DÁIL ÉIREANN

Dé Máirt, 9 *Bealtaine*, 2017
Tuesday, 9*th May*, 2017

2 p.m.

GNÓ COMHALTAÍ PRÍOBHÁIDEACHA
PRIVATE MEMBERS' BUSINESS

Fógra i dtaobh Leasuithe ar Thairiscint : Notice of Amendments to Motion

101. "That Dáil Éireann:

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

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

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

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

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

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

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

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

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

calls on the Government to postpone the sale of AIB shares until the fiscal rules are changed to permit enhanced capital spending, rather than remit the moneys to the Exchequer simply to pay down debt." — *Brendan Howlin, Joan Burton, Alan Kelly, Jan O'Sullivan, Willie Penrose, Brendan Ryan, Sean Sherlock*.

Leasuithe:
Amendments:

1. To insert the following after "to the Exchequer simply to pay down debt":

"further calls on the Government to undertake not to proceed with any share sale unless it is established, by way of a Dáil vote, that such a sale has majority Dáil Éireann support." — *Catherine Murphy, Róisín Shortall.*

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

"and adjustments unrelated to actual economic factors;

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

notes that:

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

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

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

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

calls on the Government to:

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

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

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

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

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

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

Pearse Doherty, Gerry Adams, John Brady, Pat Buckley, Seán Crowe, David Cullinane, Dessie Ellis, Martin J. Ferris, Kathleen Funchion, Martin Kenny, Mary Lou McDonald, Denise Mitchell, Imelda Munster, Carol Nolan, Jonathan O'Brien, Eoin Ó Broin, Caoimhghín Ó Caoláin, Donnchadh Ó Laoghaire, Louise O'Reilly, Aengus Ó Snodaigh, Maurice Quinlivan, Brian Stanley, Peadar Tóibín.

3. To delete all words after "Dáil Éireann" and substitute the following:

"believes that, in order to tackle infrastructural bottlenecks and make up for historical underinvestment, much greater investment in public services is required, including more capital investment than the €2.65 billion envisaged in the Capital Plan;

notes that the Irish national debt-to-Gross Domestic Product (GDP) ratio continues to fall at a rapid pace and that the costs of servicing the national debt have consistently been declining;

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

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

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

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

calls on the Government to stop the sale of AIB shares and to negotiate with the EU authorities to change the fiscal rules, to permit enhanced spending on public services, including capital spending, rather than selling off State assets to fund this, or worse still, simply to pay down debt." — *Richard Boyd Barrett, Gino Kenny, Bríd Smith.*

4. To delete all words after "Dáil Éireann" and substitute the following:

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

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

notes that:

— while nominal national debt levels have increased very significantly in the last decade, the Irish national debt-to-Gross Domestic Product (GDP) ratio continues to fall at a rapid pace, due to economic growth and continued achievement of budgetary targets, the costs of servicing the national debt have consistently been declining;

— the Irish Strategic Investment Fund, has a discretionary portfolio of €8.1 billion and a directed portfolio valued at €12.6 billion, consisting of State shareholdings in Allied Irish Banks (AIB) and Bank of Ireland that were paid for out of the National Pension

Reserve Fund; and

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

calls on the Government:

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

— in light of the exceptional circumstances that apply, to seek the support of the European Commission to use some or all of the proceeds from the sale of a stake in AIB for capital investment purposes." — *Michael McGrath, Bobby Aylward, John Brassil, Declan Breathnach, James Browne, Mary Butler, Thomas Byrne, Jackie Cahill, Dara Calleary, Pat Casey, Shane Cassells, Jack Chambers, Lisa M. Chambers, Niall Collins, Barry Cowen, John Curran, Stephen S. Donnelly, Timmy Dooley, Sean Fleming, Pat the Cope Gallagher, Seán Haughey, Billy Kelleher, John Lahart, James Lawless, Marc MacSharry, Micheál Martin, Charlie McConalogue, John McGuinness, Aindrias Moynihan, Michael Moynihan, Eugene Murphy, Margaret Murphy O'Mahony, Darragh O'Brien, Jim O'Callaghan, Éamon Ó Cuív, Willie O'Dea, Kevin O'Keeffe, Fiona O'Loughlin, Frank O'Rourke, Anne Rabbitte, Eamon Scanlon, Brendan Smith, Niamh Smyth, Robert Troy.*

5. To delete all words after "Dáil Éireann" and substitute the following:

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

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

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

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

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

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

further affirms that the Government is committed to compliance with the fiscal rules which are designed to avoid the mistakes of the past and ensure that increases in public expenditure are sustainably financed and not funded on the back of cyclical or windfall revenues, and recognises that the fiscal rules are enshrined in Irish law in the Fiscal Responsibility Act 2012, which implemented the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union that Ireland acceded to in 2012, following the decision of the Irish people in the referendum held on 31st May, 2012;

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

further recognises that public indebtedness has risen significantly as a result of this support and it is entirely appropriate to utilise any proceeds from the sale of our remaining investments, to reduce this debt burden and the associated ongoing debt servicing costs; and

notes the significant progress made by the Government in recovering taxpayer support to Allied Irish Banks (AIB) to date and that future capital investment decisions are entirely unrelated to the achievement of the Government banking policy and should not influence those objectives.”
— *An tAire Airgeadais.*

P.T.O.