

DÁIL ÉIREANN

AN GASRA OIBRE DE CHATHAOIRLIGH COISTI

WORKING GROUP OF COMMITTEE CHAIRMEN

Déardaoin, 10 Bealtaine 2018

Thursday, 10 May 2018

Tháinig an Comhchoiste le chéile ag 10.30 a.m.

The Joint Committee met at 10.30 a.m.

Comhaltaí a bhí i láthair/Members present:

Teachtaí Dála/Deputies	Seanadóirí/Senators
Colm Brophy,	Paul Coghlan,
Mary Butler,	Joan Freeman,
Joe Carey,	Gerry Horkan,*
Catherine Connolly,	Michael McDowell,
John Curran,	Neale Richmond.
Pat Deering,	
Alan Farrell,	
Michael Harty,	
Hildegarde Naughton,	
Fergus O'Dowd,	
Fiona O'Loughlin,	
Caoimhghín Ó Caoláin,	
Sean Sherlock,	
Brendan Smith,	
Peadar Tóibín.	

* In éagmais/In the absence of Deputy John McGuinness.

Teachta/Deputy Maria Bailey sa Chathaoir/in the Chair.

Matters of Public Policy: Discussion with Taoiseach

Chairman: We have received apologies from Deputies Sean Fleming and John McGuinness, who are chairing other committees that are meeting at present. Apologies have also been received from Deputy Seán Crowe, who is abroad on committee business, and Deputy Michael Healy-Rae. I welcome Senator Gerry Horkan, who is attending as a substitute for the Chairman of the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach. I remind members to ensure their mobile phones are turned off or set to airplane or safe mode for the duration of the meeting. This will avoid any interference with the sound system, which is particularly desirable given that this meeting is being broadcast live on Oireachtas TV.

I welcome the Taoiseach to his first engagement with the Working Group of Committee Chairmen. We are delighted to have him here. His attendance at this morning's meeting is part of a programme of reforms arising from recommendations made by the Constitutional Convention, which was the predecessor of the current Citizens' Assembly. In its seventh report, the convention recommended three significant changes in Dáil procedure, all of which have been implemented in the current Dáil. It is widely recognised that the first of these innovations - the election of the Ceann Comhairle by means of a secret ballot - has enhanced the status and independence of the office of the Ceann Comhairle. The other two innovations - the proportionate allocation of Oireachtas committee Chairs among all parties and groups using the d'Hondt system and the introduction of a biannual engagement between the Taoiseach and the committee Chairs for the purposes of discussing matters of public policy - relate to the committee system. These welcome initiatives have further strengthened the role of the committees within the Oireachtas. The valuable work of committees allows us to explore policy in more depth by engaging with a wider sector. We engage not only with those who are accountable for implementing policies, but also and more importantly with the people who are affected by those policies, whom we have the privilege of representing.

As all the committee Chairs in this room are aware, committee work is intensive and committee remits are broad. In 2017, there were 655 committee meetings involving 2,179 witnesses. We are all aware of the enormous work that goes on in Oireachtas committees. I hope this engagement will provide a useful forum for the Taoiseach and the Chairs of the various committees to discuss the policy matters that are priorities for the committees and the legislative processes with which we are contending. I remind members again to turn off their mobile phones. I propose to proceed directly to the substantive business of the meeting. I ask the Taoiseach to make his opening statement, which will be followed by questions from the committee Chairs, whom I will call in groups of three according to the d'Hondt system.

The Taoiseach: I am grateful for this opportunity to reflect on our work to legislate effectively and apply the best thinking to public policy. I am accompanied by my colleague, Mr. Martin Fraser, Secretary General. As part of the programme for Government and the commitment to strengthening Cabinet accountability, it was agreed that all Ministers would appear before their relevant Oireachtas committees and that the Taoiseach would appear before this working group to discuss matters of public policy. This meeting serves a useful purpose because it is an opportunity to hear about what committees are working on, the issues of concern to chairpersons and, also, it is an occasion for me to comment on what Government is doing.

I want to acknowledge the role committees play in scrutinising the work of Government and its agencies, in examining legislation and in advising on policy issues. During the 2011 election, which we all remember so well, which was during the time of the financial crisis, there was a huge demand for political reform in Ireland, a sense that the political system had let people down and was part of the reason for that crisis, and calls for a democratic revolution. Since then, a lot has been done to reform our politics, much of which is unrecognised, but there is more yet to be done. Among the changes that have been made which I think are of significance is the use of pre-legislative scrutiny by committees in giving Oireachtas Members much more input into significant policy matters and legislation before it is drafted by Departments.

There has also been the introduction of the Committee on Budgetary Oversight, albeit still in its early days, which gives the Oireachtas a stronger role in budgetary matters and provision of specialist resources, such as staffing for the new Parliamentary Budget Office, PBO, which provides financial and budgetary expertise for Oireachtas Members. There has been a major reduction in the use of the guillotine. The Seanad reform implementation group is up and running. We now have scrutiny of the appointments of chairmen of State bodies by committees. Also, the fact that we have a minority Government means more Private Members' Bills have been accepted, five of which have now become law, and we have had to take on the views of Opposition more frequently than perhaps was done in the past. It is also fair to say that there is now greater communication between Ministers and their Departments and Opposition spokespeople and Oireachtas committee chairpersons and members, although I appreciate this is still not always satisfactory.

When the current minority coalition of Fine Gael, the Independent Alliance and Independents was formed in May 2016, expectations were limited. Few thought it would last but the record of the past two years tells a different tale. Facilitated by the confidence and supply agreement with Fianna Fáil it has proven possible for the minority Government to do more than just survive or muddle through. We have been able to refresh ourselves, act decisively and govern and deal with major issues not dealt with in the past by majority Governments. In total, 65 Bills have been enacted, five of which were originally published as Private Members' Bills. A further 18 Government Bills are currently before the Dáil and seven Government Bills are currently before the Seanad, which means 30 to 35 pieces of legislation each year become law. Under a majority Government it was approximately 40. This shows that minority Governments can get legislation enacted.

The past two years have seen the benefits of the country's economic recovery spread across the country. In every county, employment is up and incomes and living standards have risen. The Government's books have been brought into balance. Last year, for the first time in ten years, we had a small budget surplus, although it was flattered by the sale shares in AIB. Our debt, although falling as a percentage of GDP, remains high at €45,000 per person. When we entered the financial crisis ten years ago it was €15,000 per person, such that our debt burden presents a major vulnerability into the future.

The last decade has been a lost decade for many of our citizens. We cannot risk returning to those days. Therefore, management of public finances will be based on what is right for the economy. We will not adopt pro-cyclical policies that jeopardise our public finances and our future living standards. Instead, we will aim for sustainable progress both economic and social. Unlike previous Governments in our position, we will not place greater priority on the electoral cycle than the long-term interests of the Irish people. We have plenty of problems and the country faces enormous challenges but overall we are on the right track. This morning, I want

to reflect on some of the work done by Government since the election of the Thirty-second Dáil, touching on important work by the committees. This is not an opportunity to list successes, nor is that my intention in being here. Rather, it is an opportunity to look at what we need to do better in the future.

On housing, we all acknowledge that homelessness is a stain on our society. The Government is determined to reduce the number of people, particularly children, who are living in emergency accommodation. The causes of homelessness are complex and include issues that are related to issues other than housing, including health, mental health and justice. However, the increase in homelessness is linked to the collapse in our house building sector and the severe shortage of supply associated with it. Last year, 4,000 families exited homelessness into secure tenancies. Unfortunately, the number of people who entered emergency accommodation is greater than the number who left it. We are working hard to better understand the factors that are driving this increase and responding appropriately. We have introduced measures such as the special homeless housing assistance payment and the homeless housing assistance payment placefinder service, which are available across the country. We have also significantly extended legal protections for tenants, among a suite of broader measures. This work will continue. However, the housing crisis we face can only be understood by reference to the lost decade and the collapse in housing supply. With a growing population we need at least 25,000 new homes each year in normal circumstances. The crash of a decade ago destroyed our home building sector and it has not yet recovered. Approximately 18,000 new homes commenced construction in the past 12 months, which is more than were constructed in any year in the last seven years, but we are still in deficit. We need to get to approximately 25,000 new homes next year and higher again in 2020.

Social housing provision is also recovering in tandem with the overall improvements in housing supply. In 2017, through various mechanisms, over 7,000 homes were added to the social housing stock while a further 40,000 will be added over the next three years. Project Ireland 2040 provides for 110,000 homes to be added to the social housing stock over the next ten years. The question of affordability is increasingly pressing. The average age of a person buying his or her first home has risen from 28-29 to 35, which means people, particularly couples, are paying rent for six or seven years more than would have been the case in the past or are living with their parents for a prolonged period, neither of which is desirable. As a Government, it is our desire to make home ownership a realistic objective again for people in their 20s. Most people do not want or qualify for social housing. They want to be able to save for and buy their own home. We need to assist them in doing so.

The price of zoned, appropriately located land rather than construction costs is the major obstacle to affordability. We propose to establish a new land development agency, a major part of Project Ireland 2040. This will be the most decisive intervention by the State in land management since the introduction of land zoning decades ago. It will ensure that we have a sustainable supply of serviced land for housing at prices that are affordable and in places where housing is needed. We have learned the lessons of the property boom and crash of the 2000s and we need to ensure it does not happen again. As a Government, we will not shy away from other actions required to ensure that the aspiration of home ownership is a real one.

I also very much welcome the views of committees on health care. The priority attached to health by this Government can be seen in the level of expenditure committed. Over €15 billion is provided for health expenditure in 2018, representing the highest ever level of expenditure and one of the highest per head anywhere in the world. Currently, Irish health spend is above

the OECD average, as has been the case in the past 20 years, including during the recession. It is obvious that we do not have the health service that this level of spend should provide. There are too many people waiting too long to see a specialist or for the treatment they need. While we can, and are, making incremental improvements across the health service - there are many examples of this - the fundamental changes required are beyond the lifetime of any one government. This is recognised in the Sláintecare report, which presents a broad framework for the future development of Irish health services. Shortly, the Government will publish its implementation programme. This will be complemented by the €10.9 billion infrastructure investment in healthcare set out in Project Ireland 2040. This is much needed investment in buildings, equipment and IT, adding to the 114 primary care centres already operating and the three hospitals now under construction, with a fourth to go to tender later this year.

I cannot talk about health without referring to the debate that has dominated recent days and weeks. Serious questions have been raised about the governance, communications and performance of our health service, and the HSE in particular. Confidence has once again been severely damaged. The scoping inquiry into CervicalCheck screening, set up by the Government, will examine the specific issues that arose with respect to CervicalCheck, as well as other screening programmes. It will specifically examine the issue of non-disclosure. The Minister for Health, Deputy Simon Harris, has brought plans to Cabinet for mandatory open disclosure. That will build on reforms we have already made in respect of open voluntary disclosure. We will shortly bring forward legislation to provide for the appointment of a new HSE board to enhance accountability.

There are many good aspects of our health service and it has achieved many successes in respect of prevention, patient experience and approved outcomes. That is often lost in the midst of a crisis, such as the one we are now experiencing. We should find some space to acknowledge that more than 85% of patients say their experience of our health service is good or very good. Life expectancy is continuing to rise and cancer survival rates are continuing to improve. We have also had major improvements in areas, such as stroke and cystic fibrosis, CF, as well as reduced charges and increased access to things like free general practitioner, GP, care and prescription charges.

We are also making considerable investment in education. It is central to our ambitions as a nation. It breaks down cycles of disadvantage and supports the development of a strong growing economy. The Government has set the ambitious target of making the Irish education and training service the best in Europe by 2026. To that end, we have increased the overall education budget to more than €10 billion - the highest ever. This is only made possible by our prudent economic management. The investment allowed us to recruit 5,000 extra teachers and 2,000 more special needs assistants over the past two years. In September 2018, the primary school pupil-teacher ratio will be at its lowest point ever. We will continue this investment in education in the years ahead.

For the first time in our country's history, we have a long-term plan for the country's future development. Project Ireland 2040 sets out a vision for how our country can grow in a way that will accommodate expected population growth of 1 million people over the next 20 years. The Government has set out a long-term ambitious planning framework and has backed it up with a ten year national development plan. The money follows the plan. We want to achieve balanced regional development by targeting population growth of least 50% in Cork, Limerick and Galway and also population growth centres in Athlone, Letterkenny and Dundalk-Drogheda.

Project Ireland 2040 also sets out how rural Ireland can grow and prosper over the next 20

years with provision for an extra 200,000 people to live in our small towns and villages in rural areas by 2040. We are also focused as a Government on supporting sustainable rural communities, job creation, culture and tourism, facilitating rural connectivity, access to services and making rural Ireland a good place to live, work, raise a family and set up a business. We want to ensure that the recovery and growth that Ireland is experiencing are felt evenly throughout the country. Employment outside of the Dublin region increased by 56,000 and accounted for 84% of the overall national increase in employment between the second quarter of 2016 and the second quarter of 2017. Real, on the ground, investment is being delivered locally through a range of schemes and programmes. Hundreds of communities are benefitting from these investments. I believe the €1 billion rural development and regeneration fund under Project Ireland 2040 will ensure that Government delivers on its commitment of further strengthening rural economies and communities.

The most decisive intervention the Government will make for rural Ireland is the delivery of our national broadband plan. It will ensure high speed broadband access to all premises in Ireland regardless of location. Since this Government came to office, almost 400,000 additional premises have gained access to high speed broadband. By the end of this year, nearly eight out of ten premises will have access. The Government is now in a formal procurement process to select a company that will roll out a new high speed broadband network in areas which will not get high speed broadband service from the private sector. Procurement is now in its final stages and its conclusion and delivery are a Government priority.

Brexit is one issue that I am sure all of the committees have considered because it has the potential to touch on so many aspects of Government policy and the lives of our citizens. For us, of course, the situation in Northern Ireland is inextricably linked to any discussion on Brexit. European Council guidelines say that negotiations can only progress as long as all commitments undertaken so far are respected in full. That includes the UK's commitments on the backstop. We share Prime Minister May's preference to resolve all of these issues through a wider agreement on the EU's future relationship with the UK. The Government has consistently affirmed its unwavering agreement to the Good Friday Agreement and our determination, as co-guarantor of that Agreement, to secure the effective operation of all of its institutions. We will continue to engage with the British Government to give full effect to that commitment.

I could say much more about the work of each of the committees but I appreciate that I am over time. I will finish up, hear the thoughts and concerns of the Chairs for the remainder of the meeting and engage with them on those specific issues. I look forward to continuing the dialogue in this session.

Chairman: I thank the Taoiseach. To clarify, I did not use all of the time allocated for my opening statement because I thought the Taoiseach might go over time slightly, so we are still on time. I thank him for his opening statement. I remind Chairs that 14 minutes have been allocated to each group of three in the d'Hondt sequence. If a Chair is not present, I will move to the next Chair in the sequence. Each person will have one minute to ask an initial question. The Taoiseach will take three at a time. He will have four minutes for his initial reply. There will then be a second round for that same group of three of one minute each, followed by a four minute reply from the Taoiseach.

We will then move on to the next group. The clock will be used as agreed and I ask everyone for co-operation in respecting the agreed time limits, where possible. I also remind Chairs that we have also agreed, as a general principle, that they will ask questions about the policy areas covered by their committee, with flexibility in the cases of major policy issues or policies

in the remit of more than one committee. I call the first group of Deputy Colm Brophy, Chair of the Committee on Budgetary Oversight, Deputy Michael Harty, Chair of the Joint Committee on Health and Senator Gerry Horkan, Vice Chairman of the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach. I call Deputy Brophy.

Deputy Colm Brophy: I thank the Taoiseach. Budgetary oversight is a broad area in itself. I would like to ask the Taoiseach his views on threats to economic prosperity as we face into budget 2019. We are making sustainable progress in respect of economic recovery. Where does the Taoiseach see the main threats as we face into the budget process?

Deputy Michael Harty: I welcome the Taoiseach to the meeting and thank him for attending. My question is in respect of Sláintecare. It is a unique cross-party report and nearly one year old. It looks at a ten year vision for our health service, including multi-annual budgets and long-term planning. It is a wide-ranging report which has quite radical reforms in it, particularly in respect of reforming governance within the HSE and the Department of Health. Why has it taken so long for the Government to respond to this report? It was indicated that the Minister for Health, Deputy Simon Harris, would respond by the end of December 2017; yet in May 2018 we still have not had that Government response.

Senator Gerry Horkan: I thank the Taoiseach. Senators do not often get a chance to ask questions of the Taoiseach, even though I am the Vice Chairman of the committee that is responsible for his own Department. Much of the work of the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach has dealt with the banks and their behaviour. I refer in particular to the tracker mortgage issue, non-performing loans, and IT issues - we have been dealing with those lately. What is the Taoiseach's view of the potential sale by Allied Irish Bank, AIB, of a chunk of non-performing loans to vulture funds? If these loans are transferred and then repossessed, many more people will be presenting to local authorities and other bodies looking for housing. Is there any joined up thinking on this? Does it make sense for us, as a 74% shareholder in AIB and PTSB, to be selling these loans and then having to rehouse people while the vulture funds seem to be making money at the overall expense of the State?

The Taoiseach: We need to be wise to the threats to our economic recovery and stability. It is very easy and tempting to assume that the economy is now fixed and that we do not need to be concerned with it any longer and that we should move on to other problems. I do not know how many times in our history we have made that mistake only for the economy to become unstuck again and fall back into the cycle of cutbacks and tax increases. We do not want that to happen ever again. There are risks out there. I have already mentioned our high public debt, which is among the highest in the western world when it is divided per person. We need to use this opportunity, while the economy is growing, to balance the budget, perhaps even run small surpluses, and get the debt down so that we are ready for the next downturn, whenever it comes. It might be ten or 20 years away, but it will come inevitably. We have to make sure we have the capacity to provide for borrowing when the next recession comes.

Brexit is another factor. It could be soft and slow or hard and chaotic. It is a big potential risk for our economy. Other risk factors include rising interest rates. Huge numbers of people in Ireland have quite expensive mortgages, in terms of the business of loans. We have had a cycle of unusually low interest rates for quite some time now. It is inevitable that at some point in the next number of years the ECB will increase interest rates, which will increase the cost of borrowing for businesses and the cost of mortgages. It will have an impact on how much money is available to spend in the economy. We have to be wise to all of those things and make sure we do not repeat the mistakes of the past. We cannot engage in pro-cyclical economic poli-

cies or adopt the attitude of “when I have it I spend it”, because when that attitude is adopted one quickly does not have money to spend. Anything we do in terms of tax cuts, spending increases, pay increases or increases in spending for public expenditure should be sustainable. There is no point in providing pay increases or tax cuts, or increasing funding for services, only to take that money back in two or three years. I believe most people would prefer a steady, reliable trajectory than the alternative, which we have experienced a great deal of in recent years.

The Sláintecare report is very good. I read it again a couple of weeks ago, alongside the draft of the implementation plan, which exists and which the Government is discussing. We anticipate that it will be published within the next two months, well before the summer recess. I do not believe it is correct to see it as a comprehensive action plan to transform our health services. It certainly has its limitations. It is more like a blueprint, a plan for a plan rather than a plan in itself. A number of things have been done towards its implementation already. The de Buitléir group has been set up to examine the issue of separating public and private practice, how much it would cost and how it could be done. Again, the report does not provide any solutions. It just tells us that we should examine it, and that is exactly what we are doing.

We have also established the implementation office. We are in the process of appointing the executive director for the Sláintecare implementation office. This is likely to be concluded within weeks, and we will publish the implementation plan around the same time so that the executive director will have a plan to implement. That plan of action makes sense to me. The recommendation of Sláintecare is to more or less retain the HSE but to slim it down and restore its board. The Minister has accepted those recommendations and will bring forward that legislation in the next couple of months. We have also taken steps to reduce prescription charges and increase the number of people with access to free GP care, which are recommendations in the report. Although we have not published the implementation plan as yet we have taken some measures toward implementing the report. Another is the allocation of over €10 billion over the next ten years towards investment in ICT, equipment and buildings. That is part of the transformation fund that the Sláintecare report advocates.

There are some things we have to be very careful about doing. One of the recommendations in the Sláintecare report is that we front-load reducing the cost of access before increasing capacity, that we prioritise making things free before increasing the capacity to deal with patients. I am not sure that is the correct approach. I would be concerned that, if we made everything free in the first instance, the health system might be overwhelmed. Sláintecare recommends that the number of people availing of free GP care should be increased by 250,000 a year. That would mean 250,000 this year, 500,000 next year, and 750,000 within three years. Do we really believe our GPs could cope with another 750,000 people with free GP care? We are aware of the increase in attendances that came about with the removal of fees for children under six. We have to be sensible about how we phase the implementation, and we also have to work out the costings, which has been a real dilemma. We know, because our health service is inefficient at the moment, that it is costing us almost 7% extra a year just to stand still. That amounts to €700 million a year just so that we can stand still. If we go above that it will mean enormous costs.

One of the great advantages of the all-party committees is that they give us all-party reports. We had reports on housing, water and in healthcare. However, one of the downsides is that issues are looked at in isolation. Housing reports would have the Government invest all the State resources in housing and leave nothing for health. Health reports would have the Government invest all of the resource of the State in health and leave nothing for housing, never mind disability, education or anything else. We have to look at the bigger picture and consider

all the different reports, and try to sequence them in a way that is affordable and deliverable. The all-party approach only looks at issues in isolation and does not understand the impact of implementing those decisions on every other matter of concern and public policy.

On the non-performing loans, whatever happens, the Government, in both its capacity as the Government and as a shareholder, has to be on the side of people who are making an honest effort to pay their mortgages, including split mortgages. All of those with a split mortgage are making a serious effort to pay their mortgage. Where people are not making genuine efforts to pay what they owe that is a different matter. We have vacant houses owned by people who are not paying the mortgage any more, some of whom no longer live in the country. Those houses should be brought back into use. In some cases repossession will be necessary. We need to make a real distinction between those who are making a genuine effort to pay the mortgages, the money they owe, and those who are not.

Deputy Colm Brophy: The Committee on Budgetary Oversight is a new committee. I want to acknowledge the work of the PBO and particularly salute its ability to supply Members with information, and to acknowledge the comprehensive level of information it has given us. There are two issues, the first of which is the timely availability of information from the Department of Finance to aid the members of the committee in its work, particularly on issues such as the fiscal space. I would be interested in hearing the views of the Taoiseach on that. The other issue is the OECD general principle of moving away from the “big bang” budget and moving towards a year-round budgeting process which enables the type of *ex ante* scrutiny the committee works on to take place throughout the year. I would be interested to hear whether or not the Taoiseach supports that.

Deputy Michael Harty: Many areas of the health service work very well, and that has to be acknowledged. Unfortunately, there is no consistency across the health service in its performance. There is an urgent need for reform, and that is why I asked the question. The report was published one year ago, yet there has been no serious reform. We need to maximise the value we get from the €15 billion that is put into the health service, and I do not believe we are getting the maximum outcome from that money, and that patients have poor outcomes in many areas. I understand that it is not a comprehensive plan, but there is an implementation deficit we try to guard within the report, which contains a substantial chapter on implementation.

One of the recommendations was that there should be a reinstatement of the HSE board. The Taoiseach committed to that last November, yet it is now May and there has been no legislation on that.

Senator Gerry Horkan: At the Committee on Finance, Public Expenditure and Reform, and Taoiseach, we have been discussing the taxation of the digital economy proposals from the EU, as well as the common consolidated corporate tax base, CCCTB, proposals in the past. Will the Taoiseach give his thoughts on that? There are a couple of reasons for asking. We have a significant digital presence in Ireland and there will be a significant gap in EU finances as a result of the UK’s departure and the EU may be looking for ways to generate more revenue. The Taoiseach might address our reliance on it. It is not necessarily an over-reliance but we are vulnerable to the amount of corporation tax we get from a small number of people. Approximately 80% of total corporation tax comes from foreign direct investment, FDI. Approximately 70% of that is from the USA. It is all welcome. Approximately half of the FDI generated tax is paid by ten companies. Google did not exist 20 years ago and we hope it will be here in 20 years. Industries and companies come and go. What are the Taoiseach’s thoughts on how reliant and dependent we are on a small number of companies for a significant amount

of our corporation tax yield?

The Taoiseach: To answer Deputy Brophy, we might discuss this again offline but I expect the Department of Finance to engage with the committee and give members any access to information or assistance it can. It is early days with this committee but it could have a role to play in the future. It will never be at the level of the budgetary committee that exists in the US Congress, for example. That is a different system but the committee can have an enhanced role in helping us to form budgets and examine them afterwards.

There are mixed views as to whether we should stick with the annual budget but we will for now. I often wonder if it is maybe too dramatic to only make major financial decisions once a year. However, we make adjustments to different extents throughout the year. Next year, an additional €2.6 billion has been built in because of the announcement we made in Project Ireland 2040 that there would be a 25% increase in capital spending next year on housing, health, transport and so on. Some €1.5 billion has been announced. We announced that when we announced Project Ireland 2040. When the public sector pay deal was done, spending was announced for future years. Some €400 million is built in for pay restoration next year because of the deal that was done with trade unions. Some other changes will be announced during the year. The recalculation of the State contributory pension will have a cost next year. We introduce an annual budget and we make adjustments during the year. Perhaps they should be made quarterly in a more structured way. The upside of the annual budget cycle is that it focuses minds. When adjustments are done quarterly, it is easy to put them off for another quarter. When there is only one bite of the cherry, particularly with tax and welfare, it focuses minds. I have been through seven or eight budget cycles as a Minister. I have seen how it forces people to compromise and make decisions because there is a deadline. They may be put off if it was done quarterly. I have an open mind on that. I know other countries do not do the annual budget the way we do.

On the health service, Deputy Harty is right that we spend €16 billion a year on healthcare, which is among the highest in the world per head. That is on top of 20 years in which we spent more per head than the average country in the western world. Even during the recession, we spent more than average per head and now we are spending way more than average per head. The constant demand for more staff, resources and new buildings certainly cannot be the solution. It might be part of the solution but it is not the solution on its own. If that was the solution, it would have worked by now. The health budget is €3 billion a year higher than it was three years ago. There has been a huge increase in the budget. I recall a headline in *The Sunday Business Post* in the run-in to the last general election which I took grave offence at. It is interesting in the context of what we have been talking about over the past few weeks. The headline was “No plan, no money and no vision”. Two or three years later, there is a huge amount of money. We have a vision with Sláintecare and we have any number of plans, including national cancer strategies, national maternity strategies, clinical programmes and models of care. The failure has been to implement them efficiently. We need to do that now because the worst thing we can do is buy into this idea that we will solve all our problems by continuing to add more money and more staff. That has not worked. It might be part of a solution but it is not the solution on its own.

On the HSE board and why we have not done it up until now, we wanted to decide what sort of board it would be. The Sláintecare report says that we should bring back a board but it does not say any more than that - what sort of board it should be, if it should have a non-executive chairman or executive chairman, how it should be constituted and what role it should have. That is the kind of discussion that has been happening in government over the past few weeks.

We should not go back to the HSE board as it was before it was abolished. I am not sure that worked well either. That is the gap. Sláintecare sets out that a HSE board should be set up but does not go any further into what the board should look like, how we should constitute it or what its role should be. That is what we have been deliberating on for the past while.

It will have to be different to a usual State board. I see how State boards work. For small organisations, a board that meets once a month, gets board papers and has an executive trot in front of it can work. This is a different type of body. It has a massive budget of €16 billion with 110,000 staff. It cannot have the same board as a small agency. It needs to have more than a meeting once a month with some board papers in front of an executive. I know what executives are like. They just get through that meeting and come back next month. It needs to be something different and will need people who will give it significant time. It will have to be more than attending a board meeting every month. We should also not make the mistake of thinking that boards are panaceas to all our problems. The hepatitis C scandal was the worst in the history of the State, where healthy women and men were infected with hepatitis C or HIV by a State agency. The Blood Transfusion Service Board oversaw that. The Portlaoise breast cancer misdiagnosis scandal happened under the Midland Health Board. We should have a board but let us not make the mistake of thinking it will be the game-changer that some people are making it out to be.

On digital tax and the CCCTB, it is something that the Government just does not support. It is not in our interest. Our strong view is that national budgets should be paid for by national taxation and it is the role of member states to set their own taxes in that regard. Senator Horan is correct to identify corporation tax as a potential risk. The European Commission, in its various country-specific reports about Ireland, recognises that as a risk. In the 2000s, a huge amount of our revenue came from stamp duty. When the property bubble burst, there was a huge hole in public finances. A potential risk now is the large amount of corporation tax that we receive from a relatively small number of companies. If they were to go into loss or fail for some reason, it would result in a serious hit to our revenue. That is not to say that we should not collect the taxes. It is still better that those companies are here in Ireland, paying tax, than not here at all, but we need to be wise to that risk.

Chairman: I thank the Taoiseach and thank members for sticking to their time. It is easy to ask a question in a minute and much harder to answer in four minutes. We will move on to our next grouping: Deputy Fiona O'Loughlin, Joint Committee on Education and Skills; Deputy Pat Deering, Joint Committee on Agriculture, Food and the Marine; and Deputy Peadar Tóibín, Joint Committee on Culture, Heritage and the Gaeltacht. I call Deputy O'Loughlin.

Deputy Fiona O'Loughlin: The Taoiseach talked about what is right for the economy. What we did in the Lemass era 50 years ago, in investing in education, is the right thing to do at every level, including preschool, special, primary, secondary, third level and further education, and apprenticeships and skills. I share the Taoiseach's ambition to have the best education system by 2026 but we have a long way to go. I am looking for the Taoiseach's views on some of the areas we particularly need to look at. He mentioned teachers. We have a crisis in recruiting and retaining teachers at every level, including at the preschool level. Part of that is down to the pay parity issue. I would like the Taoiseach's views on how we will address that. Addressing inequalities is important, as is looking at how we can support parents in developing the capitation grant.

My final question is about capital build projects. There are 341 such projects at present and some of them have been on the list for 17 years, including one in Monasterevin in my constitu-

ency. There seems to be an inordinate delay in actually delivering schools. Included on that list are 30 special schools. I certainly feel that we need to do more. That is leading to the problem of a proliferation of prefabs around our schools. I thank the Taoiseach.

Deputy Pat Deering: I welcome the Taoiseach. He referred to rural Ireland in his opening remarks. In my opinion, agriculture is one of the key drivers of the rural economy. The importance of agriculture in the rural economy cannot be underestimated. It is our largest indigenous industry, as the Taoiseach knows, employing 173,000 people, with exports of €13.6 billion last year. Some 75% of the average farm income now comes from the single farm payment. With the announcement last week by the European Commission of the multi-annual financial framework, MFF, there are proposals to cut the budget. How does the Taoiseach think the Government will approach this issue? How can we maintain this budget in the future? If we cannot, where does the Taoiseach see substantial cuts coming down the line?

Deputy Peadar Tóibín: My question is about the media. In recent years, there has rightly been a big call for a robust debate around the issue of abortion, for all information to be put before the people and for the people to have access to all the issues around this critical human rights issue. With Google's decision yesterday, many people feel that the rules relating to this issue have been changed mid-flow. For this generation, one of the most important pathways for the flow of information regarding any issue is the Internet. This has been a decision by an international monopoly to a certain extent. The adverts involved have been generated by Irish people to speak to Irish people. According to the media commentators, it is unprecedented. Has there been any discussion between anybody in government and Google regarding this decision or the issue in general?

The Taoiseach: Starting with the issue of investment in education, I agree with Deputy O'Loughlin. I have a portrait of Seán Lemass in my office. It has returned to the Taoiseach's office. I think John Bruton had it, and certainly former Fianna Fáil taoisigh had the portrait there as well. I have it there to remind me of two things. The first is that it reminds me every day that I am part of a confidence and supply agreement, and to make sure that there is a Fianna Fáil image in my office. Michael Collins is there too of course. It also reminds me that Lemass was an enormously progressive Taoiseach. After an era that was characterised by autarchy, economic war, and very old-fashioned economic ideas like putting tariffs on the import of shoes because we should make our own, he really opened up Ireland to modern industry and investment. He also had a commitment to education. We are investing a huge amount of money in education now. The education budget is €10 billion this year. For the first time ever, it has exceeded €10 billion. However, even the richest countries have to make choices. Even with the education budget increasing every year, it is impossible to do in any one year everything we would like to do.

The Deputy mentioned pay parity. I imagine she would also like extra staff, as would we. She mentioned capitation, and also mentioned investment in school buildings. Much as we would like to be able to do everything in one year, doing all of those things in one year is impractical. We can either focus on one of those four things, or we can try to spread our resources very thinly and do a little bit in each of those areas every year. I would be very open to the views of the committee on this. If members had €10, would they split it into €2.50 towards each of those four areas? Would they prioritise pay over capitation or buildings over pay? It would be an interesting challenge for an Oireachtas committee to advise on that because that is the kind of decision the Government actually makes. The easiest thing in politics is to call for more of everything now. The hardest thing in politics is to do what the Government has to do,

namely, slice up that pie. It can be sliced in so many different ways.

I think we have done relatively well in recruitment. There are 5,000 more teachers working in our schools than was the case two years ago. That has been a big increase in numbers. We have been able to recruit them. In some subjects there are particular difficulties. There are also difficulties with substitution. Overall, however, the fact that we have recruited 5,000 teachers in two years speaks for itself. The starting salary for teachers, if they can get a full-time job, is €37,000 a year now. That is a pretty competitive salary for somebody who is just out of college and starting work for the first time. Some will have had careers before that but most will not. In the private and the public sector, a starting salary of €37,000 is pretty competitive.

I know that what offends teachers the most is that over the course of their careers, because of the two different pay scales, they stand to lose a lot of money. We have already managed to narrow that gap by about 75%, and we are willing to narrow it more. I can certainly understand why two teachers sitting beside each other in the staff room on two different pay scales would have a problem with that. I would probably have a problem with it too. We would have a problem with it here in the Dáil if we told Deputies elected next time that they should be on a different pay scale. It is something that we want to negotiate with the unions on. Some €400 million is provided for pay increases in the public service next year. That is a lot of money. That is just for pay increases. It is not going to get us anything in extra staff or hours worked. It is just going into pay. Perhaps we can, by agreement, recalibrate that in some way in order that more of it goes to the new entrant public servants who were recruited after 2011.

Last year, for example, a lot of public servants, if not most, got three pay increases; two small 1% pay increases and an increment. Maybe instead of three pay increases a year for everyone, it might just be one or two. We could give the extra money to the new entrants, to allow them to equalise sooner. What I would not like to do is take the money out of services. I think the right approach would be to try to negotiate some way to use that €400 million differently to benefit the newer entrants.

On the MFF and the EU budget, these come into effect in 2021 so there is going to be a long negotiation between now and then. There are also a number of variables, particularly concerning the UK and whether it ends up paying in any way into the EU budget for the various programmes it is going to access and so on. There are a couple of ideas as to how we can increase income for the European Union. The view of the Government - I have articulated this on a number of occasions - is that we would be willing to increase our contribution to the EU budget provided the areas that we believe are important are protected. That includes the Common Agricultural Policy, CAP, and the single farm payments in particular. It includes things such as research and development, Horizon 2020 and INTERREG. It also includes a lot of different programmes that we think are hugely valuable and Structural Funds. Those negotiations will go on for a couple of years, but certainly for one. Our opening position is that member states should be willing to contribute a bit more so that we can protect those well-functioning programmes like CAP. That is our opening position. However, if there are going to be cuts in CAP at all, I think it is the single farm payment and the payments to farmers that we should protect. We can make up for the rural development side, the second pillar, with national resources if we need to.

On Deputy Tóibín's question, Facebook's decision to no longer allow advertising in respect of the referendum that is paid for from outside this country is welcome. There is a general principle that foreign money should not be used to influence our elections and referendums, and I welcome the fact that Facebook has made this decision. Google's decision went further than

I thought it would. I was a little surprised that the company decided not to host any ads at all from either side, or from anywhere, on the referendum. However, that is ultimately their decision. Google is a private company, and like any private company, whether it is a newspaper or a website, it can refuse ads if it wants to. Nobody is forced to accept advertising through their radio station, TV station, cinema or publication. That is the right they have. There has not been any contact between the Government and Google or Facebook on this. The decisions have been made of their own volition.

Deputy Fiona O'Loughlin: I welcome the news that Seán Lemass is featuring in the Taoiseach's office. Perhaps some day we will have the opportunity to see it in there.

The Taoiseach: The Deputy would be very welcome.

Deputy Fiona O'Loughlin: I thank the Taoiseach. Regarding pay parity for teachers, I know people who have been teaching for seven or eight years. They are still earning less than €37,000 which is the starting point for new teachers. We have a cohort of teachers who have made the sacrifices in the past seven or eight years. The Taoiseach is talking about not being able to do everything in one year. I accept that he has been Taoiseach for less than one year, but his party has been in government for seven years and had seven years in which to deal with some of these issues.

On the issue of inequality, education is the greatest leveller for those who are disadvantaged and it is important to have more of a policy focus on it. It is not a question of choosing one area over another. Money is going in. The Taoiseach talked about an extra 5,000 teachers, but as the population is also growing, we need those teachers. However, we also need more, particularly given that the pupil-teacher ratio is going down. I make the same point on the capital building programme. With the population growing in Dublin and the commuter belt, we need buildings to provide a good education for children, as well as staff.

Deputy Pat Deering: I have a question about the Mercosur deal. There has been a lot of discussion in recent years about open trade policy and a number of trade deals have been agreed. However, the current negotiations with Mercosur countries give rise to concern, particularly about the amount of beef being imported into Europe. As I stated, direct payments contribute up to 113% of beef farmers' incomes. If there are more imports of beef into Europe, it will have a detrimental effect. There is also an issue with the standard of produce from other countries. Has the Taoiseach had an indication of what the final agreement might be? What guarantees have we received on overall standards?

Deputy Peadar Tóibín: I agree with the Taoiseach that external influences should be reduced in referendums. Of course, very wealthy people who live externally can skew debates and possibly even buy results. The Standards in Public Office Commission, SIPO, has strict rules in that regard. What is the Government's view on organisations that are flouting SIPO's rules? Many people in Ireland do not consume traditional media, do not watch television or listen to the radio or buy traditional newspapers. I have heard the Taoiseach say he spends more time watching YouTube videos than watching television, or at least before he became Taoiseach and had the time to do so. In the last general election all of the political parties spent money on campaign advertisements because it was considered to be part of the political discourse that we experienced. Would it not have been better for the Government or the Oireachtas to have democratically set the rules in this new media space than for one particular company to decide mid-flow in a referendum campaign to make a decision to intervene to a certain extent in the campaign?

The Taoiseach: I think overall a trade agreement between the European Union and Mercosur would be good. Trade agreements the European Union has made have been hugely beneficial, including the CETA with Canada and others made with South Korea and Japan more recently. One of the ironic things about Brexit is that in leaving the European Union the United Kingdom will walk out of all of these really good trade deals and have to negotiate deals on its own from a position of weakness because it is only an economy of 60 million people and will have much less negotiating power when negotiating with China or any other part of the world.

The Mercosur countries are big growing economies and Ireland, particularly the services sector, would really benefit from a free trade agreement. We have particular sensitivity in the case of beef, on which I have focused extensively in my conversations with the Commissioner and the Commission President. It is a sensitivity France also shares. We have a strong ally in France and are insisting on there being no diminution in standards. Standards need to be up to ours and a limited quota of beef should be allowed in. In recent months very little progress has been made on this issue and it may well be the case that no deal will be concluded. We are heading into electoral cycles in South America also. There was pressure on us a few months ago to relax our position in order that a deal could be made before the South American electoral cycle started. Ireland and France held the line and made it very clear that while we wanted a free trade agreement, we needed to ensure the beef sector, a very sensitive sector for Ireland and France, would be protected. We will hold to that position. I know the impact throughout the country. As Deputy Pat Deering knows better than I do, it affects much more than beef farmers. The beef industry flows from it. It is a really important part of the rural economy in many parts of the country.

The Standards in Public Office Commission has its remit and statutory role and I would not presume to tell it what to do. I am sure it will follow its statutory remit. If it comes to setting rules, the question I would ask is what rules would we set. The Internet and social media are new, but it is just a new medium. Why would the rules be fundamentally different? A radio or television station or a newspaper that is privately owned can decide whether it wants to accept advertisements. Why would we have a different rule for Internet companies? If we were to apply a rule across the board - it would have to apply across the board - the Oireachtas or the Government would be stating to newspapers, television stations, radio stations, cinemas, billboard companies and Internet companies that they would have to accept advertisements. I do not think I would do that.

Chairman: The next three speakers are Deputy Mary Butler, Chairman of the Joint Committee on Business, Enterprise and Innovation; Deputy Fergus O'Dowd, Chairman of the Joint Committee on Transport, Tourism and Sport; and Deputy John Curran, Chairman of the Joint Committee on Employment Affairs and Social Protection.

Deputy Mary Butler: In recent months the Joint Committee on Business, Enterprise and Innovation has been carrying out an extensive engagement with stakeholders on the cost of doing business. A common theme has emerged, with major concerns about the cost of insurance and rates. The committee also heard about the cost of credit and banking. The possible introduction of a public banking model similar to the Sparkasse banking model has been discussed. I ask the Taoiseach for his views on such a public banking model. A report is due to be issued shortly by the Departments of Finance and Rural and Community Development. Has the Taoiseach had any indication as to when the report might be published? Might the introduction of a public banking model be suggested?

Deputy Fergus O'Dowd: People's daily commutes are getting longer as the economy

grows extremely fast. This morning thousands of commuters were held up because of an accident near the port tunnel. The Joint Committee on Transport, Tourism and Sport is considering how to attack the issues which delay transport unnecessarily. There should be far more thinking in local government and transport companies to ensure that when such accidents happen, they will be dealt with immediately. We will be holding hearings on why commuter delays happen and what we can do about them in the medium term. We are focused on and fully support Project Ireland 2040 and the national development plan which will transform the economy, towns and cities. However, we must deal with the pinch points, the restrictions and the traffic congestion which is unacceptable and getting worse.

Deputy John Curran: The issue of pensions is a regular feature at the Joint Committee on Employment Affairs and Social Protection. In the short time available I want to refer specifically to the issue of defined benefit pension schemes, with which the Taoiseach will be familiar. When he was Minister for Social Protection, he indicated that he would introduce legislation. That legislation was brought forward and on the last Dáil sitting day in July last year was passed on Second Stage. At that stage it was incomplete and the Minister indicated she would bring forward further proposals on defined benefit pension schemes on Committee Stage, but that has not happened. In the interim, members of Irish Life have been informed that their defined benefit scheme, which is in surplus, will close on 30 June. What are the Government's proposals for defined benefit contributions? When will they be dealt with in the legislation? I have specifically mentioned Irish Life. Will the matter be dealt with before the closure of the Irish Life defined benefit scheme on 30 June of this year?

The Taoiseach: On the cost of doing business, I know Deputy Butler has raised this issue. The rising cost of business crops up frequently when I meet business people. Obviously costs are passed on to customers and insurance is a significant cost. The approach we took with car insurance and health insurance has largely worked. The cost of health insurance stabilised following a significant increase and is starting to fall again. The same applies to car insurance. The Minister of State, Deputy Michael D'Arcy, is heading up the group that is trying to take a similar approach to public liability insurance and insurance for businesses. Using the same approach, we can get good results.

I have not seen the report on community banking yet, although I know it is pending. I cannot give an insight into the report as I have not seen it. We have heard all of the pros but not all the cons yet. I look forward to seeing the report as soon as possible. Community banking is an attractive model but, not having seen the report, I would not like to comment on it too much.

On commuter delays, I explained this morning that I did not travel in the direction we discussed but traffic was definitely heavy. Accidents sometimes have an impact on the entire city. Deputy O'Dowd is correct that if we dealt with accidents and collisions more quickly we would relieve congestion. Delays are often the result of rubbernecking, which is not to diminish the seriousness of some accidents. Often, when one has sat in traffic for a long time, one suddenly realises that the delay has been caused by people slowing down to take a look and see what was going on. I wonder if there are examples in other countries of how to remove the distraction more quickly to avoid congestion.

In terms of the bigger picture, investment in public transport will be necessary, in the cities in any case. There is no room for more roads and more roads would just mean more cars. What is required is a combination of better planning, higher density developments near public transport and major investment in public transport. Without the economic crisis, we would have been much further along with Transport 2021. We have revived half of the programme and we

can complete that in the period ahead.

Defined benefit pensions are a difficult issue. I do not believe there are any new defined benefit pension schemes, most of which were introduced in the 1960s and 1970s when assumptions made about retirement, life expectancy and work were different. Generally, in the 1960s and 1970s, people had one employer for their entire life. Even as recently as the 1970s, life expectancy was 68 years for men and 72 years for women. All of these defined benefit schemes were largely built on the premise that members would work for the same company for 30 or 40 years and would be retired for two, three or four years. This false premise is fundamentally at the heart of the problem with defined benefit pension schemes. As those assumptions were wrong, not enough was paid in down the years either by the employer or the employees. This has given rise to a large deficit in many pension funds, although I am aware that some are still in surplus and well funded.

We are struggling with the legislation at the moment and we have had drafts. We are trying to change the law to make it much harder for companies or employers to suddenly and unilaterally act by deciding to close down a pension fund. That includes trustees having to give greater notice to employees and members that they intend making changes to the pension fund, and also giving enhanced powers to the Pensions Authority to intervene and settle disputes. We are struggling with the whole concept of a debt on an employer, under which an obligation to close the gap would be imposed on the employer. While that could be of benefit to people who are about to retire, it could have serious consequences for people who are in their 30s, 40s and 50s and still working for the company in question because some companies would be crippled if they were required to close this gap. Some would close and, as a consequence, people would lose their jobs. Others would have such a large debt added to their balance sheet that they would have to abandon their plans for expansion or development. They would be totally hobbled in their activities and would no longer be able to compete against their competitors. Striking the right balance is proving to be a struggle. While we want to ensure people's pensions are protected, we do not want to do so at the expense of doing what has happened so often in the past when the ladder was pulled up on those who were not just about to retire. They could lose their jobs, their employers could go bust or the companies could be unable to invest further because their balance sheet would be destroyed. We are struggling to strike the right balance.

Deputy Mary Butler: The Oireachtas Joint Committee on Business, Employment and Innovation is keeping a watchful eye on Brexit, particularly the response by enterprise agencies. There seem to be concerns that some of the small and medium-sized enterprises, SMEs, are not preparing for Brexit and, in some instances, are unaware of the implications for their business. In addition, SMEs seem to be unaware that they may be indirectly impacted by Brexit. Let me give an example. Last Friday afternoon, I visited the Port of Waterford, which only ships goods to mainland Europe. It does not ship to the United Kingdom. It was one of the first companies that I have visited which viewed Brexit as potentially advantageous. It is not often one hears about advantages but the Port of Waterford Company believes its business may grow as a result of Brexit and there may be no negative impact from Brexit because the port does not ship directly to the UK. How will the Government address the problem that many SMEs do not realise their business may be affected by Brexit?

Deputy Fergus O'Dowd: I fully agree with the Taoiseach that public transport is the solution and locating infrastructure near transport corridors is the only way forward. As Chairman of the Oireachtas Joint Committee on Transport, Tourism and Sport, I can confirm that my committee is considering this matter and we have met the National Transport Authority, NTA, and

Transport Infrastructure Ireland, TII, to identify what issues need to be addressed. The national development plan is fantastic and provides a solution but the situation will worsen in the meantime. The average speed on the M1 ranges between 90 km/h and 100 km/h, regardless of the time of day, which is a significant issue that we must address. While I appreciate that work is being done on policy, we need to ensure the relevant bodies move much faster.

Yesterday, my committee visited the site of Na Fianna GAA club, which forms part of the MetroLink proposal. This is a major project which will cost €3 billion and will transport 50 million passengers every year. I disagree with the decision to locate the drill hole at the Na Fianna club grounds which is the only green space in the area and part of the vibrant life of the local community. I urge State bodies, when they plan facilities, to listen and understand. Our job as a committee is to ensure there is constructive engagement on these issues and that solutions are found.

Deputy John Curran: I thank the Taoiseach for his answer to my question on the issue of defined benefits. As he highlighted, this committee is aware of the issues. Our specific concern is that the heads of the scheme were published, Second Stage was dealt with and now we are in a vacuum. Once the Government published the heads of the scheme and we completed Second Stage of the Bill, a vacuum was generated. In other words, the Government has shown its hand and shown us what it plans for the future yet there is no delivery or protection. That happened in the summer of last year. At the start of this year, I specifically mentioned Irish Life because the company is in surplus, yet there is no protection for all of the people concerned. Had the legislation been dealt with effectively, the issue facing the employees in question on 30 June next could have been addressed. The Taoiseach was correct that a diminishing number of people are members of a defined benefit pension scheme but that does not mean we should not look after them. I am concerned that if we do not complete the Bill, other pension providers may also act, especially as the Government has shown its hand. Such a scenario will cause reputational damage to pension schemes generally and will have a negative consequence as we roll out automatic enrolment in the future.

The Taoiseach: As a means for preparing for Brexit, there is a range of information and support available. Enterprise Ireland is running a very good campaign to encourage small and medium-sized businesses, SMEs, to participate in the Brexit readiness check. There are a lot of supports available, including access to low-cost finance for small businesses. When I met business representatives some weeks ago, they asked us to stop giving out so much about SMEs not preparing for Brexit. That was something I had not expected them to say. They were not giving out about the committees but about the Government. They asked that we stop telling them to prepare for Brexit. They asked how they could prepare for it when they did not yet really know what it would mean. I have some sympathy for them because it is very hard to prepare until we know the shape Brexit will take and what the new trading relationship will be. If a small business trades with the United Kingdom, it can map out on paper some contingencies such as looking at other markets, but it is very hard to prepare for a new set of rules until one knows what they will be. That is why it is so important first to agree the terms of the transition agreement in order that business will know that there will be no changes until 1 January 2021. We are working hard to try to develop a new relationship between the United Kingdom and the European Union that will involve as few changes as possible, in which case businesses will not need to do much at all by way of preparation. I have, however, a lot of sympathy for SMEs because we are always telling them to “get prepared”. They ask for what exactly they are to prepare and how can they prepare until they see what the new rules will be.

I did not know that Port of Waterford traffic only moves to and from continental Europe. I have been to the port and Belview on a few occasions, with reference to my previous role in the area of transport. There is, potentially, an opportunity for them because, as Dublin and Cork ports become increasingly congested, smaller ports will really benefit.

I have spoken previously about the pitches at Na Fianna GAA Club. Deputies are aware that there is a process surrounding a rail order and that lot of changes can happen between the publication of a preferred route and the issuing of a rail order. I strongly encourage Transport Infrastructure Ireland and the National Transport Authority to find an alternative. I am aware that the metro cannot be built without digging tunnels and knocking down some buildings, but they should find an alternative to the current proposal. Alternatives have been proposed.

I do not want to comment specifically on Irish Life as I do not know enough about the particular pension fund. I know what I have read in the newspapers, but that is different from having a comprehensive knowledge of it. The protection is the trustees. Generally, they are a combination of people who represent the employer and the employees and also include professional trustees. Any decision will have to involve them, but I take the point that in anticipation of legislation-----

Deputy John Curran: Show your hand.

The Taoiseach: -----there is a risk that some pension funds or employers might decide to get in ahead of it. While we are aware of this, we do not want to bring forward legislation that might do more harm than good.

Chairman: The next group is the Chairman of the Joint Committee on Communications, Climate Action and Environment, Deputy Hildegarde Naughton; the Chairman of the Joint Committee on Foreign Affairs and Trade, and Defence, Deputy Brendan Smith; and the Chairman of the Joint Committee on Children and Youth Affairs, Deputy Alan Farrell.

Deputy Hildegarde Naughton: I thank the Taoiseach for coming before us. My question is related to the report of the Citizens' Assembly, How the State Can Make Ireland a Leader in Tackling Climate Change. I understand the Oireachtas will refer the report to a committee of both Houses. Is it the Taoiseach's intention to establish a special committee to look at the 13 recommendations made in the report?

Deputy Brendan Smith: The Taoiseach may be aware that the Joint Committee on Foreign Affairs and Trade, and Defence recently published a review of Irish Aid. In conducting the review we met stakeholders - NGOs, departmental officials, Ministers, members of academia and the former ambassador Mr. David Donoghue. The response to the Irish Aid programme has been overwhelmingly positive in terms of what it has achieved in different countries. I have just come from a committee meeting at which Dr. Annie Sparrow made a presentation on the awful situation in Syria, where 13 million people are in need of humanitarian aid and 5.6 million are in acute need. Dr. Sparrow has again outlined to the committee that, unfortunately, humanitarian aid is not getting through to the people most in need. She is a leading paediatrician in the United States of America and has worked in many of the world's most troubled spots in training medics. She has said Irish Aid organisations are among the most effective in the world, which is a good endorsement. The Government has given a commitment under the heading of the sustainable development goals that the level of assistance will reach the figure of 0.7% of gross national income by 2030. The committee unanimously endorses this approach. Will the Taoiseach endorse the annual plan for how Ireland will reach the figure of 0.7% and outline his

views in that regard?

Deputy Alan Farrell: The Joint Committee on Children and Youth Affairs is in the midst of a debate on the important issue of childhood obesity. What measures does the Government intend to implement to achieve the policy changes required to deal with this epidemic?

What is the Taoiseach's view on the committee's report on cyber safety produced some weeks ago as it applies to children and young people? Has the Government had an opportunity to consider the report?

Taoiseach and Minister for Defence. (Deputy Leo Varadkar): I have not yet given any consideration to establishing a special committee to consider the report of the Citizens' Assembly on climate change. I am open to the idea, but I imagine that Deputy Hildegard Naughton's committee would be able to do that work. I am, however, open to the suggestion of establishing a special committee if Members believe there should be a discrete committee. As the Deputy's committee covers the issue of climate change, I imagine that it could do just as well. I have looked at the report of the Citizens' Assembly on climate change and it is a good one. I am also conscious that the assembly very much followed its terms of reference. It was asked how we could make Ireland a leader in tackling the issue of climate change. As I said, like all-party committees, when one looks at something in isolation, one comes up with a particular set of solutions. The Citizens' Assembly absolutely set out how we could become a leader in tackling the issue of climate change. If the terms of reference had been different - for example, if the Citizens' Assembly had been asked to consider how Ireland could become a leader in tackling the issue of climate change without impacting negatively on employment in rural areas - we might have had a different set of recommendations. All of the recommendations made by the assembly would improve our response to climate change, but some of them would also have negative consequences. For example, increasing the carbon tax would certainly increase the level of poverty. We know this because that is what all of the studies show. Taxing farmland would have an impact on the rural economy and so on. There is always a downside to these things. However, the Citizens' Assembly has produced a really good report which shows how Ireland could become a leader in tackling climate change, but it did not look at other stuff such as how to avoid increasing the level of poverty and impacting negatively on the rural economy, including employment and trade. The role of the Government and the Oireachtas is to look at things in the round, not in isolation. Project Ireland 2040 includes some very important statements on what we intend to do about climate change to meet our 2030-50 targets. Members will be aware that from next year new buses added to the fleet will be low emission vehicles. From 2025 coal will be removed from the grid and the Moneypoint power station will move to using a cleaner fuel. Peat will also be removed from the grid. In 2030 there will be a ban on the sale of petrol and diesel vehicles. Subsequent to that report, the Government has indicated very strongly where it intends to go in the next couple of years. However, we always need to be mindful of the other consequences of any policy change.

With regard to Ireland's overseas development aid contribution, the Government understands Ireland will increase the figure to 0.7% of GNP by 2030. We have a long way to go in that regard. We were almost there before the financial crisis when we were at a figure of nearly 0.5% or 0.6%. It is now just below 0.3%. A lot of it has to do with Ireland's GNP going up, even though we have been increasing the overseas development aid budget, in cash terms, in the past few years. We will do so again next year because our GNP is increasing even faster. We are falling behind slightly, as we have worked out that if we did want to get to 0.7% of GNP by 2030 we would need to increase the budget by approximately €150 million a year every year

between now and 2030, and €150 million is a lot of money given the various demands that are on us from all sorts of other sectors, not least health, housing and disability. That is something we will have in the mix for the next budget. It is something I really want to do. It is part of what we should do as a small country as good global citizens. If we are ever going to deal with some of the major security problems we face around the world, or problems linked to issues such as mass migration, we have to reduce the push factors. It is the right thing to do but being able to find the money will be a real challenge. If Britain, Norway and the Netherlands can do it surely we can do it too.

On childhood obesity, it is a while since I updated myself on what we are doing, but there are things people are aware of already. There is the sugar tax which has just come into play and the Healthy Ireland programme, which is designed to encourage people, not least children, to have healthier lifestyles. Expanding physical education, PE, in schools is very important. It has been brought in as a proper subject for the leaving certificate for the first time. There is ongoing investment not just in sports capital but also in sports facilities in communities and in participation. When we fund the sporting bodies we always make sure that we ring-fence some money for participation so it does not all go into the high-performance programmes and the elite athletes. It is also for participation.

Another Bill I know is on the way is on calorie posting, which is putting on menus what the calorie content of food is. It is remarkable when we see this in action. I have seen it in action in some places. The meal one thinks has a lot of calories in it often does not. I often tell the story of the restaurant in Miami and the day I decided to order the burger instead of the Caesar salad. I did not realise there were so many calories in Caesar salad but there are. These days salads are largely sauce delivery systems rather than salads at all. It will help people a lot.

I also think we need to be wise to the issue of parental responsibility. I know there are enormous social determinants and social risk factors, but we should not entirely let parents off the hook. Parents do have responsibility for their children and exercise can be free. Although it is difficult, even on a relatively low income one can eat healthily, and people did for centuries on much lower incomes than we have now. It has to be a combination of Government measures but we should not allow parents to avoid responsibility either.

On the cybersafety report, I have to confess I have not read it yet. I do have it because Deputy Farrell gave it to me, but I have not had a chance to read it yet with a lot of other things going on over the past couple of weeks, but I will definitely read it. I know exactly where it is. It is on an armchair in my living room.

Deputy Hildegard Naughton: I thank the Taoiseach for that response. My committee is wondering what his plans are. He is open with regard to how we deal with this. The report has not been formally referred to our committee I understand. The concern in our committee is how vast our remit is, with communications, climate action and environment, and we are very much willing to progress this and deal with the 13 recommendations of the Citizens' Assembly. The point was raised that it crosses many Departments, including transport, agriculture, education, housing and local government. The committee's question is what is the best way to go about this to assess the recommendations of the Citizens' Assembly. Maybe that is something we will look at as a committee when it has been formally referred to us.

I have a brief question on the Taoiseach's thinking on the scrutiny mechanism of our legislation passing through the Houses. Is it working or is it slowing down the process of legislation? Does the Taoiseach have any view on how the legislation is working?

Deputy Brendan Smith: The Taoiseach referenced Britain's good record in recent years with regard to overseas development aid. That followed the decision by Mr. Blair's Government to implement the legislative requirement. One of the Taoiseach's party colleagues suggested to our committee that we should be doing likewise. I presume the Taoiseach does not have any particular legislation in mind for the moment with regard to the 0.7% of gross national income.

Another suggestion that we put forward in our report was in the area of improving policy coherence. We have asked the Government to develop a cross-departmental plan of action as recommended by the OECD. That would help to ensure better co-ordination and better coherence of development policy across Government. There is good work going on in the transfer of knowledge in food production, animal husbandry and crop husbandry. More Departments, agencies and sectors can contribute to overseas development aid in different ways. I saw the transfer of knowledge in Mozambique and Malawi with regard to the growing of potatoes and dealing with crop difficulties. So much can be achieved and it is an inexpensive way of helping some of the most deprived people in the world.

Deputy Alan Farrell: I appreciate the Taoiseach's candour about the cybersecurity report. I look forward to him getting the opportunity to read it because it is very worthwhile. There are a significant number of recommendations in it, which will require a whole of Government approach and consideration of issues such as adding items to the curriculum in schools. It is very much a cross-departmental report, which I feel deserves consideration at the appropriate time.

With regard to childhood obesity, I welcome the Taoiseach's response. There are a number of approaches that will have to be taken in the coming years. We have had incredible drop-offs in sport participation as the Taoiseach knows as a former Minister in that field not to mention as a medical doctor. He knows there are significant issues at play in terms of young people participating in sport and-or eating healthily. It is something that whether we deal with it now or plan to increase budgets in the Department of Health in future we will have to deal with. It is something that deserves our attention at the appropriate time. My committee will produce a report before the summer.

The Taoiseach: I had thought participation in sport was increasing. I know a sports monitor is produced every year and at least for a while it had been increasing by approximately 1% a year, but perhaps young people drop off from it as they hit teenage years, which is definitely a big problem particularly among girls who have relatively high participation rates when they are young but in their teenage years very often drop out of sport. This is part of what the whole women in sport participation programme is about.

On overseas development aid, I think the UK only brought in legislation after it had met the target. I could be wrong about this, but I think I am correct in saying it met the target and then brought in legislation to make sure it did not fall below it. I am reluctant to bring in legislation that would require meeting a target. We would be tying our hands on budgetary decisions and it would have a precedent effect. I imagine there are other areas of spending where people would also like the same. Then it would be a case of what we leave out and what is so unimportant that it does not deserve similar legislation. That would be difficult to do.

I absolutely agree with the point on capacity building. I have had some experience as I had a short placement with Voluntary Service Overseas, VSO, in Mongolia a couple of years ago. So much of what can be best achieved when it comes to development is not the traditional aid and humanitarian relief, which is necessary, but capacity building. I know that particular organisa-

tion took the view that the best thing that could be done is not send young people off in their gap year to spend a year in Africa, Asia or a poor part of a country but send somebody who has 30 years experience as a teacher or in running a business. The best people to be sent overseas to add and build capacity in developing countries are those who have a life of experience and not those who are just out of college. I am sure there is room for both but that makes sense, as does having people stay for a prolonged period and not just short visits.

On Deputy Naughton's question on scrutiny, I admit that I do not think it is committees that are holding up legislation. I may be wrong about that because line Ministers are dealing with legislation every day rather than me. If there are delays in legislation, it is more on the Government side, namely, between Departments and the Office of the Attorney General and the Office of the Parliamentary Counsel. We have been a bit slow to get legislation drafted. It seems to take a long time to get heads written up even though they are very simple and it then takes a long time again between heads and the publication of a Bill. I have asked the Secretary General to examine whether there are ways to speed up the process given the significant delays in getting legislation to the point where it is published as a Bill. It frustrates many of us.

Chairman: We will move on to our next grouping. The Chairman of the Joint Committee on the Irish Language, the Gaeltacht and the Islands is Deputy Catherine Connolly, the Chairman of the Joint Committee on Rural and Community Development is Deputy Joe Carey and the Chairman of the Joint Committee on Justice and Equality is Deputy Caoimhghín Ó Caoláin. I call Deputy Connolly.

Deputy Catherine Connolly: Ní mór dom a rá i dtús báire go bhfuil éacht déanta ag an Taoiseach ó thaobh na Gaeilge de agus is eiseamláir é do na Teachtaí Dála eile. B'fhéidir go mbeidh siad in ann an ról atá á imirt aige ó thaobh na Gaeilge de a leanúint, ach tá gá le rud eile ó thaobh na Gaeilge de, ní hamháin iarracht pearsanta ach tá gá le beart práinneach ó thaobh na Gaeilge de, go háirithe ó thaobh feidhmiú na straitéise 20 bliain. The Taoiseach is an example to other Deputies in the efforts he has made in relation to Irish. He has to be praised for that. In addition to his personal efforts, with which I hope he continues, we need urgent action from the Government on the 20-year strategy. We are still awaiting an action plan. We also need action on the crisis in the number of employees in the various Departments who have no Irish. I ask the Taoiseach to comment on the policy and on the absence of an action plan for the 20-year strategy.

Deputy Joe Carey: The Taoiseach is very welcome and I thank him for coming before the committee. I welcome the emphasis in the Ireland 2040 document on rural Ireland. In particular, I welcome the provision of a €1 billion fund for rural regeneration, which offers real hope to build sustainable rural communities and to help them regenerate. When will the fund be made available to rural communities? When does the Taoiseach hope to launch the scheme?

Deputy Caoimhghín Ó Caoláin: I note the Taoiseach's remarks on Government legislation. I focus on issues which impact on the smooth running and efficiency of the committee system and I ask the Taoiseach to take them on board in the spirit in which they are offered. The Joint Committee on Justice and Equality handles perhaps the greatest volume of legislative work and address of all committees. We have a substantial problem in relation to money messages for Private Members' Bills. We have highlighted this repeatedly and, through the office of the Ceann Comhairle, directly with the Taoiseach. It is creating an inordinate delay and difficulty in scheduling the business of the committee. We have even had a situation where we had been advised a money message was not required, scheduled a Bill for address and, on almost the eve of the debate, been notified that it had been re-evaluated and that a money message was

required. We have that being suggested again in relation to a Bill we are preparing to address only next week. I ask the Taoiseach to take this as a very serious matter and to address the issue with the alacrity it needs.

The Taoiseach: I thank Deputy Connolly who was very kind to compliment me on my Irish. I am doing my best although I have a long way to go. It is fine when one is prepared, knows what the questions will be and what one will say. I find it very hard to speak on the hoof however and as yet lack the confidence to do a dynamic interview in Irish without knowing the questions in advance. Certainly, I will have to check up on the action plan on which I am not up-to-date. I will get back to the Deputy on that.

Deputy Carey asked about the rural fund, which we hope to be able to approve tomorrow at the Cabinet meeting in Monaghan along with the urban regeneration fund so that they can be opened to applications this summer to allow us to allocate money by the end of the year for drawdown next year. When people hear of Ireland 2040 and the ten-year capital plan, they can think it means it is for ten or 20 years' time. That is not the case. It will be finished but it starts right away. We want to be able to open applications this summer and start to make allocations before the end of the year to allow people to draw down the funds next year. Those funds will be front-loaded rather than back-loaded and we are keen to have it up and running as soon as possible.

There are two issues when it comes to money messages and Private Members' Bills. Sometimes, there is a dispute about whether a money message is required, but very often there is no dispute and money is required. I cannot issue a money message unless the money has been budgeted. Where money has not been budgeted, it is impossible to issue a money message. There is also the matter of the quality of the legislation coming through. I have mentioned before that Senator Nash, I think, pointed out that some of the legislation coming through could have been written on the back of a menu. Before Government legislation gets to Second Stage, it goes through a very convoluted process. It requires heads and the drafting of a Bill in consultation with the Attorney General and the Office of the Parliamentary Counsel. It must then be published and there will probably be a two week delay before it is on Second Stage in the Dáil. Private Members' Bills of both Government and Opposition Members can be published literally on a Friday and have the Dáil take it on Second Stage the next week. That is not right either. That is why it gets stuck at committees; it is because the due diligence was not done before it even got to the Dáil to determine whether it was quality legislation, constitutional or in conflict with European law.

There is a discussion under way, led by the Ceann Comhairle, to find a solution, but it will have to involve a greater role for the Oireachtas, his office or committees in ensuring that legislation does not get to Committee Stage until it is fit to be there. A report was carried out by Aidan Dunning, a former Secretary General, who made a large number of recommendations but unfortunately they were not accepted by the Business Committee. If they had been, we would have solved the problem. In the absence of that being acceptable to the Business Committee, we are looking for an alternative solution.

Deputy Catherine Connolly: I had no reluctance in praising the Taoiseach's efforts with the Irish language and no intention of embarrassing him. He has done wonderfully. While his personal effort is an example to everyone, my question is on the need for urgent action on the Irish language. Everyone is empathic and sympathetic having regard to the Irish language. Indeed, I had the privilege to award more than 40 certificates recently to members of various Departments who made a great effort on the Irish language. However, we need from Government

an action plan for the 20-year strategy and confirmation that money is available for the implementation of the language plans in preparation on a voluntary basis all over the Gaeltacht and in different cities and towns. There is a crisis. As Chairman of the Irish language committee, I note that we were in the position of having the Department of Public Expenditure and Reform before us, none of whose representatives could speak Irish. The way we had to conduct that process was surreal. I ask the Taoiseach to provide leadership from Government on a practical level. That can be done very easily. We have been told for weeks on end that an action plan would be published. When will it be published?

Deputy Joe Carey: Today's decision by Apple not to proceed with its data centre in Athenry is a major blow to the country, the west of Ireland and the town in particular. It will also have a massive knock-on effect in rural Ireland. I am well aware of Clare County Council's work to identify a number of sites to locate data centres. We have a climate that is perfect for the location of these centres. Apple says the planning laws made it come to this decision. Is it not time to change those laws to allow major infrastructural projects like this to proceed?

Deputy Caoimhghín Ó Caoláin: I note the Taoiseach's reply in respect of money messages. He is correct that Private Members' Bills are not all of the same standard of preparation but he cannot paint them as being universally ill considered or unfit for purpose - far from it.

On Government legislation, the Disability (Miscellaneous Provisions) Bill 2016 is in long gestation. The position is incredible as it is impacting on the ratification of the optional protocol to the United Nations Convention on the Rights of Persons with Disabilities, UNCPRD.

The Coroners (Amendment) Bill 2017 is a Government adopted Private Members' Bill that was to have been published 12 months ago last Christmas and we are still looking at it. That impacts on the compulsory inquests case in respect of maternal deaths. There are consequences to all of these delays, as the Taoiseach acknowledged.

On improving the efficiency of committee work, reports and recommendations of committee should receive a follow-on initial reaction and evaluation as practice from the Minister concerned, with engagement with the relevant Minister to follow within a reasonable timeframe.

Correspondence from a committee should be marked for priority response by the Minister and associated State agencies. As Chairman of the Oireachtas Committee on Justice and Equality, I have not received a reply for some months in respect of certain matters I have raised on behalf of the committee. In the past week, five months after the committee issued a letter, I received a reply from a State agency that is answerable to the committee.

The Taoiseach: I will revert to Deputy Connolly on the issue of the action plan. I have not yet seen a draft, which leads me to believe that the plan may not be as advanced as it should be. I usually see drafts a couple of weeks or months before a document is published or goes to Cabinet. I will raise the matter with the Minister of State, Deputy Joe McHugh, when I see him tomorrow.

I am encouraged by the growth of Irish language education, including the increasing numbers of Gaelscoileanna and also Gaelcholáiste. My constituency will soon have its first ever Gaelcholáiste, which is now under construction. This is a positive development. We also have Bliain na Gaeilge. Overall, the number of people speaking Irish daily outside education is not increasing and is probably falling, which is a matter of real concern.

What struck me recently during my visit to the Choctaw Indians as part of my visit to

America for St. Patrick's day is that their language is almost gone now. There are only 50 or 60 native speakers left. I met an older woman who will probably be one of the last native speakers of Choctaw. We all know the phrase, "Tír gan teanga, tír gan anam" or "A country without a language is a country without a soul." It hit me during my visit how important it is to hold on to the unique aspects of one's culture and identity. I visited Louisiana recently on my second trip to New Orleans. I visited the state as a student and made a return trip briefly over Easter. I remember 20 years ago that people spoke French in parts of Louisiana. That is not really the case any longer because they have been overwhelmed by English. I am sure French is spoken in certain parts but not in the way it was, even in my lifetime. What really strikes a person is how important it is not to allow that to happen to our language. I will follow up on the action plan.

I only heard this morning about the decision by Apple not to proceed with a data centre in Athenry. While it is a highly regrettable decision, it is not surprising given the inordinate delays in the process and the fact that the company has since built data centres in Denmark instead. I guess Apple does not need the Athenry project any longer. However, that does not mean another company will not use the site. We will certainly have discussions with Apple about the possibility of selling the site to another company that might use it as a data centre in future. The decision is a major blow to Athenry and the west in general. The biggest single public investment in the west in recent years was the Gort to Tuam motorway, which cost the best part of €500 million. The proposed data centre was to be the biggest private sector investment and it is highly regrettable that the project will not proceed.

I would not like anyone to think the delays in Athenry are typical. There are data centres all over the country. Google and Amazon have data centres in Clare, west Dublin and south Dublin and those projects did not get stuck in inordinate planning delays. It would not be correct for us or people outside the country to believe that what happened in Athenry is typical as it is not. There are definitely steps we can take to ensure this does not happen again. We have already made the decision to make data centres part of strategic infrastructure to enable them to go through fast-track planning and straight to An Bord Pleanála. As Galway County Council rightly pointed out to me, it was not the cause of delays. The proposal moved through the council planning process and An Bord Pleanála quite quickly but got stuck in the courts. It seems to be too easy to commence a judicial review. I am not sure if Senator McDowell will agree with me but it seems to be terribly easy to secure a judicial review and subsequently follow up with further appeals. Mr. Justice Peter Kelly is heading up a working group to determine whether we can find solutions to that. We have a solution on the planning side and we are seeking a solution on the court side.

To respond to Deputy Ó Caoláin's comments on committee reports, I will follow up after the meeting if Ministers are not producing, within three months, reasoned line-by-line responses to recommendations made in committee reports rather than letters thanking the relevant Chairman and committee members for producing their report. I would be disturbed if that was not happening. The Minister must indicate what the Department is doing, what it will do and what recommendations it has accepted or not accepted. He or she must set out the reasons in each case and if it is not happening, it should be happening. I will definitely follow up on this matter if such responses are not issuing. That is what is supposed to happen and was happening for a while. It is not that hard to do. A response cannot be expected overnight but is reasonable to expect a reasoned response within three months.

We can also follow up on the issue of agencies replying to correspondence. Again, while an agency may not be able to reply to a committee Chairman or members immediately, particularly

if the issue is complicated, one would expect an agency to issue a proper response within six weeks. I assume that is not happening.

Deputy Caoimhghín Ó Caoláin: The reply I am referencing was not complicated. It was a response more than a reply.

Chairman: We are moving on to the final group, namely, Senator Michael McDowell, Chairman of the Select Committee on Members' Interests of Seanad Éireann, Senator Neale Richmond, Chairman of the Seanad Special Committee on the Withdrawal of the United Kingdom from the European Union, and Senator Joan Freeman, Chairman of the Joint Committee on the Future of Mental Health Care.

Senator Michael McDowell: I thank the Taoiseach for appearing before us today. My committee deals with complaints against Senators.

The Taoiseach: I was trying to work that out earlier.

Senator Michael McDowell: We have a very quiet agenda.

Senator Gerry Horkan: All Senators are very well behaved.

Senator Michael McDowell: Interestingly, it is a criminal offence to reveal what happens at our committee. I cannot say very much on that.

The Taoiseach: The same applies to Cabinet meetings, but nobody seems to mind.

Senator Michael McDowell: I am a member of the committee which shadows the Department of the Minister for Communications, Climate Action and Environment, Deputy Denis Naughten. Deputy Hildegard Naughton is Chairman. I am also inhibited from commenting on Deputy Carey's remarks about the Apple case because I am involved in that litigation. However, I will raise one general point quite separate from that particular case. A data centre the size of Apple would increase demand for electricity by between 6% and 8%. Four data centres would increase demand for electricity by between 26% and 32%. At the most recent meeting of the joint committee chaired by Deputy Naughton, the Sustainable Energy Authority of Ireland indicated it planned to decrease electricity consumption in Ireland. I tried at the meeting to work out whether we want more data centres or to pursue the SEAI's plan to reduce energy consumption, not simply sustainable energy consumption but all energy consumption. It became apparent that the Department for Communications, Climate Action and Environment could see the energy implications of data centres, but that another Department, the Department of Business, Enterprise and Innovation, views the matter from a different perspective and wants to attract these industries. Will there be a joined-up Government response, asking whether we want data centres and whether we can sustain them in terms of energy? This is a real issue.

Chairman: I call Senator Richmond.

Senator Neale Richmond: The committee I chair, by and large, stopped its public sessions after publishing a very detailed report on Brexit in the summer of last year. However, subsequent to that, we have had dozens of engagements with other parliamentary committees and delegations from across the EU on Brexit and while I would like to discuss our meetings with UK delegations and perhaps the ongoing chaos there, I do not think we have any control over that. Our meetings with the remaining 26 member states' committees have been very positive and very reassuring. The solidarity we have seen from the other 26 member states has

been quite surprising to some people but very reassuring. On a Government level, how many engagements have there been with others outside of the European Council framework? Have there been bilateral engagements with other Ministers and other Heads of State? Is there that level of solidarity now that we are entering into a trickier period in the negotiations? Will it be sustained and maintained?

Chairman: I call Senator Freeman.

Senator Joan Freeman: I am the Chair of the Joint Oireachtas Committee of the Future of Mental Health Care. It is the first mental health committee in the history of the State and it is probably the first committee in Europe on mental health. I thank the Taoiseach for agreeing to form it. We have fallen into a funny situation as a committee. We have identified some of the really serious issues concerning the HSE, in particular over the mental health services. The HSE, for example, is incapable and unable to account for how money is spent in CAMHS. Its excuse is that it does not have the software, which I find extraordinary. The other issue is that it discusses at length the impossibility of recruiting and retaining clinical staff, yet it has been misinforming us on those issues. We have discovered how very important this committee is and I ask the Taoiseach to consider making it a permanent one.

Chairman: I call the Taoiseach.

The Taoiseach: On the last point, I would be happy to consider that. I believe it should continue for the duration of this Oireachtas. It is an issue of huge importance and interest to the public. One of the things that is positive when it comes to mental health is that the stigma about talking about it has largely gone away. People are willing to talk about mental health in a way that was not the case ten or 20 years ago. I think that is down to the work the committee has done and the work that so many other people have done in this space, which really has made a huge difference.

The funding that goes into mental health has gone up by €200 million a year since 2011. There is nearly €1 billion a year going into mental health and that is going to continue. We have a commitment to continue to increase funding for mental health. I believe €55 million has been allocated for next year. Like a lot of things, we need to ensure that additional resources turn into better services and better outcomes. If we cannot follow where the money is going, then, quite frankly, we have a very serious problem. That is part of a wider range of reforms we are going to need to see in the health area over the next couple of years.

Long ago when we were in opposition, we used to talk about how we needed to have a health service where money followed the patient. I quickly learned as Minister for Health that we could not follow the money, never mind following the patient. Some of that is, sadly, down to software. One needs proper financial systems and information and communications technology, ICT, and there has been under-investment in recent years. A good chunk of the €10 billion investment we have announced under Project Ireland 2040 over the next ten years is for investment in ICT, and this will be really important because it will allow us to follow the patient and the money through the system and bring about real changes. It is expensive but it is an investment that I believe will be worth it.

The health service was very badly burned by the whole personnel, payroll and related systems, PPARS, debacle, and did not invest in ICT for a very long time. It is extraordinary the extent to which so much of what goes on in our health service is still paper-based. If I ring Domino's pizza, it can tell from my phone number who I am, what my last order was and what

my preferences are. However, in our health service we are still operating largely on the basis of paper for financial records and patient records and there are consequences as a result of that. The commitment is there to invest in ICT and there is a very good HSE information plan as to how it is going to do that over the next couple of years.

As regards Senator Richmond's comment on bilateral engagements with other Heads of Government and Heads of State and other Ministers, I would say that there have been thousands, if not tens of thousands, of such engagements. I certainly made it my business to meet one-to-one with every one of my counterparts. We meet regularly in Brussels and have quick bilaterals but the best ones are when one goes to their capitals or when they come to ours and we spend some time together. I am slightly more than half-way through doing this. The same goes for Minister for Finance, Deputy Donohoe, the Tánaiste, Deputy Coveney, and Minister of State with responsibility for European affairs, Deputy McEntee. It is taking up a huge amount of time. I would say 20% to 25% of the Government's time is taken up with Brexit and Brexit-related issues. This is necessary because it is such a big issue which will impact on our society and economy in so many different ways. It is also a huge opportunity cost. If it was not for that decision of the British people to leave the European Union, all that time could be spent on the many other many pressing problems the country faces. That is just the way it has to be for the next little while.

I certainly appreciate the engagement that happens beyond Government. The different party leaders are plugged into their parliamentary groups - Deputy Howlin through the socialist group; Deputy Micheál Martin through the liberal group; and Deputy Eamon Ryan through the Greens. They have been very useful and helpful in talking to their counterparts, some of whom are either Prime Ministers or opposition leaders, about Brexit. The engagement by the parliamentarians and by the different committees has been really useful as well and needs to continue.

Brexit, while being a huge issue and a really big deal for a small number of countries in the European Union, does not affect the vast majority of countries in the European Union very much. For the Baltic countries, Hungary or Greece, it is not on page 20 of the papers, never mind the front pages. We have to sensitise our counterparts in all those countries to how big an issue this is for them. When I speak to counterparts in the Baltic countries, for example, they come to the conclusion that this is as big an issue for us as Russia is for them. When they begin to understand it on that level, they get it because they understand how important that solidarity is. This is the one thing that we really need them to have our backs on and we will have their backs on other issues. When one arrives at that level of understanding, I believe it puts one in a strong position.

The data centres use a lot of electricity. That will obviously have an impact on meeting our commitments on climate change. I would hope that a lot of that electricity could be provided by renewable sources, but I am told it is not as simple as that. What I definitely know is that there is going to be more data in the world, and data centres have to be somewhere. Does it not make sense that they be in Ireland, or at least in a place where the energy use is less than might be the case in a country where they might need to be cooled down or heated up? We seem to have the right climate for them. Similar arguments would apply in areas like beef, for example. Senator Horkan talked about the risk of relying so much on a number of big companies for tax receipts and for employment, whether it is Google, Facebook, Twitter or one of those technology companies. The fact that they have their data here is important too. Modern technology companies are pretty footloose, but when they keep their data in a particular country, it anchors them more to it. I believe that strategically, for those reasons, it is something that should be welcomed.

We have finished, or we are about to finish, a cross-Government policy. Is that done yet?

Mr. Martin Fraser: On the policies the Taoiseach outlined earlier, those decisions have been taken. There is more being done in the very area the Senator talked about.

The Taoiseach: There is to be a joined-up policy, is there not?

Mr. Martin Fraser: There are always joined-up policies but they might not join very well.

The Taoiseach: That is to be published, is it not?

Mr. Martin Fraser: The argument the Senator made is ongoing. It is a fair argument between the energy demand issue and the jobs and data issues. It is a difficult question.

Chairman: I call Senator Richmond.

Senator Neale Richmond: I just want to say “good luck”.

Senator Joan Freeman: I am sorry, but I have something else to say. We spoke earlier about how Seán Lemass was progressive. I really believe the Taoiseach is progressive too. He needs to ask hard questions and take a hard look at broken and cancerous systems. The lack of urgency being shown by the HSE in looking at mental health services for children is very worrying. Such services are not on the cliff - they have actually fallen over it. The HSE’s lack of urgency has resulted in the chronic and sometimes fatal neglect of children. I ask the Taoiseach to consider forming a task force to identify the needs of each of the child and adolescent mental health services and to implement the solutions that are required. If things keep going as they are at the moment, nothing will get resolved. If the Taoiseach does not do something serious now, HSE mental health services for children will lurch from election to election without being changed.

The Taoiseach: I hear what the Senator is saying. I know from my constituency clinic and service that it is difficult to enable children in my constituency to get access to CAMHS quickly. I cannot commit here and now to the establishment of a task force. Obviously, I would have to discuss it with the Minister, Deputy Harris, and the Minister of State, Deputy Jim Daly. If I knew that it would work, of course I would want to do it. I do not necessarily always believe that task forces get the outcomes we want.

Senator Joan Freeman: It depends on who leads it.

The Taoiseach: It does, and on what authority they have. I know we will be meeting in the next few weeks. We might be able to flesh it out a bit more then.

Senator Joan Freeman: Thank you.

Chairman: On behalf of all the committee Chairs, I thank the Taoiseach for taking the time to attend this morning’s meeting and for answering a vast range of questions on a wide range of public policies in such a detailed manner. I thank all the committee Chairs for their assistance in putting today’s meeting together and for their co-operation in the structure of the meeting. I thank Elaine and Charles for all the work that went into making today go so smoothly. Our intention is that this engagement will be a standard feature of the parliamentary calendar and should be scheduled for early in the spring and autumn sessions as a matter of course. Each of these meetings will afford the Taoiseach of the day an opportunity to set out the Government’s plans, policies and priorities for the forthcoming session. I look forward to the Taoiseach’s next

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engagement with the working group, which will take place later this year. I thank the Taoiseach and Mr. Fraser for their attendance today. I look forward to our ongoing engagement with them.

The working group adjourned at 12.45 p.m. *sine die*.