy but this was discontinued in 1991. A levy was subsequently reintroduced because of the Quinn Insurance liquidation and it has been in place since. The 2% levy is a matter for insurance companies, which can absorb it into costs or pass it on. It is not for us to tell them what to do, although I know what I would like them to do. It is a commercial decision for each insurance company.

I was asked if there is a long-term plan, and there is such a plan. This Bill is before the House and legislation relating to a national claims information database is to be published next week, to be taken by the Minister for Business, Enterprise and Innovation. We will have amending legislation for the Personal Injuries Assessment Board, PIAB, which will strengthen the powers of PIAB with respect to non-attendance at medicals and matters of that nature. We hope that will go to the Government next week for approval to be published. The Minister for Justice and Equality will bring forward the Judicial Council Bill 2017, with the Department considering the insertion of a provision for the training on assessment of personal injury damages. The Bill has been published but we are awaiting Committee Stage amendments and a date for that debate.

The Department of Justice and Equality is also considering the amendment of sections 8 and 14 of the Civil Liability and Courts Act 2004. The initial draft heads have been prepared to amend these very important sections and how they would interact with new data protection

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rules. If somebody has imagery, they are obliged to delete the footage within one month, but we are reconciling the time somebody has to retain the imagery. This relates to the time in which a party must be informed of a potential incident and be afforded the opportunity to save footage to aid defence in the future. Section 14 of the amended Act would allow a court to draw an inference from failure to produce a verifying affidavit within 21 days. If somebody does not do what is required, such as saving video imagery, inference can be taken against that party in court, which is very important.

A Deputy spoke about the implementation of a new section being required for revised matters relating to the criminal act of insurance fraud. We are satisfied the Act, particularly sections 25 and 26, is strong enough in this regard. The penalties are a €100,000 fine or prison or both. That is strong enough. If somebody wants to take a chance on insurance fraud or exaggeration, the sanction is sufficiently strong to deal with the matter. It has fallen down between a justice suspecting an element of insurance fraud or exaggeration and the correct pathway between the court, the Garda, the Director of Public Prosecutions and insurance companies. There is no correct place for the judge to air an opinion of fraud and call in gardaí to take a statement from the person sitting in court who is taking a chance on a one-way bet of insurance fraud for tens of thousands of euro. I am not saying that will happen but it is something that could happen if we get the pathway correct.

There are some other issues and I appreciate the indulgence of the Chair. There was mention of the Garda fraud unit being funded by the insurance industry. Deputy Doherty is opposed to this and in newspaper reports I note Deputy O’Callaghan, the Fianna Fáil justice spokesperson, has raised concerns about it. I have concerns about this personally. I came into this job 12 months ago and this was a recommendation. I outlined in the finance committee my concerns about it and how it was a matter to be discussed between the Minister for Justice and Equality and the incoming Garda Commissioner. Some people took complete offence at that.

I do not support the idea that an industry should pay a portion of the wages of gardaí. That is a personal view. I will try to implement the recommendation because it was concluded before I came into the job. I have an obligation to do that. However, at a personal level I have major qualms about any individual private sector funding any section of An Garda Síochána. The same view has been outlined by several other people.

There are other ways of doing exactly that. If there are other ways of doing exactly that, then we want to ensure we explore the opportunities and how we may put in place a correctly-funded Garda insurance fraud unit with a budget of €1 million – that is what Insurance Ireland has said it will do. It has said it will provide €1 million towards the section. I believe there are more appropriate ways of doing that. Having said that, I will try to progress it with the Minister for Justice and Equality, An Garda Síochána and the new Commissioner, when he takes up the position. We will take it from there.

As I have said, I am perfectly happy for the legislation to come through before the end of this term, if that is possible but I am unsure whether it is possible. If it is possible, then I am up for it and I would like everyone else to be as well.

The reality is that we have awards that are, on average, between three and five and a half times more than the sums awarded in the UK. We also have other awards that are even higher - these are outlier awards. Under the new Solvency II rules on capitalisation insurance companies are obliged to fund accordingly. If a person has a broken arm and there is an outlier award,

the company has to capitalise on the basis of that amount. This is what is really doing the damage. We have awards that are too high. We have exaggeration and fraud. That is a perfect storm for insurance and that is why the awards in Ireland are some of the highest in the world.

I wish to touch on the insurance companies quickly. The insurance companies tell us that it is all the fault of exaggeration and all the fault of fraud. As a result of these factors and the storms, including Storm Ophelia and Storm Emma, I decided to look into exactly how insurance companies deal with their clients or customers. Their customers buy their products and insure themselves with a given company. That examination is ongoing. I have met all the insurance companies in recent months. I am meeting the loss-adjusters and the brokers to try to learn more about the interaction between the individuals and the companies.

I believe this is a significant consumer protection issue. I have spoken with the Central Bank of Ireland and I have requested the views of the bank on the consumer protection side. The Central Bank is the regulator and it is the job of the bank to ensure that consumer protection is appropriate. I have asked for the views of the Central Bank on the matter. I have no wish to predict the outcome of the report before it is concluded.

There are other relevant areas and I have touched upon most of them. Deputy Scanlon said nothing was done for the hauliers. Three years ago there was a significant reduction by the Government at budget time on the haulier tax or tax on vehicles. That was very much welcomed so I do not accept the contention.

As I have said previously, I will look into company cars.

Deputy Ó Cuív mentioned that individuals who took out Setanta insurance were let down by the State. They were not let down by the State. The State is intervening to ensure that the amount of redress, which was to be 65%, would be 100%. We did not have to do that but we took the view it was appropriate and the correct thing to do. People bought insurance and adhered to the law of the land on insurance. The decision of the courts held that some people potentially would only be paid 65%. We took the view that this decision was wrong and not appropriate. This legislation is dealing with the issue.

I wish to put on record the reason there was a delay. Some Deputies may know already. Until 27 May, when the Supreme Court overturned the decision on the Motor Insurers Bureau of Ireland, the Minister for Finance was not in a position to intervene as the insurance industry, through MIBI, was responsible for compensation for third-party claimants in full. That was subsequently over-ruled by the Supreme Court. Once that was done, it was necessary to take legal advice and carry out an actuarial assessment on the matter. I understand that was not concluded until December of 2017. The following January it was concluded. In only a short number of weeks we made a determination that the right thing to do for those people who adhered to the law of the land was to ensure that they were fully compensated 100% and not only to the extent of 65%. That is what we are dealing with under this Bill. We are putting that into effect.

I appreciate your indulgence, a Cheann Comhairle. I imagine I have left out many aspects of this. If people want this to be done before the end of the session, the Business Committee can help me out. I imagine the finance spokespersons would facilitate that, as would I.

Question put and agreed to.

10 July 2018

Insurance (Amendment) Bill 2018: Referral to Select Committee

An Ceann Comhairle: In theory, the Bill is supposed to be referred to the Select Committee on Finance, Public Expenditure and Reform, and Taoiseach pursuant to Standing Orders 84A(3)(a) and 149(1).

Minister of State at the Department of Finance (Deputy Michael D'Arcy): I move:

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

An Ceann Comhairle: Having said that, if it is the case, given what Deputy Ó Cuív has proposed and what the Minister of State has said, that the House wishes to proceed otherwise, then we can ask the Business Committee tomorrow if it will consider finding some time in the remaining two days to progress the Bill through Committee and Report Stages. I assume that would have the support of all sides of the House and there will not be significant amendments. It might be possible – I cannot say otherwise – to progress the Bill in that way. Generally, that would seem to meet the requirements of everyone. In the morning we will ask the Business Committee to consider amending the schedule to include Committee, Report and Final Stages. Is that generally agreed?

Deputy Pearse Doherty: Yes, a Cheann Comhairle, it would be most helpful if the Business Committee could facilitate that.

An Ceann Comhairle: We will try. I cannot give an definite undertaking but we will certainly try to do that given the importance of what we are about. I thank all Members for their co-operation.

Question put and agreed to.

The Dáil adjourned at 10.50 p.m. until 10.30 a.m. on Wednesday, 11 July 2018.