



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

SEANAD ÉIREANN

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

Business of Seanad	878
Commencement Matters	879
Local and Community Development Programme	879
Hospitals Building Programme	881
Minor Works Scheme Applications	883
Road Safety	885
Order of Business	888
Visit of Slovenian Delegation	899
Order of Business (Resumed)	899
Death of Former Member: Expressions of Sympathy	903
Business of Seanad	914
Finance Bill 2017: Committee Stage	915
Business of Seanad	939
Finance Bill 2017: Committee Stage (Resumed)	939
Climate Action and Low Carbon Development Act 2015: Statements	951

SEANAD ÉIREANN

Dé Céadaoin, 6 Nollaig 2017

Wednesday, 6 December 2017

Chuaigh an Cathaoirleach i gceannas ar 10.30 a.m.

*Machnamh agus Paidir.
Reflection and Prayer.*

Business of Seanad

An Cathaoirleach: I have received notice from Senator Victor Boyhan that, on the motion for the Commencement of the House today, he proposes to raise the following matter:

The need for the Minister for Rural and Community Development to agree the terms of reference for the review of the local community development committees and to provide a timeline for its work and key recommendations.

I have also received notice from Senator Frank Feighan of the following matter:

The need for the Minister for Health to provide an update on the medical rehabilitation unit at Roscommon University Hospital.

I have also received notice from Senator Rose Conway-Walsh of the following matter:

The need for the Minister for Education and Skills to provide an update on the provision of minor works grants to schools.

I have also received notice from Senator Robbie Gallagher of the following matter:

The need for the Minister for Transport, Tourism and Sport to provide support and funding for the roll-out of a nationwide road safety roadshow.

I have also received notice from Senator Maria Byrne of the following matter:

The need for the Minister for Housing, Planning and Local Government to include Limerick in the pyrite remediation scheme.

I have also received notice from Senator Mark Daly of the following matter:

The need for the Minister of State at the Department of Housing, Planning and Local Government to clarify the terms of the circular issued on 15 November in light of his recent

6 December 2017

statements in the Seanad on councillors' terms and conditions.

I have also received notice from Senator Diarmuid Wilson of the following matter:

The need for the Minister for Justice and Equality to provide a new Garda district headquarters in Bailieborough, County Cavan.

I have also received notice from Senator Tim Lombard of the following matter:

The need for the Minister of State at the Department of Education and Skills to implement a protocol to ensure students repeating their leaving certificate have access to bus passes through the school transport system.

I have also received notice from Senator Fintan Warfield of the following matter:

The need for the Minister for Health to outline his plans to commence sections 2 and 3 of the Children and Family Relationships Act 2015.

I have also received notice from Senator Brian Ó Domhnaill of the following matter:

The need for the Minister for Housing, Planning, and Local Government to publish national guidelines for local authorities detailing how and when they respond to queries from local representatives.

Of the matters raised by the Senators suitable for discussion, I have selected the matters raised by Senators Boyhan, Feighan, Conway-Walsh and Gallagher and they will be taken now. I regret I had to rule out of order the matter submitted by Senator Mark Daly on the ground that it is a repeat of the debate on statements on councillors' conditions held on Thursday, 16 November and Wednesday, 22 November 2017. I regret I had to rule out of order the matter submitted by Senator Ó Domhnaill on the ground that the Minister has no official responsibility in the matter.

The other Senators may give notice on another day of the matters that they wish to raise.

Commencement Matters

Local and Community Development Programme

An Cathaoirleach: Cuirim fáilte roimh an Aire.

Senator Victor Boyhan: A Chathaoirligh, I thank you for selecting this item for the Commencement debate today. I welcome the Minister and thank him for coming to the House to address this matter. I welcome that the Minister has initiated a review of the local community and development committees, LCDCs. They are a very important aspect of local government. They are relatively new in that they have only been in existence for a few years, and it is timely, appropriate and right that the Minister should carry out a review. It is important that there be substantial input from the local elected members themselves, as well as the executive in all of the 31 local authorities. There are different views, perspectives and challenges, as well as different understandings of the function of the LCDCs and how they complement rather than

duplicate services. There will always be a tension between non-elected members and elected members in every council. I hear from some councillors that they feel there is a certain conflict with those whom they see as non-elected people. They may be community leaders and pillars within their own community but they are not necessarily political people with the democratic mandate county councillors have. This is presenting a challenge. However, this is not a bad thing. I welcome the contributions of civic-minded and active people in the community. That is really important but we must get the balances right.

There are also issues around the funding of the LCDCs. I refer to the transitional period for people who have come in from being community activists and who ultimately may wish to go on to seek election for any political party or none. Some people have had to stand down and with that, one loses continuity, experience and knowledge. In addition, there is always the ongoing challenge of funding. I thank the Minister for coming here. It is great and timely that he has initiated this review. However, we need greater clarity on the terms of reference for the review and its particular focus. I am also calling for a timeline for its delivery.

Minister for Rural and Community Development (Deputy Michael Ring): I thank the Senator for raising the issue. I will put my statement on the record but will also respond to one or two of the issues Senator Boyhan raised. I do not disagree with him.

My Department provides funding to support the development of the new local and community development governance structures introduced as part of the local government reform process, namely, local community development committees and local economic and community plans. LCDCs have been established in all 31 local authority areas and have responsibility for bringing about a more joined-up approach to local and community development in their respective areas. A primary function of LCDCs is the development of the community elements of the local economic and community plans. The plans seek to promote the local and community development of the relevant local authority area. They are the primary means through which the LCDCs will develop, co-ordinate and implement a coherent approach to publicly funded local and community development.

My Department is carrying out a review of the LCDC framework covering the themes of governance and structure, strategic efficiencies, participation and engagement and administrative support and development. LCDCs have been operational for three years. They have been involved in programme management and in the creation, adoption and early implementation of local economic and community plans. As the term of office for members is three years, LCDCs are also currently going through the first round of rotation of membership. In this context, a review of the structures is considered timely.

As stated in the terms of reference for the review, the purpose is threefold: to establish an understanding of the local community and development committee, LCDC, landscape nationwide, to identify opportunities for strengthening and enhancing LCDCs, and to make recommendations to build on existing strengths and to support the future development of LCDCs. The overall objective is to inform the ongoing development and strengthening of the existing structures.

A steering group, led by an external chair, was formed to oversee the review which commenced in October 2017. Members are drawn from my own Department, the Department of Employment Affairs and Social Protection, local authorities and the Northern and Western Regional Assembly.

6 December 2017

The review will culminate in a report outlining the key findings and conclusions and setting out recommendations for future development of the structures. The work of the review group is scheduled to conclude in the first quarter of 2018 with the report to issue soon thereafter. Further detail on the review can be viewed on my Department's website at www.drcd.gov.ie/local-Communitydevelopment-Committees-lodics.

I was looking at the make-up of the review board this morning and the Senator is quite correct. The one thing missing is someone from the community. Maybe we should also put someone in from the local authority. I will consider putting someone in from the community and from the local authority, as the people who are on the ground. The idea is to bring local democracy down to the ground. I do not disagree with the Senator about elected representatives, but at the same time I want to see people from all sections of society having an input to see what they want to do for their own areas.

Senator Victor Boyhan: I thank the Minister for that very comprehensive reply and the great clarity with which he delivered his response. The initiative of taking someone from local government and from community development is really important and will be a very welcome move.

Hospitals Building Programme

Senator Frank Feighan: I thank the Cathaoirleach for the opportunity to discuss another excellent project for Roscommon County Hospital and the west. The medical rehabilitation unit is one of three major capital developments planned at Roscommon hospital. The other two are an endoscopy unit, which is open and extremely busy, and a hospice care centre for which plans are progressing well. These three projects were agreed in 2011 between the then Minister, former Deputy and now Senator James Reilly, and the hospital's management and consultants along with the air ambulance unit after the downgrading of the emergency department. I am delighted that the National Rehabilitation Hospital in Dún Laoghaire has supported the development of regional rehabilitation services, including this €7.85 million project proposed for Roscommon hospital. I understand that people from the National Rehabilitation Hospital have travelled to Roscommon hospital for meetings to progress the design aspect of the project.

There is a clear demand for such a facility in the west. Almost a quarter of patients treated in the National Rehabilitation Hospital normally reside in the HSE west region which currently lacks a dedicated rehabilitation unit. The National Rehabilitation Hospital is the only comprehensive rehabilitation facility in the Republic of Ireland for patients with physical and cognitive impairments. The unit planned for Roscommon will operate as a satellite centre under the auspices of the National Rehabilitation Hospital and relieve pressure on existing services. It will also allow patients to be treated in their own communities.

The project will initially develop a ten-bed inpatient ward accommodation on a greenfield site on the Roscommon hospice campus. It is expected that another ten beds will be introduced on a phased basis. Geographically, Roscommon hospital is ideally located for this development as it is so central between the west and Dublin. I was delighted that the project took a significant step forward more than a year ago when the Minister, Deputy Simon Harris, confirmed approval for €1.5 million funding for planning at the official opening of the €6 million endoscopy unit at Roscommon hospital. I seek an update on this project. Once the rehabilitation unit becomes fully operational, it will create an initial 25 jobs and up to 50 jobs when all phases

are complete. These jobs are in addition to those created during the construction phase. I look forward to the Minister of State's reply.

An Cathaoirleach: It is as though Santa Claus is coming to Roscommon hospital.

Senator Victor Boyhan: After the National Rehabilitation Hospital.

Minister of State at the Department of Health (Deputy Jim Daly): A Programme for a Partnership Government places a particular focus on a number of key programmes and strategies, including publishing a plan for advancing neurorehabilitation services in the community. The national policy and strategy for the provision of neurorehabilitation services in Ireland for 2011 to 2015 made a number of recommendations for services for people with rehabilitation needs. The strategy also covered a range of supports, including clinical, therapeutic, social, vocational and community supports for these people.

The redevelopment of the National Rehabilitation Hospital, which is under way, will be a major enhancement to rehabilitation services in the country and will have a direct and significant impact on patient recovery by providing an optimal ward and therapeutic environment for patient treatment. This will enable staff to deliver optimal quality care and treatment in a facility which affords dignity, respect and privacy to all.

Roscommon County Hospital is a model 2 hospital within the Saolta University Health Care Group. It provides a significant range of hospital services to patients in the region, including extended day surgery, certain acute medicine services and local injuries services. It also provides a wide array of diagnostic services, including endoscopy, laboratory medicine, point of care testing and radiology, as well as specialist rehabilitation medicine and palliative care. Roscommon hospital plays an essential role as part of the Saolta Health Care Group of hospitals and will continue to do so in the future. We know that the future growth in health care will be in the areas of chronic disease management and day surgery, diagnostics and rehabilitation. The activity levels of model 2 hospitals, such as Roscommon County Hospital, will continue to increase over the coming years as these hospitals specialise in providing these services to meet the needs of their local populations.

The spatial plan for Roscommon hospital was approved in the first quarter of 2016, and the project team comprised personnel from both the hospital-clinical side and from estates. In September 2016, the Minister, Deputy Harris, announced approval for funding to progress the development of a specialist rehabilitation unit at Roscommon hospital to design-planning stage, in association with the National Rehabilitation Hospital. The project will deliver 20 beds and therapy suite accommodation.

The HSE has advised that the procurement process for the design team is ongoing and it is expected that the team will be appointed in the first quarter of 2018. The HSE also advises that the hospital is experiencing traffic congestion and parking difficulties, for which solutions will need to be addressed as part of the planning application process for the rehabilitation unit.

Senator Frank Feighan: I am delighted that the procurement process for the design team is ongoing and that it is expected it will be appointed in the first quarter of 2018. This cannot happen quickly enough. I worry that sometimes when the HSE is involved there can be blockages. We must ensure that there are no blockages and that this progresses as quickly as possible.

The HSE has also advised that the hospital is experiencing traffic congestion and parking

difficulties and that solutions will be addressed as part of the planning application for the rehabilitation unit. All the doomsayers over the years said Roscommon hospital would be closed. Now we have a problem with parking because the hospital is so busy. It has become a major employer. It provides employment for up to 400 people in a town of about 6,000 or 7,000. Roscommon hospital is busier and safer than ever. More than 400 people work there. My job as a public representative is about safeguarding the hospital's future and protecting local jobs and, most importantly, patient safety. Hundreds of people are alive today because of the air ambulance and what has happened in Roscommon over the past six years.

An Cathaoirleach: I am sure that Senator Feighan will get Senator Leyden to turn the sod.

Minor Works Scheme Applications

Senator Rose Conway-Walsh: I thank the Minister of State for coming before the House to take this Commencement matter. I did receive notification that the payment was in process in the case of the particular school on which I submitted a query regarding the minor works grant. I very much welcome it, but it raises the wider question of the desperate financial dire straits in which many small rural schools find themselves. Bangor Erris, the school that is the subject of the notice we submitted, is typical of most rural schools. There is little point in issuing IT grants, for example, if the school cannot be kept running day-to-day. The minor works grant should be mandatory and not dependent on the money left over at the end of the calendar year. This principal, like many others, was depending on the grant arriving in November. She feared that the school would not survive financially until January, when the first money of the capital grant is due to arrive, unless the school went into an overdraft position. She feels that she could not do this as she relies on fundraising as it stands.

Bangor Erris is typical of many small rural schools. It is parents and the people of the area who are effectively keeping the school solvent. The capital review 2016 to 2020 states in relation to minor works grants to primary schools that it is not possible to maintain school infrastructure without the payment of the minor works grant and an annual summer works scheme grant.

This principal, like others, is heading into December waiting for this payment, but the school still has to pay the cleaner, the secretary, the electricity, the fire alarm service bill, the oil, the refuse bins, the photocopier, the security alarm service and monitoring, and the rising cost of school insurance without basic financial support. This principal also cites France where the local council looks after all of these basic commodities and services for smaller schools. Forcing a small school principal to source and maintain these services is effectively asking him or her to be a teacher, a principal and an accountant, and to be a contractor. There is a feeling among principals of smaller rural schools that the larger the school, the more money that is available to support it. I know the larger schools have their financial challenges as well, but how does it make sense to give a teaching principal, with 26 pupils of four different class levels in the one classroom, 15 administrative days to do his or her work but give a principal with over seven colleagues and support posts a total of 183 administrative days? It does not tally up. Does the Government have a strategy for helping smaller schools, often with teaching principals, who are currently facing severe financial pressure and rising administrative burdens?

There is a feeling that the smaller the school and the more isolated it is in the area, the more financial constraints it is under. More and more of these schools are trying to teach multiple

classes across multiple disciplines. Primary school is hugely important for the education cycle of a child. If the schools continue to be starved of resources, it puts families under because they cannot afford to continually pay into what is supposed to be a free education system. It also puts teachers under pressure as they try to do their jobs and maintain everything that goes on in a school, dealing with home challenges and everything else, and try to teach children of different abilities. Having to worry about whether they can pay the bills or not is not acceptable.

Deputy Jim Daly: I thank the Senator for raising what is a very real issue for many schools and one that I understand very well. In a former life, I was a principal of a small school. I understand first-hand the difficulties in trying to manage the finances, keep a school afloat, the vagaries of the various funding models and the reliance on them. I heard a good line once when I heard somebody - I think from the INTO - say that we do not see the local gardaí having to do cake sales to run the local Garda station. There are challenges there.

On the minor works grant, I am glad to confirm that the Minister for Education and Skills, Deputy Bruton, announced yesterday minor works grants totalling €28.8 million. Schools have been notified and they will get the money in the next week. That will be welcome. I, too, like I am sure most politicians in the House, had a number of emails from principals in the past couple of days and weeks fretting about whether this money was going to come at all. When he announced the minor works grants in 2017, the Minister did confirm that he would be announcing them again late in 2018. From the Minister's perspective, it was flagged that it would be late in the year before they would be announced. That is how it has happened.

The importance of the minor works grant to schools, including smaller schools, is fully understood, notwithstanding the other significant demands on resources at this time. The rates payable under the minor works grant are €5,500 per school plus €18.50 per mainstream pupil and €74 per special needs pupil attending a special school or a special class. Schools can use the grant for a variety of school works, including improvements to school buildings and grounds, improvement or replacement of mechanical and electrical services, the purchase of standard furniture and physical education equipment, the purchase of floor coverings and window blinds, and the purchase of IT-related equipment.

I am aware that primary schools, including smaller schools, would wish to have certainty with regard to the availability of the minor works grant on an annual basis. This is an issue that will be reviewed in the context of the Department of Education and Skills long-term infrastructural planning and the level of resources available under the Government's ten-year public capital investment plan, which is currently under development. The demographic pressures at both primary and post-primary level mean that the Department's school building programme must continue to focus on delivering additional school places. In 2017, that building programme has successfully delivered almost 19,000 permanent school places, of which more than 13,000 are additional places, with the completion of 46 major school building projects.

I again thank the Senator for giving me the opportunity to outline the current position regarding the minor works grant 2017-18.

Senator Rose Conway-Walsh: I thank the Minister of State for his response. I am pleased that the announcement was made. I ask that the payments be expedited so that they get into the bank accounts of the schools as quickly as possible. Could it be considered for next year that the grant would be brought forward? Even if it was brought forward a month, everything would not be brought into the last couple of weeks when teachers are so busy with things like

school plays, rounding off the school year with tests and everything else that needs to be done at this time. If the grant was made available a bit earlier, it would ease that pressure. I also think that the funding of national schools needs to be really examined in terms of the resources put in and the value we get back. It is expenditure that we will get back a hundred times over if we provide a proper education for our children and take the pressure off parents as well who find this a very expensive time of the year.

Deputy Jim Daly: I take on board the Senator's point. It probably will be late next year and there is no point in pretending otherwise. It will be November or December before the minor works grants are paid next year. However, €77 million in capitation funding will be made available to all primary schools in January of next year. That should help considerably toward alleviating funding pressures on schools.

Road Safety

An Cathaoirleach: I welcome the Minister for Transport, Tourism and Sport, Deputy Ross, back to his alma mater. He is very welcome as usual. I call on Senator Robbie Gallagher. He has four minutes.

Senator Robbie Gallagher: I welcome the Minister to the House this morning. I acknowledge he is very good when it comes to attending Commencement debates that relate to his portfolio and I thank him for that.

Today, I would like to talk about road safety. I am conscious of the most recent horrible fatality that occurred a few days back. Our thoughts and prayers are with that family and all connected to them at this very difficult time.

In 2016, some 188 people lost their lives on Irish roads. In 2015, some 166 people lost their lives and of that figure, 45 were aged between 16 and 25 and 130 of them were male. We can only imagine the grief, the pain and the sense of loss that all those families continue to suffer. What is often forgotten is that for every road fatality, eight people are left with serious life-changing injuries. With this in mind, I compliment the gardaí in the Cavan-Monaghan division, and in particular Sergeant Tony Campbell and his team, for an initiative that they have undertaken for the third or fourth year in succession with transition year students in counties Monaghan and Cavan.

I was present at an event there last week which was attended by over 400 young people. The aim of this roadshow initiative was to appeal to young drivers to slow down and be more conscious of the rules of the road. It involved young people being presented with the stark realities of what happens from the moment a crash occurs until the road is cleared.

11 o'clock

Presentations were made on the day by Monaghan County Council's road safety officer, local gardaí, a paramedic, a consultant from Cavan General Hospital's accident and emergency department, an undertaker and a coroner. In addition, a mother who had lost her child made a striking testimony that clearly left a lasting impression on all the students. Those who were in attendance were struck by the real stories and experiences related to them on the day. This template, to which no cost is attached, should be rolled out across every one of the Twenty-six Counties. It would be beneficial for all young people. I firmly believe it should be rolled out. I would like the Minister to consult his Cabinet colleagues with a view to doing this. I do not doubt that we will see the benefits of it. This fantastic initiative would help to educate

people and reduce the number of fatalities on our roads and all the heartbreak and misery that goes with them.

Minister for Transport, Tourism and Sport (Deputy Shane Ross): I thank Senator Gallagher for raising this matter, which unfortunately is quite topical. I applaud his concern for road safety, which is one of my primary concerns in this portfolio. As he has pointed out, the death toll in this country is still horrific. I do not intend to use any clichés when I say that even though the numbers are coming down, all road deaths are completely unacceptable, unnecessary and absolutely tragic. I applaud the Senator for consistently raising issues of this sort in this House. I do not in any way want to discourage the splendid initiative to which he has referred. The question of whether the Government could fund it is a somewhat different one. I should say that the people of Cavan-Monaghan, the gardaí and everybody else should be encouraged in every possible way to pursue this initiative.

We should not always look to central government for everything. In other words, we have a strong Road Safety Authority, RSA, and - I hope - a strong unified message coming from all the political parties. Sometimes we favour different methods, and that is fair enough, but we are all part of the drive to reduce road deaths and to promote road safety. If there is a spontaneous voluntary effort in Cavan-Monaghan, Kerry or Donegal - it does not matter to me - we should encourage it. I am aware that the area Senator Gallagher is talking about is particularly dangerous. It is understandable that people in the area are deeply concerned about what is happening there. We should not stand in the way of local communities coming together and doing things spontaneously. This should not be done in a disorganised fashion, but in a way that raises the consciousness of people in local areas regarding the difficulties, danger spots and tragedies in those areas.

Part of the impetus from central government and the RSA, which is running a huge national campaign on an ongoing basis, is to raise national awareness of the tragedies that can and should be avoided and reversed, while also taking particular and specific measures. I believe the initiative mentioned by the Senator fits perfectly logically with that approach. Obviously, I will have to consult the RSA in this regard. Maybe it would be right for any issues or initiatives of this sort to be pursued in conjunction with the unstinting and relentless efforts of central government. The road figures to which the Senator has referred are not acceptable. No road death is acceptable. However, we should acknowledge that the numbers at the moment are down on last year. The reduction is not enough - nothing is enough - but it can be partly attributed to the increase in public awareness of the tragedy of road deaths and the prevention measures that are being taken by central government and local communities.

In delivering on its commitment to bringing road safety into all communities, the RSA has established a nationwide road safety education service. A team of dedicated road safety educators is available to travel to preschools, schools, colleges, communities and places of work to deliver established and effective programmes to everyone. The programmes tackle all elements of road safety including walking, cycling, travelling by public transport and being a passenger. They also deal with urban and rural transport issues and with safe road behaviour in general. As part of this service, the RSA has developed a range of materials that teachers can use to educate schoolchildren about road safety as it applies to all road users.

The Senator referred specifically to educating transition year students. The RSA has made several road safety education programmes available. All of these sustained programmes have been developed using a cumulative and evidence-based approach to learning and with the as-

sistance of education psychologists and the RSA education team. This year, the RSA piloted a new programme on road safety, known as Road Safety Matters, which is aimed at transition year students under the junior cycle short course. Another specific transition year programme, known as Your Road to Safety, promotes awareness, knowledge, skills and values which create a foundation for the development of safe road users. This programme is being substantially re-designed to reflect changes in the way young people learn. It will be available through a virtual learning environment in 2018.

The two main elements of the RSA's mobile roadshow are the shuttle and the roll-over simulator. The overall theme of the shuttle focuses on the main causal factors for road collisions and injuries, including drink-driving, non-wearing of safety belts, speeding and driver fatigue. Advertising and visuals that are placed inside and outside the shuttle communicate the core messages of road safety and invite visitors to learn more about their vulnerabilities as road users. This interactive unit is accompanied by a roll-over simulator, which continues to be highly effective in encouraging people to use safety belts. The simulator is a car body fitted to a rotating hydraulic platform. Participants sit into the simulator and experience a half or full rotation demonstrating how it feels to be in a car when it turns over in a collision and emphasising the lifesaving benefits of seat belt use in such circumstances. The main aim of the road safety interactive units is to give the general public and target audiences a chance to interact with various road safety campaigns and to spread the message about the importance of road safety.

Teams of fully qualified teachers deliver road safety education to all visitors to RSA roadshows. These teams are on the road throughout the year visiting schools, festivals and community groups, etc. The RSA's efforts in educating and communicating a road safety message are supplemented by local initiatives, often organised by local authority road safety officers and the Garda Síochána. The roadshow mentioned by Senator Gallagher is an example of a local initiative that the RSA supports through its attendance when it is invited to do so. While local roadshows perform a highly valuable service in terms of road safety education and awareness, I do not have any plans to provide funding supports to them at this time. There is no reason for anything other than full co-operation between those involved in such efforts and the RSA. However, we do not want to see some sort of competitive tension between them. We are all on the same side. Obviously, the RSA is doing a great deal of work in this regard. The initiative referred to by the Senator is extraordinarily valuable. I imagine those involved can co-ordinate with the RSA to get a visit from the simulator. In my supplementary remarks, I can give the House some figures with regard to how many schools have applied for such a visit, if the Senator wishes.

An Cathaoirleach: We are running behind time as a result of the Minister's comprehensive response.

Senator Robbie Gallagher: The Minister referred to the cost of this initiative. I assure him that little or no cost is involved in it. I acknowledge the Minister's contribution to road safety. I know he takes the issue seriously. Perhaps the Minister and the RSA could take a lead role in this regard. I cannot emphasise enough the impact of this event on the 400 students who attended it. I believe this worthwhile exercise deserves to be extended across the country. When the Minister came to this House in July for a debate on road fatalities, we discussed the N2 between Ardee, County Louth, and Castleblayney, County Monaghan. As the Minister may recall, there were three fatalities on this stretch of road the following day. Those who died were members of a family group returning home from holiday. Last week, on the same stretch of road there was another fatality where an elderly priest lost his life. These examples highlight

the dangers on that road. I know that the Minister is conscious of the dangers. I appeal to him to provide funding to address the matter in the interest of road safety.

An Cathaoirleach: The Minister has already given a comprehensive reply. I am sure there is a lot of food for thought in what Senator Gallagher has said and in what the students in Cavan-Monaghan are doing. I ask the Minister to consider what can be done for them. I wish him and every road user a safe Christmas because at this time of the year there seems to be a spike in terrible accidents. I wish to express my condolences to the family in Wexford who suffered an appalling tragedy. I thank the Minister and Senators for their comments.

Sitting suspended at 11.11 a.m. and resumed at 11.30 a.m.

Order of Business

Senator Paudie Coffey: The Order of Business is No. 1, Finance Bill 2017 - Committee Stage, to be taken at 1.45 p.m. and to conclude no later than 4.15 p.m., if not previously concluded, by the putting of one question from the Chair which shall, in relation to amendments, include only those set down or accepted by the Government; No. 2, statement by the Minister for Agriculture, Food and the Marine on the Climate Action and Low Carbon Development Act 2015, to be taken at 4.15 p.m., with the contributions of group spokespersons not to exceed eight minutes and all other Senators not to exceed five minutes; and No. 3, statement by the Minister of State at the Department of Housing, Planning and Local Government on the Climate Action and Low Carbon Development Act 2015, to be taken at 5.30 p.m., with the contribution of group spokespersons not to exceed eight minutes and all other Senators not to exceed five minutes.

Following the Order of Business, at 12.45 p.m. today, there will be tributes to the former Senator, Mr. Des Hanafin.

Senator Catherine Ardagh: While Brexit negotiations are under way, there are many other issues that the Government needs to tackle. Last night's "RTÉ Investigates" programme illustrated the lack of support for carers. Many of us are well aware of this, but it took a "Prime Time" programme to bring it to light for the general public and the political community at large.

There are 200,000 people dedicated to caring for their loved ones. Alarming, this figure is on the increase and 35% of those caring for loved ones are over the age of 85 years. This House held a debate on the ageing population and the lack of services, especially health care. This area is very worrying. These carers provide over 6.5 million care hours per week to the State, free of charge. They save the State millions of euro. A total of 9% of these carers provide full-time unpaid care with no breaks at all. Respite services are poorly funded or non-existent, especially for people who need 24-hour care.

The RTÉ programme showed some cases and we all know of examples. There were some heartbreaking stories and some lovely ones which showed people's humanity to their loved ones. That is not reflected in the State's care for its citizens. The programme introduced us to Jack Brennan, a gentleman aged 85 who is caring for his wife, Bernie. He would not put her in a care home because he loved her too much. We also saw Jacinta Walsh from Drogheda, who is caring for her 18 year old son who has autism. His name is Sam O'Carroll. Sam also has other conditions. His behaviour is unpredictable and he can be extremely violent towards her.

She has suffered serious assaults. There is no respite care available for that lady or her family. That is quite distressing and it is shameful that the State is not able to help her. I would like the Minister for Health to come to the House to outline exactly what he plans to do in respect of home care hours and respite services. Although this issue is not in the headlines like Brexit, it is part of people's daily lives and needs to be addressed.

Senator Victor Boyhan: The Minister for Children and Youth Affairs, Deputy Zappone, published the third interim report of the commission of investigation into the mother and baby homes yesterday. I will not go into the report, which is available for us all to read, but I have some concern at the suggestion that this work will not be completed until 2019. That is too long to wait for many women, given their circumstances, their desire to have the truth told, to share their experiences and to have what happened to them and their children acknowledged publicly by the State. The State was aware of this in many cases. Therefore, it is important that justice is delivered quickly for these people. Many of these women are in their later years and have spent their entire lives seeking justice, the truth and the opportunity to tell their stories, but most of all to be believed.

It is important to think of so many broken lives, broken families, broken dreams and aspirations for their loved ones. The State reneged on its responsibility to them and walked away. Families failed. There is no point laying the blame on any one side of our society because we know it involved families and institutions of the State. We need to show compassion and some understanding of these women who were betrayed, and give them justice.

I welcome the fact that the Minister is setting up a new collaborative forum with a strong voice for former residents but there have been many fora, discussions and promises and these people keep being let down. Time is terribly important for them. I acknowledge that the Minister has agreed that a United Nations special rapporteur be invited to Ireland to assist in responding to the issues relating to the mother and baby homes. That is positive too, but we cannot delay any further.

When preparing for Christmas, we can draw on the analogy of the Christmas story, we are asked to believe, and many of us choose to believe, of the vulnerable mother and her baby. That vulnerability is perhaps more raw at this time of year as we celebrate Christmas and the message of Christmas. My wish for these people is that they get justice swiftly and that they and their families and their babes, as they were then, get a hearing and get redress. We are told in the national newspapers today that the Government may consider redress but that is not good enough. People deserve redress and we must hold out hope for this. Parallel to these ongoing investigations and teasing out of the issues, I ask that the Government start to focus now on making provision for redress for these people.

Senator Colette Kelleher: I concur with Senator Ardagh-----

An Cathaoirleach: I would like to explain what I am doing now to deal with the numbers. The Civil Engagement group has a grouping of six and Sinn Féin also have six, so everyday I will alternate. The Civil Engagement group, CEG, will be up next now while yesterday Sinn Féin went first. Both groups will get the same - it is like tossing a coin. I am trying to be fair here. The CEG will get priority today and Sinn Féin will get it tomorrow, unless the numbers change. I just got an inquisitive look from Senator Conway-Walsh and she is of course entitled to inquire about this. That is what is happening then, and Senator Conway-Walsh is not being excluded.

Senator Terry Leyden: What will happen when the Leas-Chathaoirleach is in the Chair? Will he remember to follow this?

An Cathaoirleach: I am sure he will.

Senator Colette Kelleher: I concur with Senator Ardagh with regard to the situation facing carers that was so well documented and highlighted in last night's "Prime Time" programme. The CSO has produced startling figures on carers under the age of 15 and over the age of 85. This is a demographic time bomb, particularly when it comes to those caring for people with disabilities. These carers simply have been neglected by the official social care system and I support Senator Ardagh's call for some kind of response from the Department of Health. A home care system would go a long way towards sharing the care for these people, who are happy to care for their loved ones but do not want to, or indeed cannot, do so all by themselves.

The main reason I wish to speak today, however, is that I was delighted to launch yesterday the Transgender Equality Network Ireland's STAD: Stop Transphobia and Discrimination report, which was authored by Ms Jennifer Schweppe and Dr. Amanda Haynes of the hate and hostility research group in the University of Limerick. There is no doubt but that Ireland has witnessed a momentous shift in public sentiment towards some of the most marginalised groups in society. The Marriage Act 2015, followed swiftly by the introduction of the Gender Recognition Act in the same year, each provide evidence of a sea change in political and societal attitudes. I pay tribute here to Senator Warfield, who drew the focus of this House to the Gender Recognition Act 2015 earlier this year. I also recognise the work of the Leader, Senator Buttimer, in this area. The report launched by Transgender Equality Network Ireland yesterday is a stark reminder, however, that the work is not finished. Reading this report, I was struck by the very significant hurdles that remain to be overcome by many in the transgender community before they can enjoy widespread acceptance and inclusion. More disturbing still is the way in which some unforgiving people choose to express their own fears and insecurities, often in the form of discrimination, vandalism, and harassment. Some of the stories in this report would make one cry. There is no need for this kind of behaviour. Transgender people just want to be themselves. Over a two-year period a total of 62 transphobic hate crimes were reported to STAD from across Ireland, including very serious offences like rape; sexual assault; causing harm; and death threats. Transphobic language was used by the perpetrator in 40 of the crimes reported. This is no insignificant issue: there were 909 transphobic murders across the world in this period.

On foot of last week's debate on the Domestic Violence Bill, Members are aware that non-violence can very often turn to violence. This is something we must understand but not accept. The report details many incidents that might not amount to hate crimes *per se* but nevertheless constitute serious discrimination. One does not need to be punched or struck to feel sneered at and excluded and there is obviously a knock-on effect on people's mental health. We are talking about a small group of people and there is no need for them to be treated in this way. The Minister should come in to talk about what plans there are for the national LGBT inclusion strategy. I also would like to hear what he has in mind to address hate crime legislation. I ask the Deputy Leader to consider this request.

Senator Rose Conway-Walsh: I ask the Deputy Leader to bring in the Minister to tell us why the national children's hospital cannot be named after Dr. Kathleen Lynn. We hear again today of further nonsense around the name Phoenix and the possibility of being sued over this by an American hospital. I cannot understand why the hospital cannot be named after such a

wonderful woman as Kathleen Lynn. If I thought for one second that there was some reason for this then I would understand. My own colleague, Deputy Ó Snodaigh, wrote the Minister for Health months ago outlining the reasons why the children's hospital should be named after her so I now ask that the Minister come to the House and explain to us why this cannot be done.

I also want to talk about the plight of carers and I commend RTÉ on its broadcast on carers in crisis and the difficulties faced by those providing care in this State. When I hear Fianna Fáil talk about carers' hours and home help hours, I have to wonder why that party cut 32,000 hours from home help hours in County Mayo in one year alone when it was in government. I cannot understand it. The cumulative effect of taking home help away from the HSE; privatising it; and giving maybe three quarters of an hour, half an hour or even 15 minutes, is having a real impact on all of these carers. One in 20 people in this country is caring for a family member. That measure has to now be reversed. We have to go back and admit that what was done in this respect was wrong and needs to be reversed. There was no increase in home help hours allocated under the last budget. People are still being medically assessed as needing home care packages and yet not getting them. This is happening right across the country but it is particularly prevalent in rural areas. I now see that in County Mayo, applications for housing aid for older people are being refused because the carer is living with - indeed has to live with - the elderly person in question. This is an absolutely crazy situation because the requirements are now saying that that older person has to live alone. I ask the Minister to come to the House to clarify why it is that these things are happening.

When it comes to local authority heating grants, older people are being told that heating is not covered until the local authority grant and that they have to go to the Sustainable Energy Authority of Ireland, SEAI. They then go to SEAI only to be told that they are not covered for a heating grant because this or that particular box is not ticked. Elderly people, about whom we make platitudes time and time again, are being left in housing conditions unsuitable for them to live in, excluded from grants and denied the respite care and home help hours they need. If we really are genuine about trying to protect our elderly people and give them what they deserve, then this matter absolutely has to be addressed, not just after it has been highlighted by "Prime Time" but on an ongoing basis.

Senator Paul Coghlan: I greatly welcome this morning the announced expansion of Ballycroy National Park to include the wild Nephin area. This is a longstanding collaborative project between Coillte and the Department of Culture, Heritage and the Gaeltacht and will now provide for more than 15,000 ha of national parkland, making this one of the largest national parks in the country and a prime destination in which to experience nature in a pristine and wild landscape. Ballycroy is now even larger than our premier national park in Killarney. It will provide a crucial link from the Great Western Greenway heading north into Bangor Erris and Ballycastle, and will be a very important tourist hub. I also understand that new access routes will be developed and a public amenity plan put in place. This is a huge asset gain for the country and we can help to provide for and populate part of it with the native species of Kerry red deer. This too, I think, would be important. There are plans to curb the sika deer-----

An Cathaoirleach: Senator Coghlan might move up there himself.

Senator Paul Coghlan: I do visit it, in fact, and I also like to visit our other national parks in Letterfrack in Connemara, in the Burren and in Wicklow. I look forward to the park's further expansion and its future plans.

Senator Robbie Gallagher: I take this opportunity to invite the Senator to Glenveagh National Park where I am sure he will have a very enjoyable experience. At the outset I would like to pass comment on and pay tribute to RTÉ on the programme it broadcast last night. The programme showed very clearly that the carers of Ireland do not want to be listening to us trying to score political points against one another. They are looking for what they deserve, namely, recognition for the huge work they do. The quicker we get to that point, the better.

Today I raise the issue of returning emigrants. I am glad to report that 400 Irish citizens are returning home daily. That is something which we very much welcome. Unfortunately, many emigrants face difficulties and obstacles when they return. That is very regrettable. I recently heard from a gentleman who returned home to Donegal after 30 years in the US. He had an Irish driving licence before he left and while he was in the US he had a full licence with no penalty points and had no convictions while he was there. He told me the story of the difficulties he had. First, he cannot exchange his US licence for an Irish one. He went on to talk about the difficulties he has. After driving for 40 years he has to sit a theory test and do an Irish driving test. Another difficulty is that he lives on his own and in order to drive legally on the road, he needs to be accompanied by a qualified driver. He also has the additional difficulty of an increased insurance premium.

This is one of many examples of obstacles we put in the way of returning emigrants. That is very regrettable. Having 400 Irish citizens a week returning home is a nice problem to have, but there is job of work to be done to ensure that the transition they go through when they come home is as simple as possible. I ask the Acting Leader to bring this to Cabinet so that whatever obstacles are in the way can be put to one side in order to encourage more of our people to return home.

Senator Máire Devine: I want to make reference to the interim report of the Commission of Investigation into Mother and Baby Homes which Senator Boyhan mentioned. There has been a lot of mixed reaction and disappointment to the pushing out of this report. I have submitted a Commencement matter for tomorrow through which I hope we can explore this issue further.

I add my voice and that of this House to global condemnation of reports that the US President, Donald Trump, will today declare that Jerusalem is the capital of Israel. This is an extremely dangerous and worrying move. Israel's claim that Jerusalem is the complete and united capital of Israel is in violation of international law. The status of Jerusalem is one of the most sensitive issues in the region as east Jerusalem is the future capital of the state of Palestine, although it is still illegally occupied by Israel. A unilateral move by the US will have grave consequences for the Israeli-Palestinian peace process which is already on life support. I remind Members that in October 2014, this House formally recognised Palestine as a state. We cannot allow the US President, Mr. Trump, to undermine that.

Senator Gabrielle McFadden: Like everybody else, I was horrified by RTÉ's "Prime Time" last night. Jack Brennan looks after his lovely wife, Bernie. Jack is in his 80s and Bernie has spent 17 years in her current condition. He looks after her 24-7. One would have to be made of stone not to feel upset, or even to shed a tear, for him last night or to feel the same for the other carers featured on the programme. Carers care for family members at home for 6.5 million hours a week, saving this Government millions of euro. The number of people who are 85 years or older and are caring for their loved ones has increased by 35% in the last year.

One of the comments made last night was that the HSE should bring back its humanity. I think that was a very good point. Another lady said that we need to look at this because it could happen to any one of us at any time. I speak from experience as it happened to my family recently. We were in the fortunate position that there were several of us who could care for our loved one 24-7 but it is very difficult and very heartbreaking. One woman's carer's allowance was reduced to €8 a week because her husband had gotten a new job which paid more. This is just not good enough.

We need to have the Minister in the House at some point, whenever he is available, to have a debate about this, no more than we need a debate on the mental health budget. That budget is more than €1 billion a year and we do not know where it is being spent. I would like to know where the HSE is spending its money. Respite is vital for these people. Jacinta, who was on the programme last night, spoke of a house near her that is empty and available, staffed and ready, to which Sam could go so that Jacinta could have a break. The HSE will not pay for it. We need to have a debate. It should not be a debate in which we all stand up and express our horror and in which the Minister reads us a speech. It should be a proper debate in which we burrow down through the whole topic and find out where the money is going. I really believe that the least we can do for people caring for their loved ones at home is to give them respite so that they can continue to do the wonderful job which they do. They are not looking for something for nothing. They are entitled to some respite.

Senator Grace O'Sullivan: I completely concur with Senator McFadden. A debate on carers should take place and we need to burrow down into the reasons carers are not getting sufficient support.

Last week in this Chamber we heard statements from the Ministers, Deputies Denis Naughten and Shane Ross, on the Climate Action and Low Carbon Development Act 2015. Later today we will hear from the Ministers responsible for the Departments of Agriculture, Food and the Marine, and Housing, Planning and Local Government. Although I am grateful for the opportunity to have dedicated time to debate such issues in the House, I am concerned at the way in which the Government has engaged with the process to date. It has not been in compliance with the existing rules as laid out in section 14(4) of the Climate Action and Low Carbon Development Act. The statements we heard last week do not comply with the requirements of the Act. They did not set out the analyses in a structured fashion which would enable the Seanad to respond to them and evaluate the work of the Government and the Ministers, as is clearly the intention of the Act.

With this in mind, I communicated my concerns to the offices of the Ministers, Deputies Denis Naughten, Michael Creed, Shane Ross and Eoghan Murphy, last Thursday. I copied the Cathaoirleach and Senator Jerry Buttimer in the correspondence, which sought more satisfactory compliance during this afternoon's session. I have not yet received any response and I would like to raise this issue on the Order of Business to ensure that this afternoon's statements are not more of the same as last week.

Last year the Department of Communications, Climate Action and Environment summarised all of the contributions from the various Government Departments in a single 75-page annual transition statement document, a comprehensive single source for statistics relating to Ireland's climate action performance in the previous year. I ask that the Cathaoirleach request that the Ministers adhere to their obligations and inform the House of details of their Departments' performance last year in compliance with the Act. Will the Acting Leader inform me

whether a comprehensive study of the climate performance will be delivered to the Seanad and the Dáil as it was last year? In these circumstances I would like the Acting Leader to indicate when the Government will do so as we are coming to the end of the year.

An Cathaoirleach: I am sure the Acting Leader will deal with your request. The role of the Cathaoirleach is more that of a referee than an enforcer.

Senator Terry Leyden: I support the comments made by Senator Devine in respect of the serious situation regarding the possible announcement today that the President of the United States of America, Donald Trump, has decided to relocate that country's embassy in Israel to Jerusalem and to declare that city the capital of Israel, which is in total contravention of all agreements and previous UN declarations.

I have visited Jerusalem, a city that is shared by Jews, Catholics, Coptic Christians and Muslims - everyone. It is an international city. There is no logic to the decision by President Trump to relocate the embassy from Tel Aviv, which is accepted as the capital of Israel, to Jerusalem. It seems that the Americans will be looking for a site in east or west Jerusalem. The situation is inflammatory. I do not think the US realises what will happen in this regard. The proposed move will inflame the whole Middle East. All the adjoining countries are opposed to it. The Palestinians are treated so badly in Gaza and the West Bank. Israeli settlements are being built. It is so inflammatory at the moment. I support the Tánaiste and Minister for Foreign Affairs and Trade's statement today expressing his concern. He has contacted the US Embassy in Dublin. The more people who contact the embassy, the better to try to persuade the US President not to proceed with the decision to relocate the country's embassy in Israel to Jerusalem. I do not know if he realises the consequences of his actions but I have no doubt that they will be serious and that the decision will cause further conflict. All parties in Ireland support the two-state solution, with the Israelis and Palestinians respecting each other and eventually coming to some settlement. However, what is proposed will drive the process relating to reaching a settlement off the rails completely and lead to conflict in the region.

Senator Maria Byrne: I welcome JETPOWER to Shannon Airport. It is joining a cluster of international aviation services companies centred at the airport and is a great boost for Shannon and the mid-west region.

The Minister for Education and Skills announced the minor works scheme for primary schools yesterday. I welcome the announcement because I have recently been contacted by many schools that might not have had money to buy oil, replace light bulbs or bring in an electrician to deal with overhanging wires. These minor works grants are very important for schools, particularly at this time of the year when finances are at a low ebb. I encourage the Minister to announce that provision of these grants every year because the situation is somewhat iffy as to whether they are announced. This is something that needs to be looked at every year.

Senator Aodhán Ó Ríordáin: I congratulate the Tánaiste and Minister for Foreign Affairs and Trade on his strong statement to the US Embassy in Dublin regarding the proposed move of the US Embassy in Tel Aviv to Jerusalem. President Trump made what amounts to a classic feckless and irresponsible statement and the Tánaiste is to be congratulated on the swiftness of his response to the suggested recognition of Jerusalem as the capital of Israel. I understand that the Tánaiste is extremely busy at the moment but perhaps he might to come the House at the earliest opportunity in the new year to discuss Ireland's position regarding the Israeli-Palestin-

ian conflict and how we can be of support to him in his ongoing efforts.

As Christmas approaches, Dublin city centre gets very busy and traffic becomes a major issue. I wish to raise the issue of rickshaws. We are reaching a stage where we must consider banning these vehicles. They are causing untold potential danger to pedestrians, motorists, shoppers and revellers in Dublin city centre. They are completely unregulated. A report in the *Irish Independent* this time last year suggested that there was a level of drug dealing and drug transportation involving rickshaws. I respectfully ask the Leader to facilitate a debate with the Minister for Transport, Tourism and Sport as to how we can either regulate rickshaws or ban them outright because it is reaching a stage where we are only waiting for a serious accident to take place in Dublin city centre. I am quite sure that the situation is similar in other cities throughout the country. I ask that the Minister come to the House to deal with this issue, once and for all.

Senator Pádraig Ó Céidigh: I ask the Leader to invite the Minister for Communications, Climate Action and Environment to come to the House to explain the plans and strategies he and his Department have regarding social media and Internet-related problems. I noted that there was a good debate on this issue at a meeting of the Joint Committee on Children and Youth Affairs this morning. There are a few reasons why I am seeking a debate. I will provide some facts.

Figures for this year show that 89% of households are connected to the Internet. There are 3.4 million smartphones in Ireland. A total of 93% of those aged between 16 and 29 years of age use social networks while 60% of those aged between nine and 15 years of age use smart phones. There are significant problems with cyberbullying. We must make decisions and attack that. The large multinationals operating in our country are more than welcome but we need to create some disciplinary process because this is a huge issue. There is a major problem when people want to report cyberbullying. There is no proper monitoring. Cyberbullying gives rise to psychological intimidation, stress and anxiety and those who engage in it use fake names. The Harvard Business School conducted a study and found that there is a huge level of increased anxiety among young people purely because they are on social media. There is an onus on us to look after our people in every way we can, particularly in the context of new technologies. Those technologies come with pluses and significant minuses. We have a strong legal system that I support and that is based on the principle of someone being innocent until proven guilty. Right now on social media, someone is guilty, end of story.

In my youth, a journalist was somebody who wrote for a newspaper or appeared on RTÉ or other national media. Now everybody in the country is a journalist. That is very dangerous. I ask everybody in this House to come together and say that we need to change this for the betterment of our country and the integrity of connectivity going forward. Let us be leaders, as we have been in the past, in developing and implementing a proper strategy. This morning, I bought two advertisements for €20. I now have an advertisement relating to Senator Boyhan so that when someone carries out a Google search in respect of him - it is not yet true but it will be true in the next couple of hours - my name will come up. I have also decided to buy an advertisement under the name "Leo Varadkar" so that my name will come up. The reason I am saying this so strongly and why I spent €20 on it is because in the past six months I was contacted by 14 companies that informed me they had to buy their names back from Google. That is one of the ways Google makes its money. I contacted Google and asked what I could do about this. I was informed that all someone can do is outbid the other person to get the name or that of a company back. I am pleading with everybody here to help resolve this problem.

Senator Niall Ó Donnghaile: Ní raibh mé ag dúil leis sin ach táim buíoch as. It has been a frantic few days, as we can appreciate, regarding the negotiations on Great Britain's withdrawal from the EU. At the beginning of the deal and arrangement between the DUP and the Tories, many of us predicted that it would end in tears. In particular, some of the people who took great delight in telling Sinn Féin how they had to rush back into government with the DUP in Northern Ireland are starting to see the flavour and calibre of the politics one deals with when one has to deal with the DUP. The late Martin McGuinness showed exemplary political patience and leadership in lasting the ten years he did that, but sin scéal eile.

The purpose of my contribution is to ask for updates or statements from the Minister for Foreign Affairs and Trade on the current Brexit negotiations. I appreciate that negotiations are at a sensitive stage and neither I nor my party or any Member in this House would seek to compromise the Minister or the Government, but it is timely that we have statements from the Minister on the latest developments. He did that when the negotiations were taking place in the North and we all respected and adhered to the guidance he advised in terms of the sensitivities of those negotiations. It has been a considerable time since we had a proper update from the Government on Brexit in the House and the past 48 hours in particular warrant that.

As is my duty, I call on the Government to remain steadfast, as it has, regarding the defence of the Good Friday Agreement. It is mandated by the Dáil to negotiate for a special status for the North. As we all know and appreciate, and I say this not in a combative way, the North is not as British as Finchley. The Good Friday Agreement ensures that. Regardless of the internal dynamics playing out among the Tories and between the DUP and the various parts of Britain, what must be put front and centre is the defence of the Good Friday Agreement and the retention of Ireland in its entirety within the customs union, the Single Market.

Two weeks ago, I raised the issue of the bitter impact the unresolved issues of legacy are having on politics in the North. If the North is taken out of the European Union against our will, we will be left to the devices of the so-called British justice system. We will no longer have access to the European Court of Justice. In addition to all the political, economic and social ramifications we know about, that presents a dangerous potential for those of us in the North.

Senator Paddy Burke: I agree with my colleague, Senator Byrne, on the issue of minor works for national schools. There should be an annual payment for that to national schools because they are short of funding to carry out small works such as replacing light bulbs, broken windows and so forth.

I raise an issue that was brought to my attention recently but first I welcome the doubling of the acreage at the national park in Ballycroy, County Mayo, which will be a wonderful tourism asset to both County Mayo and Ireland. The park is bigger than Killarney National Park and almost as big as Wicklow Mountains National Park. Great credit is due to the Office of Public Works and to the Department of Culture, Heritage and the Gaeltacht for the outstanding work they have carried out.

I have asked the Department of Culture, Heritage and the Gaeltacht to investigate areas where it felt displacement of species has taken place because of developments throughout the country. It was brought to my attention that one objection to the erection of a wind farm in County Mayo concerned the displacement of the red grouse. Some of the farmers in that area have told me that the red grouse are resting under the propellers of the wind farm. I would like the Department of Culture, Heritage and the Gaeltacht to investigate that, along with the De-

partment of Communications, Climate Action and Environment. We have had many objections over the years to wind farms, road works and major developments throughout the country because of the displacement of various species, be they birds, snails or whatever. The Department should carry out an investigation now, draw up a report into the displacement of such species and determine whether they have returned after the developments have been completed or what is the position in that regard.

Senator Aidan Davitt: I suggest that before renewing all banking licences in the country, the Minister for Finance should liaise with the Central Bank and co-ordinate a plan of the facilities the banks are obliged to provide under their licences, which I would suggest they probably are not providing. I was horrified recently to hear a litany of abject neglect by the banking sector of its customers. As many people know, they do not want to deal directly with cash but I was shocked to hear that many hotels, supermarkets and public houses are now paying their staff in cash. I could not believe that. That is something one heard about 20 years ago. If one has a cash lodgement to make of more than €20,000, the banks will force one to use Securicor or some other security company to collect the money and pay the expense of that.

The banks are becoming faceless and the greater offenders are the ones we bailed out the heaviest during the recession. The banks owe their existence to the State. On renewal of the banks' licences, I advocate pressurising them into giving commitments to the services they are obliged to provide. I ask that we invite the Minister to the House to discuss the problem with the banking sector and the services banks are currently providing.

Senator Rónán Mullen: On the issue of carers, thousands of people are in need of care and thousands of people are giving care that sometimes is the subject of a carer's allowance but many more are giving unpaid care. Very often, they are the hidden heroes in our country. We have heard the figure of 195,000 people giving care but at a recent health committee meeting, I asked our health officials, recognising that money is not the only consideration but when services are costed it concentrates people's minds, whether the State can show the extent to which it is taking the interest it should take. I asked whether a financial value had been put on the unpaid care being given by so many people in the home, if one was to look at what it would cost to care for people in nursing homes who currently are being cared for at home, either completely by unpaid carers or by people getting the carer's allowance. It was very interesting that they did not have a figure for me. They said there was no good reason they should not have a figure and that perhaps it was something they should examine.

On the figure of 6.6 million hours of unpaid care being given weekly, in some cases by very elderly people and in others by minors, if we were to cost that at a basic €10 an hour, that would add up to €3.4 billion a year. That should concentrate minds. We need to step up the priority we give to the caring that is being done by thousands of people in our society. We are not appreciating sufficiently the work they were doing and if they were not doing it, there would be enormous extra demands and pressures on the State. I hope that will concentrate minds at the highest level in these days.

Senator Fintan Warfield: The move by the Government to rush through the Dáil a motion that integrates the Irish Defence Forces into the EU military apparatus under permanent structured co-operation, PESCO, is at complete odds with Ireland's neutrality. PESCO is about increasing military spending in the EU, increasing co-operation and collaborations between national armies and making them dependent on one other. The promises during the Lisbon II debate about not moving towards military integration in the European Union will now be

abandoned. The Government should not make promises it cannot keep and should keep every commitment it makes. The Irish people were sold a pup during the Lisbon II debate and the PESCO motion proves that such a move would be completely at odds with Ireland's neutrality. This motion will be before the House on Thursday. We need further discussion on Ireland joining PESCO and any decision in that regard should be deferred until there has been full scrutiny of this issue by the Oireachtas. Even a cursory investigation of the criteria and implications of PESCO would indicate it is not in Ireland's interest, militarily or financially. What is our response to a fractured world? Is it truly inclusive, a model republic, one that upholds and values neutrality? I would make the point to Senator Grace O'Sullivan that disarmament is a key element of climate action. Does the Minister for Communications, Climate Action and Environment, Deputy Naughten, or any of the Independent members of Government have anything to say about PESCO? I am urging those independent of Government to oppose this motion and to uphold Ireland's neutrality.

An Cathaoirleach: Before I call the next speaker, I would like to acknowledge the presence in the Public Gallery of a former colleague from lovely Leitrim, Michael Comiskey. You are very welcome.

Senator Jennifer Murnane O'Connor: I want to address the minor works grants scheme announced yesterday by the Minister. I have a Commencement matter due for discussion tomorrow, during which I had proposed to ask the Minister to explain the delay in this scheme but as I said it was announced yesterday. I am, however, unhappy with the timescale for grant provision. Some 44 schools will receive this grant next week, two weeks before Christmas. I believe this grant should be put on a statutory footing and provided annually. The flat rate grant is €5,550 increasing to €11,500, depending on the size of a school. This scheme is crucial and I welcome the announcement in this regard yesterday. However, I have been contacted by several schools that are urgently awaiting the grant in order that vital repair works can be undertaken. As I said, this is a crucial grant scheme for primary schools. During discussion on my Commencement matter tomorrow I will raise with the Minister the need for provision of this grant annually.

Senator Ned O'Sullivan: The Joint Committee on the Eighth Amendment of the Constitution is nearing the conclusion of its work and this day week it will submit its report and recommendations to Government for consideration. The committee has been very active and, in my opinion, every member of it has engaged fully with due diligence to the task in hand.

It will be up to the Government in the first instance to decide what to do with the report. The task of the committee was to examine the report of the Citizens' Assembly and, arising from that process, to make recommendations. There have been many allegations about the independence of the committee. There have also been strong suggestions of bias from the commencement of the process and particularly strong levels of criticism of the chairperson, our colleague, Senator Catherine Noone. I take this opportunity to reject outright suggestions of bias on the part of any member of the committee, particularly the chairperson. In my view, she has been outstanding in her application to the job in hand.

I ask that each Member of both Houses would study the committee's report over the Christmas and then make their input to Government with a view to a referendum being put before the people. It is important to remember that, at the end of the day, the people are sovereign. Whatever recommendations are made by a group, be that the Citizens' Assembly or the Oireachtas joint committee or by the Government, ultimately, the people will decide. I look forward to a

dispassionate and objective debate on the main issues without confrontation or unnecessary unpleasantness. We all have our own principles, beliefs and consciences. I respect every member of the committee and I would expect nothing less than their respect for my opinions and the opinions of others.

Senator Paudie Coffey: I thank all the Senators who made contributions on the Order of Business. I, too, acknowledge the presence in the Public Gallery of former Senator Michael Comiskey. I would also like to join the Cathaoirleach in offering sympathies to the families of those tragically killed in the terrible road traffic accident outside New Ross on Monday evening last. Lily Alexander and her husband, Doug, and their two sons, Doug Jnr. and Stephen, a family from the Chicago area of the US, had travelled to Ireland to attend a family funeral. This serves as a timely reminder to us all of the dangers of the roads as we approach the Christmas season. I note that the Minister for Transport, Tourism and Sport, Deputy Ross, was in the Seanad earlier to deal with a Commencement matter from Senator Gallagher on road safety. Again, I would like to be associated with the expressions of sympathy to the family and extended family of those killed who I understand reside in the US.

In regard to the Order of Business, many Senators, led by Senator Ardagh, and including Senators Kelleher, Conway-Walsh, McFadden, Grace O’Sullivan and Mullen raised the important issue of carers. I acknowledge the “Prime Time” programme last night which showed us the challenges faced by carers on a 24-7 basis. I come from a family that has cared for elderly relatives in the home for the past number of years. I know the challenges of caring for loved ones in terms of commitment and sacrifice. The Government and I acknowledge that more needs to be done for carers at home. In policy terms, there is a move away from institutions but with this comes further demands on community and home care packages. The Minister of State, Deputy Finian McGrath, is working to improve those packages in a comprehensive way.

In terms of the actions already taken by Government in respect of carers: €728 million has been provided for carer’s allowance and carer’s benefit this year; the Department will pay over €180 million to carers under the carer’s support grant scheme, which amounts to €1,700 for each recipient; and €147 million has been provided in 2017 for the domiciliary care allowance. Considerable improvements have been made for carers in recent years. However, I acknowledge that further improvements are needed. I will ask the Leader and the Minister of State, Deputy McGrath, to facilitate a debate in this House on the issue in due course.

Visit of Slovenian Delegation

An Cathaoirleach: I am sure Members will join me in welcoming a parliamentary delegation from the Republic of Slovenia, led by Dr. Milan Brglez, President of the National Assembly. On my own behalf, and on behalf of my colleagues in Seanad Éireann, I extend a warm welcome to them and good wishes for a successful visit to Ireland. I hope they have a pleasant time.

Order of Business (Resumed)

Senator Paudie Coffey: I, too, welcome our esteemed guests to Ireland.

Senator Boyhan raised the issue of the mother and baby homes commission of investigation and its extension by one year to enable it to investigate 14 former homes. I agree with the Senator that there is a lot of concern with regard to the victims and those who have suffered. The extension is being provided to enable indepth engagement with victims and their families to ensure that their personal experiences and stories are heard and properly taken into account. I agree with Senator Boyhan that compassion and justice must be to the fore of any investigation. I know that the Minister for Children and Youth Affairs, Deputy Zappone, is committed to a fair and just outcome to this investigation. As I said, the reason for the extension is to allow more indepth engagement. I understand that more people than anticipated have come forward. It is important for each victim and his or her family that their story is heard and properly investigated.

Senator Kelleher raised the issue of carers and she spoke about the Transgender Equality Network Ireland report launched yesterday and the importance of recognition for marginalised groups in our society. I agree with Senator Kelleher who paid tribute to all those involved in producing this report and the advocates for the LGBT community, including Senators Buttimer and Warfield. There is no doubt that challenges remain and that continued support is necessary. Senator Kelleher raised the question of hate crime legislation being required and a strategy for LGBT people. I will ask the Minister to come before the House on this important issue.

Senator Conway-Walsh raised the issue of the national children's hospital. She asked why it could not be named after a particular person, I think it was Dr. Kathleen Lynn. The Senator should put it down as a Commencement matter and bring the Minister to the House to respond directly to it. I do not know the details of the matter. The Senator also expressed her concerns about carers. It is a matter to which the House will return in more detail for statements.

Senator Coghlan welcomed the expansion of Ballycroy National Park in County Mayo, which has almost doubled in size. I recognise it is an issue close to the Senator's heart given his appreciation of local history and heritage, especially his experience with Killarney National Park. I agree that our heritage, history, tradition and culture is very significant in how we protect it and make it accessible for all to enjoy. Senator Paddy Burke also welcomed these very positive developments for Ballycroy National Park.

Senator Gallagher raised the matter of returning emigrants, a matter that is increasingly coming to the fore, especially as we approach Christmas when we will welcome many of our emigrants home for the festive season. I hope that many will stay here. We hear about the difficulties and obstacles which returning emigrants face. The Senator gave the example of the obstacles that a returning emigrant faces when renewing a driving licence in this country. We need a closer review of the issues and challenges faced by returning emigrants and I undertake to pass on to the Cabinet the need to review the issues and challenges that they face across the board. It is something to which the House could return in a further, wider debate on emigrants, the diaspora and that area.

Senator Devine raised the matter of mother and baby homes. She also condemned President Trump's proposal to make Jerusalem the capital of Israel. I note the Senator's serious views. I also note that the Tánaiste and Minister for Foreign Affairs and Trade, Deputy Coveney, moved immediately to object to President Trump's position and relayed this to the US embassy. Senator Leyden shared this concern, as indeed did Senator Ó Ríordáin.

Senator McFadden also raised the issue of carers and her very personal experience with a

former Member of this House, Senator Nicky McFadden, who we sadly lost. Our thoughts turn to people such as Nicky at times like this but we also remember the compassion and care which Senator McFadden and her family gave to Nicky during that very tough time in their lives. The carers issue is one to which we will return.

Senator Grace O'Sullivan has raised concerns about the Government's handling of the Climate Action and Development Act of 2015. Considerable time was allowed in the House this week and last to debate this issue with the various Ministers. The Senator will have an opportunity to seek assurance from Ministers that there will be satisfactory compliance with Irish obligations in climate action and development. There is no doubt that Ireland is facing serious challenges in climate action. We are behind the curve and all sections of society, from policy-makers, sectors and industries down to local authorities and citizens, need to change our mindset and how we think about climate action here if Ireland is to achieve the targets and objectives which we have set ourselves.

Senator Byrne welcomed a new company to Shannon and the mid-west. When new economic activity comes to the regions, it is something that is always welcome, and that is what this airport materials company will do for the mid-west. Senator Byrne and others raised another important point about the schools minor works grants. Senators Paddy Burke and Murnane O'Connor also spoke strongly on the need for these grants to be extended on a multi-annual basis. This is something with which I strongly agree as someone who spent eight years as the chairperson of a national school board of management. There is a level of uncertainty about these grants, and when the Minister next comes before the House to speak on education, we will ask that he speak on the area of sustaining facilities and infrastructure to ensure that we have appropriate primary, secondary and third level educational facilities for students.

Senator Ó Ríordáin also expressed concern about President Trump's proposal regarding Jerusalem. We will invite the Minister to the House to discuss the matter in greater detail. The Minister for Foreign Affairs and Trade is currently engaged in sensitive and critical negotiations on Brexit. The Senator also raised the interesting issue of rickshaws in Dublin. Those of us who reside here for a few days a week see the increase in rickshaw activity. The Senator proposes that they be banned and says they are unregulated, which is a fair point. It is something that the Joint Committee on Transport, Tourism at Sport could consider before bringing it back to the Seanad for wider debate. Alternatively, perhaps it is something that Dublin City Council might examine - Senator Ó Ríordáin will know more about this than me - through its strategic policy committee on transport, and come to Government with recommendations on whether the area can be regulated. I know that it concerns the Senator and many people who live in Dublin.

Senator Ó Céidigh is a forward-looking Senator and he referred to the new challenges in the modern world of social media and the Internet. I agree with him. Never before have people in Ireland been more accessible through social media and the Internet. People, including children, are accessible morning, noon and night. We need to look in a holistic and comprehensive way at how we manage social media and Internet interaction. The Internet is very positive in terms of communication, learning, and the platforms it provides us, but there are also challenges, including access to pornography, online intimidation and cyberbullying. These are serious problems. When we were growing up, if there was an issue with bullying in school, a child went home to the safety of the house and family, but now if a child is being bullied at school, that bullying can follow him or her over the Internet into his or her home and bedroom. I understand the Senator's genuine concerns. It is something that this House should look at and debate in more detail to see if a legal provision could be arrived at to protect those who are vulnerable

to cyberbullying, and the broader area of social media. I also note the Senator's points about advertisements and marketing. It is a new area of which many of us might not be aware. It is something that we should return to and I will ask the Minister for Communications, Climate Action and Environment to come to the House, perhaps early in the new year, for a deeper debate on the matter.

Senator Ó Donnghaile raised concerns about Brexit. He sought statements in the House and asked for the Minister for Foreign Affairs and Trade. I am sure the Senator will agree that the Minister is very involved in the critical and sensitive negotiations with our EU 27 partners and also the UK. I am sure that the Minister will be happy to come to the House at the earliest opportunity. I acknowledge all the support from parties and Independents for the Government position on Brexit at this critical time. It is important, and the Government has been clear from the outset about its position, that there should be no hard border between the Republic and Northern Ireland. It is adhering to that view strongly. We feel it is supported by the vast majority of all citizens, not only in the Republic but also on the island of Ireland. We are determined to find a resolution and a way forward. I wish the Taoiseach, the Tánaiste, and the Minister of State, Deputy McEntee, the very best in these negotiations in coming days. They will be very sensitive days indeed.

Senator Paddy Burke asked that the Minister for Culture, Heritage and the Gaeltacht be invited to the House to investigate the displacement of species due to infrastructural development. This is something we can do. The matter comes up frequently in planning applications and appeals. The protection of species is important but so is the development of this country in a sustainable and coherent way. An Oireachtas joint committee could discuss the issue in more detail. I will ask the Minister if she can make time to come to this House to discuss the issue in more detail.

Senator Davitt called for the Minister for Finance to come here to review how banks are issued with licences. He raised a number of concerns about the way banks have moved away from cash and claimed that many banks have become staffless and faceless. I understand his concerns. Indeed, a number of constituents in my area of Waterford recently raised serious concerns about cashless banking taking place in some towns and villages. I would ask the banks two questions. Is the banking system fit for purpose? Is it what our citizens need? We could examine the matter in more detail by either having an Oireachtas joint committee discussion or inviting the Minister to this House to debate the matter further.

Senator Warfield expressed his concerns about the motion tabled in the Dáil regarding the Permanent Structured Co-operation, PESCO, and whether the Irish Defence Forces might be integrated into a wider EU military regime. I wish to put the following on the record. PESCO has no implications for Ireland's military neutrality. The PESCO notification recognises the specific defence policies and constitutional positions of member states. It is important to note that the participation in any project under PESCO will be decided by each member state case by case. Therefore, PESCO would not impact on our traditional policy of military neutrality. I have no problem inviting the Minister for Defence to the House to debate the matter in more detail and to address the concerns that the Senator is quite entitled to raise.

Senator Ned O'Sullivan mentioned the work of the Oireachtas Joint Committee on the Eighth Amendment of the Constitution. All of the Members of both House who have sat on the committee and who I believe have the best of intentions reflect various perspectives on such a sensitive issue. We await the report with interest. There will be adequate opportunity for

all Senators to express their views about the report. I support what has been expressed by the Senator about the Chairperson, our colleague, Senator Catherine Noone. Allegations of bias have been made against her. I contend that anybody who knows her will know that she is a diligent Senator who is doing her work in the best possible manner. I believe that she is doing her work in a fair and unbiased way.

Senator Ned O’Sullivan: Hear, hear.

Senator Paudie Coffey: I look forward to reading her report.

An Cathaoirleach: Before I ask whether the Order of Business is agreed, I would like to acknowledge, particularly as a proud west Corkman, the presence in the Visitors Gallery of the All-Ireland debating champions from the Sacred Heart Secondary School in Clonakilty. The team is comprised of Ms Laura Walsh, Ms Maebh McCarthy, Ms Natasha Sutton and Ms Caoimhe Ní Súilleabháin. They are accompanied by their mentor, Ms Eileen Harte, and their principal, Ms Ann-Marie Brosnan. They are all extremely welcome here. I congratulate them and say well done. I have seven sisters. Three of them were educated and boarded in the school at Clonakilty many years ago and, therefore, my family made many trips to the school. I hope everyone enjoys their day in Leinster House. I see the group is being closely monitored by Senators Tim Lombard and Gerard Craughwell. I hope they look after the group well. I hope they have a safe return home and a happy and peaceful Christmas with their families.

Order of Business agreed to.

Death of Former Member: Expressions of Sympathy

An Cathaoirleach: Before I call the Deputy Leader and other Senators to make their contributions, I would like to pay my own tribute to the late Des Hanafin.

I extend a warm welcome to Des’s wife Mona, who was his pillar of strength over many years, and to his two children, Mary and John, both of whom are well known to us here in Leinster House. I also acknowledge the presence of Des’s three grandchildren whom I am sure he would be very proud of - MaryClaire, Darragh and John Jnr. I wish to express formally my sympathy to his family on their loss. Today, we have an opportunity to reflect on Des’s long life and pay tribute to him for his many years of public service.

Des was first elected to Tipperary County Council in 1955, which is many years ago and the year I was born. Des succeeded his father, John, who was also a Fianna Fáil councillor but who died in 1953. Thus began a long and distinguished career in politics.

In 1969, Des was elected to Seanad Éireann in which, with the exception of one term in the mid-1990s, he served until 2002, which is an extraordinarily long record in the Seanad. During almost five decades of elected office, Des made his mark as a politician of deep conviction and a promoter and defender of conservative ethics at a time when the values to which he was committed, and which until then had been considered mainstream, were being questioned and challenged like never before. He is perhaps best remembered in the public mind for the strength of his commitment to his positions on the constitutional proposals on abortion and divorce.

Des’s determination and fearlessness were evident in other spheres also. He will be remembered, in particular, for the courageous stand he took about fundraising issues within his own

party.

Long after his departure from national politics Des remained a familiar figure to all of us here in Leinster House. With Mona, he was a regular and popular visitor to this home from home in which both of his children were serving Members, and both with great distinction. Mary Hanafin is also a former Minister as well. I have had the good fortune of serving with both of the Hanafins in the Seanad and the Dáil.

Des's career serves as an example to a younger generation of politicians who, regardless of their political outlook, have much to learn from his tenacity and sincere conviction that underpinned his approach to public life. Des will be missed for his friendship, good humour and honesty by all of us here in Leinster House who had the privilege of knowing him. He will be sadly missed most of all by his wife, Mona, who was his lifelong friend, pillar and soulmate, his children, Mary and John, and his three grandchildren, MaryClaire, Darragh and John Jnr.

Unfortunately, I must chair another meeting of the commission that was postponed earlier so I will not be in the Chair to hear the full tribute paid to Des in this Chamber. I also acknowledge the presence of Deputy Jackie Cahill who is a proud Thurles and Tipperary man. I am sure that everyone will have a lot to talk about during the day. If I can get back here and leave the other meeting, I intend to return to conclude this matter.

I call Senator Ardagh to commence proceedings.

Senator Catherine Ardagh: I welcome the Hanafin family to the Seanad today. I am sure they have been here on many occasions. I welcome Des's wife, Mona, his children, Mary and John, his grandchildren, MaryClaire, Darragh and John Jnr. as well as Deputy Cahill to the Seanad.

We know that the late Des Hanafin gave 30 years of public service to this country. Like many of us, he followed on a tradition started by his father. Des's children held him in such high regard that they also followed on in his footsteps.

Des was born in Thurles, County Tipperary in 1930 and he married Mona Brady in Clonmel in 1958. He had two children who are present today - Mary Hanafin who is a former Minister and John Hanafin who is a former Senator.

Des was elected to North Tipperary County Council in 1955. He held the position of chairman of the county council in 1956. He was subsequently elected to Seanad Éireann in 1969 and held that position until 1992 when he lost by just one vote. Such a loss is very hard to take but ensures one works that bit harder for the next election. Des worked so hard that he was again elected to the Seanad in 1997.

Des held very senior positions within the Fianna Fáil organisation during that period and ensured the party enjoyed serious success nationally. For this, we are all very grateful. I learned from talking to Mary that one of her father's proudest moments was in February 2000, when she was a Minister taking legislation in this House. Her father, Des, was a Senator at the time and other Senators commented and remarked that the father of the House, Des, was also the father of the Minister. It was a lovely moment that Mary and her father were able to share. I spoke to other former Senators today, including Olga Bennett, who have very warm memories of Des Hanafin. Olga said she would like me to note them for the record.

6 December 2017

We know Des was also a much loved grandfather. The Hanafin family has made a huge contribution to public life in Ireland, which I do not believe will be stopping.

I am sharing time with Mary Hanafin's former constituency colleague, Senator Horkan.

Acting Chairman (Senator Ned O'Sullivan): There are no timeslots as such but we will allow that.

Senator Gerry Horkan: I am aware of some of the other people who have yet to make contributions, and I will try not to replicate what has already been said. It is very important that we acknowledge all of our visitors today, including Mary Hanafin, John Hanafin, Des's wife, Mona, and their three grandchildren, MaryClaire, Darragh and John, along with Deputy Jackie Cahill, who is here from Des's native Thurles. Carrying on from what Senator Ardagh said, I had a particular connection with Mary Hanafin who, like John, is a legacy of Des's great political involvement. When I was starting off as a councillor, Mary Hanafin was the local Deputy for a significant chunk of my electoral area, and she was also a Minister. I think I was the only councillor in the country with three Cabinet Ministers in his area because we had Seamus Brennan, Tom Kitt and Mary Hanafin, who were all together at the Cabinet table at one stage. It is a great tribute to Des that both of his children followed him into public life, as did his nephew Seamus, who served as cathaoirleach of Tipperary County Council last year and who is a serving councillor.

What some people might not be so aware of is Des was a past pupil of Blackrock College. He was a boarder there. He followed his three brothers to the school. He was very much influenced by his time there and by the ethos of the school. It was a huge influence on his values and beliefs over time. He found it particularly intriguing that when he went back to Blackrock in later years to canvass on behalf of his daughter outside the local church and in the general area, he met many other past pupils of Blackrock College. I was not aware of this until relatively recently.

Des had a very distinguished career in the Seanad. To be fair, he was also one of the youngest councillors and one of youngest cathoairligh of North Tipperary County Council as it was at the time. He was there before he was even 30. He spent almost 50 years in public life. A very small fraction of a vote was what lost him his seat on the one occasion on which he lost out, but he persevered and was back here for a distinguished period subsequently.

There will be other tributes to Des later and I do not want to take from other people's contributions. However, he was somebody who had his own difficulties and Mary certainly has acknowledged at many events that he had a difficult time with alcohol in his earlier years. It meant he was very non-judgmental. Even though he was very involved with the pro-life movement and the anti-divorce sentiment of the moment, he was not judgmental of other people. He had strong views, opinions and beliefs, but he understood people who disagreed with him and he did not judge them. It is always interesting and exciting in politics to have people who have very strong beliefs. One might not have agreed with his views, but they were there. He was passionate about the particular subjects with which he was involved.

Des was also a loyal member of Fianna Fáil. He was one of the few people left in the country who was elected to public life when Éamon De Valera served as Taoiseach. His father was one of the founders of the party. Des was a significant person who, after a particular era of fundraising in the 1960s, came in and, as a significant fundraiser, had a very much more open and

transparent way of raising money for the Fianna Fáil Party. He gave an awful lot to public life, national life, Tipperary and particularly to his family, Mona, John, Mary, his brothers and their families and his grandchildren, MaryClaire, Darragh and John. It is nice that we are honouring him today and that his family, along with their local Fianna Fáil Deputy, are all here to join us.

I thank the Cathaoirleach and the Acting Chairman for the fact we have been given an hour in which to pay tribute to a massive figure in public life. Very few people will ever make 30 years service in the Seanad. Des is one of the top ten Senators in the history of the State in terms of service. It is a record many of us would like to emulate but few of us, I am sure, will do so.

Senator Paddy Burke: I wish to be associated with the expressions of sympathy in respect of the late Des Hanafin. I welcome his daughter, Mary, his son, John, his grandchildren and his wife, Mona. I served in this Chamber alongside Des Hanafin from 1997 to 2002. I have to say, as Senator Horkan already indicated, he had very strong views. He represented County Tipperary to the best of his ability. He was very involved in local and national issues on behalf of Tipperary.

Des held very strong views. Those views were expressed throughout the length and breadth of the country over many decades. He raised those issues here without fear or favour and he was not afraid to raise any issue at any stage.

Des was a great Fianna Fáil person. He had a very long political career, serving as a public representative for almost 50 years. He must really have been a glutton for punishment because he contested nine Seanad elections. He went around the country from 1960, with no phone, driving poor cars, no communications and maybe a few envelopes. It was a great achievement to contest nine elections and to have served Seanad Éireann for 30 years. Before that, he was elected to serve on North Tipperary County Council.

As Senator Horkan said, Des Hanafin's father was a founding member of Fianna Fáil. Des had a great association with Fianna Fáil, going back to the foundation of the party. That was carried right through and into this Chamber and he was followed here by his son, John. I well remember serving with John in this Chamber and I recall Mary, in her various ministerial capacities, coming here on numerous occasions over a long period. The Hanafin family has given great service, not just to Tipperary but to the country as a whole. It has shaped the history of this country over half a century or maybe a century if we take account of Des Hanafin's father.

As already stated, Des was a great contributor in this Chamber over many years. People took heed of what he said and they listened to his words. He was a strong individual and had a very strong voice. We have all benefited from his strength over the years. I offer my sympathies to his wife, Mona, to Mary and John and to his grandchildren.

Senator Rónán Mullen: Des Hanafin was a colourful, talented and sophisticated man. It was an honour and pleasure for me and many other people to know and encounter him. He had a major influence on Irish politics, particularly, but not exclusively, in the 1980s and 1990s through his support of the pro-life movement and his defence of marriage for its importance to family life and social cohesion. What Des Hanafin promoted and defended in Irish political life may be well known, whereas why he did it is, perhaps, less so. It is now common to decry the connection between faith and politics and to suggest that the inspiration of spiritual convictions is a poor basis to form ideas about policy and law.

That analysis does not hold up logically. Everybody, after all, has a faith in something,

whether materialism or a higher power that shapes how they view things. There is also the fact, uncomfortable for some, that most of the change makers for good in our history, however, seem to have been motivated by some higher spiritual purpose. One thinks of William Wilberforce whose struggle against slavery drew its motivation and sustenance from his faith in an all-powerful, loving answer to the riddle of the universe. Mahatma Gandhi, Mother Teresa, Pope John Paul II, Martin Luther King - the list is endless. In his own time and place, Des Hanafin chose a hard road of defending ideas and values that enjoyed widespread support among ordinary people but even then had many opponents in mainstream media and in the emerging new elite of Irish political and cultural life. To his enormous credit, he did not, as other politicians may have done, instrumentalise faith or faith-inspired social policies to boost his own political standing or electability.

Des had already made it as a politician long before. He did so at a very young age indeed. He was born into, and grew up in, a Fianna Fáil family in Tipperary, the sort of household that played host to rebels like Frank Ryan and Peadar O'Donnell and, as others have said, he was educated in Blackrock College. He left early and at 21 years of age was chairman of Tipperary County Council. Starting politics so young he could recall the founders of the State when they were in their prime. Legend has it that he had physically to restrain Dan Breen from finishing off a man who had brought a legal action against them both. When asked about the incident later in life, Hanafin shrugged his shoulders and said maybe he should have let Breen have his way. I do not know whether that story is true, but it is a good one and one that he would have enjoyed telling.

Des had made it and made it early in politics but it was with the transformation of his life through the grace that flowed in the restoration of Mona's health and his own triumph over alcoholism that there came a new set of political priorities. It was that sense of egalitarianism he always had. He said of attending Blackrock College that they were the best years of his life, the only time when everyone was equal and given the same treatment. That sense of egalitarianism blossomed in his championing of the dignity and the rights, for example, of unborn human beings. He and others saw the way the wind was blowing internationally in the courts and legislatures of America and Europe and they saw that what was happening was no basis for a just society. His opposition to divorce could easily be caricatured now as an unthinking defence of a law rooted in the State's strongly Catholic identity of the 1930s, but a law which undoubtedly had its roots in Catholic influence had by the 1980s and 1990s acquired a whole new social coherence of its own. Des Hanafin, William Binchy and others were not appealing to confessional self-interest or to some tribal loyalty but to a broad understanding of the common good and the rights of children in particular. At a time when many of the professional defenders of children's rights went missing or worse, they were concerned about how the change in divorce laws might impact on attitudes to marriage, commitment and the needs of children, and they were not proved wrong.

No politician is bereft of ego. One cannot succeed in politics without a certain self-belief, and the better politicians have a sense of theatre and performance. Des had all of those things in spades, but it took a certain death to self, a certain denial of ego, to embrace values that one knew would be good for society but which would also involve personal suffering, misrepresentation and, at times, vilification, especially when, as in Des's case, he had a taste for the bohemian life and he had very good friends in that world. He had been a pal of The Dubliners and many great musicians, and Senator Warfield may have some of that to recall. The 1965 Feis Ceoil was held in Thurles, largely in the marquees and main buildings of Des's Anner hotel.

He had a good voice. I heard it on occasion and he was well fit to stop and chat with buskers because, whether it was a Taoiseach or a busker in the street, Des had the same interest in them. He would often sing along with the buskers and would be known by them. He had personal friendships with Luke Kelly and many others.

Des also became a personal friend of Pope John Paul II. He and Mona were both honoured by Pope John Paul II, himself a giant political figure in many ways when one thinks of his impact on the fall of the Iron Curtain. Des, being a great storyteller, was able to tell of one of the many occasions when he met the late John Paul II when the Pope actually spoke of Tipperary. He said that the Pope said that soldiers going to war used to sing a song and he repeated what he heard with a bar of “It’s a Long Way to Tipperary”. I do not think any other politician in Irish history would have an anecdote like that but that was Des Hanafin. He would have known Mother Teresa as well and he would have enjoyed the respect of those people for his principled and courageous approach to politics on issues in which he really and truly believed. He was willing to pay the political price for his values. We know that he lost his seat by a very narrow margin but later recovered it. He would have appreciated how in his song “My Way”, Frank Sinatra sang that he “took the blows”, but in keeping with another Frank Sinatra song, “That’s Life” he would have appreciated how “You’re riding high in April, Shot down in May” but are “back on top in June”. That was Des’s political and business story.

As a sane and sober man, with old world values and charm, Des could make people’s day. He made the day of a friend of mine when I brought her to hear him speak at a meeting. He complimented her on her fine brown eyes, and it was entirely appropriate and gallant. It was a million miles away from the seedy selfishness of a thousand political and entertainment celebrities about whom we are learning with horror these days. Des knew his accomplishments. He was not above rolling down the window of a car and asking a taxi driver how he had done on television the previous night or it might have been how his Mary had done on the previous night because he was deeply proud of his family and of the achievements of Mary and John. Talent, as they proved, did not skip a generation, as it is sometimes alleged to have done with others around here, but for his wife Mona, who was honoured as he was by the Pope, it cannot always have been easy for her to have this larger than life figure in her life. Her greatness and impact on Des’s life and the lives of many other people is well known. We sympathise with Mona, Mary and John and all the family on their loss but we also thank them for his great service to the common good. Ar dheis Dé go raibh a anam.

Acting Chairman (Senator Ned O’Sullivan): I thank the Senator and it is a sign of Des’s great popularity that there are so many here with a lot to say. I ask speakers to keep an eye on the time.

I acknowledge and welcome the presence in the Gallery of another Tipperary representative, Deputy Mattie McGrath.

Senator Mark Daly: I will share time with my colleague, Senator Clifford-Lee. To Mona, John, Mary, MaryClaire, Darragh and John Jnr., I extend my sincere sympathies. They can be extremely proud of Des Hanafin. Conviction politicians are very hard to find. I am sure he would be delighted to be here now, fighting the good fight again on behalf of the pro-life movement. Des fought many battles. I saw a statistic recently in a battle against the Advertising Standards Authority for Ireland. It concerned an advertisement by the pro-life campaign saying that there are 100,000 people alive today because of the ban on abortion. That is a legacy. He fought for that ban. I am sure he would be proud that the ban and the pro-life provision is still

in our Constitution. It is there because of him and the campaign that he led.

Des was a sincere and honest conviction politician, a great statesman, and a great Irishman who loved all things Irish. He set a huge example and it was followed by Mary and John in their public service. It is not often that we have great examples of families following in the footsteps of their fathers and mothers into politics because people see the wear and tear on their father or mother and decide to avoid the life at all costs, yet he set such an example that his children embraced it. He was lucky to have Mona because she was his rock, like the Rock of Cashel. She was lucky to have him. I sympathise with her on the loss.

Senator Lorraine Clifford-Lee: I will keep my tribute brief because I know many Senators wish to speak and we are limited on time. I will not repeat what has already been said but I would like to extend my sympathies to Mona, John, Mary, and Senator Hanafin's grandchildren, whom he adored. Unfortunately, I did not know Des personally but I am aware of the very proud tradition in his family in respect of the Fianna Fáil Party. Des continued this tradition from his father and passed this love of politics, Fianna Fáil and country on to his children, Mary and John, and his nephew, Seamus. This commitment to public service has been the hallmark of the Hanafin family who have contributed an enormous amount to Irish public life.

I would briefly like to mention Des's battle with alcoholism and his successful overcoming of the disease. Des's battle and his speaking publicly about it gave many people hope and the courage to face their own demons. He will always be remembered for that. I extend my sympathies once again to his family.

Senator Kieran O'Donnell: I want to be associated with the comments in respect of the late Des Hanafin. I welcome his family: his wife, Mona; the former Minister, Mary; and the former Senator, John. As a fellow Munsterman from north Tipp, I acknowledge that Des Hanafin was a political institution. Whether people agreed or disagreed with him, he was a man of conviction. That is really the hallmark of a good politician. The fact that he served for 30 years in Seanad Éireann is testament to his staying power and his popularity across the spectrum. He was liked by all, whether people agreed or disagreed with his views. He was very involved in Thurles and north Tipperary. As a Munsterman, as someone who admired his way of holding to his convictions, regardless of whether people agreed or disagreed, and as someone who would have known him through his family, I want to join with my colleagues in paying tribute to the late Des Hanafin and in welcoming his family to Seanad Éireann.

Senator Fintan Warfield: Ar mo shon féin agus ar son Shinn Féin, ba mhaith liom mo chomhbhrón a dhéanamh le clann an iarSheanadóir Des Hanafin a fuair bás i mí an Mheithimh. On my behalf and that of Sinn Féin, I extend my sympathy and condolences to the family and loved ones of former Senator Des Hanafin following his death in June. While in many instances my politics are the mirror opposite of those held by Senator Hanafin, his almost 33 years in this Chamber show a significant commitment to public life and duty, which should be admired. I share the privilege of having served as a mayor or cathaoirleach, in my case I was 21 whereas Des was 22. There is probably no better example of his service than his children Mary and John who went on to have distinguished careers in national politics.

While I was waiting to speak I was recalling the pure excitement and buzz of Mary's ministerial visits to my primary school, St. Louis in Rathmines. Senator Des Hanafin retired from the Seanad in 2002, leaving this Chamber with the honour of having been Leader of the House. In conclusion, I extend my sympathies to his children, Mary and John, to his loving wife, Mona,

and to the Fianna Fáil Party. Ar dheis Dé go raibh a anam dílis.

Senator Diarmuid Wilson: Like my colleagues, I am delighted to join in the tributes to the late, great Des Hanafin. In doing so I welcome his wife, Mona, his daughter, Mary, his son, John, and their families to the Chamber.

As has been said, Des succeeded his father, Johnny Hanafin, on North Tipperary County Council in 1955 and went on to be the youngest council chairperson in Ireland for the following four years. He was elected to this House in 1969 and retired from it in 2002. The fact that he was here for almost 30 years places him, as Senator Horkan has suggested, in the top ten people who have served in the Seanad since 1922. That is a great distinction and a great honour to have.

One of his most famous political contributions to the Fianna Fáil Party was having been director of elections in the 1970 by-election, during which he was the director with responsibility for Donegal town. That resulted in him achieving a phenomenal result for the party in Donegal town, so much so that it brought him to the attention of the then leader of our party, Jack Lynch, whom he continued to serve with loyalty until Jack's death. He had the excellent help of his wife, Mona, nee Brady, who I believe has Cavan connections, in his many election campaigns. They divided the country up between the two of them. As a matter of fact, on one occasion I understand that Des almost achieved two quotas and they regretted that the two of them had not run for the same panel on that occasion so that they could have served together in this House. Mona is the only member of the family who, as of yet, has not been elected to the Oireachtas, but I would not rule it out.

Des was a dogged campaigner for the issues which mattered most to him, particularly the protection of life during pregnancy, but he was at all times respectful of the views of others. This won him respect from all sides of the House. He was the last remaining public representative of those who were first elected under Éamon de Valera as Taoiseach. His children, Mary and John, and his nephew, Seamus, continue his legacy in politics and service to their communities to this day, with the encouragement and assistance of their mother, Mona. While Mary and John are both taking a short respite from these Houses, I have no doubt that they will both be back with us soon. I acknowledge the presence of Deputies Jackie Cahill and Mattie McGrath in the Gallery with the Hanafin family. I will sum up by saying that thousands lived, and still live, because Des Hanafin lived. Ar dheis Dé go raibh a anam dílis.

Senator Victor Boyhan: First, I welcome Mona, Mary, John, Mona and Des's grandchildren, and Deputies Mattie McGrath and Jackie Cahill. It is always said that one can judge people by their friends and the company they keep. I can honestly say that has always been my experience of the Hanafins. They have always been joyful, positive people who bring added value to life's experiences through their company in both their political life and their social, community and public life. I acknowledge that because it is important to say.

I was thinking yesterday about when I first met Des Hanafin. I met him in the company of the great P.V. Doyle in the Burlington Hotel in the early 1980s. I was only 20. We were having a debate about politics. I met him again many years later in the late 1980s after a lot of kerfuffle in Fianna Fáil. It was interesting that someone had said that Des was loyal to Fianna Fáil. Of course he was loyal to Fianna Fáil, but he was never blind to political faults in anyone, including those in Fianna Fáil. To me that was the measure of the man's integrity and standing. When I met him the second time it was at the time of the foundation of the Progressive Democrats by

Des O'Malley in the late 1980s. I remember him saying "Be not afraid", which always struck me as his credo. That was his strong and continuous belief. I met him many times after that. He was always saying "Ah, it'll all settle. Be not afraid." I thought it was a very courageous line - a very simple but very powerful line.

I pay tribute to Des but also to John, who has done an enormous work in local government and who previously served as a Senator, and to Mary, who was a great colleague and friend of mine and who has done amazing things, with children and education being the two areas that stand out. Having been personally involved in child welfare, I can say that I have not met anybody who is more caring and compassionate about an equal start in life for children or about education. She did enormous pioneering work as the first Minister of State with responsibility for children and produced a strategy for children in Ireland. I acknowledge that. Clearly, John and Mary's great love of people comes from their father and mother. There is no question of that because their work in political life - some people might see this as a criticism but I see it as something very positive - defines them. They do not draw a distinction between their beliefs, their education, their standing or their political lives - they embody them. They are what they are. There is no other side to them, which is something that comes about only rarely in politics.

Des was an honest and outspoken man but he was never bitter. He was always kind. They are the words I want to go out from here today - "honest", "outspoken", "courageous", "never afraid", "always decent" and "always kind". He left a very special mark here and I know he left a very special mark on his family. If we have to do anything about the legacy of people, it is to live that legacy and carry their aspirations with us. We do so proudly and we never hide our beliefs or convictions, particularly in the context of the roles we play in our communities. I genuinely look forward to seeing both John and Mary not only in this House but in the Lower House in the future. I hope to see both of them back here. I also look forward to seeing Mona, an elegant and beautiful lady, in the future. It is great to see her here looking so well and it is great to see her family.

Senator Brian Ó Domhnaill: I am honoured to have this opportunity to reflect on the life and times of the former Senator, Des Hanafin. He was a truly remarkable gentleman and a man of great integrity, fortitude and spirit. His legacy can perhaps be best summed up by *The Irish Times* headline "Des Hanafin: conviction politician who opposed the liberal agenda" over a piece by Stephen Collins on Thursday, 22 June 2017.

Des was a member of Seanad Éireann for more than 30 years. Perhaps his greatest legacy was the championing and promoting of the constitutional ban on abortion, which was passed in a 1983 referendum. The eighth amendment of the Constitution is Ireland's original life equality amendment. Notwithstanding the abortion legislation of 2013, the eighth amendment provides the last remaining protection for the unborn child in Ireland.

Des Hanafin was born in Thurles in 1930 to John, or Johnny, Hanafin, a draper and newsagent, who served for many years as a Fianna Fáil councillor. Des married Mona Brady on 28 August 1958. Remarkably, their two children, Mary and John, went on to serve in the Oireachtas as a Deputy and Senator, respectively. Mary, a current councillor in Dún Laoghaire-Rathdown, is a former Cabinet Minister. Today, I wish to use this opportunity, to again sympathise with Mona, Mary and John on their loss.

Des had a strong connection with my own county of Donegal. That connection began in 1970, when he acted as Fianna Fáil director of elections for the Donegal town area during the

by-election in the Donegal-Leitrim constituency that year. Des forged lifelong friendships during the course of that campaign with many of the people in the Donegal town area. Interestingly, that by-election was won by the Fianna Fáil candidate, Dr. Paddy Delap, 47 years ago last weekend.

Des Hanafin had a vision which recognised that if western civilisation collapsed, a brutal and pitiless world would replace it. He also recognised that this civilisation's very survival now hangs on its ability to rediscover Christian truths and the values on which it was founded. He was a man of immense integrity who totally disregarded self-interest and self-gain and who always served the nation and the common good. His courageous work both within the Oireachtas and beyond it provided a beacon of light, hope and courage not only for his generation but also for the generations that followed. The renowned Irish statesman, Edmund Burke, laid great emphasis on the transmission of values from one generation to the next and referred to a partnership not only between those who are living, but between those who are living, those who are dead and those who are yet to be born. One often wonders how many of us feel part of such a partnership? Clearly, Des Hanafin did. His work illustrated that fact. Indeed, the work carried out by Des is perhaps best encapsulated by the words of Edmund Burke to the effect that all tyranny needs to gain a foothold is for people of good conscience to remain silent.

Today, with western values and western civilisation caught in a pincer movement between radical Islam and hollowed-out secular liberalism, the ideals and courage of people such as Des Hanafin have never been more required. However, while Des may have gone to his heavenly reward, it is up to us to carry on his legacy and work and to ensure that we can live in a country and world where the foundation of our beliefs should not be diluted into some form of empty, secular, liberal narrative in a world where things disintegrate and where the centre cannot remain intact. The hollowing out of our institutions and our loss of identity are leading to a crisis of civilisation. All around us we hear the distress calls but too often, we remain silent to avoid jeopardising our economic or political interests. Des Hanafin did not take the silent path.

Des Hanafin's courage, determination, honesty and significant contribution to Irish public life can be summed up by a quote from the third President of the United States, Thomas Jefferson, when he said "In matters of style, swim with the current; in matters of principal, stand like a rock." Ar dheis Dé go raibh a anam uasail.

Senator Jennifer Murnane O'Connor: I would also like to pay my respects to the late Des Hanafin. I extend my sympathies to his wife, Mona, his daughter, Mary, his son, John, and his grandchildren. Listening to the previous speakers, it is obvious that there is so much respect for the late Des Hanafin. I met him briefly but there are things I remember as a child. He was a Tipperary man, as was my father. I always remember my father saying "He's a diehard Fianna Fáiler or "He's a Blueshirt through and through." He was a real Tipperary man. I always remember my father saying that. There are always things one remembers. We also have the Carlow connection. The Frenches in Carlow are first cousins of mine and the other side would be cousins of the Frenches, so they would have been down in Carlow on a regular basis.

I will always remember Des Hanafin as a very spiritual man. He always had a presence in a room and people listened to him. This speaks volumes about a really good person and a very good politician. Previous speakers mentioned the fact that he spoke so vocally about pro-life issues. That was not easy back in the day, but Des Hanafin always made his mark, which is another thing for which I will always remember him. For his family to have three members serve in the Oireachtas is such an achievement in itself. They are here today to honour a man who

be will remembered. Des Hanafin will be remembered. In 30 years' time, his name will come up and people will say "Oh, I remember him. He did great things." We sit here and we pass legislation. Des was here for 30 years and his family can be very proud of the fact that he has made such a difference to the people of Ireland.

Senator Robbie Gallagher: Cuirim fáilte mhór go dtí an Teach roimh Mona agus a clann uilig. Tá mé cinnte go bhfuil siad iontach bródúil as saol Des. I welcome Mona Hanafin, Mary and John Hanafin and the grandchildren of Des Hanafin to the House this afternoon. I also acknowledge the presence of Deputies Cahill and Mattie McGrath. I am sure the Hanafin family can be very proud of the legacy of Des. He made a huge contribution, not just to Irish life but also to Fianna Fáil. He served for almost 30 years in this House, during which time he contested nine elections. I can only imagine how difficult it was to drive around the country years ago, when there were no motorways or satnavs. Many in this room will know that it is difficult enough to find councillors at the best of times, but I cannot imagine what it would be like without motorways and satnavs. I am sure that Des is looking down here today and is very proud of the fact that his family continue to carry the baton of political life, through Mary and John, and indeed Seamus in Tipperary. The Hanafin family will forever be carved into Irish history, for all good reasons, and I am delighted to have the opportunity today to sympathise with Mona and the family. I am sure that this time of year is difficult, but they can rest assured that Des and the Hanafin family will always be held in very high esteem, not just in this Chamber but indeed throughout the country.

Senator Paul Daly: I also welcome Mona, Mary, John and the grandchildren of Des Hanafin, and I acknowledge the presence of Deputies Cahill and Mattie McGrath. While I did not know Des personally, I am sure I have relayed a story about him to many people in this House on many occasions. My grandfather died in the late 1970s and I was farmed out to live with my grandmother. I have yet to meet a more passionate Fianna Fáil woman, the Lord be good to her. If one was a Fianna Fáil public representative, one was the blue-eyed boy or girl in her eyes. However, human nature being what it was with her, there were also some individuals whose eyes were a little more blue than others, and I remember Des Hanafin as being one of those. I have stated on record that it was probably through those formative years of living with her that I ultimately ended up here. My passion for and interest in politics was formed by my grandmother and her beliefs, as well as her love for Des Hanafin among many others.

Without rehashing all of the kind words that have been said, one way of explaining Des and his contribution to Irish society and politics is to say that he was an extraordinary ordinary man. I extend my sympathies to the Hanafin family. I told my story about how my love for politics and my party started and so I also sympathise with the larger family that is Fianna Fáil. We also have lost one of our rocks.

Senator Ned O'Sullivan: I too am pleased to pay my small tribute to the great Des Hanafin. I extend my warmest welcome to Mona, Mary, John, MaryClaire, Darragh, John junior and the two Tipperary Deputies who are with us here today. Des Hanafin is a legend in Irish politics, and in particular is a legend in Fianna Fáil history. He came from a good, strong, republican Tipperary background, and that informed him throughout his political career. I saw a photograph of him as a small boy sitting on a drum at a Fianna Fáil rally. There was a band playing and he is absolutely identifiable; he did not change one bit in the intervening half century. I associate him with the great names of the early days of Fianna Fáil. I know that he was not in the original front rank during the War of Independence because he was not alive then, but he was very much in the tradition of de Valera, Lemass, Frank Aiken and Jim Ryan. I am

sure that even non-Fianna Fáil people would accept that they were great patriots. Des and his generation were the first generation that had to try to live up to the achievements of those freedom fighters and there is no doubt but that Des Hanafin fought a great fight for his country, his county, his party and his beliefs, both political and personal.

I knew Des and had the privilege of being able to vote for him as a young county councillor on two occasions. It is slightly ironic that I subsequently was elected to the Labour panel, for which - if my instinct is correct - a Hanafin will run on the next occasion. I hope that I can make some small contribution to John's election campaign by not running myself. I think that is the best thing I can do for him. I wish him well, and wish Mary well. People talk about political dynasties, and often use the term disparagingly, but anyone active in the political game has the highest of respect for people who were born into political households and feel the need and call of duty to continue in that. It takes great resilience for families to stick it out. There are ups and downs and over a long time, it is not possible to be winning all the time. At the moment there is no Hanafin in the Oireachtas, but I believe that could change very dramatically in the next 12 months and we may have a Hanafin in both Houses. I look forward to that prospect.

It was a great honour for Des, when he was father of the House, to have Mary, as a young Minister of State, come in to address this House. It must have been a great joy for them both. I had great regard for Des for many reasons but when most of our erstwhile colleagues retired from the Oireachtas and subsequently dumped on the Seanad when presented with the opportunity during the referendum, Des was one of the very few former Members who came out strongly and campaigned against the abolition of the Seanad. Many of his colleagues disappointed me at that time, but Des was four-square behind the Seanad because he realised the value of it to the body politic in Ireland.

It has to be said that Des had strong principles, which one would have to admire. He was also a man of great compassion and even though he held the strongest principles - especially on the big question of abortion - I never read anything by him that was hostile, confrontational or unpleasant to people who did not share his opinion. That is a wonderful thing, and as we are facing into the next round of that great battle, I hope the wisdom and passion that Des displayed will obtain throughout the debate and people will respect one another's divergent views. Everybody has an opinion and everybody tries to do what is right according to his or her own lights.

I often think that Des's compassion came from an addiction that I share with him, because I believe that when one goes through that type of thing, one thinks outside the box much more and becomes more passionate for their fellow men. When I was at Des's funeral mass and heard Mary saying that he had not had a drink for 50 years, something changed inside me. It inspired me greatly and I am clinging to it. I am sure that many other people in my fix would share that.

It is a privilege to be here today to remember Des Hanafin and to remember the great days of Fianna Fáil. Without wishing to be political, I hope those days will come back to us, as long as we are inspired by people like Des Hanafin.

Members rose.

Sitting suspended at 1.40 p.m. and resumed at 1.45 p.m.

Business of Seanad

6 December 2017

Senator Kieran O'Donnell: I propose the suspension of the House until the conclusion of the division in Dáil Éireann.

Acting Chairman (Senator Diarmuid Wilson): Is that agreed? Agreed.

Sitting suspended at 1.46 p.m. and resumed at 2.10 p.m.

Finance Bill 2017: Committee Stage

Section 1 agreed to.

SECTION 2

Question proposed: "That section 2 stand part of the Bill."

Senator Rose Conway-Walsh: This section provides for cuts to the universal social charge, USC, and income tax that amount to €335 million. These are being made at a time when we have a housing emergency and a health service that is creaking at the seams. These are political decisions and many people are quite gobsmacked by them. The national newspapers have repeatedly covered the concerns regarding multinationals in Ireland. They do not discuss tax, but rather the housing supply and the quality of life here. This focus on tax, especially on the marginal rate, is a smokescreen. One only has to look at the Paradise Papers to see that the super-rich will try to avoid paying any tax. Does the Minister of State accept that Ireland is a low-tax country? Does he accept that the greatest threats to our economy are infrastructure issues and that the greatest contributor to our regional imbalances is the lack of investment in the regions and in rural Ireland? It is not a marginal tax rate.

Minister of State at the Department of Finance (Deputy Michael D'Arcy): I have had this conversation with the Senator on multiple occasions. I disagree with her view. People have heard me say many times, both here and in the other House, that the major adjustment in Irish society is the income tax take. According to the figures up to the end of November 2017, the income tax take is €18.3 billion to date. That is with a month to go until the end of the year. As the Senator has heard me say on multiple occasions, the low point was a take of €11 billion and the expectation is that we will clear €20 billion in 2017. That has been the major adjustment and I do not apologise to anybody for giving a little bit back to working people on the lower income thresholds. I disagree with the Senator completely on that. An extra €9 billion has been collected in income taxes and the Government proposes to give a couple of hundred million euro back to the people on low and middle rates of pay. I do not see how Senator Conway-Walsh and Sinn Féin, who purport to be on the left and to support people on low pay and the like, can disagree with that.

Regarding regional imbalance, everything that I have done since I have gone into the job I am doing in respect of financial services has been to promote the regions and rural Ireland. The last three companies with which I have been involved in securing jobs were YapStone in Drogheda, MetLife in Galway, and Prudential in Letterkenny. We are doing enough to reduce the regional imbalance and improve the regions as best we can. It is the position worldwide that most companies want to go to the cities. We are trying to work against the headwind on that and are being successful. Perhaps we are not as successful as some people may like but there absolutely has been a change. I must disagree completely with the Senator on the income tax

take in this country.

To conclude, this is a high-tax economy. The two areas where taxes are low are the pay-related social insurance, PRSI, take and the wealth tax, that is, property tax. Again, as Sinn Féin is opposed to any changes in those, the Senator needs to have a look at her figures and at her psychology in choosing the areas to have high taxes, not at ours.

Senator Rose Conway-Walsh: I disagree with the Minister of State. What is the point in somebody saving a few euro on USC when they cannot get the treatment they need in a hospital or when they are lying on a trolley? I am not sure from where the Minister of State is getting his impression of the investment that is needed in rural Ireland but there are people who cannot get out of their houses because there is no investment in roads. There has not been investment in broadband so lots of jobs are lost and we lose the tax income from those jobs. I am not going to change the Minister of State's mind but psychologically, he really needs to consider investing in the infrastructure that people badly need. They often need it to save their lives, apart from anything else. I am not saying that we should not give back to people and certainly people on lower incomes desperately need everything that they can get but we cannot-----

Deputy Michael D'Arcy: The Senator disagrees with that.

Senator Rose Conway-Walsh: At this particular time, we cannot give tax cuts to people. If one asked any people on the street whether they would prefer tax cuts or investment in vital public services, they would choose vital public services.

Senator Kieran O'Donnell: Sinn Féin must not have read the actual section of the Bill. The section basically takes people on lower income, earning between €18,772 and €19,372, out of the USC net. I thought Sinn Féin purported to represent the small man, the person that is under pressure. The income tax take has doubled since 2011. Ordinary people who are looking to rear their children and pay a mortgage need a break. There is extra money going into the economy through capital investment. They are not mutually exclusive. We cannot have a situation where we are taxing people to the hilt. Someone earning below the average industrial wage is now paying nearly 50% of the extra euro they earn. We cannot burden people to the extent that they cannot function.

Senator Rose Conway-Walsh: We cannot have people-----

Senator Kieran O'Donnell: There is an illogical-----

Senator Rose Conway-Walsh: We cannot have children living in hotels.

Senator Kieran O'Donnell: Someone needs to point out to Sinn Féin that it is not reading the amendment. If it is purporting to look after people who are under pressure, how can it oppose this measure? The USC was introduced as a wartime tax. It is a penal tax because it is taken off gross income. Sinn Féin needs to understand what is being proposed.

Senator Rose Conway-Walsh: We understand.

Senator Kieran O'Donnell: We need to bore into the reality of the abstract statements Sinn Féin is coming out with. Senator Conway-Walsh represents County Mayo and I represent County Limerick. Sinn Féin wants to tell people on low incomes who are trying to educate their families and pay their mortgages that they will not get any USC relief at all. It believes the money is needed for something else. Those two positions are not mutually exclusive. Sinn

Féin needs to realise it cannot tax people to an extent that makes it burdensome to work. We need to get people back to work and put in place an environment that takes the burden off them. I suggest that Sinn Féin and its advisers should read this section of the Bill. I do not think they have read it to date.

Senator Gerry Horkan: We are dealing with section 2, to which no recommendations are proposed. Sinn Féin is opposing the tax cut proposed in section 2. It has proposed recommendation No. 1, which we will consider when we reach section 5. This recommendation would provide for a tax cut. Sinn Féin cannot propose tax cuts in its recommendations while opposing tax cuts under a different section of the Bill. It was determined in Fianna Fáil's confidence and supply agreement with the Government - the agreement is primarily with Fine Gael, as the substantial part of the governing arrangement with 50 out of the 58 seats - that there would not be a 50:50 split. It might be argued that this would have been Fine Gael's policy in the absence of the confidence and supply agreement. In fact, the split has been closer to 3:1 than 2:1 in favour of service provision rather than tax cuts. That is in the Finance Bill because it was agreed with my party when it signed up to facilitate the minority Government. Sinn Féin cannot say it does not want tax cuts, while also wanting tax cuts, more services and everything. We would all love to have no tax and buckets of services. There is a balance to be struck. I think that is what this section is trying to do.

Senator Rose Conway-Walsh: There is lots of confidence, but there is no supply. There is certainly no housing supply for the thousands of children who will be living in hotels this Christmas.

Deputy Michael D'Arcy: I have to dispute that again. The budget that went through the Dáil is giving the largest ever quantity of money - €15 billion - for the public side of health. A further €6.5 billion is being provided for the private side of health. When both figures are added together, it is clear that our expenditure of €21.5 billion on health for fewer than 5 million people is one of the highest *per capita* rates of health expenditure in the world. If there are issues with the health sector, the quantity of money is not one of them. If Senator Conway-Walsh was as focused on the other issues and as prepared to highlight them as she is to have a go at what we are doing here to try to give some small amount of money back to the working middle, maybe she would be doing a better service to people on low to medium pay.

Question put:

The Committee divided: Tá, 26; Níl, 10.	
Tá	Níl
Ardagh, Catherine.	Bacik, Ivana.
Burke, Colm.	Conway-Walsh, Rose.
Burke, Paddy.	Devine, Máire.
Butler, Ray.	Higgins, Alice-Mary.
Byrne, Maria.	Mac Lochlainn, Pádraig.
Clifford-Lee, Lorraine.	Nash, Gerald.
Coffey, Paudie.	O'Sullivan, Grace.
Coghlan, Paul.	Ó Donnghaile, Niall.
Conway, Martin.	Ó Ríordáin, Aodhán.
Craughwell, Gerard P.	Warfield, Fintan.

Daly, Paul.	
Davitt, Aidan.	
Feighan, Frank.	
Gallagher, Robbie.	
Hopkins, Maura.	
Horkan, Gerry.	
Leyden, Terry.	
Lombard, Tim.	
Mullen, Rónán.	
Murnane O'Connor, Jennifer.	
O'Donnell, Kieran.	
O'Mahony, John.	
O'Sullivan, Ned.	
Ó Céidigh, Pádraig.	
Richmond, Neale.	
Wilson, Diarmuid.	

Tellers: Tá, Senators Tim Lombard and John O'Mahony; Níl, Senators Rose Conway-Walsh and Fintan Warfield.

Question declared carried.

Sections 3 and 4 agreed to.

SECTION 5

Senator Rose Conway-Walsh: I move recommendation No. 1:

In page 9, to delete lines 18 and 19 and substitute the following:

“(a) In paragraph (a), by substituting “€1,400” for “€950”, and

(b) In paragraph (b), by substituting “€1,400” for “€950”.”.

This recommendation seeks a €450 increase in the self-employed tax credit. It will always be difficult to match PRSI with the self-employed but we believe this increase would be a start in that regard. Fianna Fáil may suggest this is favouring tax cuts over spend on services but the self-employed have little access to health services. I ask the Minister of State to give favourable consideration to this recommendation.

Deputy Michael D'Arcy: In this Finance Bill, the Government has provided for an increase of €200 in the earned income credit to bring up to the value of €1,150 per year. This €200 increase provides a significant benefit to small business owners across the country, including retailers, publicans, farmers and tradesmen. It is estimated that the credit will be of benefit in approximately 151,600 cases next year, 2018. In view of the limited resources available in budget 2018, and all of the competing demands for amendments to the tax system, it is not possible to increase the earned income credit by €450 to €1,400 as proposed in the recommenda-

tion. Such an increase would cost more than €37 million in 2018 as compared with the €17 million first year cost of the €200 increase, which was achievable within the resources available. It would also provide for a disproportionate benefit from the budget to the self-employed in comparison with other individuals, including PAYE workers, pensioners and welfare recipients.

I accept that differences remain between the taxation of employees and the self-employed. However, it must be acknowledged that some of these differences are to the benefit of the self-employed. For instance, the self-employed continue to benefit from a broader expense reduction regime than is available to employees. There are significant timing benefits with regard to the payment of tax liabilities that are available to the self-assessed but not available to PAYE workers, depending on the accounting period used by taxpayers.

Senators will also be aware that the overall contribution to the Social Insurance Fund by the self-employed is significantly less than that of employees as no equivalent to the employer PRSI contribution is payable. They will further be aware of the commitment in A Programme for a Partnership Government to increase the earned income credit to €1,650. The budget 2018 increase of €200 is a significant further step in the right direction. It is my intention to make further progress on increasing the credit in budget 2019 subject to resources being available.

For the reasons outlined, I do not accept this recommendation.

Recommendation put and declared lost.

Section 5 agreed to.

Section 6 agreed to.

SECTION 7

Question proposed: "That section 7 stand part of the Bill."

Senator Kieran O'Donnell: This has probably come up before and is not even directly related to the Bill but many people have told me that charging points for electric cars are very infrequent. It is obligatory for new garages to provide a charging point but many existing garages cannot get a charging point if they apply for it. If we want to promote electric cars, we must ensure there are charging points and reconsider their provision. An electric car can travel approximately 180 km per charge. People living in Limerick would be short-changed. They would have to go to the service station at junction 14 on the M7 and spend approximately 20 minutes getting a quick charge in order to get to Dublin. If we really want to promote electric charge we need to consider fast-action charging points.

Senator Gerry Horkan: I agree with Senator O'Donnell. If we are not careful, the State will have to pay substantial fines for not meeting our targets in regard to carbon emissions. If we are to face such fines, it would be better to front-load that investment instead. I appreciate that technology is constantly improving and we will be discussing electric vehicles in section 8 in a moment but we need to rapidly increase our supply of charge points and to incentivise the movement from petrol and diesel and carbon fuels in private and public vehicles and public transport vehicles in particular, as well as all other State-owned vehicles such as those of the ESB, the Army and so on. Not every vehicle will be suitable in the short term but it is to be hoped that in 20 years' time we will look back and wonder why we were all driving petrol and diesel cars.

Deputy Michael D’Arcy: I appreciate what Senators Horkan and O’Donnell have said. They will be aware that, although it is not provided for in the Finance Bill, the Minister in his budget speech said that we will try to encourage and incentivise the use of electric vehicles. We have moved beyond a one-year opportunity for the benefit-in-kind incentive and it will form part of the next budget and, it is hoped, the one subsequent to that. In his speech on Second Stage, the Minister, Deputy Donohoe, announced his intention for the 0% tax rate to remain in place for a minimum of three to five years such as will be sufficient to incentivise the uptake of electric vehicles and that a comprehensive review of benefit-in-kind tax on such vehicles will take place next year to inform decisions for the next budget, including how best to implement the 0% benefit-in-kind rate for electric vehicles in the longer term. All Members are in broad agreement that electric vehicles are the future for cars. There will be other developments at some stage in terms of driverless cars and so on when the relevant technology is further advanced.

Senator Gerry Horkan: Recommendation No. 2 in my name is listed under section 8 but it might be more relevant to this section. Perhaps we should deal with it now and the Minister of State is half-----

An Leas-Chathaoirleach: That recommendation creates a new section.

Senator Gerry Horkan: It does not.

Senator Kieran O’Donnell: Section 8, recommendation No. 2-----

An Leas-Chathaoirleach: Is a new section.

Senator Kieran O’Donnell: -----would more readily be discussed under section 7.

An Leas-Chathaoirleach: It is classed in the list of committee recommendations as a new section. We will discuss it momentarily.

Senator Gerry Horkan: I will not miss my slot.

An Leas-Chathaoirleach: Senator Horkan will not miss his slot as long as I am in the Chair.

Question put and agreed to.

NEW SECTION

Senator Gerry Horkan: I move recommendation No. 2:

In page 11, after line 33, to insert the following:

“8. The Minister shall, within 3 months of the passing of this Act, prepare and lay before the Oireachtas a report on the possibility of extending the Benefit in Kind for electric vehicles beyond the current date of 31 December 2018.”

As regards benefit-in-kind, it is important that if we are asking and encouraging employers to upgrade their fleet to electric cars, there be certainty on the 0% rate for more than one year because we want people to embrace it. A person who replaces his or her fleet over three or four years and replaces a third or a quarter of his or her vehicles according to his or her fleet replacement policy should not discover in a year’s time that the rate has been changed. That is not the

intention of what the Government is trying to do but my recommendation aims to give a little more certainty and positivity to the scheme. It is a good scheme for those with cars to which benefit-in-kind applies but does not benefit those who buy their own cars. However, it is a good scheme to somewhat incentivise a move toward fleets comprising more electric vehicles where possible and I would like there to be a bit more clarity from the Government to encourage and facilitate that move.

Deputy Michael D’Arcy: I will continue from my comments to Senator O’Donnell on the previous section. Senator Horkan’s recommendation would create a new section because it requests a report and this is the appropriate section under which to deal with it. The Senator is requesting that the Minister prepare and lay a report before the Houses of the Oireachtas within three months of the passing of the Bill. That will be done anyway. We have already committed to everything for which the Senator is asking in previous Stages in the other House.

Senator Gerry Horkan: The Minister of State is committing to do what I am asking for.

Deputy Michael D’Arcy: It will be done but not within three months. Everything for which the Senator is asking in respect of the benefit-in-kind for electric vehicles scheme will be considered in 2018.

Senator Gerry Horkan: I ask for a timeframe for that to be done.

Deputy Michael D’Arcy: As the Senator is aware, the Minister for Finance, Deputy Donohoe, has expanded the scheme from one year to a minimum of three to five years. He has committed to doing that in October 2018 for application in 2019. We expect the report to be completed in the next six months in order to be available for the budget in October 2018 for-----

Senator Gerry Horkan: The benefit-in-kind report will be published in the next 12 months or less.

Deputy Michael D’Arcy: It will be done within 12 months and is likely to be completed within six months. Although everything the Senator is asking for will be done, that will not occur within a three-month period.

Senator Gerry Horkan: That is good enough for me. I accept the response of the Minister of State and I am not pressing the recommendation.

Recommendation, by leave, withdrawn.

Sections 8 and 9 agreed to.

SECTION 10

Senator Alice-Mary Higgins: I move recommendation No. 3:

3. In page 20, between lines 15 and 16, to insert the following:

“(3) The Minister for Finance shall, within thirteen months of the passing of this Act, prepare and lay before both Houses of the Oireachtas a report on—

(a) the total amount of tax advantage accrued to qualifying companies in respect of the Key Employee Engagement Programme, and

(b) the total amount of revenue foregone to the exchequer as a result of the Key Employee Engagement Programme.”.

This recommendation is in respect of the key employee engagement programme, an initiative within the Finance Bill in respect of which I am very concerned. Senators heard earlier of a 2:1 or 3:1 ratio in terms of tax cuts to increased investment in public services but I suggest that the amount of tax cuts and reliefs in the budget is potentially far higher because the budget contains measures in respect of which we are unaware as to the likely cost to Revenue. We do not know what the figures for tax and revenue forgone will be and such measures create a risk in terms of fiscal probity and the further hollowing out of our tax base.

There is also a concern, given the commitment to equality and gender proofing of the budget, that the measures proposed under the key employee engagement programme, KEEP, disproportionately benefit those higher earners. It will only benefit those in private companies and not those working in public services.

In terms of the scheme, details of which are set out in the Bill on pages 16 to 18, inclusive, I will skip the preambles and cut to what I believe is the core. Part 3 states that as the scheme is introduced, any gain realised on the exercise of a qualifying share option after 1 January 2018 shall be exempt from income tax and shall not be reckoned in computing income for the purpose of income tax. Effectively, this measure is taking share and stock options that are given as part of remuneration packages, which is usually done, with some exceptions, for high-earning individuals. Those stocks and share options will not be calculated in terms of income tax but will be taken out of the normal income tax procedure. The Minister will tell us they will be taxed in other ways later but those ways will not amount to the same procedure. It is the less and later model of taxation we have seen in terms of share and stock options. There is a real concern that we are moving away from recognising that somebody's package, be it a wage of €150,000 and a €50,000 share and stocks option, which would normally be taxed as €200,000, will now be taxed at €150,000 in terms of income tax and that the other €50,000 may or may not, depending on what other reliefs and schemes they have, be picked up later.

There is also a real danger of a perverse incentive, because given this measure, it is easy to see how people may decide that they would like to have 50% of their wages paid in the form of stocks and share options, and the Bill specifically provides for that. It provides for up to €100,000 a year of stocks and share options and up to 50% of the total emoluments and total pay package over a year to be treated in this way and through this new tax relief.

This is a very serious concern at a time when concerns have been raised in other areas, which I will not discuss now, about some of the corporate tax and corporate welfare systems. The concern is that we are embarking on a measure where we do not know the cost to Revenue. The cost in the Budget Statement was €10 million but it has since been clarified that that €10 million is the cost of the setting up of this scheme. That is not the cost of tax forgone. However, we know that when IBEC lobbied for this measure two years ago, its estimate of the cost was €80 million. That is how much IBEC put on the cost of this scheme two years ago.

I will be opposing this section because it is badly thought through and is dangerous at a time when we are looking at great uncertainty in other areas of our taxation, including areas such as corporation tax where the international landscape is moving around us. We should not be risking loss in this area. I would point out again that there is a great inequity. This is a tax measure which will only benefit those in private industry in a certain kind of private industry company.

It is not something which will be of use to low earners. I will not make the same contribution again when opposing the section but my recommendation is simply to ask that within 13 months of the passing of this Bill, to allow for revenue to be collected for a full calendar year, the Minister might prepare and lay before both Houses of the Oireachtas a report on the total amount of revenue forgone to the Exchequer as a result of this scheme. I welcome the fact that the Bill gives Revenue the power to ask, company by company, for figures on the total amount of tax advantage. I would like that total amount of tax advantage that accrues to qualifying companies to be made explicitly clear, not necessarily company by company because there may be commercial sensitivity, but in terms of the total amount of tax accrued to all qualifying companies in respect of the key employee engagement programme during 2018, and for that information to be made available to us. I ask the Minister to address that recommendation. I will not speak at such length in terms of the opposition to the section but I will speak briefly again.

Senator Gerry Horkan: I have a question for the Minister. My understanding is that the tax advantage would be accruing potentially to the employee but I wonder about subsection (3) (a) of the recommendation which refers to the total amount of tax advantages accrued to qualifying companies. The Minister might tell me whether there is a tax advantage to a company in retaining key staff. I cannot see one.

Senator Brian Ó Domhnaill: On this issue, I welcome this initiative. While I agree with some of what Senator Higgins said, publicly quoted companies often have their own individual employee share initiatives where employees can buy shares at a lower rate than those quoted on the market. That is a good initiative because it promotes employee engagement with the company and longevity in terms of the employee staying with the company. It also promotes the company in treating the employees in a fairer and more equitable way. It improves the effectiveness and efficiency of companies and the corporate governance of companies also.

The tax forgone is one issue to the employee but that will be caught on the other side through capital gains tax. While one may be forgoing one's employee tax, one will be caught eventually because the minute one tries to take the money out of the share, presumably one will have to pay one's capital gains tax, which is around the 33% mark. If there is no incentive for the employee, whether a tax saving or otherwise, why would they bother with this scheme? There must be an incentive. I believe it is a good scheme.

In terms of the transparency aspect of Senator Higgins's recommendation, I do not see any issue with that. Having transparency around these issues is always welcome and that is the thrust of her recommendation, but I would be interested to hear if the Minister has anything further to say.

Senator Alice-Mary Higgins: To clarify two points on which questions were put, Senator Horkan referred to the amount of tax advantage granted under the section. The reason I phrased the recommendation that way was because that is wording from the Bill. Paragraph 8 on page 19 specifically states that a qualifying company shall, when required to do so, by notice in writing by the Revenue Commissioners, furnish information, including the name, the address of the company and the amount of tax advantage granted under this section. I am focusing on that because that is information we know Revenue is appropriately entitled to collect. I would welcome that.

I do not believe there is a problem with people accruing stocks and shares. Co-operative measures are positive. There were schemes in place previously, including the APPS and the

save as you earn, SAYE, scheme. However, this is quite a sea change. The problem with this measure is that we could see quite a large shift. A ceiling is set in terms of companies with a threshold of €3 million, but those are still large companies. I am concerned about tracking this, and it is not necessarily to say that people should not be part of a company. That is important, but it is around transparency.

Deputy Michael D'Arcy: I will read the note in a moment. One of the measures we are ensuring in this budget is that we are not hollowing out the tax base. In fact, the opposite is the case. We had Sinn Féin complaining on Second Stage about the raising of stamp duty back to 6%. The 2% rate is the emergency rate, the wartime rate. The 6% rate is the normalised rate. It was 9%, and I believe on one occasion it was as high as 11%, so we are bringing those figures back to normalised rates. Everything we are doing is to ensure we have a balanced budget and that everything we do now and in the future is balanced and sustainable.

There was quite a debate in the other House and within the Department of Finance on the hospitality rate.

However, the Senator will be pleased that, because of rural Ireland, uncertainty about the hospitality rate and Brexit, we decided it was right to leave it. At some stage in the future, it will come back in. I am not saying when but we are absolutely not hollowing out the tax base.

The Senator is incorrect in her point about the sum of €10 million. That is what we believe will be the cost. In 2018, the cost will be nil, albeit there will be a figure relating to establishment but it will take time for people to get into the structure. People will have to go in, purchase the shares at the value and hold on to them. In effect, they will take them in lieu of payment. The €10 million cost is the difference between the 33% they pay on exit and the standard higher tax rate.

Senator Alice-Mary Higgins: Is that the figure for tax forgone? It is estimated as €10 million.

Deputy Michael D'Arcy: Yes. It is €10 million. As a result, what the Senator said was incorrect.

Senator Alice-Mary Higgins: I appreciate the clarification.

Deputy Michael D'Arcy: That is what I am trying to provide. When I am in different parts of the world trying to encourage companies to come to Ireland to establish operations, the biggest criticism I hear relates to the early point at which people pay the higher rate of tax rather than the actual rate. Companies understand the higher rate, but the point at which one hits it in this jurisdiction is the second earliest in the OECD. That is a real issue. People do not get the opportunity to take home as much as their counterparts in other jurisdictions. This scheme is one method by which we can entice people to earn and take home a little bit more. Similar schemes have been established in other jurisdictions. Our figure of €10 million is based on the UK statistics, from which we tried to extrapolate based on the relative sizes of our economies. It is a projection. Everything we do is measured in line with what the Senator is requesting. We are not going to see this scheme start, grow legs, be out the door and start to cost hundreds of millions of euro. I assure the Senator that will not happen and that the budgetary figure we have factored in is €10 million. I will read the note.

Senator Gerry Horkan: I asked whether the companies would gain an advantage.

Deputy Michael D'Arcy: The companies get no advantage; it is the individual.

Senator Gerry Horkan: I just wanted the Minister of State to say that.

Deputy Michael D'Arcy: I forgot that. It is the individual.

The relief operates by allowing the employee a more advantageous tax treatment on gains arising on the exercise of qualifying share options. Gains realised on the exercise of KEEP share options will not be subject to income tax, PRSI or USC at the date of exercise. The gain will, however, be subject to capital gains tax on the future disposal of the shares. In the context of the first element of Senator Higgins's proposal, therefore, no tax advantage accrues directly to the company issuing KEEP options. The company benefits from the improved viability of share options as part of a remuneration package, which will help smaller, cash-poor companies to attract key staff.

On the second element of the Senator's proposed report, we have had reference to the cost of a similar matured incentive in the UK. It has been estimated that the full-year cost is €10 million. However, it is expected to be a number of years before we reach that level. KEEP is a demand-led scheme and uptake will depend on decisions made by qualifying SME companies to offer share options to employees. The benefit to the employees exercising KEEP options, and therefore the ultimate tax cost to the Exchequer, will be determined by the growth in value of the employer company shares in the period between grant and exercise of the options. Further, the tax cost arises only on exercise of the share options and there is a requirement, with very limited exceptions, for KEEP options to be held for a minimum of one year before exercise. It is likely, therefore, that the Exchequer cost of the KEEP scheme in 2018 will be nil. It is anticipated that it will take a number of years for the full-year cost of this scheme to be realised.

Taking these factors into account, I cannot accept the Senator's recommendation. However, I note that section 10 includes reporting requirements to ensure that information is provided to Revenue on the grant and exercise of KEEP options. As with all tax expenditures, the annual cost of the KEEP scheme will be published in the tax expenditures report of the Revenue Commissioners and will be kept under review.

Senator Alice-Mary Higgins: I thank the Minister of State. It is interesting because I had a different reply when I inquired about the €10 million previously. I appreciate that the Minister of State has clarified that €10 million is the estimated total cost, including tax forgone. I would appreciate if the Minister of State could indicate that this is very different from, for example, the estimate put forward by IBEC of €80 million, which it anticipated as the cost in its 2018 submissions calling for a scheme that was pretty much identical to the one being put forward here. Can the Minister of State comment on from where that estimate came, particularly as it is quite different from the €10 million?

If it emerges that the scheme is costing significantly more in tax forgone, will it be reviewed? If so, at what threshold will that be regarded as a problem? Will it be where it is costing €20 million or €30 million, for example? Can the Minister of State give an indication of the point at which we will undertake to monitor the scheme and consider its impact? This is to ensure that we track it because in the past we have put forward tax incentives - such as capital gains tax waivers - that have had very negative consequences down the line. While I appreciate that it will be followed, I would like the Minister of State to indicate that he is willing to provide

feedback on how the scheme is operating in a year's time and to set out whether the figures are matching the projected estimates.

In that context, I will probably not press the recommendation. However, I will still oppose the section because there has not been enough public consideration and debate in respect of its provisions. I ask the Minister of State to address my specific concerns so that when we come back, we do not have the same conversation and know what we are working with.

Senator Kieran O'Donnell: This is a share options scheme and it is about retaining highly-skilled, valued employees. It has two aspects. It is fair to ask about opportunity costs because it is not only about the tax take. If one loses these individuals, there will be no share options and, as such, no tax will be forgone. It is also good for companies to divest the shareholding to employees. This allows employees to own 15% of a company while 85% will be retained by the original holders.

Looking at this measure straight on, the point the Senator is missing is that if one does not have the scheme in place, one runs the risk of losing intellectual property and capacity through the loss of vital members of staff to companies in the UK, for example, or elsewhere in Europe. We all know of companies, particularly smaller ones, which find it impossible to compete with the large multinationals and to retain staff. I have seen it myself. I was in practice for many years and had start-up clients. I found typically that it took three years to be in a position to survive and five years to make a profit. After that, they were suddenly expanding. They were getting young vibrant people in to take up positions. In many cases, it was those people's first or second job. After they had received five or six years' training in these cutting edge companies, those companies could not hold them. The big boys came looking and they took the staff.

This measure is not about tax forgone, it is about opportunities lost. The Senator should look at it from that perspective. If it is not put in place, we would not even be talking about the share options and we would lose key staff. Obviously, it will have to be reviewed, but we have to be innovative in a globalised world. We have to put measures in place which retain intellectual property and allow indigenous Irish companies to grow and become the multinationals of the future. It is great that multinationals are coming in, but I want to see our own flourishing indigenous companies become the multinationals of the future. This measure will help to achieve that.

Senator Gerry Horkan: This scheme has merit and there is a benefit to it. It is important that companies grow and manage to attract staff. As Senator Kieran O'Donnell outlined, people can and will be poached and there has to be a reason or incentive for them to stay. Companies do share option schemes all the time and there is often a very delayed mechanism so that people are incentivised to stay. We are very heavily reliant on the foreign direct investment sector in this country. We very much appreciate these companies and the corporation tax receipts that come from them.

We can all acknowledge, however, that it would be no harm at all if we were to have more Irish-owned and Irish-based multinationals, companies that started and grew in Ireland like the Kerry Group, Smurfit and Roadstone - the more the better. There needs to be a way in which companies can retain key important individuals. Be it in schools, business or industry, we all know how important such key figures are. I am thinking of Michael O'Leary in Ryanair, for example, and many others.

This whole scheme is about such key employees and how we can try to get them to stay so that those businesses can grow and generate tax receipts to help the disadvantaged and those who are less well-off. This scheme, then, is worth doing but I think it important that we keep an eye on it and make sure that it is not exposed. I have no doubt but that that is also the Government's intention here. It is not the intention of this scheme to allow high net worth individuals to make a fortune without paying any tax on it. I am sure that the Minister of State will confirm that this is not what it is for, and I ask him to confirm that. Its purpose, rather, is to retain staff in companies so that they do not get poached by the big boys and so that small companies get a chance to grow.

We all remember when Ryanair was a small company and Aer Lingus was huge. Ryanair needed a bit of help at the time and it got it when certain Ministers stopped Aer Lingus from flying certain routes so as to give Ryanair a bit of a chance. Where are we now? It is important that we give employees reasons to stay in companies so as to help those companies grow and generate the tax receipts that help everybody. It is important that we implement this scheme, although I certainly take Senator Higgins's concerns on board.

At this point, a Chathaoirligh, I would note that we are on section 10 of 87 and still on No. 3 of 15 recommendations. We have an hour to get through the lot so perhaps we all need to focus on that. We could have more time, of course, and I am sure that we can be here until Christmas Eve if we have to, but I think we need to move this on as best we can.

Senator Alice-Mary Higgins: I will be very brief. I was going to call a vote on this but as time is pushing on I will not do so. I will call a voice vote instead as I know that we need to get through this. I am going to flag this now as something I may raise on Report Stage and it is something I have raised here before, but with all of this talk of small companies I feel I need to bring up the point that, when it comes to our smaller companies not growing, a far greater concern is the fact that we incentivise the sale of those companies when they reach a certain point. Our capital gains tax system gives a preferential rate for selling a company when it reaches a high point. This is a separate issue that I may perhaps discuss with the Minister of State in the future but I think we need to consider whether we might be encouraging people to build companies only to then sell them. This is a key concern to look at in the future, but I will not talk on it now.

I also note that our housing costs and services are a major concern in terms of company relocation. Issues around property, housing and access to services in Dublin city have, unfortunately, been to the fore in surveys that have looked at the reason people choose not to relocate here.

We are also concerned about wealth movement in Ireland. At present 33% of wealth is held by 1% of the population. We have been talking about employees but we need to be clear that this scheme also applies to company directors. We have some concern there and I look forward to the Minister of State engaging with me on this over the next year. I am not going to press my recommendation and we can just do a voice vote on the section so as to speed matters up.

Deputy Michael D'Arcy: I will not repeat what has already been said. Senators Kieran O'Donnell and Horkan are exactly right. This scheme was designed to try to help smaller companies hold on to important staff. This is a real issue, particularly in rural Ireland. Bigger companies with 3,000, 4,000 or 5,000 members of staff are able to pay higher wages so this is a method through which we can try to help the smaller companies hold on to their staff. I have

no knowledge of the IBEC issue so I will not comment on it. I do not know. I am not going to commit to saying anything on whether the amounts are too high; I do not know. What I will say is that all the figures are analysed and scrutinised as the year progresses. I have answered all of those questions.

Recommendation put and declared lost.

Question, "That section 10 stand part of the Bill", put and declared carried.

Sections 11 to 13, inclusive, agreed to.

NEW SECTION

Senator Rose Conway-Walsh: I move recommendation No. 4:

In page 24, between lines 5 and 6, to insert the following:

"14. The Minister shall, within 6 months of the passing of this Act, prepare and lay before Dáil Éireann a report on how he will monitor on an ongoing basis the effectiveness and the value for money of the Help to Buy scheme."

This recommendation concerns the help-to-buy scheme. We believe that this scheme is having unintended consequences in that it is driving up house prices and benefitting builders. This scheme only applies to first-time buyers of new houses, meaning that first-time buyers cannot buy a second-hand house in the area in which they grew up. The scheme is costing approximately €40 million per year and the Minister has extended its use. The housing crisis is a supply-side problem, yet this scheme does nothing to deal with supply-side pressures. I ask the Minister of State to outline why he believes it appropriate to continue with the help-to-buy scheme given that there is no evidence to suggest that it is meeting the intended rationale as an effort to help individuals gather the necessary deposit to meet Central Bank requirements that would then also lead to increased supply. Has the Department carried out a cost-benefit analysis yet?

The recommendation calls on the Minister to provide a report within one month of the passing of this Act on how he will monitor on an ongoing basis the effectiveness and value for money of this scheme. It is Sinn Féin's view that the help-to-buy scheme should not continue and we have opposed it from day one. This scheme should never have been introduced. It was done on the insistence of the Minister but with the support of his friends here to my left, Fianna Fáil, as a result of its policy of abstaining. The scheme has put money into the pockets of the developers and has led in no small way to the increase we have seen in house prices year on year.

Senator Gerry Horkan: I must say that I am very disappointed. I know that Sinn Féin tried to abolish the Seanad but it is now actually tabling a recommendation that a Minister prepare and lay a report before Dáil Éireann. This is Seanad Éireann. I would not mind if the recommendation referred to both Houses of the Oireachtas, or even just the Oireachtas, but I find it unfortunate that all of Sinn Féin's amendments and recommendations call for reports to be laid before Dáil Éireann, Dáil Éireann, Dáil Éireann. That is all very well for a Deputy putting down an amendment in the Lower House. This, however, is the Upper House and I would have thought that Sinn Féin would give us parity of esteem in this regard. We are here and I would like to see reference made here to both Houses. I certainly have no objection to the Dáil

seeing this too, of course.

Senator Rose Conway-Walsh: Senator Horkan must obviously be expecting an election.

Senator Gerry Horkan: Senator Conway-Walsh must obviously be expecting to be in the Dáil, but that is a separate point. I am just saying that we should have-----

An Leas-Chathaoirleach: There is a constitutional position at issue here.

Senator Gerry Horkan: We in Fianna Fáil campaigned to keep the Seanad-----

Senator Kieran O'Donnell: Senator Horkan is on a roll today.

Senator Gerry Horkan: ----- and we are not going to-----

(Interruptions).

An Leas-Chathaoirleach: Order, please Senators.

Senator Gerry Horkan: We are not looking for an election, by the way.

(Interruptions).

An Leas-Chathaoirleach: Senator Horkan has the floor.

Senator Gerry Horkan: I cannot talk with interruptions. I thank the Leas-Chathaoirleach. To return to the substantive point, we in Fianna Fáil do of course have reservations about the help-to-buy scheme. At the briefing this morning I made the very point that Senator Conway-Walsh's officials must have picked up and put in her script. I said it this morning, namely, this incentive scheme only applies to new houses. I thank Senator Conway-Walsh for acknowledging and for listening to my point this morning----

Senator Rose Conway-Walsh: We are always listening. We are the listening party.

Senator Gerry Horkan: First-time buyers cannot buy second-hand houses, just as the first-time buyers grant only applies to new houses. This is unfortunate because many people want to live in the area in which they grew up, if they can afford to, and near their families. If there are no new houses in supply, however, they either have to move area or not benefit from the help-to-buy scheme. I have reservations about the scheme, then, but the Indecon report that has come out on this seems to say that there has been no impact on house prices, for the moment anyway. I would be sceptical enough about that view. I want it to be kept under review. There is a point but, at this stage, we need to get the Finance Bill passed.

Deputy Michael D'Arcy: Senators will be aware that the help-to-buy initiative has been in operation since January 2017. It is designed to assist first-time buyers with obtaining the deposits required to purchase or build their first homes. With a view towards increasing the supply of new housing, the relief is only available in respect of new-build or self-build properties. Following its introduction in budget 2017, Indecon Economic Consultants were commissioned to undertake an independent assessment of the measure, which included examining whether the policy objectives on the supply of new homes were being met, as well as the impact it was having on house prices and the residential property market generally. The Indecon review found that the help-to-buy initiative is meeting its objective of assisting first-time buyers of new homes to fund the deposits required under the Central Bank's macro-prudential rules and that

the scheme has not had a measurable effect on house prices to date. Furthermore, it indicated that:

Indecon's assessment of the HTB is that there was a valid market failure argument for the HTB introduction. We also believe that the HTB, as a tax refund incentive, was likely to be as efficient as a direct expenditure intervention.

On the basis of the Indecon findings and considering that help-to-buy has only been in operation for less than a year, the Minister decided to allow the measure to continue in its current form for the coming year.

As was mentioned during the Report Stage debate on this Bill in the Dáil, in continuing to monitor the scheme, officials may draw upon a range of statistical sources, including data on construction activity and house prices from the Department of Housing, Planning and Local Government, as well as data from the CSO, such as the residential property price index and elements from the quarterly national household survey. In addition, the Revenue Commissioners publish monthly statistical reports on the cost of help-to-buy. Their report includes the numbers of claims made, approved and paid, as well as breakdowns of the figures by metrics such as property value, loan-to-value ratio and property type. It also includes a geographical breakdown of claims by county.

As regards the current recommendation, on Report Stage in the Dáil, the Minister agreed, on foot of amendments proposed by Deputies Boyd Barrett and Michael McGrath, that a cost-benefit analysis of the incentive will be carried out and concluded ahead of budget 2019 next year. Given the availability and timeliness of data on the progress of the incentive, the recent Indecon report and now the commitment to undertake a formal cost-benefit analysis on the scheme before the next budget, I believe that the recommendation before us is not warranted.

In response to Senator Conway-Walsh, I want to put on the record of the House that, according to the most recent figures we have from Revenue, in terms of over 83% of people who have purchased property under the scheme to date, the property has cost €375,000 or under so that puts it into context that the people using this scheme are buying modest houses. There was a concern that this would be made available for houses over €450,000. Deputy Boyd Barrett, a known supporter of the policies of the left, made it very clear that €450,000 would not buy someone very much in his constituency. We are satisfied, therefore, that those who are using this are first-time buyers who are purchasing modest new houses.

Senator Gerry Horkan: I had reservations that when we were talking about this scheme, we were talking about houses costing €400,000 and €600,000. Like Deputy Boyd Barrett, there would be very little for sale for less than €400,000 or even €600,000 in the council area - the Stillorgan electoral area - I represented before I became a Senator. The fact that people can buy there does not mean they are rich; it just means they have much bigger mortgages than many others and very large obligations on which a lot of their disposable income goes. This needs to be factored in. The cheapest unit in a scheme not very far from me cost €795,000 - it was the cheapest on offer - and I think the units were terraced. We need to look at the scheme. We are not trying to give away millionaire trophy houses. At some point, however, there needs to be an examination of certain areas where supply is tiny but demand is huge and some people have access to borrowing. I think we need to take that on board. I rarely agree with Deputy Boyd Barrett about anything but he has a point on this issue.

6 December 2017

An Leas-Chathaoirleach: Is the recommendation being pressed?

Senator Rose Conway-Walsh: Yes.

Recommendation put and declared lost.

Section 14 agreed to.

Senator Kieran O'Donnell: May I speak on section 14?

An Leas-Chathaoirleach: We have dealt with it. I cannot do anything about it. We are trying to get through the Bill.

Senator Kieran O'Donnell: I want to speak on the section. That is the reason I am here. The Leas-Chathaoirleach must give me some small bit of latitude.

An Leas-Chathaoirleach: I am very sorry. The section has been agreed. I am sure the Senator will get another opportunity.

Sections 15 to 18, inclusive, agreed to.

SECTION 19

Senator Alice-Mary Higgins: I move recommendation No. 5:

In page 34, between lines 23 and 24, to insert the following:

“(4) The Minister for Finance shall, within six months of the passing of this Act, prepare and lay before both Houses of the Oireachtas a report—

(a) on the impact of Irish Real Estate Funds and the Real Estate Investment Trusts on the Irish property and housing sector, including rental prices and residential and commercial property prices throughout Ireland, and

(b) the effective tax rates paid on the profits of these entities and their shareholders.”.

I will not dwell on this too long. I know the Minister of State also has a recommendation in respect of these schemes so I imagine that we might get to discuss the matter further during the debate on the Minister of State's recommendation. This is simply to request that the Minister for Finance will, within six months of the passing of the Act, prepare and lay before both Houses of the Oireachtas a report on the impact of IREFs and REITs on the Irish property and housing sector, including in the context of rental prices and residential and commercial property prices throughout Ireland and on the effective tax rates paid on the profits of these entities and their shareholders.

On Committee Stage in the Dáil, the Minister of State seemed to indicate that he expected to produce a report on this issue. I am simply raising the matter again because I am concerned that, on Report Stage in the Lower House, it seemed slightly less clear as to whether or not a report will be produced. When I looked at the debate, it indicated that the Minister of State was checking to see what he would be able to examine and provide. This recommendation has been tabled to give the Minister of State an opportunity to clarify what report he will provide. I know he is expecting figures from Revenue in March 2018 in respect of the IREF schemes but

there is a real concern here.

In many cases, capital gains tax waivers effectively acted as an invitation to large vulture funds in Ireland. There were inadvertent and significant consequences. Again, the dangerous potential impact of capital gains tax measures that bring in companies was flagged at the time and consistently since then. I am very concerned. In respect of continuing that capital gains tax waiver and foreshortening the time required in terms of returning it, I know the goal has been expressed in terms of freeing up property transactions. However, I am very concerned because I do not believe there are robust measures in place. We worked with the then Minister for Housing, Planning and Local Government, Deputy Coveney, and improved them in the Seanad. Unfortunately, they were slightly diluted in the Dáil. Protections against pressure for vacant possession in the case of those sales are not adequate. If properties are going to be changing hands, and we are looking at quite a lot of properties potentially flipping and changing hands, in the context of REITs and IREFs, we need to look and drill down to see how these actors are affecting the market not simply in terms of how and by how much they are profiting but what impact they are having on issues like stability of tenure, rental prices and residential and commercial property prices, particularly given the waivers that are there in areas like major refurbishment.

This recommendation is really a request to the effect that the Minister of State be clear in the context of what information he can provide in respect of these schemes and how we can analyse them. Perhaps the Minister of State might make clear whether a very strong risk assessment has been carried out not only in terms of the capital gains tax waivers, which we saw previously, but also regarding the changes in those waivers and the likely impact thereof. The fact is that 42% of sales in Dublin are going to this type of investor as opposed to only 25% of first-time buyers. They are key and very strong actors. This is a distortion in the market, and we are seeing the same mistakes made again and again. The Minister of State talked about companies and their relocation. The fact of having a property market, having every house and apartment in Dublin potentially acting as a speculative investment again rather than a home or a potential home, is a greater danger to the growth of industry and the attraction of genuine investment in the form of companies with workers who wish to locate in our towns and cities.

Acting Chairman (Senator Gerry Horkan): I point out to Members that the Order of Business reads, “Finance Bill 2017 - Committee Stage, to be taken at 1.45 p.m. and to conclude no later than 4.15 p.m., if not previously concluded, by the putting of one question from the Chair which shall, in relation to amendments, include only those set down or accepted by the Government”. This discussion will therefore end at 4.15 p.m. I ask Senators to bear in mind that if they spend a long time on the earlier recommendations, we will not get to discuss the later recommendations at all. If we spend a long time on recommendation No. 6, we will not get to recommendation No. 12, recommendation No. 13, recommendation No. 14, recommendation No. 15 or any other recommendation.

Senator Alice-Mary Higgins: I understand there is a Government recommendation to be moved so I am happy not to dwell on this issue.

Acting Chairman (Senator Gerry Horkan): That is fair enough.

Deputy Michael D’Arcy: Section 23 of the Finance Act 2016 introduced a new tax regime for funds that hold Irish real estate to be known as Irish real estate funds, IREFs. The section was introduced to address the use of certain fund vehicles to invest in Irish property by non-

resident investors. IREFs are investment undertakings, excluding undertakings for collective investment in transferable securities, UCITSs, where 25% of the value of that undertaking is made up of Irish real estate assets. Where the main purpose of the fund is to invest in Irish property, this will also fall into the regime regardless of the level of property. Where an IREF makes an actual distribution or on the redemption of units in the IREF, non-resident investors will be subject to a withholding tax of 20%. Certain investors such as pension funds, life assurance companies, charities and credit unions are exempt from the withholding tax as this is the norm for such bodies across the tax Acts. The new regime applies to accounting periods beginning on or after 1 January 2017. I am advised by Revenue that the first returns from IREFs will be filed in the middle of next year. If any areas of concern are identified, they will be addressed. I am also advised that my Department has been working with the Central Statistics Office, CSO, to get a more granular breakdown of the non-household buyer category classification into further categories. However, it will be March 2018 at the earliest before this information is available.

Real estate investment trusts, REITs, were introduced by the Finance Act 2013. The regime provides for a collective investment vehicle for persons wishing to invest in property. REITs must be widely held as it is a requirement that the REIT not be a “close company”, that is, a REIT cannot be under the control of five or fewer persons. A REIT must hold at least three properties and carry on a business of letting property. No one property may account for more than 40% of the total value of the property in the REIT. The REIT must derive at least 75% of its profits from property rental and must distribute at least 85% of its property income to shareholders.

I understand from the Revenue Commissioners that as there are only three REITs in Ireland at present, for reasons of taxpayer confidentiality it will not be possible for Revenue to share the information sought with the Senator or indeed me. However, I understand that Revenue’s large cases division has a dedicated team who look after REITs. As the REIT regime was introduced in the Finance Act 2013, that team is, as part of Revenue’s normal compliance review process, reviewing the structures of those REITs and the tax payable by those companies. Should any issues arise from the review, Revenue will bring those matters to the attention of my officials.

I wish to advise the Senator that on Committee and Report Stages in Dáil Éireann I agreed that certain issues raised in amendments tabled by Deputy Pearse Doherty in respect of IREFs and REITs would be examined by the tax strategy group. However, given the constraints in respect of availability of information and taxpayer confidentiality, it would not be appropriate to put the preparation of the requested reports into legislation. I cannot commend these recommendations to the Seanad but I can assure the Senator that both the IREFs and REITs are being kept under constant review.

Senator Alice-Mary Higgins: To clarify, while the Minister of State says he cannot accept the recommendation and its provision in respect of a report, will the issues arising from Revenue’s investigations and his conversations be brought into the public domain where we can debate them? I understand his concern. This is what I meant. He has an issue of willingness to engage on the issues and has expressed that concern in terms of taxpayer confidentiality. It is important that there be an opportunity to debate these issues, so if we are not going to have a report, will we have an opportunity to debate concerns in this area at some point during the year?

Deputy Michael D’Arcy: The tax strategy reports will be published, but one of the things that became quite clear following Committee Stage and Report Stage is that there are a small number of these entities. Because of this, we will not debate them and Revenue will not pro-

vide information on them to the Department as it is not allowed to do so because of taxpayer confidentiality.

Senator Alice-Mary Higgins: There is a concern that these are such major actors in our economy and we are not able to discuss them. We are not simply talking about the very small number of REITs; we are talking about IREFs as well. Perhaps we can revisit the matter, but it is important, not only in the context of the tax strategy paper, that we can have public debates on the actions of these entities and the relevant policies. Perhaps it could be framed as a debate on capital gains tax and the various schemes to which I referred. Perhaps we need to consider how the debate would be framed, but it is important that we substantially address some of these issues at some point during the year.

Deputy Michael D’Arcy: I am not giving any commitment that there will be any further debate on the matter.

Acting Chairman (Senator Gerry Horkan): Is the recommendation being pressed?

Senator Alice-Mary Higgins: Given the Minister of State’s comments, I will press the recommendation.

Recommendation put and declared lost.

Section 19 agreed to.

Sections 20 to 23, inclusive, agreed to.

SECTION 24

Question proposed: “That section 24 stand part of the Bill.”

Senator Kieran O’Donnell: I wish to speak to this section very briefly. The Minister of State is probably aware of this as it came up in the Dáil. I refer to management buyouts and the change in the legislation. I read the Dáil debate. I would like an assurance that an anti-avoidance measure would not in some way act effectively as a barrier to normal, bona fide management buyouts for Irish indigenous companies.

Deputy Michael D’Arcy: Bona fide management buyouts are not affected.

Question put and agreed to.

SECTION 25

Question proposed: “That section 25 stand part of the Bill.”

Senator Rose Conway-Walsh: May I speak to this section?

Acting Chairman (Senator Gerry Horkan): Go ahead.

Senator Rose Conway-Walsh: As currently drafted, the Finance Bill would only apply the cap provided for in this section to assets onshored from 11 October this year. This means that hundreds of billions of euro transferred here in recent years, especially in 2015, can still be used by companies to potentially neutralise their corporation tax bills. We believe this is totally unacceptable. In this regard, I welcome Seamus Coffey’s recent comments recommending that the Government’s new cap on the write-down of intangible assets apply to all assets, as opposed

to the Government's proposal, which grandfathers the new measure, meaning the 80% cap will only apply to intangible assets acquired post-budget.

Due to the proposed cap not applying to all intangible assets, the State could be missing out on a huge amount of corporate tax revenue which may not materialise. Seamus Coffey notes that if the cap applied to all claims, existing and new, the additional corporation tax to be collected in 2018 could be up to €1 billion, using the 2015 figure published by Revenue and estimates from that time used by the Department of Finance, as opposed to the €150 million the Government expects to raise through the grandfathered measure.

We are paying for these onshored assets because they count towards the GNI, pushing up our EU contribution, so we are letting these companies pay no tax through their intangible asset write-downs and the State is picking up the tab regarding increased contributions to the EU budget due to the tax-free earnings many of these companies have from the intangible assets. The State is making payments of approximately €200 million per annum to the EU budget as a result of the gross income which makes no contribution to Ireland's national budget. Over the ten-year period, this would result in payments of around €2 billion. We are diverting money from potential spending programmes to pay for the associated EU budget contributions this untaxed income requires each year, with the increases in EU budget contributions counting towards our fiscal space. The Government needs to amend its proposal to include all intangible assets in order to safeguard our tax base and to ensure that this State is not unnecessarily picking up the tab for increased EU budget contributions related to tax-free multinational activities. I ask the Minister of State to reconsider the recommendation.

Deputy Michael D'Arcy: The State does not implement policy based on how much we contribute to the EU. It flows subsequently based on GNI. In this year's budget, it was proposed to limit the deduction for capital allowance for intangible assets, and any related expense, to 80% of the relevant income arising from the asset in that period. The measure was recommended by Mr. Seamus Coffey in his review of Ireland's corporation tax code in order to ensure that there was a smoothing of corporation tax receipts over time.

Section 25 amends section 291 of the Taxes Consolidation Act 1997 to provide for the 80% cap. This amendment applies in respect of capital expenditure incurred on intangible assets on or after 11 October 2017. The 80% cap will affect the timing of relief in the form of capital allowances and related interest and expenses for intangible assets but will not affect the overall quantum of relief. This is because any amount restricted in one accounting period as a result of a cap will be available to be carried forward and used in subsequent accounting periods subsequent to the application of the cap in that period. Section 25 also makes a minor technical amendment to section 291(a) to clarify the scheme of relief applies where companies whose trading activities consist of relevant activities. Section 291(a) currently makes reference to relevant activities carried on as part of a trade. This amendment is deemed to have applied in respect of capital expenditure incurred on intangible assets on or after 8 May 2009, being the date that section 291 first took effect.

Senator Rose Conway-Walsh: We cannot accept section 25 and we will call for a vote.

Acting Chairman (Senator Gerry Horkan): Is the question agreed?

Senators: No.

Senator Martin Conway: Before the Chairman calls a vote, I want to raise a separate ----

Acting Chairman (Senator Gerry Horkan): The vote has been called.

Senator Martin Conway: It was not because we had not said “Tá” or “Níl”, or had we?

Senator Rose Conway-Walsh: Yes, we did.

Senator Martin Conway: Did we? I want to raise an issue about tobacco -----

Acting Chairman (Senator Gerry Horkan): We used 20 minutes of the remaining 30 minutes on a vote.

Question put:

The Committee divided: Tá, 25; Níl, 12.	
Tá	Níl
Boyhan, Victor.	Bacik, Ivana.
Burke, Colm.	Black, Frances.
Burke, Paddy.	Conway-Walsh, Rose.
Butler, Ray.	Devine, Máire.
Byrne, Maria.	Gavan, Paul.
Clifford-Lee, Lorraine.	Higgins, Alice-Mary.
Coffey, Paudie.	Humphreys, Kevin.
Coghlan, Paul.	Mac Lochlainn, Pádraig.
Conway, Martin.	Ó Donnghaile, Niall.
Daly, Paul.	Ó Ríordáin, Aodhán.
Feighan, Frank.	O’Sullivan, Grace.
Gallagher, Robbie.	Warfield, Fintan.
Hopkins, Maura.	
Horkan, Gerry.	
Leyden, Terry.	
Lombard, Tim.	
McFadden, Gabrielle.	
Mulherin, Michelle.	
Ó Céidigh, Pádraig.	
Murnane O’Connor, Jennifer.	
O’Donnell, Kieran.	
O’Donnell, Marie-Louise.	
O’Mahony, John.	
Richmond, Neale.	
Wilson, Diarmuid.	

Tellers: Tá, Senators Gabrielle McFadden and John O’Mahony; Níl, Senators Rose Conway-Walsh and Máire Devine.

Question declared carried.

NEW SECTION

Senator Rose Conway-Walsh: I move recommendation No. 6:

In page 45, between lines 19 and 20, to insert the following:

“**26.** The Minister shall, within six months from the passing of this Act, prepare and lay before Dáil Éireann a report on options available to restrict banks from carrying forward losses against taxable profits of the banks, which could result in many institutions paying no corporation tax for the foreseeable future.”.

Recommendation put:

The Committee divided: Tá, 12; Níl, 17.	
Tá	Níl
Bacik, Ivana.	Burke, Colm.
Black, Frances.	Burke, Paddy.
Conway-Walsh, Rose.	Butler, Ray.
Devine, Máire.	Byrne, Maria.
Gavan, Paul.	Coffey, Paudie.
Higgins, Alice-Mary.	Coghlan, Paul.
Humphreys, Kevin.	Conway, Martin.
Mac Lochlainn, Pádraig.	Feighan, Frank.
O’Sullivan, Grace.	Hopkins, Maura.
Ó Donnghaile, Niall.	Lombard, Tim.
Ó Ríordáin, Aodhán.	McFadden, Gabrielle.
Warfield, Fintan.	Mulherin, Michelle.
	O’Donnell, Kieran.
	O’Donnell, Marie-Louise.
	O’Mahony, John.
	Ó Céidigh, Pádraig.
	Richmond, Neale.

Tellers: Tá, Senators Rose Conway-Walsh and Máire Devine; Níl, Senators Gabrielle McFadden and John O’Mahony.

Recommendation declared lost.

Sections 26 to 54, inclusive, agreed to.

NEW SECTION

Senator Rose Conway-Walsh: I move recommendation No. 7:

In page 58, after line 31, to insert the following:

“**55.** The Minister shall, within 6 months of the passing of this Act, prepare and lay before Dáil Éireann a report on the costs and economic benefits of exempting the sale of motorvans from VRT.”.

This amendment proposes that the rate of VRT which applies to certain vehicles should be looked at because the vehicles in question are not used as often as other vehicles. These vehicles can be beneficial to tourism in Ireland, particularly in the context of the Wild Atlantic Way and Ireland's Ancient East initiatives. They should be promoted so that people can travel from place to place as they explore this country.

Deputy Michael D'Arcy: Since 1 January 2011, VRT has been charged on motor homes at a preferential category B rate of 13.3% of their open market selling price. This category, which is normally used for commercial vehicles, compares favourably to category A passenger vehicles, which are charged at rates between 14% and 36% of their open market selling price, depending on the level of carbon dioxide they emit. Were they not in the preferential category B, the majority of motor homes would be chargeable at rates of between 23% and 36%. Given that motor homes are typically high-value, luxury vehicles, high value and luxury items not being things Sinn Féin is in favour of, this equates to a large VRT discount in most cases. Motor homes also receive a reduced rate of motor tax of €102 per annum. As such, motor homes already receive highly preferential treatment in both the VRT and motor tax regimes.

The Irish VRT system has a number of objectives. VRT is an important source of revenue for the State. The system also seeks to reflect the negative externalities caused by using a vehicle in the State. These externalities are the costs to society and the environment that, without the tax, would not otherwise be reflected in the price of the vehicle and for which the consumer would not otherwise have to pay. In the case of motor vehicles, these include environment externalities such as air pollution, which is why one of the bases for imposing VRT is the vehicle's carbon emissions. Other externalities which VRT seeks to reflect include the cost to society of providing and maintaining the road infrastructure, traffic control, relevant emergency services and vehicle registration and licensing. The funds raised through VRT go towards compensating the State for these significant costs.

Finally, VRT is liable on all new or used vehicles irrespective of whether they are being declared for registration through the distributor network or are imported privately. There is no tax advantage to purchasing a vehicle in the UK as the vehicle is liable to the same rate of tax when it is registered in the State. This equality of treatment applies to all vehicles in all categories and ensures that the VRT system continues to be applied fairly and evenly. Accordingly, I cannot accept the recommendation.

Recommendation put and declared lost.

SECTION 55

Question proposed: "That section 55 stand part of the Bill."

Senator Kieran O'Donnell: I seek clarification from the Minister of State on an issue that has often come up over the years and which relates to services for people with disabilities. Where a claim is made by a facility regarding VRT, there is a requirement that more than 50% of users must have disabilities. My understanding is that the Government is willing to consider a statutory instrument to provide that where there is one person with disabilities, a claim could be made. When does the Minister of State expect the statutory instrument to be published and on what date will organisations be able to avail of the measure?

Deputy Michael D'Arcy: This came up at the select committee, having previously been brought to my attention. We have made a commitment to deal with the matter by way of a

statutory instrument. We are dealing with it straight away on the passage of the Finance Bill. What was happening was that 51% of the users of the facility were being asked to provide their private medical certificates, which requirement we consider to be onerous for such facilities. We have agreed to change to a criterion involving one or more users. That will be sufficient to deal with the matter so that those organisations, which include more than just special schools, will not have to pay VRT or VAT.

Senator Kieran O'Donnell: What is the timescale for the implementation of that change?

Deputy Michael D'Arcy: It will be done within weeks.

Question put and agreed to.

Sections 56 to 58, inclusive, agreed to.

NEW SECTION

Senator Rose Conway-Walsh: I move recommendation No. 8:

In page 61, between lines 24 and 25, to insert the following:

“59. The Minister shall, within 6 months of the passing of this Act, prepare and lay before Dáil Éireann a report on the costs and economic benefits of maintaining a 9 per cent VAT rate on hotel beds.”.

There is a huge occupancy rate, especially in Dublin where many hotels are under construction. This report will examine the costs and benefits of future decisions around that. Revenue per available room is the standard measure of how busy the hotel sector is. According to the PricewaterhouseCoopers forecast for European city hotels for 2017 and 2018, Dublin hotels had the highest occupancy rate in Europe in 2016. It was higher than the London, Amsterdam and Berlin rates and it is predicted to stay on top of that metric for 2017 and 2018.

Acting Chairman (Senator Gerry Horkan): As it is 4.15 p.m., I must interrupt the Senator.

Business of Seanad

Senator Martin Conway: On behalf of the Leader, I propose, notwithstanding anything that has already been decided on the Order of Business, that Committee Stage of the Finance Bill conclude at 4.45 p.m., if not previously concluded; that No. 2 be taken on the conclusion of No. 1 and that the time allowed for that be no longer than 1 hour and 15 minutes, and that No. 3 commences immediately on the conclusion of No. 2.

Acting Chairman (Senator Gerry Horkan): Is that agreed? Agreed. The Order of Business has been amended and Committee Stage on the Finance Bill will finish at 4.45 p.m., which gives us an extra half an hour. I am sorry to have interrupted Senator Conway-Walsh, but she has a little bit more time now.

Finance Bill 2017: Committee Stage (Resumed)

Debate resumed on recommendation No. 8:

In page 61, between lines 24 and 25, to insert the following:

“59. The Minister shall, within 6 months of the passing of this Act, prepare and lay before Dáil Éireann a report on the costs and economic benefits of maintaining a 9 per cent VAT rate on hotel beds.”.

- (Senator Rose Conway-Walsh)

Senator Rose Conway-Walsh: I appreciate the extra time to finish discussing the recommendation. I am aware of the problems of rural as opposed to Dublin-based hotels, which are heavily over-subscribed. However, many other cities have a local hotel tax which is something I urge the Minister of State to look at. It is a possible way to distinguish between cities and rural Ireland. I accept the point around tax bands, but this is something we could consider. There is a particular tax for London hotels. I cannot reconcile the fact that I pay huge rates when I stay in hotels in Dublin where we have children in uniforms going down to eat their breakfast, having been piled into hotel rooms. I cannot accept that we have this tax break for hotels in Dublin. There must be a way around it. The contrast between those children in their uniforms and the huge rates hotels charge cannot be right on any level. I record also my concern about labour standards in this sector. We are subsidising some very bad employers, which is certainly something that needs to be addressed as well.

Senator Alice-Mary Higgins: I support the recommendation. We did not have an opportunity to debate it due to time constraints, but I was very supportive of the recommendation on banks and their losses. I reserve the right to raise on Report Stage the issue of banks and their losses which was discussed previously by Sinn Féin.

Acting Chairman (Senator Gerry Horkan): We are dealing with recommendation No. 8.

Senator Alice-Mary Higgins: In reviewing the 9% VAT rate as the year goes on, will the Minister of State consider hotels' compliance and engagement with joint labour committees? If we want to see real economic benefits from these measures and the hospitality industry, we must ensure that those working in it, who often have homes locally and who are there when the tourist season is over, have sufficient incomes. That is how one ensures there is a benefit all year round. It is by ensuring that those who work in the industry have an adequate wage which they bring back to the local community. The Government's Low Pay Commission has highlighted many serious concerns around wages in the hospitality sector. I ask the Minister of State to comment on that also.

Deputy Michael D'Arcy: The reduced 9% VAT rate is reviewed annually in the context of the budget, including the economic costs and benefits and the additional revenue that could be raised by bringing the rate back to 13.5%. Revenue's most recent estimate is that reverting to the 13.5% rate would bring in an additional €491 million. A 1% increase would yield €109 million. The estimated cost to the Exchequer of the reduced 9% VAT rate since its introduction in 2011 to the end of 2016 is of the order of €2.2 billion.

As to the economic benefit, employment in the accommodation and food service sector has grown significantly since the introduction of the 9% VAT rate. Employment in these sectors has increased gradually each year since 2011, with an increase of over 35%, or 40,500 jobs, in the period from quarter 2, 2011 to quarter 1, 2017. The rate of increase in employment in the

sector was significantly greater than the overall level of employment increase. The number of overseas trips to Ireland by non-residents increased from 6.5 million in 2011 to 9.6 million in 2016, an increase of almost 50%. However, those benefits could be attributed to other factors such as the general and very strong recovery in the economy and better economic performance in the target markets.

The Minister, Deputy Donohoe, decided not to make any change to the 9% VAT rate in budget 2018 as it continues to benefit the tourism sector throughout the country and any change in the rate could impact greatly on the tourism sector outside the capital. The Minister was also conscious of the impact the decline in the value of sterling is having on UK visitor numbers and how any increase in the VAT rate might exacerbate this.

While it is noted that hotel prices in Dublin continue to rise, that is partly a function of supply, which is being addressed. Furthermore, due to EU fiscal neutrality constraints, different VAT rates cannot apply to different geographical areas in the country. VAT policy must be decided in the context of the national interest.

However, we accept the position of the Senators that the 9% VAT rate must be subject to ongoing analysis and it is. In that context, the Minister asked the Department to undertake a comprehensive study of all aspects of the 9% VAT rate ahead of next year's budget. The review should be completed by mid-2018 and will better inform any future decision on the reduced rate.

However, it is not certain that the analysis will be finalised within the timeframe suggested in the recommendation and, therefore, the Senators' recommendation cannot be accepted. However, I assure them that their concerns will be included in the study to be undertaken by the Department.

Senator Conway-Walsh is confused today. On some issues she has called for votes and has opposed votes on other sections she brings forward. She is in favour of rural Ireland being supported. The 9% VAT rate is the biggest and most costly example of how the Government favours rural Ireland but the Senator is against it. Her continued confusion is consistent.

Senator Rose Conway-Walsh: The Minister of State is being obtuse.

Deputy Michael D'Arcy: I reject what the Senator said about labour standards. She is tarnishing all employers in the sector-----

Senator Rose Conway-Walsh: I did not tarnish all employers in the sector. I referred to some employers.

Deputy Michael D'Arcy: -----on the issue of labour standards. There are the best of employers in the sector as well as some bad employers. There are Government agencies who deal with bad employers.

Senator Rose Conway-Walsh: I referred only to some employers.

Deputy Michael D'Arcy: The joint labour committees, JLCs, can deal with such issues. If people do not pay the correct rates, there is a structure in place to ensure they are made to do so. I have no time for anybody who does not pay the correct rate.

Senator Rose Conway-Walsh: The Minister of State is being obtuse.

Senator Paudie Coffey: I welcome that the Government in the Finance Bill-----

Acting Chairman (Senator Gerry Horkan): I am sorry to interrupt. I welcome Deputy Heydon and his guests to the Gallery. They are very welcome.

Senator Paudie Coffey: I welcome the Deputy and his guests to the Gallery. It is always good to have visitors from the Lower House to hear the extensive debate that takes place in the Seanad.

Acting Chairman (Senator Gerry Horkan): I am sorry to have interrupted Senator Coffey but I thought he would appreciate it.

Senator Paudie Coffey: I welcome the retention of the 9% VAT rate in the Finance Bill. Many of those present come from the regions of Ireland, such as the Minister of State, who comes from Wexford, while I am from Waterford and other colleagues come from other areas of the country. For such Members, this has been one of the measures that most assisted the hospitality trade during the economic crisis. That is evidenced by the vast increase in the number of tourists visiting Ireland.

People to whom I have spoken who are involved in restaurants and hostelries told me that the 9% VAT rate was one of the measures that kept them in business during that difficult time. However, I acknowledge that there is an issue, particularly in Dublin, regarding the cost of hotel rooms. The message should go out from the Seanad Chamber to hoteliers in Dublin that it is not a given that the 9% VAT rate will remain forever. I have lobbied for its retention and I will continue to do so because it is good for business and makes it cheaper for people to visit Ireland, which has a knock-on impact in terms of further expenditure in our local economies. However, the message should go out from Seanad Éireann that hoteliers should not take the 9% VAT rate for granted and should consider the competitive price of bed nights in Dublin in particular. It is an important matter that they should take into account. The Minister will take account of it, as will his officials. I welcome that a further analysis is to be conducted of the VAT rate, its impacts and how it benefits the economy.

It is also welcome for regional newspapers, a sector that has struggled considerably over many years and particularly so during the economic crisis when advertisements, a strong source of income for newspapers, decreased. They too depend on the lower VAT rate to help them become and remain sustainable businesses. Regional newspapers carry out a public service by reporting upon affairs of State and also reporting on news items in communities, towns and villages across the country. As the Minister of State said, and I support him on this point, the 9% VAT rate supports rural Ireland in many ways, such as tourism. Its benefits can be seen in the huge increase in visitors to the Waterford greenway and that it is attractive for those from outside the country to come here and visit and spend money in local economies. Local newspapers keep our communities connected and inform them of happenings, Oireachtas events and local events and it is critical for that to continue. I want to put on record that the 9% VAT rate is not just a financial measure but has helped rural Ireland and various sectors of the country on many levels. However, the Dublin hotel trade should not take the measure for granted because the prices of hotel rooms in Dublin are going through the roof and becoming uncompetitive and a problem.

Senator Maria Byrne: I agree with the points made by Senator Coffey. A very clear message needs to go out in regard to hotels in Dublin. However, I lobbied for the retention of the

9% VAT rate in the past and on this occasion, and it sends a very positive message in terms of job creation, as the Minister of State said.

Another benefit I have seen in the regions is the amount of investment people are beginning to put into their businesses in the hospitality industry. The 9% VAT rate has encouraged people in that trade because they have to constantly reinvent themselves and invest in their businesses to give good offers to their customers. However, without the retention of the 9% rate we would not have increased employment or investment. I agree with its retention. It is to be welcomed that the Minister, Deputy Donohoe, listened to proponents of the rate and kept it because there were rumours that it would be changed and there was lobbying by the Opposition in that regard. It has been a positive measure but it is important that the message be clear that it will not always be available and that hotels in Dublin need to sit up and take cognisance of that.

Senator Alice-Mary Higgins: In regard to the discussion on labour rights and employment pay rates, while all Members know good and bad employers, there are facts and figures provided by the Low Pay Commission with which to work. There are also very clear targets relating to this area, such as those under the sustainable development goals and gender equality. The figures and information we have, such as the Low Pay Commission examination of women in the hospitality industry and the sustainable development goals targets for where we need to be in terms of the 40% lowest incomes, are factual matters that could usefully feed into the examination by the Department and which I may be examining on Report Stage in terms of further amendments.

Recommendation put and declared lost.

Sections 59 to 61, inclusive, agreed to.

NEW SECTION

Government recommendation No. 9:

9. In page 69, between lines 27 and 28, to insert the following:

“Shares deriving value from immovable property situated in State

62. (1) The Principal Act is amended—

(a) by inserting the following section after section 31B:

“Shares deriving value from immovable property situated in State

31C. (1) (a) In this section—

‘Act of 1997’ means the Taxes Consolidation Act 1997;

‘arrangement’ includes any agreement, understanding, scheme, transaction or series of transactions;

‘company’ has the same meaning as in section 4 of the Act of 1997;

‘connected person’ has the same meaning as in section 10 of the Act of 1997 and a person who is connected shall be construed accordingly;

‘development’, in relation to immovable property, means—

(a) the construction, demolition, extension, reconstruction of, or the material alteration or refurbishment of, any building, or

(b) the carrying out of any engineering or other operation to adapt the immovable property for materially altered use, and developed and developing shall be construed accordingly;

‘immovable property’ means immovable property situated in the State that is not residential property;

‘interest’, in relation to a partnership, means a partner’s share or interest in a partnership;

‘IREF’, subject to paragraph (b), has the same meaning as in section 739K(1) of the Act of 1997;

‘units’ has the same meaning as in section 88(1)(a) of the Act of 1997.

(b) For the purposes of the definition of ‘IREF’ in paragraph (a), the definition of ‘IREF’ in section 739K(1) of the Act of 1997 shall be read as if there were inserted after the words ‘investment undertaking’ in the first four places where they occur the words ‘or collective investment scheme to which section 88(1)(b) (ii) applies’.

(c) For the purposes of this section, where a company, IREF, partnership or a connected person secures the development of any immovable property, the company, IREF or partnership shall be regarded as developing that immovable property.

(d) For the purposes of this section, if, by any one or more transactions or by any arrangement or scheme, whether concerning the immovable property or stocks, marketable securities, units or interests deriving value from that immovable property, there is a disposal of the immovable property or a transfer of control over that immovable property, that disposal or transfer, as the case may be, shall be a disposal for the purposes of this section.

(2) (a) This section applies in relation to—

(i) stocks or marketable securities in a company, other than an investment undertaking within the meaning of section 739B of the Act of 1997 that is not an IREF,

(ii) units in an IREF, or

(iii) interests in a partnership, that derive their value, or the greater part of their value, directly or indirectly, from immovable property.

(b) For the purposes of paragraph (a), a reference to deriving value indirectly from immovable property shall include value that is derived from stocks, marketable securities, units or interests in relation to which this section applies.

(c) Where the company, IREF or partnership referred to in paragraph (a) (referred to in this subsection as ‘the first-mentioned company, IREF or partner-

ship’) derives its value from stocks, marketable securities, units or interests in a company, IREF or partnership (referred to in this subsection as ‘the second-mentioned company, IREF or partnership’), the circumstances in subsection (6) shall be deemed to apply to the first-mentioned company, IREF or partnership where they apply to the second-mentioned company,

IREF or partnership.

(3) Where stocks, marketable securities, units or interests in relation to which this section applies were owned at one time by one person, or by persons who are acting in concert or who are connected persons, and are conveyed or transferred by that person or those persons in parts—

(a) to another person, or

(b) to other persons who are acting in concert or who are connected persons,

whether or not on the same or different occasions, the several conveyances or transfers shall, for the purposes of this section, be treated as a single conveyance or transfer.

(4) Notwithstanding section 88 or the charge to stamp duty applied under the Heading ‘CONVEYANCE or TRANSFER on sale of any stocks or marketable securities’ in Schedule 1, where the circumstances in—

(a) subsection (5), and

(b) subsection (6),

apply, the conveyance or transfer on sale concerned shall be chargeable to stamp duty under paragraph (4) of the Heading ‘CONVEYANCE or TRANSFER on sale of any property other than stocks or marketable securities or a policy of insurance or a policy of life insurance.’ in Schedule 1.

(5) The circumstances referred to in subsection (4)(a) are that—

(a) there exists a conveyance or transfer on sale of stocks or marketable securities, units or interests in relation to which this section applies, and

(b) such conveyance or transfer on sale results in a change in the person or persons having direct or indirect control over the immovable property concerned.

(6) The circumstances referred to in subsection (4)(b) are that it would be reasonable to consider that the immovable property concerned—

(a) was acquired by the company, IREF or partnership, as the case may be, with the sole or main object of realising a gain from its disposal,

(b) was or is being developed by the company, IREF or partnership, as the case may be, with the sole or main object of realising a gain from its disposal when developed, or

(c) was held as trading stock (within the meaning of section 89 of the Act of 1997) by the company, IREF or partnership, as the case may be.

(7) Where—

(a) there is a change in the ownership of a company, IREF or partnership in relation to which this section applies that results in a change in the person or persons having direct or indirect control over immovable property,

(b) the circumstances set out in subsection (6) apply to the company, IREF or partnership concerned, and

(c) any contract or agreement relating to stocks, marketable securities, units or interests, giving direct or indirect effect to such change is not otherwise chargeable to stamp duty,

then the contract or agreement shall be treated as a conveyance or transfer on sale for the purposes of subsection (5).

(8) In calculating the part of the value of the stocks, marketable securities, units or interests that is derived, directly or indirectly, from immovable property situated in the State—

(a) account shall not be taken of any arrangement that—

(i) involves a transfer of money or other assets, apart from immovable property, from a person who is connected with the company, IREF or partnership, as the case may be, in which those stocks, marketable securities, units or interests are held,

(ii) is made before a conveyance or transfer on sale of stocks, marketable securities, units or interests in relation to which this section applies, and

(iii) the main purpose or one of the main purposes of which is the avoidance of liability to any tax or duty,

and

(b) regard shall be had to the gross value of the immovable property from which that value is derived.

(9) Stocks, marketable securities, units or interests in relation to which this section applies shall be deemed to be land for the purposes of subsection (1)(b) of section 83D (inserted by section 61 of the Finance Act 2017) where, following the conveyance or transfer on sale, the immovable property concerned satisfies the conditions for a

repayment under that section.”,

and

(b) in section 88(1)(b) by substituting “Subject to subsection (2) and section 31C

6 December 2017

(inserted by section 62# of the Finance Act 2017)” for “Subject to subsection (2)”.

(2) (a) Subject to paragraph (b), subsection (1) shall have effect as respects any instrument executed on or after 6 December 2017.

(b) Subsection (1) shall not have effect as respects any instrument executed before 1 March 2018, where—

(i) the effect of the application of subsection (1) would be to increase the duty otherwise chargeable on the instrument, and

(ii) the instrument contains a statement, in such form as the Revenue Commissioners may specify, certifying that the instrument was executed solely in pursuance of a binding contract entered into before 6 December 2017.”.

Recommendation agreed to.

Sections 62 and 63 agreed to.

NEW SECTION

Senator Rose Conway-Walsh: I move recommendation No. 10:

In page 71, between lines 4 and 5, to insert the following:

“64. The Minister shall, within 6 months of the passing of this Act, prepare and lay before Dáil Éireann a report which would include a risk assessment of the sustainability of stamp duty receipts from commercial property.”.

Recommendation put and declared lost.

Sections 64 to 84, inclusive, agreed to.

SECTION 85

Senator Alice-Mary Higgins: I move recommendation No. 11:

In page 88, line 2, to delete “9 months” and substitute “6 months”.

Recommendation, by leave, withdrawn.

Section 85 agreed to.

NEW SECTIONS

Senator Rose Conway-Walsh: I move recommendation No. 12:

In page 88, between lines 6 and 7, to insert the following:

“86. The Minister shall, within 6 months of the passing of this Act, prepare and lay before Dáil Éireann a report on the likely changes in the amount of Local Property Tax payable by households based on the most recent house price data and forecasts for the next valuation period.”.

I have moved the recommendation, albeit with provision to-----

Acting Chairman (Senator Gerry Horkan): The Senator is moving the recommendation but does not need to speak to it.

Recommendation put and declared lost.

Senator Alice-Mary Higgins: I move recommendation No. 13:

In page 88, between lines 6 and 7, to insert the following:

“86. The Minister for Finance shall—

(a) within six months of the passing of this Act, prepare and lay before both Houses of the Oireachtas an equality statement to examine how the measures contained in the *Finance Act 2017* impact upon equality in Ireland, and

(b) ensure that Budget 2019 is accompanied by an equality statement.”.

I would like to bring this recommendation back in on Report Stage because I would like to examine it further. I acknowledge that the Department of Public Expenditure and Reform has done very positive work in respect of equality budgeting and in respect of the staff paper on equality budgeting. I will bring it back on Report Stage when we might have a chance to discuss it. I acknowledge the very positive paper from the Department in this regard. Recommendation No. 13 is a very specific recommendation on the role of the equality statement within that. I would prefer to discuss it on Report Stage.

Recommendation, by leave, withdrawn.

Senator Alice-Mary Higgins: I move recommendation No. 14:

In page 88, between lines 6 and 7, to insert the following:

“86. The Minister for Finance shall, within six months of the passing of this Act, prepare and lay before both Houses of the Oireachtas a report assessing the impact of *Finance Act 2017* on Ireland’s progressive implementation of the Sustainable Development Goals, including the target under Goal 10 that by 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average.”.

We may discuss this recommendation again and I may bring it back on Report Stage because I believe a discussion is needed on Ireland’s implementation of the sustainable development goals. Ireland will prepare a report next year on the sustainable development goals and I believe it is important that the measures in the Finance Act and the measures in the budgetary processes are properly considered in light of the sustainable development goals and whether they bring us closer to or further away from the implementation of those goals. With regard to the Finance Bill I specifically have in mind goal No. 10, which says that states should progressively achieve and sustain income growth of the bottom 40% of the population at a rate higher than the national average. Perhaps the Minister will afford us the opportunity on Report Stage to discuss it, and he may have a response now. This is a test we need to start applying to the tax and distributive measures in our budget.

Deputy Michael D’Arcy: If one goes back several years, since the real damage impacted upon the finances of the State, we have been doing that. Some 400,000 people out of 2 million

people pay a zero rate of universal social charge. A total of 36 % of the workforce pays no income tax. These figures are rarely quoted. I absolutely agree that within those figures there are part-time workers for whom the system works very well. This is 400,000 people who pay nil in respect of the universal social charge. This is 36% who pay nil in respect of income tax because they are underneath the threshold. The reason they are underneath the threshold is because we have raised the thresholds. I absolutely support these measures.

The sustainable development goals were adopted in 2015 by 193 UN members, including Ireland and consist of 17 high-level goals and 196 targets. While not legally binding, developed and developing countries are expected to take ownership and establish national frameworks for achieving the goals by 2030. Senior officials have formed a group, led by the Department of Communications, Climate Action and Environment, that has been set up to oversee Ireland's implementation of these goals. A progress report, published by EUROSTAT in November notes that the EU as a whole made moderate progress in the goal to achieving sustained income growth of the bottom 40% of the population at a rate higher than the national income over the last five years. In an Irish context, and from the perspective of income tax changes introduced in the last four budgets, incremental progress has been made in reducing the income tax burden, thereby increasing net after-tax income with an emphasis on low and middle-income earners.

It is the Government's intention to continue this progress in future budgets as fiscal resources allow. It is also important to look at the broader effects of budgetary measures over time such as the contribution of budgetary policy to employment growth over the past number of years. It is necessary to consider other non-budgetary Government measures to support those on lower incomes. For example, the Government has adopted the recommendation of the Low Pay Commission to provide for an increase in the national minimum wage from January. This is the third consecutive year in which this has increased.

I also note that budget 2018 has provided for an increase in social protection payments, including a €5 per week increase in all social welfare payments to be introduced through the Social Welfare Bill. An analysis of the Finance Act alone would not be representative of the range of measures undertaken by the Government to support those who are on lower incomes.

The Senator will also be aware, on foot of the discussions on a previous recommendation in respect of equality assessment, that a significant volume of work is already being undertaken by the Departments of Finance, Public Expenditure and Reform and Employment Affairs and Social Protection to assess the impact of the budget, tax and expenditure measures on income equality.

Taking these factors into account, and in view of the oversight role held by the Department of Communications, Climate Action and Environment, I do not accept the Senator's recommendation.

Recommendation, by leave, withdrawn.

Senator Alice-Mary Higgins: I move recommendation No. 15:

In page 88, between lines 6 and 7, to insert the following:

“86. The Minister for Finance shall, within six months of the passing of this Act prepare and lay before both Houses of the Oireachtas a report on—

(a) how Part 30 of the Principal Act might be amended to allow for replacement of the current marginal rate tax relief in respect of private pensions with a standard rate tax relief, and

(b) how Part 30 of the Principal Act might be amended to allow for replacement of the current marginal rate tax relief in respect of private pensions with a single rate tax relief of 30 per cent.”.

I wish to speak on recommendation No. 15. Can I check that this is the last amendment, as I do not want to eat in to colleagues' time?

Acting Chairman (Senator Gerry Horkan): The Senator is moving a recommendation, not an amendment. There are Schedules to the Bill that still need to be passed.

Senator Alice-Mary Higgins: I believe that this recommendation is one of the most important in the Bill. It asks the Minister to consider creating a report for the Oireachtas looking at how an amendment within Part 30 of the principal Act might be made for the replacement of the current marginal rate tax relief for private pensions with a standard rate tax relief. The recommendation also proposes an alternative to allow for a replacement of the current marginal rate tax relief with a single rate tax relief of 30%. The inequity around private pension tax relief is an issue. Greater relief goes to those on the highest incomes and less relief goes to those on lower incomes, even though the stated objectives of the pension policy are to encourage a wider take-up of pensions and to encourage a greater gender equality in more women taking up pensions. Both of these measures are counteracted by the marginal rate tax relief in which the benefits go very heavily to higher earners. In the memorandum of understanding with the troika, one of the key measures it had sought at that time was the standardisation of Ireland's private pension tax relief. This was one of the only measures that was not implemented or touched, even though it had been a key recommendation. It was recommended as an inequity. I have the Minister of State's figures here. We have an inequitable tax relief system with varying costs. Dr. Micheál Collins, assistant professor of social policy in UCD has looked at figures overall for tax relief for private pensions being estimated at €2 billion. We are aware that the figure for certain schemes alone is €210 million. We are talking about a huge figure - hundreds of millions of euro - being spent on private pension tax relief in Ireland. At the same time, we have been hearing that addressing the inequalities in our State contributory pension system is simply unaffordable. We have a recognised inequality in tax relief being maintained instead of addressing a recognised inequality in our contributory pension system.

Acting Chairman (Senator Gerry Horkan): If the Senator wants a response, she will need to curtail her contribution.

Senator Alice-Mary Higgins: I will not press it at this time but I will raise it again on Report Stage because I believe it needs to be debated.

Deputy Michael D'Arcy: The Senator is focusing on people on higher pay who take the opportunity to provide a good pension for their retirement. However, they represent a small percentage of people in the scheme of things. In this State, 50% of people have no pension, which is the biggest issue. They have nothing coming.

Senator Alice-Mary Higgins: I absolutely agree.

Deputy Michael D'Arcy: If we change this, that 50% figure would be even greater, which

would be of huge concern to me. I have a four-page response, but-----

Senator Alice-Mary Higgins: We can address it on Report Stage. I will be bringing the recommendation back on Report Stage.

Recommendation, by leave, withdrawn.

Sections 86 and 87 agreed to.

Schedules 1 to 4, inclusive, agreed to.

Title agreed to.

Acting Chairman (Senator Gerry Horkan): I thank the Minister of State and the Members for their co-operation over the past two to three hours. The Minister of State is very familiar with the Seanad, thankfully, which has probably helped with his deliberations in the Chamber.

Deputy Michael D'Arcy: I thank everybody. This is my fourth time dealing with the Bill so I ask Senators not to repeat contributions on Report Stage. We have left out quite a few areas, which I am happy to go through on Report Stage. If it is otherwise, we will have the same conversation we have already had. That is what happened in the Dáil. I do not see the purpose of going through some of these matters a fifth time. Some things were not discussed in the other Chamber and I ask the Senators to focus on those.

Bill reported with recommendation.

Acting Chairman (Senator Gerry Horkan): When is it proposed to take Report Stage?

Senator Kieran O'Donnell: Next Tuesday.

Report Stage ordered for Tuesday, 12 December 2017.

Climate Action and Low Carbon Development Act 2015: Statements

Acting Chairman (Senator Gerry Horkan): Following the Minister's statement on foot of the Climate Action and Low Carbon Development Act 2015, we will have contributions from group spokespersons of up to eight minutes with the contributions of all other Senators not to exceed five minutes and the debate to conclude by 6 p.m., at the latest.

Minister for Agriculture, Food and the Marine (Deputy Michael Creed): I am pleased to be here today. As Senators will have heard from my colleague, the Minister for Communications, Climate Action and Environment, Deputy Denis Naughten, our first national mitigation plan was published in July. As my Department covers one of the key sectors involved in that process, I am very pleased to present the annual transition statement for the agriculture, forest and land-use sector and, in particular, to outline the efforts the sector is making to address our climate obligations. It is important at the outset to set out the long-term vision for the sector and what it is we are trying to achieve, which is an approach to carbon neutrality which does not compromise our capacity for sustainable food production. While carbon neutrality has yet to be fully defined, the aim is to balance agricultural emissions by increasing carbon sequestration, reducing emissions and increasing fossil fuel and energy intensive materials displacement. This is not an easy task.

The achievement of carbon neutrality is both challenging and complex, which has been recognised by the Climate Change Advisory Council. Recent EPA projections show that overall national emissions have risen by 3.5% while agriculture emissions increased by 2.7% in 2016. However, it is not all bad news as emissions in agriculture remain 3.5% below their 1990 levels and we have seen a decoupling of emissions from output. I will give the House an example. In the five-year period 2012 to 2016, dairy cow numbers increased by 22% and corresponding milk production increased by 27%, but emissions increased by just 8%. That said, we are not complacent and clearly recognise the need for further improvement, in particular the need to contribute to the overall national requirement to reduce emissions by a proposed 30% by 2030.

We continue to promote efficiency of food production, afforestation, sustainable forest management and enhanced soil sequestration. In addition, we are encouraging the mobilisation of biomaterials and residues to displace fossil fuel and other energy intensive materials, including by promoting a wider use of wood products in the built environment and elsewhere. We are also investing heavily in climate change actions through our research funding programmes. Such research is not only key to informing policy interventions but one such research project - Agri-1 - has led to changes in our national inventories and that has impacted positively on compliance with our climate targets. Based on 2016 provisional greenhouse gas emission figures, the indications are that Ireland will now be in compliance with the 2016 effort-sharing decision annual limit.

The sector's contribution to the national mitigation plan consists of a number of cross-cutting measures with benefits for climate change adaptation, water quality, biodiversity and rural development. These include a number of forest measures as afforestation is one of the primary opportunities for the sequestration of agricultural emissions and a key agricultural investment priority. My Department has supported the establishment of over 300,000 ha of forest since 1990 and over 9,000 km of forest roads. In 2016, over 1 million cubic metres of domestically sourced forest based biomass was used for energy production in Ireland. In addition to the mitigation measures, over 30 actions have been identified in the plan to advance our emission reductions obligation in the land use sector. I will highlight some specific examples where progress is being made. I already mentioned decoupling sector growth from gross emissions. This achievement has been delivered as a result of continued research, advances in animal genetics, health and nutrition, and through optimising the use of fertilisers. Over 50,000 farmers have joined GLAS, with 4,700 farmers committing to low emission slurry spreading techniques, with consequent reductions in CO₂ and ammonia emissions. There are approximately 2,600 farmers planting 26,000 ha of catch crops annually which prevents soil erosion and absorbs nutrients. There are carbon sequestration and biodiversity benefits arising from the planting of 1,300 km of new hedges, 1,300 traditional orchards and 5,000 groves of native trees. The carbon sequestration potential of these 5,000 groves of trees on their own, which equates to approximately 450 ha of woodland, is around 900 tonnes of CO₂ annually.

In terms of maintenance and improvement in water quality, almost 12,000 farmers have committed to excluding cattle from almost 17,000 km of watercourses for the next five years. The beef data genetics programme has attracted almost 24,000 applicants under tranche 1, another almost 1,700 applicants under a second tranche. Over 900,000 animals have been genotyped. On the energy side of things farmers are availing of energy efficiency investment options under TAMS II pig and poultry and the young farmers capital investment schemes. Both agri-industry and farmers are committing to the Origin Green programme rolled out by Bord Bia which includes the completion of carbon calculators by farmers on their individual farms.

It not possible in the time available to go through each and every measure but I hope those that I have outlined give Senators a flavour of the range of measures being undertaken in the sector. The agriculture sector is serving multiple objectives, from producing sustainable food, biomass and wood products to sequestering carbon and providing other essential eco services including for water and biodiversity. It is these multiple objectives that make it different to the other sectors that Senators have heard about over the last week.

At international level the role of agriculture in tackling climate change and achieving the ambitions of the Paris climate agreement is well recognised. This is evidenced by the decision on agriculture taken at the most recent COP meeting in Bonn under the Fijian presidency last month, which the Irish delegation played a key role in achieving. Climate vulnerability and building resilience is also something that is high on the international agenda, as it is for us here in Ireland. My Department has published a non-statutory adaptation planning document for the agriculture and forest sector under the 2012 national climate change adaptation framework. The document is a first step towards reducing vulnerability and building resilience in the agriculture and forest sector. As expected, the analysis undertaken as part of that process found that climate change has affected and will continue to affect all areas of the agriculture and forest sector. Building resilience and reducing the vulnerability of the sector is key. I should also mention that a draft adaptation plan for the marine sector is also being prepared and I expect this to proceed to a public consultation in the coming months.

We have a thriving agrifood sector that is efficient and environmentally conscious. We will continue to work with all stakeholders to ensure that the sector continues to play its part in meeting our climate obligations and challenges.

Acting Chairman (Senator Gerry Horkan): I thank the Minister for his very comprehensive statement. Before we go on, I wish to welcome Mr. Charles Tannock, MEP, to the Gallery. I understand that although he is from the UK, he is a new Irish passport holder. He is very welcome to Seanad Éireann.

Each of the group spokespersons has eight minutes. I invite Senator Paul Daly to contribute.

Senator Paul Daly: I welcome the Minister to the House and I also welcome the opportunity to discuss the Climate Action and Low Carbon Development Act 2015. I commend the Minister on his comprehensive report on same. We all understand the job at hand. The elephant in the room when it comes to agriculture, which is often conveniently ignored by commentators, is the fact that we never had an industrial revolution in this country and, therefore, agriculture is very prominent in our economy.

The outputs from agriculture are always going to be the biggest but I do not think that gets proper coverage. We are compared with other countries that have massive outputs from industry, transport and energy production and people are given the impression that Irish cows are world polluters. That is something that must be addressed. We had much talk this week about the correct and proper use of language. The image of Ireland that is portrayed and the language that is used is important.

This is not a bad news story. There are targets which need to be met and I would differ with the Minister on how we will achieve those targets. The Minister hosted a fantastic event on Monday and the FoodWise 2025 document contains brilliant targets which are very achievable. Indeed, they must be achieved for the future of the sector. If we are going to increase

our output by up to 85%, it stands to reason that our emissions, if not handled extremely well, are also going to increase. That is evident in the 2.7% increase in greenhouse gas output in the agriculture sector in the last year. However, that 2.7% increase went hand in hand with a 22% increase in cow numbers and 27% increase in milk production. We are one of the most carbon efficient producers of dairy products. If the knee jerk reaction of some and their narrow-minded attitudes to solving or attempting to solve this problem were to be heeded, we would be pushing that food production to other areas of the world that are far less carbon efficient. That might solve our problem and bring our figures closer to the targets but this is a global issue. It is not a question of one country ticking its box. This is a global issue and needs to be viewed as such.

In terms of sequestration, I welcome that land use changes and forestry are now included in the 2030 framework. Sequestration can remove up to 26.8 million tonnes or 27 million tonnes of CO₂. The Oireachtas Joint Committee on Agriculture, Food and the Marine produced a report recently on the future of the tillage sector. With that in mind, all sectors need to be involved and there must be joined-up thinking both within the Department and across Departments. The Minister alluded to that on Monday in his closing remarks at the Food Wise 2025 event. Agriculture reduced its output by 3.5% from 1990 to 2016, which goes unmentioned. At the same time, transport outputs increased by 139% and energy by 116%. If we tick all the boxes and achieve our targets within agriculture but the same is not happening in the other carbon emitting sectors, it will not have the desired effect in terms of influencing climate change. All Departments need to come on board in this.

To refer back to tillage. We have farmers who are leaving that sector at the moment. Tillage would not be a major carbon emitter. In fact, it would have plenty of sequestration opportunities to offer if we were to look at the diversification of products and the production of biomass crops. If farmers were able to make a living from tillage they would not be considering giving it up and moving into dairy, which the figures show produces more carbon emissions. In terms of the overall sector, therefore, we need more joined-up thinking. We are way off our reduction targets at the moment. We are supposed to achieve a 20% reduction by 2020 but it looks like we will come in somewhere between 6% and 11%. At the same time, there are farmers walking away from tillage which is one area that would actually help to improve those figures. They have no choice if they are to make a living from agriculture but to consider moving into the dairy sector.

Incentives in areas such as tillage could help to improve those figures into the future and at the same time help us to achieve our targets of increased food production by 50% by 2050. The requirement to reduce our carbon emissions and at the same time increase food production on a worldwide basis by 50% by 2050 is daunting, but knee-jerk reactions will not serve us well. The cull of 50,000 cows in the Netherlands as a means of achieving targets was a knee-jerk reaction. We are seeking to increase our livestock while in the Netherlands they are culling them. I acknowledge that production in the Netherlands is not nearly as carbon efficient as it is here, but to hear about such high levels of culling is frightening. The objective of Foodwise 2025 is to increase production here by 85%. As worldwide food production must also be increased by 50%, it is catch-22 situation.

Some of the schemes introduced have helped to reduce emissions. The Minister mentioned that there are 25,000 farmers in the genomics scheme and that GLAS has 50,000 members. I believe GLAS needs to be reviewed in the context of what more can be achieved from it. We face major fines if we do not meet our targets. Depending on to whom one speaks, the amount of that fine increases astronomically. It would be far more beneficial to incentivise or subsidise

schemes to assist in achieving our targets rather than spend that money on payment of a fine. This would be money well spent. The Minister needs to give consideration to this proposal.

As I said earlier, this issue needs to be addressed cross-departmentally. We are speaking specifically about the agriculture sector today but one sector alone will not solve the problem. We need joined-up thinking on this issue. If the agriculture sector becomes carbon neutral but carbon in the transport sector continues to increase by up to 140%, it does not make sense.

Senator Pádraig Mac Lochlainn: I concur with Senator Daly that, taking the Irish statistics in isolation, it does not read well that one third of greenhouse gases come from the agriculture sector. One could be inclined to a knee-jerk reaction to that, but it is important to point out that we have never developed an industrial base in this State. In terms of our industrial base versus that of our neighbouring island, France, Germany or Italy or any of the Northern European countries in particular, there is no comparison and so we zone in, on a micro level, on the impact of the agriculture sector in Ireland. There is a need to see the bigger picture.

I was annoyed by the intervention yesterday of the EU Agriculture Commissioner, Phil Hogan. According to him, we have a challenge in Ireland and we need to step up and deal with these issues; otherwise, we face major fines. The European Commission has cut back targets in terms of biofuel in the transport sector and that has seriously disincentivised investment in that sector. We have heard similar stories in this regard from industry and farming organisations throughout Ireland. The very Commission that is lecturing us on the need to address our challenges in agriculture is blocking a route and solution in that regard. It is important to say that. The message we are getting from the European Commission is almost schizophrenic.

I welcome this debate. We know that climate change has serious implications for the Department of Agriculture, Food and the Marine, our country and the world. We will not be seen to be picked off in isolation as this needs to be addressed in the broader context of the global and European challenge. The research indicates that the long-term effects will be significant. Droughts will increase pressure on grasslands from grazing animals and will also increase water demand for irrigation of crops in the east of the country. This will have significant cost implications for some crops, making them economically unviable, particularly the potato. Land use change will see livestock production become more dominant in the west, with cereal production more dominant in the east of the country. Increases in the sea temperature are likely to lead to increased algal blooms, increased infection rates and increased presence of exotic species, which all have negative implications for the aquaculture sector, notably salmon farming. The short-term effects are serious too. We will be facing significant fines for not reaching our 2020 targets. We need to have a balanced conversation on this issue and not ignore it.

The mitigation plan published in July of this year will be yet another dust collector unless we have a real conversation on how to address the issues. As our renewable energy is almost exclusively concentrated on onshore wind, we are reliant on rural Ireland and we will continue to be reliant on rural Ireland into the future. The State has virtually neglected diversifying our renewable energy sources, which are indigenous and will provide cleaner renewable energy and generate employment in rural Ireland. This includes biomass and biogas. Sinn Féin believes that these alternatives can be a direct replacement for some of our fossil fuels, which we import and spend billions of euro on each year. This is also a dispatchable power source as they will act as a complement to the intermittent nature of wind.

We are currently importing biomass to mix with peat to burn at the Edenderry plant. This

is being imported from America but could be grown here. Bord na Móna plans to invest €60 million in a plant in North America. It has been importing palm oil husks from across the globe since 2010, to be burned with peat in the Edenderry plant. This makes no sense in respect of the environment and the carbon miles accumulated in travel. It also makes no sense from an economic perspective and from a security of supply perspective.

I note that a biomass scheme to grow willow was established in 2015 by the Department of Agriculture, Food and the Marine but, alarmingly, only four farmers signed up to it. We can and should be providing biomass on this island. We need to know the reason for the low take-up in respect of that biomass scheme. Consultation on this issue is desperately needed. This is a viable solution that could work for all stakeholders, but we need farmers on board. I am asking the Minister to address their concerns and reservations and to respond accordingly. I know that the Department has initiated some initiatives in the area, including the establishment of Bioenergy Ireland by Bord na Móna and Coillte with a view to developing our bio-energy sector but our starting point is unfortunately way behind that of other states. With the phasing out of peat, we must consider converting the current peat plants to biomass, which puts money into rural Ireland and reduces our emissions. We need to get farmers on board and to get this done.

Another viable suggestion for reducing agriculture carbon emissions is diversification towards biogas or anaerobic digestion. This is where we can use by-products such as slurry, mixed with other farm waste, such as crop residues, rotation crops and food industry waste, to generate gas to be either put into the mains supply or used directly to generate electricity. Germany has 8,000 biogas plants and Britain has 600. We have none and only a first pilot scheme coming into operation next April. An EU Commission report has highlighted that Ireland has one of the best resources in Europe for biogas. This is a huge opportunity that cannot be missed. As well as providing an added and long-term revenue stream for farmers, it has the potential to create sustainable jobs in rural Ireland. An SEAI study this year cited the possible creation of 3,000 jobs from biogas in Ireland. These are sources of renewable energy that need to be utilised and have been neglected up until now. There has been a derogation sought recently in respect of spreading slurry. We know the effects this had. These could instead be a source of income for the farmer and a source of renewable energy for the State.

Biogas is also diverse as an energy source. It can be used for heat injection into the mains grid, for electricity generation and to replace imported natural gas, on which we are very heavily reliant for the production of electricity. Furthermore, it can also be used as transport fuel, in particular in regard to our commercial transport sector, helping in the shift from diesel. We need to develop sustainable agriculture, including the development of the sugar beet industry which can be used in the process to generate biogas. There are also by-products in the process, including bio-fertiliser, which displaces imported fertilisers. This again reaps a benefit for farmers.

Through consultation with farmers and with proper supports in place, we can play a more important role in the energy transition of this State. To highlight it succinctly, the benefits of diversifying our energy sources to biomass and biogas, as I have argued for, would be reduced emissions, the creation of jobs, revenue streams for farmers and increasing security of supply. We cannot ignore this opportunity. Providing a direct replacement for some of our current energy sources would greatly reduce our carbon emissions without unfairly impacting on one cohort within the sector. I urge the Minister to look at the detail and take these suggestions on board.

Senator Michelle Mulherin: I welcome the Minister to the House to discuss this important

issue and I thank him for outlining actions taken under the national mitigation plan in respect of agriculture, food and the marine. It is clear that we must all be mindful and responsible citizens. That is the direction in which the conversation is moving, from the top to the bottom. When we try to address problems, the starting point is often identifying the party to blame and then pointing the finger. The big bad wolf in recent public discourse has been agriculture. That is very unfair. I have mentioned this matter at the Joint Committee on Agriculture, Food and the Marine and elsewhere. I do not question the bone fides of the Citizens' Assembly, but I feel it was not presented with a fair picture in the context of agriculture. The Minister cited the fact that carbon emissions from agriculture and food production have decreased by 3.5% since 1990, while output has increased by 40%. Output has increased but carbon emissions have decreased. Equally, we know that some of our systems for dairy and beef are excellent. We are top of the class for dairy and we are near to the top for beef in terms of our carbon footprint.

The Minister outlined some of the measures that have been overseen by his Department. Every single farming scheme devised has to take on board the idea of sustainability, the potential environmental impact, and increasingly how it can serve to reduce our carbon emission reduction objectives. Farmers know all about this and they know all about the challenges involved. They operate at the coalface.

There has been cold weather again recently. Animals had to be housed as early as September in some cases, which led to clear problems. If we are to bring every single stakeholder on board - including farmers - we should start to ground our conversations in reality when we ask people to take certain actions. We cannot suddenly ask them to go from zero to 100 without providing a roadmap. We have to empower farmers to make the necessary changes so that they can be more carbon-neutral in their activities. The blame game puts many people, not just farmers, off, particularly when they really have been pushed to the pin of their collars in terms of commodity volatility in respect, for example, of milk and beef production. Farmers are working to the tightest of margins, and they are really trying. They should get credit for that.

The dialogue we are having cannot focus solely on agriculture. The message must be communicated to the broader public that farmers, farming organisations, Teagasc and departmental officials are doing good work and that there is a very real drive towards addressing issues.

In terms of the European perspective, I am just back from a trip to Brussels with the joint committee. The Commissioner for Agriculture and Rural Development painted a very stark picture for us. The reality is that there is a very big environmental lobby now which is extremely proactive and media savvy. I do not want to take from its objectives or intentions, but the reality is that more and more will be demanded from farmers under the new Common Agricultural Policy, CAP. That does not take into account the targets we have to meet. More and more schemes will have to have other dimensions to show that they are environmentally friendly. Anybody telling us that we are grand and that we should keep going as we are is incorrect. There is no doubt that it has to be ramped up. There will be extra costs involved, and I believe that is a debate we need to have. We have to stand behind our farmers.

Britain is pulling out of the European Union, and there will be a substantial reduction in the new budget. We have to begin by capturing our budget, and if new measures, whether for water quality or biodiversity, are being introduced for farmers, money will be required. We are asking farmers to act for the greater good of society. We need to talk about all of that, and continue to bring farmers on board.

In the environmental analysis conducted by the Minister's Department, the establishment of a sustainability sub-committee to monitor environmental impacts relating to the Food Wise strategy was recommended. Where do matters stand in that regard? It is essential that we keep moving in the right direction and that we anticipate any difficulties as we try to produce food. It has been stated already, but I reiterate that we are producing food in the most sustainable way. We need to be fed and it is by means of sustainable farming methods that we should produce our food.

I already alluded to the bad weather. There is concern among farmers that there will be a fodder shortage. Teagasc is carrying out an assessment of the amount and quality of fodder available. When farmers are obliged to house animals from early September in anticipation of a long winter, we know that some may get into difficulty. I suggest that this is part of the fallout from climate change. The Minister might give some assurance to farmers regarding the actions he is taking on this issue. He might also outline the options available to farmers if they have hungry animals or if there is an animal welfare issue. I look forward to the Minister's response.

Senator Grace O'Sullivan: Another storm is forecast for tomorrow. Storm Caroline is coming in, bringing winds of 110 mph from the north west. It is our latest forecast for bad weather and is unfortunate for everyone.

Ireland is one of only four countries in the EU where greenhouse gas emissions are still above 1990 levels. The Environmental Protection Agency, EPA, has shown that agricultural emissions increased last year by 2.7%, following a 1.5% increase in 2015. In his speech on Monday at the Department of Agriculture, Food and the Marine's Food Wise conference in Dublin, our former Minister for the Environment, Phil Hogan, told Ireland to "wake up and wake up soon". Irish people are proud members of the European Union. Studies show that Irish people consistently poll as some of its biggest supporters. As Commissioner Hogan rightly points out, with that membership comes a responsibility to take on and embrace the EU's role of being global leader on climate change. At the event in question he stated, "The day is gone when we can pay lip service to sustainability and climate action". This echoes the advice given by former Secretary General of the UN, Ban Ki-moon in 2015 to the effect that:

Ireland has also been a champion of efforts to conquer hunger. But today, one cannot be a leader on hunger without also being a leader on climate change. The rise in extreme weather associated with climate change could drastically reduce harvests and degrade arable land. I encourage Ireland to align its climate efforts with its admirable work against hunger.

Irish family farmers are the stewards of our countryside. It is often forgotten that the survival of the beautiful landscapes that give Ireland its Origin Green image is largely due to the positive attitudes of farming people down the years. Their care of our land for generations, often in the face of great poverty and stress, has secured the beautiful landscapes, fresh rivers and vibrant biodiversity that build the world around us, an integrated world without which we cannot survive. There is broad agreement among farmer and agrifood stakeholders that the current CAP greening system does not do what it says on the tin.

I want to quote the words of a local farmer, regarding an exchange with a Government official on rural payment schemes for ecosystem protection. He said, "I am not accepting those payments. I love the corncrake". He also stated, "Like, I mean, I didn't want the money to protect the corncrake."

For too long a narrative has been allowed to grow that climate action will be disadvantageous to Irish farming and that it is climate action, rather than a broken, productivist CAP system, that is damaging our farming families. I do not buy into the idea that farmers and environmentalists are opposed. We have the potential to develop a better economy for farmers that would not benefit only the biggest and most productive farms. We can develop a low-carbon, grass-fed pastoral system that suits a minority of farmers, although this cannot be used as a reason to double output on the false premise that it is either environmentally sustainable or a secure long-term strategy. Large-scale, productivist Irish agriculture cannot continue to have an exemption from its responsibility to help lower our greenhouse gas emissions and protect sustainable farming on our island.

We should build on the success of agri-environmental schemes. These have been shown to serve both our environment and the farmers that engage with them - economically, environmentally and socially - and we should develop new ones which address climate concerns. Investing in such schemes will help to reduce our agricultural emissions. For example, farmers involved in the organic farming scheme do not use any synthetic fertilisers or chemicals on their lands. They focus on improving the health of the soil, water, plants and animals and they make responsible use of our natural resources. Lower stocking rates on organic farms will reduce agricultural emissions. Organic farms have been shown to have 50% more biodiversity when compared with non-organic farms. Despite this, the scheme has been closed to new entrants.

Ireland should be a leader in reducing food waste. Farmers have been encouraged by successive Governments to produce more and more food to feed a growing world population, yet data from the Food and Agriculture Organization of the United Nations suggest that in the region of one third of all food produced is wasted. Irish data indicate that households throw away some 100 million tonnes of food each year. This disposable attitude to our food and poor food choices perpetuate the cycle of poor product prices for our farmers. This will only worsen with the cycles of flooding, drought and ecosystem loss that climate change will bring.

Let us not allow the destruction of farmers' livelihoods or of our environment due to climate change. Our responsibility is to prepare and adapt to climate change as well as trying to avoid it happening in the first place. In each case Irish farmers, foresters and fishermen and women will be at the front line of what we need to do. They will be the heroes of our cause.

I wish to read into the record a quote from Edna O'Brien:

Later, as the day cools and they have gone in, the cry of the corncrake will carry across those same fields and over the lake to the blue-hazed mountain, such a lonely evening sound to it, like the lonely evening sound of the mothers, saying it is not our fault that we weep so, it is nature's fault that makes us first full, then empty.

Since the 1970s, the corncrake population in Ireland has declined by 91%. There are fewer than 20 breeding pairs left. When I was a child growing up in Tramore, my father had a farm. The corncrake was the sound of the countryside. We are losing so much as a result of climate change and habitat loss. The farmers are losing so much. We have to take smart action and we have to take it now.

Senator Kevin Humphreys: I will not read the Minister poetry, although I am being encouraged to do so. In all seriousness, when we enacted the Climate Action and Low Carbon Development Act 2015, we set up the Climate Change Advisory Council. Its recent report clearly

shows why it was set up, which was to give an early warning that we would not hit targets. It was built and designed on the model of the Irish Fiscal Advisory Council. I brought that up on Committee Stage. During the period of recession and economic crisis, the council reported annually and its advice was taken by Government on many occasions. We are facing a similar crisis in respect of climate change to that which we went through over the last eight years in respect of the extremely severe recession. We have to give it the same response, which is an whole-of-Government response. I know this issue is close to the Minister's heart. At this stage we have to start defining exactly how we are going to deal with the crisis the country is facing and with the possible fines of somewhere between €400 million and €600 million we will be facing after 2020.

The Climate Change Advisory Council's report refers to the approximately €100 million in subvention being given to turf-fired power stations in the midlands. We have to examine whether that is the best way to invest in the midlands. We do not want to make the midlands a rust belt but we have to examine whether a subvention of €100 million is the best way to invest in the region. Perhaps we should invest in people, in training and in alternative industries in which there could be a future for the communities in the midlands.

I have a couple of questions for the Minister. When will we see a definition of the term "carbon-neutral" in respect of agriculture? It is a phrase which is thrown out regularly but nobody quite understands it. We need to be clear on what the Minister's or the Department of Agriculture, Food and the Marine's definition is. We also talk about our investment in forestry and where we want to go with it. We have a clear target to have 15,000 ha of forest cover by 2050. I would like to see annual targets towards achieving that. If we do not have an annual target, we will find ourselves slipping very quickly.

We often hear that Ireland is the best place for milk, beef and everything else. We often hear that Ireland is the best place to feed the world. Ireland is never going to feed the world. Let us kill off that idea. In many markets, our agricultural produce is targeted at the top of the market in order to get the best return. We are selling our beef as the best in the world rather than as the cheapest. As a small producer, that is exactly where we should be focusing our efforts.

I have one real concern. I know that many people will think this comparison is a little mad, but tobacco producers constantly say they need help to continue growing and producing tobacco. If one does a Google search on that issue, in the United States, and particularly the south, the tobacco producers fight strongly to be able to continue growing tobacco plants for the tobacco industry. Growth in the tobacco industry is mainly in Third-World countries, particularly those in Asia, and in India and China. It is a little bit like that with formula milk. Ireland is now one of the largest producers of formula milk in the world. It is all for export, mostly to China and other Asian countries. We know that the best milk for a baby is mother's milk, yet we have major international foundations marketing formula milk in the Third World and in other countries where people can least afford to change from breast milk to formula milk. We feel that is okay. There will always be a role for formula milk. People do make that choice. However, we need to be a little concerned at the way formula milk is being marketed outside of Ireland. We constantly tell mothers that breast is best but, on the other hand, we say that it might not be if it means we can export formula milk to Third-World countries and encourage the use of scarce resources to buy it when people could be buying much more nourishing food for their families.

Senator Alice-Mary Higgins: I welcome the Minister to the Seanad to present this annual transition statement from his Department. Others have touched on reports of just how far off

track Ireland is in terms of meeting its climate change targets for 2020. I do not want to go into too much detail on that issue, but I do want to highlight it. It is a matter of very serious concern that we have fallen 28 places in the ranking of countries that are achieving their targets. It is also concerning that we are running very far behind where we hope to be by 2020 and, indeed, 2030. The fact that we are moving in the wrong direction has very serious consequences, and not only the real consequences we are seeing from climate change and extreme weather events such as damage to homes, businesses, farms and infrastructure. In 2012, for example, we had a fodder crisis that came out of a poor growing season and that then cost the economy €900 million. In terms of the impact of extreme weather events, which will become more frequent under climate change, these kinds of crises are very immediate. Quite apart from all of these real and immediate direct costs, however, we are also on track to incur significant fines on our economy. These fines have been estimated to range between €200 million and €600 million annually. The environmental coalition Stop Climate Chaos has estimated the overall economic impact of climate change down the line as €2 billion annually. I acknowledge that my colleague has spoken about why we need to really start looking at our position in terms of the facts and figures because we need to know from where these costs are coming.

We also need to address targets. Speaking at the Food Wise conference this week, the European Union's Commissioner for Agriculture and Rural Development, Mr. Phil Hogan, talked about Ireland sleepwalking into fines over our climate change targets. Commissioner Hogan made it very clear that there will be more flexibility in the next round of Common Agricultural Policy, CAP, funding to recognise the differences between countries. I believe this to be positive and I hope it will address some of the conflict we have had previously whereby upland farmers in Ireland were perhaps wrongly penalised in terms of the availability of certain land for agriculture. There have been contradictions in the way in which the CAP has come down the line in the past and I hope these can now be addressed in the new scheme. These contradictions specifically concerned farmers being encouraged to maintain growth while at the same time being penalised if land was not agriculturally available in the uplands. This specific issue has caused tension before. We can address these issues but what is important is that the CAP will still set very high targets and will continue to look at outcomes. There will be no way around making choices in the area of agriculture.

I have spoken at length in this Chamber on the issue of our hedgerows, which Ireland uses regularly as one of our key carbon sinks. The Minister referred in his speech to the planting of new hedgerows. There is, however, a real concern that there are measures in the Heritage Bill 2016 that mean we will not be able to track where hedgerows are being lost because discretion is being returned to cutters without their activities being reported or charted. There is real concern that we are perhaps undermining the role played by hedgerows as a carbon sink vital for Ireland's fulfilling of its CAP targets. We need to make a strong case under the new CAP for how we are going to meet our climate targets.

There are also issues in the area of diversification of our agricultural input. We know that tillage is strong in Ireland and we know that our cattle and beef industries are strong. As mentioned by Senator Humphreys, however, there is an opportunity there for us at the top end of the market because Irish beef could and should be the best beef available. We could look to give greater recognition to highland beef and lamb for the particular space they might hold in the market. I point out to the Minister that when it comes to cattle and beef production we cannot look at quantity issues alone.

The all-Ireland pollinator plan is of central concern if we want to diversify further into high-

value horticulture. This is something we are already starting to see in the west of Ireland, for example, and we are also starting to see a strong agrifood industry growing off the back of an increasing focus on horticulture. This is both a key area for us to grow and an appropriate area for diversification, and pollination and the all-Ireland pollinator plan will play a central role in that. One factor that has an impact on pollinators, however, as well as on the hedgerows, is climate change. Pollination and hedgerows, then, are both part of the solution and response to climate change but also two of the areas in jeopardy from it.

My next point concerns the Minister's adaptation strategy, which he has indicated to be a living document. Will the Minister be taking on board the recommendations of the Citizens' Assembly in that living document? A total of 97% of the members of that assembly recommended that the State end subsidies for peat extraction and move instead towards peat bog restoration; 89% recommended a tax on greenhouse gases from agriculture; and 99% recommended that the State review and revise supports for land use diversification, with particular attention to the planting of forests and supports for organic farming. As the messages and votes to come from the Citizens' Assembly are certainly strong, I ask the Minister how these will feature in the adaptation strategy.

My final question is this: how can we better support, through Irish Aid, adaption funding for farmers in developing countries so as to ensure that those who have done the least to cause climate change are not-----

Acting Chairman (Senator Gerard P. Craughwell): Thank you Senator Higgins. The Minister now has the floor.

Minister for Agriculture, Food and the Marine (Deputy Michael Creed) (Deputy Michael Creed): I sincerely thank all the Members who have taken time to contribute to this important debate. I sometimes think we would probably be well served by some kind of forum or agency that would establish the facts on our achievements and problems as accepted by all parties. I am not looking for a free pass for agriculture in this debate. Far from it. I accept that we in the sector have a lot of work to do in this regard. I am equally adamant, however, that it be recognised that the agricultural community has also achieved an awful lot, something that has very often been lost in the debate. Senator Paul Daly made reference to some of those achievements in agriculture. We in Ireland are the most carbon-efficient in the world when it comes to dairy production, for example, and we are also the fifth most carbon efficient overall in Europe. These achievements are not in themselves reason enough to say that neither our dairy nor beef sectors need to do any more. That is far from the case, in fact, and this has been recognised by my Department, which is spending substantial amounts of money on further improving those sectors. In the area of beef, for example, we have a beef data and genomics programme and have genotyped almost a million cattle. This is something that might not be recognised by people from outside the farming world but we know more about individual cattle in the country than we do about citizens. We know all about their movements and their genotypes and so forth and we have a phenomenal database on this, which is the envy of the world and to which there is substantial inbound traffic from other states to see how we are doing these things.

We are spending more than €100 million a year on the Department's forestry programme. Next year we will be spending €104 million on this programme, which covers areas such as afforestation and building roads to help with extraction. We are harvesting huge volumes of biomass, though I take Senator Mac Lochlainn's point that we need an awful lot more of it. If we need more biomass, however, we as public representatives need to change the narrative around

forestry. It is not good enough for us to come in here and talk about biomass in an abstract sense and then go out into the community and speak out against afforestation as an unnecessary evil that is killing communities. Communities can live side by side with afforestation and there is income and employment to be had from it. The Department is undertaking a review of our afforestation programme and there is some concern that some of the targets we had set on the hectareage we are planting may be slipping somewhat. Also of concern is the fact that our level of tree cover in this country is substantially lower than the European average. We are looking at how we might change the forestry crop to some faster-growing, quicker-harvested alternative to assist the biomass sector, particularly as this is an area in which we can contribute to breaking down existing prejudices against forestry. At the same time this would allow us to bring faster to market a renewable crop that would meet the growing potential of the biomass sector as a means of reducing our reliance on imported, non-renewable fossil fuels. This is important. What we cannot do, however, is indulge in the luxury of speaking out of both sides of our mouth when it comes to biomass and afforestation. They are the same issue and we need to take this seriously. We need to develop a new narrative around forestry. County Wicklow, for example, the county neighbouring this one, is widely accepted as a pristine county and yet it has the highest level of afforestation of any county in the country. It manages to sell that as a positive, by and large. I do not hear the same negative commentary about afforestation in that county as I do about afforestation along much of the western seaboard in particular. In some areas, it is seen as a threat to existing agricultural practices, many of which do not deliver the same income levels as forestry can deliver. I accept that we all have work to do to package this message better. That is important.

I assure Senator Grace O'Sullivan that we believe we have the best beef industry. Senator Humphreys suggested that "Ireland is never going to feed the world", but I remind him that Ireland is the largest exporter of beef in the northern hemisphere and the sixth largest exporter of beef in the world. Our beef industry is of global scale. Some people talk against the bovine industry - beef or dairy - when they are discussing climate change as a global phenomenon. Unless one believes in social engineering to an extent that I consider neither practical nor possible, one will agree it is better to have a beef industry in which Ireland is capable of being the best and most climate-friendly and carbon-efficient producer than to have a beef industry that is contingent on clearing vast swathes of the Amazonian rain forest. That is what the industry in South America is doing to enable it to export its beef under a potential trade deal with Europe, thereby displacing our product, which is far more carbon-efficient. We need to be conscious of these issues when we talk down our industry.

I accept that more than 30% of our greenhouse gas emissions come from the agriculture sector but I stress this is because we have not traditionally had a heavy industrial base. Agriculture will always account for a disproportionately high proportion of our emissions. Ireland and New Zealand share a similar profile in this context because we have had similar experiences. Ireland's industrial revolution, if it ever happened, was in the era of information technology, etc. That is our industrial base. It is not heavy engineering, by any means. Our profile is skewed in that sense, which is what gives agriculture a bad name. Within our agriculture sector, we are quite good at what we do. That does not mean we are looking for a free pass.

We have been told that after 2020, as a country we will have greater flexibility with regard to the Common Agricultural Policy, CAP. We sometimes like to say that the bad aspects of the CAP are all the fault of Brussels. We have an opportunity to use the greater flexibility that is now envisaged to tailor the CAP for our purposes. This will be a difficult challenge. We all say

we are in favour of greater autonomy in devising CAP, but I suggest that when it comes to doing the work, there will be raised voices about what we should do. It is my firm intention to avail of this opportunity to address further the need to meet our climate change obligations and challenges. That is as it should be. Based on my engagement with farm organisations, it seems to me that farmers recognise this necessity. The journey will be difficult but there is an acceptance that it is the right thing to do for all the reasons that have been articulated. We are not climate change deniers by any means. In my view, this industry is visionary and progressive. It knows where it fits into the overall global scenario. It wants to play to its strengths. We are blessed with a climate that facilitates a sustainable agricultural base.

Senator Paul Daly referred to what is happening in the Netherlands. The Dutch agricultural industry is reaping the consequences of having rapid expansion without paying due respect to sustainability issues. I understand that up to 250,000 cattle are being slaughtered in the Netherlands to meet the requirements of its nitrates action plan, although I stand to be corrected in that regard. We recently negotiated a successful renewal of our nitrates action programme with the Commission, which recognises that we are on a sustainability journey. We have not arrived but we are committed to doing new things as part of the journey we are on. The Commission wants to work with us. We like to think the approach being taken involves the carrot rather than the stick. The Commission recognises many of the progressive things we have been doing.

Senator Grace O'Sullivan referred to the organics scheme. Most of the schemes under the rural development programme are closed. The organics scheme is one such scheme. The level of funding that has been committed to the organics scheme this time around is almost twice the level of funding that was committed last time around. It is still at a low base. I recognise that market demand is growing in this area. I suspect that the greatest level of demand in organics now is on the dairy side. If we had sufficient numbers of dairy producers with organic certification, I note there is an almost insatiable global demand for organic dairy products. There is a ceiling on the level of funding available under the rural development programme. The organics scheme is closed. There has been a significant change in the number of people participating in it.

Senator Higgins referred to the conclusions of the Citizens' Assembly. I do not want to say they are ill-informed about the broader detail, so I will say they reflect a concern. I do not believe we should penalise our farmers, who are more carbon-efficient than people in many other sectors. They are on a journey and they recognise they still have a distance to travel. We should not tax them out of existence. I suggest that the conclusions of the Citizens' Assembly reflect the fact that broader society wants the agriculture sector to continue to accelerate its journey towards carbon neutrality.

A number of Senators spoke about the challenges that undoubtedly are being faced in the tillage sector. I had an interesting experience during the summer on an organic tillage farm in the midlands. The yields on such farms are comparable with anything that is available in conventional tillage. Prices are probably three times higher per tonne. We are importing substantial quantities of organic oats because we are unable to meet the demand for this product nationally. I appreciate that there are many challenges for the mainstream tillage sector, not least because much of this crop is grown on rented land. That is an option, in that the substantial level of demand in the aforementioned market can give some people in the sector an opportunity to ensure their future viability.

Senator Mulherin made the important point that a cohort of farmers will feel particularly

challenged by this debate. This is especially true of farmers whose viability is marginal in any event. I will return to her point about the fodder crisis. We need to find a form of language that enables us to communicate our plans in a way that does not threaten farmers but instead enables us to bring them with us. Farmers are the guardians of the countryside. They have done a phenomenal job. They are part of what has made the island of Ireland globally recognised as a green island. Our credentials in that regard are being increasingly questioned at international level. When we put a sticker on the label, we need to be able to stand it up to scrutiny. Organisations like Bord Bia, through its Origin Green initiative, are working to prove our green credentials. We need to be able to bring the farming community with us. I refer particularly to sections of that community that already feel financially threatened.

I will conclude by responding to Senator Mulherin's point about the fodder crisis. I have met people from farm organisations in recent days. I have also spoken to others who have an interest in this matter. I will convene a wider stakeholder forum to monitor this in the coming weeks. Representatives of farm organisations, officials from the Department of Agriculture, Food and the Marine, people from Teagasc who already have been dealing with this matter on the ground and representatives of various co-operatives and livestock marts will participate in that forum in order that we have a comprehensive picture of what is happening on the ground. I will continue to monitor their feedback on the best and most appropriate things to do.

Acting Chairman (Senator Gerard P. Craughwell): I welcome the Minister of State at the Department of Housing, Planning and Local Government to the House. He has the floor. I call on him to make his opening statement at his leisure.

Minister of State at the Department of Housing, Planning and Local Government (Deputy Damien English): I thank Members for the opportunity to say a few words on this important discussion and debate. I am delighted to be here to address the Seanad as part of the annual transition statement, ATS, process. As Members are aware, the 2017 annual transition statement provides key information on climate change mitigation and adaptation work across the largest emitting sectors for 2016, namely, agriculture, transport, electricity and the built environment, the sector for which I have responsibility. In this regard it forms part of the accountability arrangements *vis-à-vis* Oireachtas Members in respect of Ireland's progress in meeting our climate action objectives. To put this issue in context, climate change is one of the biggest global challenges of this century. The scale and complexity of climate change demand a co-ordinated effort and approach at both national and international levels. Ireland is committed to concerted multilateral action to tackle climate change through the Paris Agreement. The Paris Agreement, as we all know, sets out a long-term goal to put the world on track to limit global warming.

Climate change will have diverse and wide-ranging impacts on Ireland's environment, society and economic and natural resources. Impacts are predicted to include sea level rise; more intense storms and rainfall events; increased likelihood and magnitude of river and coastal flooding; water shortages in summer, particularly in the east of the country; increased risk of new pests and diseases; adverse impacts on water quality; and changes in distribution and the timing of life cycle events of plant and animal species on land and in the oceans. Against this background, strategies must be devised to reduce and manage climate change risks through a combination of mitigation and adaptation responses. This 2017 ATS provides an overview of developments in respect of Ireland's first statutory national mitigation plan and first statutory national adaptation framework and includes an overview of sectoral emissions reduction and adaptation activity for 2016 and, where available, 2017.

The Department of Housing, Planning and Local Government is the lead Department regarding a number of different measures proposed in the national mitigation plan, which was published in July 2017 by the Minister for Communications, Climate Action and Environment in accordance with section 4(8) of the Climate Action and Low Carbon Development Act 2015. The measures for which my Department has responsibility relate predominantly to the national planning framework, NPF, and the built environment, as well as social housing.

These measures include action 10 and action 65 and measure T11 of the national planning framework, to ensure climate considerations are fully addressed in the new national planning framework. The publication of the national planning framework consultation draft towards the end of September represented a unique opportunity to set out an ambitious vision and 20-year strategy for what our country should and can look like in 2040. The NPF covers a broad range of issues concerning planning for Ireland's future over the period to 2040. This includes national policy objectives to support climate action and planning, sustainable land management and resource efficiency and renewable energy generation. While public expenditure allocations are a matter for the Minister for Public Expenditure and Reform, my Department and the Department of Public Expenditure and Reform are working closely together to ensure an effective alignment with the national planning framework, with a view to ensuring that long-term planning objectives shape Ireland's investment and infrastructural development approach into the future. The finalisation of Ireland 2040 as a draft in September was very much driven by the Government's decision to align the rapidly forthcoming ten-year national investment plan with the national planning framework, avoiding past mistakes whereby decisions as to where to spend scarce public capital investment took place before the national spatial strategy was finalised. The joint publication of the finalised NPF with the national investment plan will be a very visible statement of intent by the Government to set out a strategic vision for our country and, moreover, to back it up with the right national investment strategy.

With a national population increase of 1 million by 2040 and 8 million on the island as a whole by then, "business as usual" continuation of sprawl trends and uncoordinated development will not wash; physical and spatial development of Ireland must be much better. As recent events remind us, our climate is changing and we need both to take the immediate steps to adapt to these changes and put in train changes to address the drivers of climate change by decarbonising our way of life and taking advantage of the many opportunities that come from that.

Among a number of strategic goals, the draft framework aims to integrate land use and transport planning policy in a manner that reduces commuter travel demand and supports more efficient travel. Investment in social, educational, health and employment spheres will all have an impact on the development of an integrated, efficient and sustainable transport system. Recognising these interactions and setting a longer-term path will help to deliver more sustainable transport over time.

The principal elements of the strategy behind Ireland 2040 include better strategic planning for our cities, including Dublin as our capital and key international driver; growing Ireland's four other cities significantly; addressing connectivity to and opportunities within Ireland's regions and rural areas; and securing more compact forms of development to reduce sprawl and provide more choice. If we implement the NPF, we will see our country set on a more strategic development path, better prepared to address challenges like competitiveness, quality of life and Brexit. We will see people living and working more closely. Current trends are unsustainable and we all know why. We will see a reversal of rural decline, the promotion of sustainable growth patterns and better distribution of regional growth. We will see imaginative urban re-

generation to transform settlements of all sizes and to bring life and jobs back into cities, towns and villages, with less congestion and all the hassles of traffic. We will also see co-ordinated delivery of infrastructure and services in tandem with growth, with a joined-up national planning framework and capital plan and consistent sectoral plans.

The finalisation of the NPF will also be followed through by tasking our three regional assemblies to bring forward complementary regional spatial and economic strategies linking strategic planning and investment at the national level with the physical planning and local economic and community development functions of local authorities. Together, the finalisation of Ireland 2040 with the new national investment plan and the regional spatial and economic strategies, RSEs, will bring about a total overhaul and vertical alignment of Ireland's spatial plans, from the NPF, through the RSEs and down to the local authority city and county development plans, to drive delivery of the framework, in particular compact and co-ordinated urban growth. Consultation has closed on the draft publication and my Department is now reviewing the more than 1,000 submissions it has received in recent months. These include submissions from public agencies and bodies, stakeholders from the infrastructure, environment and education sectors, social and voluntary groups, citizens, regional assemblies, individual councillors and local authorities. We have been trying to engage in public meetings with many of these different groups, and there is time to talk through the written submissions a little more as well. We have also received submissions on behalf of the Houses of the Oireachtas and their committees and we had a chance to discuss this on the floors of both Houses of the Oireachtas and in the committee rooms.

Action 20 aims to finalise the wind energy guidelines. The wind energy development guidelines 2006, issued under section 28 of the Planning and Development Act 2000, as amended, sets the national planning policy context for local authority plan-making regarding wind energy and the determination of planning applications and appeals by planning authorities and An Bord Pleanála. A targeted review relating to the noise, setback distance and shadow flicker aspects of the 2006 guidelines, which included a public consultation, commenced in 2013.

A Programme for a Partnership Government contained a commitment to conclude the review of the guidelines, with a view to offering a better balance between the concerns of local communities and the need to invest in indigenous energy projects. In this regard, a preferred draft approach to the review of the guidelines has been developed to address a number of key aspects, including sound-noise, visual amenity setback distances, shadow flicker, community obligation, community dividend and grid connections. This was announced in June 2017 by then Minister for Housing, Planning and Local Government, Deputy Coveney, and the Minister for Communications, Climate Action and the Environment, Deputy Naughten.

As part of the overall review, a strategic environmental assessment, SEA, will be undertaken on the revised guidelines, incorporating the proposed draft approach before they come into effect. This is in accordance with the requirements of EU Directive 2001/24/EC on the assessment of the effects of certain plans and programmes on the environment. The strategic environmental assessment, SEA, is a process by which environmental considerations are required to be fully integrated into the preparation of plans and programmes which act as frameworks for development consent, prior to their final adoption, with public consultation as part of that process. It is envisaged that the public consultation as part of the SEA process will be undertaken in early 2018. In the meantime, the current guidelines remain in force. When finalised, the revised guidelines will be issued under section 28 of the Planning and Development Act 2000,

as amended. Planning authorities and, where applicable, An Bord Pleanála must have regard to guidelines issued under section 28 in the performance of their functions generally under the planning Acts.

On measure BE7, social housing upgrades, local authorities are currently undertaking an ambitious programme of insulation retrofitting, with the support of the Department, of the least energy efficient social homes. Funding of some €107 million has been provided from 2013 to the end of 2016 to improve energy efficiency and comfort levels in 58,000 local authority homes, benefiting those at risk of fuel poverty and making a significant contribution to Ireland's carbon emissions reduction targets and energy reduction targets for 2020. The insulation retrofitting programme is being implemented in a number of phases. Phase 1 commenced in 2013 and is focused on providing attic-roof insulation and the less intrusive cavity wall insulation in all relevant properties while phase 2, which has been piloted in Fingal and Westmeath county councils, will focus on the external fabric upgrade of those social housing units with solid-hollow block wall construction. Based on the most recent information from local authorities, it is estimated that there are some 18,000 and 19,000 social homes requiring phases 1 and 2 works, respectively.

On measures BE10-1 to 10-4, regulations transposing the requirements of the energy performance of buildings directive, EPBD, for nearly zero-energy buildings, NZEB, and major renovations, have been introduced. The 2010 energy performance of buildings directive, EPBD, requires member states to ensure that from 31 December 2020 all new buildings meet the NZEB standard, while new buildings owned and occupied by public authorities will be required to achieve this standard two years earlier - 31 December 2018. The Office of Public Works, OPW, is doing great work in this area. The directive defines a nearly zero-energy building as a building that has a very high energy performance, where the nearly zero or very low amount of energy required should be covered to a very significant extent by energy from renewable sources, including energy from renewable sources produced on site or nearby. In addition, the EPBD requires that major renovations achieve a cost-optimal performance where technically, economically and functionally feasible. A major renovation occurs where a renovation includes more than 25% of the surface envelope of a building, and in broad terms a cost-optimal performance means that the energy performance should be set with a view to achieving the cost-optimal balance between the investments involved and the energy costs saved throughout the life cycle of the building.

In Ireland, over 40% of the total energy produced is used in the building sector and the Sustainable Energy Authority of Ireland, SEAI, report Energy in Ireland 1990-2015 shows that in Ireland there has been an increase in the energy demand of 18% in the residential building sector and 29% in the commercial building sector. This is why increasing the energy efficiency and reducing the energy demand of buildings is so vital. My Department is currently working on an amendment to Part L of the building regulations and the corresponding technical guidance document, TGD L, which will specify the advanced performance requirements for new dwellings. I intend to publish these documents, together with a regulatory impact analysis, which will include a cost analysis, for public consultation early in 2018. It is intended that this will be finalised in 2018 and take effect in early 2019.

In relation to non-residential buildings, a public consultation on Part L was published by my Department in March this year and 50 submissions were received, including 574 individual comments. These comments were fully considered and the final regulations were signed into law last month. This amended regulation and TGD L will, in general, apply to all building

works, material alterations, material change of use and major renovations which commence after 1 January 2019. All of the above measures are key actions in the contribution of the built environment to Ireland's national low-carbon transition and mitigation plan to address climate change and I am confident that they will be implemented and achieve the projected emissions reductions.

Senator Jennifer Murnane O'Connor: I welcome the Minister of State to the House. Fianna Fáil recognises that climate change is one of the most, if not the most, pressing moral and practical challenges of our generation. In this regard, we need look no further than the recent flooding in Inishowen, the widespread drought in southern and eastern Africa and the devastating extreme weather events in the United States. During a recent weather event, Hurricane Ophelia, this country virtually shut down because we were not clear about how it would impact on us. During that event three lives were lost. We did not understand the importance of this weather event until it had passed.

Scientists have said that storms, flooding, hazardous weather and extreme weather events, once called once-in-a-lifetime events, are becoming more frequent because of climate change. In the global age of Trump and climate change sceptics, we in Ireland are doing a terrific job of ignoring climate change, seeing it as an issue only the rich fossil fuel companies have to worry about, but the pensioner in Donegal still experiencing the after-effects of the tail end of Hurricane Gert, who has to stock the front-door with sandbags before she can sleep, is worried about climate change. We need to worry about climate change.

While we welcome the Climate Action and Low Carbon Development Act, we have a number of concerns around the manner in which it was drafted and how it will be implemented. With regard to Ireland's housing stock, not enough has been done to retrofit this housing stock. There is no comprehensive retrofit programme. Furthermore, there is no programme targeting the rental sector despite that there are almost 500,000 homes in this rapidly expanding sector. Fianna Fáil supports the green deal initiative and the energy agency, which will act as a one-stop shop, providing access to low-cost finance and expert advice to people who want to upgrade the energy and efficiency of their homes.

As things stands, Ireland is all but certain to fail to meet its 2020 targets. Recent figures show that our greenhouse gas emissions increased by 3.5% in the past year. This means we will face fines of at least €455 million. When elected, the Taoiseach, Deputy Varadkar, claimed that the Government would develop a climate change plan and that he would provide for additional investment in this regard in budget 2018. Our transport energy and home heating sector accounts for almost half of our emissions. The Government has dragged its heels on the renewable energy support scheme and the renewable heating incentive scheme which has more or less frozen development in the renewable energy sector. Despite paying lip service to renewable transport, the Government has effectively given up on meeting our targets by 2020.

Home heating is an area in which Ireland has made relatively little progress, with just 6.5% of home heating coming from renewable sources in 2015. For example, fuel poverty is estimated to affect between 200,000 and 400,000 Irish households every year. Even if a home is not experiencing fuel poverty, retrofitting and energy upgrading create more comfortable and cosy homes that are of a higher quality. Between 2010 and 2017, the number of homes receiving grant aid to retrofit their homes declined by 77%. The Government continues to provide only small grants via the local authorities for wall insulation, lagging jackets and attic insulation. While I welcome that provision, funding for windows, doors and proper heating is not

being made available. We need to invest in this area. I am being approached constantly by people who need work done but there is no proper funding in place to facilitate that work. As I said, this issue needs to be addressed. As current measures for retrofitting focus only on social housing, privately owned or owner-occupied homes, the rental sector is missing out. There are over 500,000 homes in the rental sector but people living in rented accommodation are twice as likely to live in a home with a poor energy rating than owner occupiers. We must invest in that area.

Fianna Fáil will introduce a new green deal agency under the SEAI which will provide expert advice and low-cost financing to people who want to upgrade their homes. We will introduce a new pay-as-you-go model, similar to the German model, which is working extremely well. Approximately 160,000 social houses would be eligible for funding. The scheme would operate through the local authorities and the SEAI green home agency. The green home agency would provide low-cost loans to private home owners and landlords to invest in green initiatives in their homes. We need to provide incentives. Landlords must invest in their properties and I am sure the Minister will consider this carefully.

Fianna Fáil has devised a national plan to lower Ireland's greenhouse gas emissions and a national framework to provide for a response to changes caused by climate change. These two plans would be renewed every five years. It is also looking at the establishment of an advisory council on climate change policy. We are on this planet and it is our only home. We owe the future to our children and we cannot give them a half-used one. I ask the Minister to act now. I know he is working on increasing funding for these areas and this is crucial. We have a housing crisis and there are many people living in houses that are cold because they are not up to standard. There is no funding available to them. We need to make sure that people are living in appropriate accommodation. The weather is so bad these days that we cannot tell our winters from our summers anymore. We used to have a winter wardrobe and a summer wardrobe but not any more. We need to act on it now because it is urgent.

Senator Paudie Coffey: I welcome the Minister to the House for this important debate on climate action in the context of his area of departmental responsibility, namely, housing, local government and planning. There is no doubt that Ireland, along with the rest of the world, faces huge global challenges in terms of its response to climate change. This is the second annual transition statement as per the Climate Action and Low Carbon Development Act 2015. Under that Act, the Government is committed to present to both Houses of the Oireachtas an annual transition statement and to report on progress or lack thereof.

Ireland's targets are well known, namely, to reduce emissions by 30% from base 2005 levels in the non-emissions trading system, ETS, sector by 2030 and to reduce emissions by 20% by 2020. The latest EPA projections indicate that we are a good bit behind in reaching those targets. In fact, at current rates, we will reduce our emissions only by between 4% and 6%. This is a cause of genuine concern for policy makers and all stakeholders.

Numerous factors are contributing to the challenge we are facing. Obviously, our economy is growing again and we have increased productivity. In conjunction with that we have increased demands for both energy and transport. The Minister noted in his contribution that the demand for energy in the residential sector has increased by almost one fifth, while demand in the commercial sector is up by almost one third. In that context, the challenges are serious. Ireland is not alone in this regard, even within the EU. Austria, Belgium, Finland, Germany, Luxembourg and Malta are also facing similar challenges. It is up to us to respond in a respon-

sible way and to engage our citizens and all sectors so that we can meet the challenges ahead.

The national mitigation plan is critical in terms of how we respond in the various emitting sectors like agriculture, transport, energy and the built environment. The Department of Housing, Planning and Local Government is concerned with where people reside, with local communities and with the private and public housing stock. The energy efficiency of the housing stock is key to reducing energy demand and reducing emissions. We must acknowledge that even in the most pressing of times, the Government has supported various grant schemes to improve energy efficiency in homes. In 2016 alone the SEAI, through Government funding, supported over €130 million worth of energy efficiency upgrades in over 24,000 homes and almost 400 community buildings. The national energy authority also provided over €5 million in funding for 41 research, development and demonstration projects to find new ways of meeting the challenge ahead. I note that this evening the Minister for Communications, Climate Action and Environment, Deputy Denis Naughten, announced further grant assistance for various schemes to add to the existing warmer homes scheme. The Minister has announced an incentive for people who want to move away from burning fossil fuels to install heat pumps. A new grant of €3,500 towards a heat pump will come into effect from April 2018 which is to be welcomed. Heat pumps are a new, renewable energy technology that can contribute to reducing emissions produced in the residential sector. The grant for heating controls is being increased from €600 to €700. The external wall insulation scheme has grant levels ranging from €2,750 to €6,000. The Minister also announced a new, guaranteed funding commitment for smaller community energy projects, involving €28 million in grant aid which will be awarded in 2018 to encourage the transition away from fossil fuels. This all represents a recognition by the Government that serious investment is needed to incentivise citizens and communities to move away from the burning of fossil fuels.

There are still many challenges ahead in the areas of standards and regulations, building technologies, insulation and materials and renewable energy generation. There is great potential in the development of solar power for the residential and commercial sectors. There is also great potential in geothermal technology. Wind has had its challenges but there is also potential there, particularly in offshore wind energy generation. Hydro schemes are also important. The small village where I come from generated almost 400 kW of hydro electricity from the River Clodiagh back in the 1800s. Unfortunately, not even 1 kW is generated there today. We need to leverage those hydro schemes again. I know there are regulations and EU obligations governing development around water sources but we need to unlock the potential of hydro, wind, solar and geothermal energy production in a more proactive way. We also need to engage our communities and bring them with us. In that way, we will avoid the objections that we see so often to renewable energy projects.

We must educate through our schools. The green schools initiative is very important and that should be acknowledged. Young children know a lot more about the environment than the middle and later generations. That is something that gives us hope for the future because those young children are the adults and leaders of tomorrow. Hopefully, they will continue efforts to drive down our emissions for the sake of our planet.

Another grant scheme in existence which should be acknowledged is the deep retrofit pilot scheme which is tackling energy efficiency in older housing. That scheme is available through the SEAI. The pilot programme will benefit many houses. It is referred to in the national mitigation plan and involves a commitment of €21.2 million between 2017 and 2019. That pilot project should be increased and expanded to include other housing schemes around the country.

Spatial planning and sustainable land use and management are critical for the future of sustainable communities. In that regard, I welcome the fact that a new national development plan has been announced by the Government. As the Minister has said, consultations on the plan will take place through various platforms and at various levels including regional assemblies and local authorities. I would expect that as a result of a new national planning framework being rolled out, all our county development and local area plans will be reviewed and revised to ensure that they align themselves with the national development plan. The objectives of the plan are to grow our cities to serve our regions and to achieve balanced regional development. It also aims to ensure that within our communities we develop sustainable transport options, including bicycle tracks and footpaths. Sustainable communities need to have facilities on their doorsteps, including renewable energy initiatives.

We have so much to learn. There is so much potential out there and so much to do. I offer my support to the Minister of State and to the Department in trying to achieve goals. With that potential, we can unlock the energy, vision and motivation of the young pupils in the schools with a Green Flag. If we can engage citizens in a proactive way, we will achieve the progress we need to make. There must be real tangible support from Government to incentivise the various projects I mentioned earlier.

I wish the Minister well. We must have an ongoing debate with constant reviews and re-evaluation to ensure we make the progress we wish to achieve.

Senator Fintan Warfield: It has become abundantly clear that Ireland will fall short, as other Senators have mentioned, in meeting the targets for renewable energy and reduction of greenhouse gas emissions. The Environmental Protection Agency, EPA, has recently reported a 3.5% rise in emissions last year. Earlier in the year the EPA reported that Ireland will fail to meet its greenhouse gas emission targets for 2020, which is a 20% reduction in CO₂ emissions on the 2005 levels. The EPA has speculated that Ireland will reduce its emissions by 4% to 6% on the 2005 levels, as Senator Coffey has mentioned. Ireland's horrendous record is emphasised further in the recently published Climate Change Performance Index 2018, which states that Ireland is "the worst performing European country". The report glaringly shows the inaction of the present and previous Governments on climate change. In spite of the Minister of State, Deputy English's good intentions, it is unlikely that Ireland will meet its renewable targets. By not reaching our targets, not only are we affecting our environment, we are also facing substantial financial penalties for inaction. The money that will be spent by the State on fines could be spent on renewable energy infrastructure.

As the power sources for residential properties transition to more renewable sources, the current costs are being borne by the ordinary customer. We need to address the plight of people suffering from fuel poverty. There must be an acceptable standard of warmth in the home at an affordable cost. Households in Ireland are currently defined as energy poor if they spend more than 10% of their disposable income, as in severe energy poverty if they spend more than 15% of their disposable income and in extreme energy poverty if they spend more than 20% of their disposable income on energy costs in any one year. These people could be living in poorly insulated homes and this could include houses in the private rented sector. The private rental sector is an area neglected in terms of energy efficiency measures and this must be addressed. Organisations such as the Society of St. Vincent de Paul pay out millions of euro each year for those suffering fuel poverty and for those who need help in paying their energy bill.

The cost of electricity in this State is one of the highest in Europe. This is an added burden

on those suffering fuel poverty, both in terms of the high prices and needing to spend more to heat their homes because of the lack of energy efficiency. The household spend on energy is now higher than it was 20 years ago and the trend seems to be on an upward spiral.

The Sinn Féin spokesperson on climate action in the Dáil, Deputy Brian Stanley, has asked repeated questions as to why our electricity prices are so high. Has competition affected electricity prices? The energy regulator judges competition by switching rates. We know for instance that the elderly are much less likely to switch provider and therefore can be on the most expensive tariff. Will the Minister give a departmental response in respect of the ever-increasing electricity costs?

There are two direct ways though which the State addresses the energy efficiency of homes, namely, the warmer homes schemes for those in receipt of fuel allowance and the better energy homes schemes. Measures under these schemes need to be extended. The SEAI published tips for heating the home in October 2017 and it states that much of the heat loss from a house goes through the windows, particularly if they are single-glazed windows. Sinn Féin proposed in its alternative budget the extension of the warmer homes scheme to include the replacement of single-glazed windows. Sinn Féin also sought an increase in the grants under the better energy homes scheme specifically for a grant to install solar energy so that more homes can generate their own renewable heat.

Government policy on energy costs focuses on the competitive market and supports for energy efficiency. Will the Government take action to incentivise home owners towards renewable heat?

Senator Grace O’Sullivan: Last year the Government produced a 75-page comprehensive document on the targets on climate change in compliance with the Climate Action and Low Carbon Development Act 2015. This year, several Ministers have come to the House to discuss climate change in their area of responsibility. We had the senior Ministers to date but with no disrespect to Deputy English, the Minister of State at the Department of Housing, Planning and Local Government, the Minister, Deputy Eoghan Murphy, is not in the House today in compliance with the legislation. I do not have a hard copy of the Minister of State’s statement and I would have appreciated it greatly, because it would have given me an opportunity-----

Deputy Damien English: The Senator can have this copy.

Senator Grace O’Sullivan: I requested a copy when the Minister of State came to the Chamber but it was not circulated to Members until just this moment. It is really necessary to have a copy of the statement when the Minister comes into the House, as it gives Members a better opportunity to keep up with the points.

My view of the climate crisis in recent months is ever more coloured by my experience of being a member of the Oireachtas Joint Committee on Housing, Planning and Local Government. Day after day I hear directly about the ever-increasing scale of our shameful housing and homelessness crisis. There are now 8,492 people homeless in Ireland, of whom 3,194 are children. These 3,194 children are homeless at Christmas. There is a huge demand for social housing that can and should be designed and built to the highest energy efficiency and environmental standards. As I stated in my previous speech when the Minister for Communications, Climate Action and Environment, Deputy Naughten, was present in the House, there is no mention of climate justice in the national mitigation plan or the 2012 plan and the most recent

national adaptation framework. This is in direct conflict with section 3(2)(c) of the Climate Action and Low Carbon Development Act 2015, which places a legal obligation on the Minister to have regard to climate justice in developing a national mitigation plan and national climate change adaptation framework. In the words of the former President, Mary Robinson, Climate justice is “a human-centred approach, safeguarding the rights of the most vulnerable and sharing the burdens and benefits of climate change and its impacts equitably and fairly.”

I would like to know how the Department for Housing, Planning and Local Government has had regard to climate justice when developing its sectoral adaptation and mitigation plans and frameworks? Climate change has been described by the UN as the ultimate threat multiplier. The lack of preparation to provide extra accommodation for rough sleepers during Storm Ophelia was a case in point. All scientific evidence of climate change points to the increased incidence of high-impact storms in Ireland, not to mention flooding, drought and unpredictable weather. The weather forecast for this weekend is of very high winds, up to 110 mph. This weekend, Storm Caroline is forecast to come in, that is, another storm in the context of the unpredictability and frequency of weather. This adds to the dilemma of climate change.

With a record high of 184 people now sleeping rough in Dublin city on 7 November in the freezing cold - and in the space of one week, a third homeless persons was found dead this morning - reading the vague non-committal national mitigation plan and the national adaptation framework, I regret to say that I do not have much hope for the Department's preparations for the oncoming climate crisis and its future storms.

There are more positive things to look forward to from the Department. The national mitigation plan states it will develop proposals to establish regional climate action offices to coordinate the local authority response to climate change and climate action. Local authorities are best placed to tackle climate change mitigation and adaptation and public awareness. Six local authorities in Ireland already have signed up to the covenant of mayors, my own Waterford City and County Council included. However, despite this clear willingness to engage on the part of local authorities, there is still a lack of understanding of climate issues at a local level caused by a lack of staff and monetary resources. The regional climate action mentioned in the national mitigation plan should include an energy officer and a climate action officer in each local authority. These officers need to be professional, high-level, technically adept champions of the issue with an understanding of how local authorities work. As Senator Coffey pointed out, we have a generation of green schoolchildren and teenagers coming through the schools and the universities and there are, no doubt, well-qualified, competent professionals for these roles.

Ireland at European level is arguing that the energy efficiency directive must include national objectives to fight energy poverty. This is welcome work that integrates a climate justice perspective. However, social housing has been excluded by the Irish Government from the EU's nearly zero-energy buildings directive being implemented from 31 December 2018. This is a backwards step for the Department and has serious implications for energy poverty and air quality in housing. The nearly zero-energy buildings standard is the warmest, most energy efficient that there is and public housing tenants deserve that. It also means fewer subsidies to dirty fuels that the EPA states is directly linked to dangerous air quality.

The national planning framework also plays a major role in reducing our carbon emissions and should have as a national investment priority the decarbonisation of our economy. We also need to implement a planning framework that decarbonises our energy system in a fair and equitable manner. Communities must feel part of the change to a low carbon energy system.

Public buildings, schools, churches and community halls should be covered with solar panels, like in many other countries, generating energy and wealth for the community with a wholesale price for solar energy, as recommended by the Citizens' Assembly.

The Green Party believes that a better development model can be achieved through the creation of a national community energy strategy, operating in tandem with the national planning framework with specific targets. Flooding must also be integrated into the framework as a matter of urgency.

Senator Joe O'Reilly: I welcome the Minister of State, Deputy English, to the House and I commend him on the energy and capacity he brings to the Department. Only a few hours ago, we were both in County Cavan witnessing the good work of a company, KORE, which takes a collective community approach to retrofitting and reducing carbon emissions with great success. We are proud to say we have a number of other successful companies in Cavan but the flagship company at the vanguard of all insulation work and new technologies is Kingspan, which has an international status.

I also acknowledge the announcements by the Minister for Communications, Climate Action and Environment, Deputy Naughten, that he is increasing SEAI grants and that, as Senator Coffey noted, 24,000 houses were retrofitted in 2016, which represent major progress. These announcements are a step in the right direction and as the economy grows there will be a need to increase those grants to achieve a greater take-up.

It is disturbing that Ireland's emissions increased by 3.5% between 2015 and 2016. We understand it in the context of growth in the economy of up to 5% but it is not where we want to be. Any potential fines need to be headed off in order that we can use the money domestically to incentivise measures to avoid the fines, though I assume this logic is not lost on the Minister.

As we increase broadband coverage, more people will work at home and this will reduce emissions in the transport sector. I want to see broadband in every home in Cavan-Monaghan in the next year or two and I was at the launch, with the IFA, of Eir broadband, a commercial activity into which there is also Government input. We have a huge tradition in my area of the co-operative movement, including the creamery movement, and we have some of the most successful co-ops in the country such as Lakeland Dairies and Glanbia. They all grew out of small local co-ops and there is a precedent for buy-in to the movement. The Minister of State, who comes from the neighbouring county of Meath, needs to look at this as there is huge untapped potential for co-operative community wind turbines and generators. The community would have collective ownership of the generators to provide energy to homes and surplus energy to the grid, yielding an income. There is also individual microgeneration. We could put solar panels on houses using the co-operative system and we should look at this. I ask the Minister of State to indicate whether he thinks this could be piloted or incentivised.

In the agricultural sector, the potential for digesters is enormous both for generating energy and for lowering carbon emissions. Car pooling also needs to be done and can be incentivised, as can electric cars. The retrofitting of local authority houses is a very important project and I hope it continues. There has been considerable progress in Cavan-Monaghan and across the country and 58,000 homes are targeted in the current programme. What are the Minister of State's views on getting all our local authority houses completed in this regard?

Minister of State at the Department of Housing, Planning and Local Government

(Deputy Damien English) (Deputy Damien English): I thank all Members for their comments and questions and for this opportunity to respond to some of them. On the point raised about the presence of the various Ministers, the legislation requires that the Minister with responsibility for the relevant actions will be in the House to make a presentation. It does not detail whether that is a Minister or a Minister of State. While I understand the Senator's point, I am in charge of building regulations and that is why I am here. A lot of the work we do is around building regulations. I am also charged with implementing the planning guidelines across the county development plans. That is why I am here, as the planning regulations are the point at which my Department can have greater influence on this plan. The Minister for Housing, Planning and Local Government, Deputy Murphy, would like to be here too but he cannot. He would also love to cover areas such as social housing and the national planning framework but the implementation of those is for me to do. The key thing is that a representative of the Department is here.

I was asked about the statements made by the different Ministers this week - and there will also be statements in the Dáil tomorrow night - in comparison with last year's 75-page document. There are two parts to the statements. There are oral statements and written statements, and an email on this matter was sent to the Minister, Deputy Eoghan Murphy, last week. The Department of Communications, Climate Action and Environment will compile the written submissions and ours will be a 200-page document, which there would not be enough time to read into the record of the House today. There will be a written submission by the Department therein which will answer the questions that have been raised on areas of concern in the past week as well as other issues. It will contain relevant statistics and figures and far more detail than there is time to include in my oral statement. I have no problem facilitating another discussion on the issue once Senators have gone through that statement. It will all be on record but now is not the right time to go through it because there is a large amount of detail in that document. I hope that will address Senator Grace O'Sullivan's concerns, which I appreciate are genuinely held.

I mentioned that the 2017 annual transition statement provides key information on climate change mitigation and adaptation work across the largest emitting sectors and forms part of the accountability arrangements *vis-à-vis* Oireachtas Members in terms of Ireland's progress in meeting our climate action objectives. Climate change is one of the biggest global challenges of the century. All Members agree that the effects of climate change can be seen in recent weather events in Ireland and other parts of the world. There is another storm brewing that is to hit Ireland this weekend, which is of concern. On average, there are 50 such storms every year and that has been the case for many years. The storm that has been forecast for this weekend is classified as category orange, which is not uncommon. Storm Ophelia was of a different magnitude and not a typical European storm. It was uncommon but there have been similar storms in Ireland. The number of storms in Ireland so far this year is in line with the norm. However, we recognise other effects of climate change such as flooding and fluvial rain and no one is denying them. The Government and the country are very focused on our efforts to tackle climate change and our contribution to that on a world stage. Along with actions by Departments, the Government contributes on the world stage to combating climate change and has a very strong voice in that regard on behalf of both Houses of the Oireachtas. It is important for that to be done and that the documents we produce play a leading role.

Against that background, strategies must be devised to reduce and manage climate change risks through a combination of mitigation and adaptation responses. That is why the 2017 an-

nual transition statement, ATS, provides an overview of developments in regard to Ireland's first statutory national mitigation plan and national adaptation framework. The Department of Housing, Planning and Local Government is the lead Department in respect of a number of different measures proposed in the national mitigation plan. The measures for which my Department has responsibility predominantly relate to building regulations in regard to the built environment and include adaption of social housing, which was raised here tonight, and the national planning framework which sets out our commitments under the national mitigation plan. Under actions 10 and 65 in measure T11 we will ensure that climate considerations are fully addressed in the new national planning framework. That was discussed at an Oireachtas committee and I gave a commitment to Senator Grace O'Sullivan and Deputy Eamon Ryan that we will strengthen the wording in that respect if necessary because they raised a concern that it was not sufficiently strong or clear. That will be focused upon and ensured in the final draft. That is why we are here.

Senators Coffey and O'Reilly asked about the implementation of those guidelines and what will happen after the national planning framework. It is the national document. There are three regional strategies and the county development plans which have to reflect what is set out in the national planning framework. My job is to delegate responsibility to implement that and ensure the guidelines are followed throughout the process, and that will be done. The regional strategies will be developed during 2018 and the county development plans will be rolled out from 2019 onwards. However, development plans that are in progress must try to reflect what we are setting out. We will ensure that what is set out in the national planning framework system is driven throughout the planning system because we want to honour our commitments in that regard, and we will do so. I give Senators my strong commitment in that regard.

As regards wind energy guidelines, the process is taking far too long. The review began in 2013 and agreement on the draft guidelines was finally reached in July of this year, but because of the new process set down with the Sustainable Energy Authority of Ireland, SEAI, the final process will take a little longer to complete. However, it will get the balance right and address the concerns of communities in regard to flicker, noise, the height of turbines and so on. Such concerns will be dealt with in the guidelines, which are quite good and will be acceptable to most reasonable people. There will still be some difficulties in particular cases that will have to be talked through. It is important that we get buy-in from communities in terms of their involvement and gain, which has been discussed and I think Senators have raised. I would like there to be far more community projects in respect of energy production.

The issue of offshore energy was raised. There has been significant investment in research into offshore wind production primarily, as well as other forms of offshore energy production. Great progress has been made in that regard. I am in charge of the marine environment for planning purposes and some interesting projects are coming through that will put us in a position as a country to be able to contribute far more to offshore wind development in the coming years. Much investment is required because our Atlantic coast is quite complicated, but we are making progress and I am proud to say that Irish companies and researchers are leading the charge in that regard. It is great to see that endeavour and it is hoped the Government will be able to back their work and do more in that regard in the future.

The guidelines for onshore energy should be finalised in 2018 and will bring greater clarity because the current guidelines are 11 or 12 years old. It is time to bring forward a clear direction for local policy decision-makers through the local planning authorities and An Bord Pleanála. That is a commitment under action 20 in the national mitigation plan on which we

have given feedback.

As regards work on social housing stock and regulations in that regard, we are conscious of the cost of non-energy efficient social housing. If a person is in social housing that is not up to scratch in terms of energy usage, efficiency and effectiveness, it costs him or her more money and he or she may be in danger of suffering fuel poverty. We have heavily invested in that area and have retrofitted more than 58,000 houses. There is a commitment to continue that roll-out in phase 1 and phase 2 and to retrofit that housing stock. We will mainly focus our resources in the next year or two on the 18,000 to 20,000 least efficient houses and will be rolling out more funding in that regard. Approximately €110 million has been spent on the area and we are committed to completing that work as quickly as possible.

More than €150 million has been spent on voids or vacant properties that were brought back into use and have been brought to an acceptable level of energy efficiency. In excess of 8,400 such houses have been brought into use over the past two years and there are more to come in the coming months. It is necessary to carry out the energy efficiency works because although there is an urgency in terms of increasing the social housing stock, we are committed to top-class quality and design and ensuring that all regulations and standards are met because people have to be able to live in those homes and run them as cost-effectively as they can. This action also contributes to the national commitment on climate strategy.

As regards regulations and standards, the regulations for non-domestic dwellings have been signed into law in the past couple of weeks and will apply from January 2018. Regulations for dwellings will be enacted by 2020. Publicly owned buildings have to reach the nearly zero energy buildings, NZEB, standards by the end of 2018, and the OPW is leading the charge in that regard and is doing quite well. Strong commitments have been made and we are backing them up with funding. The consultation for the NZEB 2020 targets will take place in the first half of 2018. I would be delighted for this House to become involved in that discussion and I encourage Senators to do so. There will be consequent extra regulations and complications in building a better standard of house in terms of energy efficiency and so on, and it must be borne in mind that that will add to the cost of the house. That must be acknowledged and we will have to bring forward more affordable housing projects and try to deliver more such projects on State-owned and local authority lands as well as through the private sector. We have to allow for that in respect of standards but that does not mean that we will renege on what we want to achieve through the standards. Certain other issues were raised of which I have made a note and I will revert to Senators on them.

As regards rough sleepers, in extreme weather events far more rough sleepers engage with emergency services than would do so in normal weather conditions. That is why we provide extra emergency beds every winter. I acknowledge they are emergency beds and are not ideal nor a permanent solution. Some are permanent. Last year, a couple of hundred new emergency beds were added, while this year we have committed to an extra 200 emergency beds being made available before mid-December along with 80 temporary emergency beds which cater for those who might not seek a bed on a clement evening but would do so during severe weather conditions. During Storm Ophelia, I and our teams in Dublin and other urban areas went out and encouraged rough sleepers to engage with services and to come in and use the emergency beds. Even during such events, some rough sleepers refuse any assistance. Along with other services, we will have to try to work with such people in the coming years to encourage them to come in and engage with the services of various Departments and eventually avail of the Housing First option and the supports that exist in that regard. We want to do our best to provide ser-

6 December 2017

vices for the homeless, whether they are sleeping rough or in bed and breakfast accommodation or a hotel and who want to live in a more permanent house. It is an area to which much money has been allocated. However, I re-emphasise that although it is urgent that we provide housing solutions, we will not renege on the quality or design of those houses, which is important in the context of this debate.

An Leas-Chathaoirleach: That concludes the statements-----

Senator Grace O’Sullivan: The Minister of State offered Senators an opportunity to come back-----

Deputy Damien English: I cannot dictate the rules. The second part of these statements is the written statement. I certainly have no problem with the Minister coming back to the Seanad if time is arranged for him to do so. I will commit to coming back in. That written statement is not complete. There is a lot more detail in it. I am not going to make up the detail. I want to have it in front of me so that I will be able to go through it with Senators. I am happy to do that at a later stage. That is up to the House.

Senator Grace O’Sullivan: I was just seeking clarification. I thought we had an opportunity now.

An Leas-Chathaoirleach: I am sorry, Senator. We are constrained by the rules. That concludes the statements.

Deputy Damien English: I would not dare break the rules.

An Leas-Chathaoirleach: Unfortunately, I cannot allow any questions and answers at this stage. As I said, that concludes the statements. When it is proposed to sit again?

Senator Paudie Coffey: At 10.30 a.m. maidin amárach.

The Seanad adjourned at 6.51 p.m. until 10.30 a.m. on Thursday, 7 December 2017.