



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

DÁIL ÉIREANN

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

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DÁIL ÉIREANN

Dé Máirt, 02 Iúil 2013

Tuesday, 02 July 2013

Chuaigh an Leas-Cheann Comhairle i gceannas ar 2 p.m.

Paidir.
Prayer.

Ceisteanna - Questions

Priority Questions

Parliamentary Inquiries

62. **Deputy Michael McGrath** asked the Minister for Finance his views on whether a comprehensive inquiry into the banking collapse in Ireland is required; the form he believes such an inquiry should take; when he believes that inquiry will commence; and if he will make a statement on the matter. [32225/13]

Minister for Finance (Deputy Michael Noonan) (Deputy Michael Noonan): The Government has already indicated that it is determined to uncover the causes of the banking crisis in Ireland that caused such devastation in the Irish economy and necessitated the bailout from our international partners in late 2010. The key mechanism to achieve this will be the establishment of a formal inquiry into the banking crisis, enabling all those involved to come before the inquiry and provide the necessary information in order for the truth to be uncovered.

In this regard, the Government has published the Houses of the Oireachtas (Inquiries, Privileges and Procedures) Bill, which, once enacted, will provide the legal framework for a banking inquiry to be held within the current constitutional parameters. This legislation is being prioritised both in the Department of Public Expenditure and Reform and in the Office of the Attorney General. I expect the Bill to be enacted before the summer recess and that, once the legislation is on the Statute Book, the Houses of the Oireachtas will move quickly to progress the inquiry.

The purpose of the proposed legislation is to establish a comprehensive statutory framework for the Oireachtas to conduct inquiries within the current constitutional framework as set down by the Supreme Court in the *Abbeylara* judgment. The Bill provides extensive safeguards to protect the constitutional rights of witnesses, to confirm unfettered access to the courts and to guarantee fair procedures. The Oireachtas inquiry can build on the information provided in

the Honohan report, the Regling and Watson report and the Nyberg report. The witnesses will be called and documents discovered to provide a complete picture of the events leading to the banking collapse.

The Nyberg investigation's terms of reference were set up under statutory powers. We must ensure that the proposed inquiry now being considered is carefully constituted so as to avoid the risk of prejudicing any future criminal proceeding. I expect that the proposed inquiry will be conducted in a practical and efficient manner. I also expect it to be a thorough examination that will deliver a clear understanding of the banking collapse and that it will be transparent and valuable to the State and citizens.

Ireland's place in the international arena cannot be compromised. We welcome the transparency and closure that this inquiry will bring and want it to give Ireland the opportunity to learn from this painful experience.

Deputy Michael McGrath: I thank the Minister for his reply. All of us in this House have an obligation to channel the understandable anger of the Irish people from the revelations over the past week into something positive, and to do something constructive. Above all else, the public want to see the criminal justice system work efficiently. I note from today's *Irish Independent* that the Central Bank is undertaking its own investigation into the question of whether or not it was deliberately misled by Anglo Irish Bank. I find it extraordinary that the Central Bank appears not to have had access to the tapes. It came as news to them, as it did to everybody else.

On the issue of the inquiry, our view is that it should be a fully independent public inquiry. It needs to deal with all of the key issues involved in the banking collapse in a comprehensive way. First and foremost, it should deal with the failures within the banks. In addition, the role of auditors, the financial regulator and the Central Bank must also be carefully examined. Of course, the question of political oversight and political decisions that were made should also be looked at, as well as ECB policy in the European context.

One of the flaws which is glaringly obvious in the approach the Government is taking is that from the very outset, if one goes down the road of a parliamentary inquiry, one is excluding a whole bunch of important people concerning the banking collapse from any possibility of having an adverse finding delivered against them.

An Leas-Cheann Comhairle: A question please.

Deputy Michael McGrath: That is a key weakness. It is one of the reasons why a political banking inquiry will not ultimately be successful. Even at this late stage, I am calling on the Minister for Finance to reconsider his view on that issue.

Deputy Michael Noonan: I would not disagree with the objective stated by the Deputy for an inquiry. It has to be a fully open inquiry and must pursue the facts wherever that pursuit leads. The Deputy is aware that there was a referendum which would have empowered an Oireachtas committee, or committees, much more strongly than they are currently empowered. I still think, however, that the inquiry can be conducted within the present constitutional parameters. Even though some people would like the power in a committee to have adverse findings against individuals, that is principally a matter for the criminal justice system. The gardaí are investigating and we do not want to have a situation arising where a committee cuts across the judicial system because then one might prejudice a trial. We have had examples of that before

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where words spoken indiscreetly made it impossible for a trial to proceed. We certainly do not want that.

As regards the terms of reference, my understanding from the Minister for Public Expenditure and Reform, Deputy Howlin, is that when the Bill proceeds through the House and is passed, the inquiry will effectively be in the ownership of the House. It will then be up to the committee and the House to decide the terms of reference of that committee.

The Bill is in process at present and I invite Deputies to contribute to the process of the legislation and give their advice to the Minister.

Deputy Michael McGrath: We will very much contribute to that process but the reality is that the House is controlled by the Executive and therefore the terms of reference will, in essence, be decided by the Cabinet. Let us be honest with people about that. Nobody wants to embark on an inquiry which would in any way compromise important criminal investigations. We all take that as a given, so whatever form of inquiry is established, among its priorities will have to be the requirement to ensure that criminal prosecutions are not in any way undermined.

I wish to ask the Minister about today's revelations from Governor Honohan's interview. I have been greatly surprised by the fact that the Central Bank is only now, because of the revelations, examining the possibility that it was deliberately misled by Anglo Irish Bank in the lead-up to the bank guarantee decision in 2008. Can the Minister confirm that the Central Bank had no knowledge of, or access to, these tapes until they were publicly aired by the *Irish Independent*?

The fundamental question which emerged in the tapes last Monday for everybody to hear, was whether or not the State was deliberately misled. Has that only come to the fore now and did the Central Bank have no knowledge of, or access to, the tapes until they were publicly aired?

Deputy Michael Noonan: I have not seen Governor Honohan's comments. The Governor and Central Bank are under law independent in the exercise of their functions. I do not answer for the Central Bank before the House. Governor Honohan was involved and was one of the principals in one of the three inquiries that have taken place. The Deputy might seek clarification from the bank.

IBRC Staff

63. **Deputy Pearse Doherty** asked the Minister for Finance if he regrets continuing to employ persons (details supplied) in a State owned bank; the actions he took to ensure they were fit to hold these positions that were recently published in the media. [32191/13]

Deputy Michael Noonan: Like every citizen in this country who is working hard to restore the economy, I am deeply disturbed by the taped conversations from 2008 involving these executives of the former Anglo Irish Bank and dismayed to hear senior banking executives refer to the banking crisis with such arrogance. Irish taxpayers have grimly endured the austere cost of the bank recapitalisation and the bank guarantee and are, understandably, outraged by these revelations. Irish citizens have suffered greatly as a direct result of the banking crisis and the events which led to the bank guarantee. The recent revelations will only serve to reinforce the

Government's resolve to move this country back in the right direction by tightening up regulation and enforcing it.

It would not be appropriate for me to discuss the employment of specific individuals in the bank. Ultimately, the board and management of Anglo Irish Bank-IBRC had responsibility for the ongoing staffing of the bank. As the Deputy will be aware, there was an extensive restructuring of the governance and management of Anglo Irish Bank immediately following the nationalisation of the bank in January 2009. As part of that restructuring, all non-executive directors in the bank, other than the Chairman and those appointed under the guarantee scheme, resigned and were replaced with a new board. None of the new executive or non-executive directors was involved with the bank prior to nationalisation.

In addition, there was an extensive reorganisation of the senior management team, commencing with the appointment of the former CEO of IBRC, Mike Aynsley, in September 2009. Following that appointment, the entire executive of the bank was replaced with an appropriately skilled senior management team to lead the newly formed IBRC, namely, the combined former Anglo Irish Bank and former Irish Nationwide Building Society, through the process of wind-down. Under the relationship framework the board and senior management of the bank were responsible for all staff employment matters at the bank. I had no role in this matter. None the less, the tapes raise serious issues and the Government is committed to ensuring the public is fully informed about what happened in Irish banks in the lead-up to and during the financial crisis.

The Government has published the Houses of the Oireachtas (Inquiries, Privileges and Procedures) Bill 2013 which, if enacted, will provide the legal framework for a banking inquiry to be held within current constitutional parameters. I expect that once that legislation is on the Statute Book, the Houses of the Oireachtas will move quickly to progress that inquiry. It is important that all relevant parties participate fully with any resulting inquiry.

Additional information not given on the floor of the House

There are ongoing investigations by the Gardaí that must be let run their course. The Central Bank is carefully studying the various transcripts emerging and will be liaising with the Garda in this regard. The Central Bank is also examining whether any breaches of regulatory requirements may have occurred arising from the information contained in the transcripts.

Deputy Pearse Doherty: The question was whether the Minister regrets continuing to employ Mr. John Bowe and Mr. Peter Fitzgerald, the latter until February of this year, in respect of which the Minister has passed the buck to the board of the bank. In October 2011, I asked the Minister how many of the top 50 senior executives employed in Anglo Irish Bank prior to the crash were still employed by the State. The Minister was forthright in his answer and said that 22 of the top 50 were still employed by the State, 19 of whom were earning in excess of €175,000.

Mr. John Bowe and Mr. Peter Fitzgerald, who are now household names as a result of the Anglo tapes, are two of the individuals who continued to be employed by the Minister for Finance on behalf of the State. Others, whom I have previously named in this House, were involved in reckless lending at that bank. One of these employees, heard on the Anglo tapes, left his position in February this year. This is at the same time as the public is experiencing huge austerity.

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We were promised by Government that it would clear out the banks and burn the bondholders. That was the chant of the Government parties prior to the election. It is clear that this is not what has happened. Not only did the Government fail to burn the bondholders - one of the first things it did was pay the promissory note due on 31 March 2011 - but it also protected these individuals in the same way as it protected Mr. Richie Boucher, head of the retail division in Bank of Ireland in the run-up to the crash and now in charge at that bank, commanding a salary of €843,000 per annum.

I will put my question again to see if I can get an answer from the Minister. Does he regret continuing the employment of Mr. John Bowe and Mr. Peter Fitzgerald? The latter was one of the 22 senior executives in Anglo Irish Bank before the crash who, as the Minister stated in the House two years ago, was still in the employment of the State.

Deputy Michael Noonan: The new management and staffing arrangements of IBRC-Anglo Irish Bank were in place long before I became Minister for Finance. I have no role in the day-to-day running of any of the banks and decisions about who does and does not work in a bank are a matter for the board and management of the bank in question.

The Deputy is moving on to very dangerous ground in naming individuals and assuming culpability. This is exactly what happened when the former Deputy, Ms Mary Harney, engaged in a rant against the former Taoiseach, the late Charles Haughey, and a court subsequently found she had prejudiced the case and charges could not proceed.

Deputy Pearse Doherty: Notwithstanding the revelations on the Anglo tapes, I have made clear for a long time that those who were in senior positions in Anglo Irish Bank should not have been in the employ of the State. The individuals in question earned more than the Minister for Finance until February this year, despite having been involved in a bank that cost the State more than €30 billion. We see the pain this caused in every community in the State.

We have heard a great deal about fitness and probity. Why did the Minister for Finance not issue an instruction that senior executives in Anglo Irish Bank be subjected to a fitness and probity test to ensure they could continue, in senior positions, to restructure the bank? As a former leader of the Fine Gael Party, why did he not speak to another former leader of his party, Mr. Alan Dukes, who was appointed as public interest director in Anglo Irish Bank, to ascertain what Mr. Dukes knew about the reasons some of the 22 individuals in question continued to be in the employment of the State and were awarded salaries in excess of the salary earned by the Minister for Finance?

Has the Minister taken it upon himself to inquire as to whether any other types of tapes exist in Bank of Ireland and Allied Irish Banks? Has he ensured that no one who was in a senior position in Anglo Irish Bank is working in any financial institution being bailed out by the State?

Deputy Michael Noonan: It is a matter for the directors, boards and management of banks to decide who does and does not work in a particular bank. I remind the Deputy - I am sure he will be disappointed to hear this - that I brought in a special liquidator and liquidated IBRC last February. We closed down the bank. The Deputy would love to be able to point across the Chamber and tell me the individuals in question are still working in the bank. I am sorry to disappoint him because we liquidated the bank and moved it on.

64. **Deputy Shane Ross** asked the Minister for Finance if his attention has been drawn to any Government members, or staff, advisers or associates of his Department who were aware of the existence of the Anglo Irish tapes released and published in the media in recent days; if his attention has been drawn to any members of staff of the Central Bank or any State owned banks with any knowledge of the tapes; if there are similar tapes in existence recording the activities of staff of other banks; and if he will make a statement on the matter. [32305/13]

Deputy Michael Noonan: I confirm that neither I nor any official in the Department of Finance was aware of the contents of the tapes which have emerged in the media until now. The contents of the tapes were not raised with my Department by the board or management of IBRC and my attention has not been drawn to any Government member, staff, adviser or associate of the Department who was previously made aware of the content of the tapes. I am further advised that the Central Bank was not aware of the tapes or the content contained therein until the recent publication.

I am advised that the tapes have previously been provided by Anglo Irish Bank-IBRC to the Garda and a number of other authorities involved in investigations relating to Anglo Irish Bank. I also understand the recordings have been provided by way of discovery in certain legal proceedings involving IBRC.

From the date of the nationalisation of Anglo Irish Bank on 16 January 2009, the Minister for Finance directed the bank to co-operate fully with all regulatory investigations. I am advised by the bank that it is fully co-operating and in that context the bank has provided originals and copies of large data sets under compulsion and court order to the Chartered Accountants Regulatory Body, the Garda Bureau of Fraud Investigation, the Office of the Director of Corporate Enforcement, the then Financial Regulator and the Nyberg banking commission. In particular, the bank has informed me of the following matters. In 2009, the ODCE seized under court search warrant approximately 3 million electronic documents and in excess of 5,000 original hard-copy documents. In 2009, the Financial Regulator compelled the production of approximately 45,000 hard copy documents and approximately 9 million electronic documents. The electronic material remains in the possession of the bank as the Financial Regulator investigation was deferred in 2009 pending DPP proceedings. In 2010, the Garda bureau of fraud investigation under court order received significant quantities of electronic and hard-copy documents and recordings requested in respect of 18 employees of the bank whose lines were recorded. In 2010, the bank was compelled to provide large volumes of electronic and hard-copy material to the Nyberg banking commission. Minutes of meetings as requested were provided to CARB, the ODCE, the GBFI, the banking commission and the Financial Regulator. In civil litigation copies of various items including certain recordings were provided to parties to such litigation.

I am advised that the special liquidators are taking the leaking of this material very seriously and have written to the Garda and the Data Protection Commissioner in that respect. They have written to all parties whom they know have access to this material and I am also advised that the special liquidators intend to appoint an independent party to investigate if the leak came from IBRC or KPMG. These investigations are ongoing.

Deputy Shane Ross: I thank the Minister for his reply. I accept everything he says about who knew what, when they knew it and when these tapes were handed over. I am surprised about one aspect of his reply. It is well known that all conversations of this sort were recorded. I cannot understand why nobody in the Department and particularly in the Central Bank, which was the regulator at the time, knowing full well that the staff of Anglo Irish Bank, Bank of

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Ireland, Irish Life & Permanent and AIB recorded all conversations particularly in certain situations and particularly those involving the head of capital markets, who is the key figure in this, did not ask, immediately the crisis broke or immediately there was a question about solvency or liquidity for these tapes, to see what had been going on inside the bank if it had any doubt.

The Minister rightly said that when the former Minister for Finance, the late Mr. Brian Lenihan Jr., informed the Dáil that €7 billion was sought and in subsequent weeks advised that there was more sought and then more again, he could work out that there was something funny going on. At a minimum Anglo Irish Bank was putting out a teaser to the Central Bank to suck it in for more. In those circumstances, when anybody with knowledge of this matter could guess what was happening, is it not extraordinary that the regulator, which was being taken for a ride, did not ask for taped conversations of what was happening inside in Anglo Irish Bank?

Deputy Michael Noonan: Seemingly he did. As I said in my original reply, in 2009, the Financial Regulator compelled the production of approximately 45,000 hard copy documents and approximately 9 million electronic documents. The electronic material remains in the possession of the bank as the Financial Regulator investigation was deferred in 2009 pending DPP proceedings. As I understand it from the information provided to me, the DPP commenced an action. He compelled, I presume under court order or under his own authority, the production of all these data. However, his investigation did not then proceed because there was an indication that criminal proceedings would commence and his investigation was suspended because of the possibility of DPP proceedings.

Deputy Shane Ross: I thank the Minister and I accept what he has said. My quarrel is that the Financial Regulator did not ask for them far earlier. He did not ask for them in 2008 when the crisis broke. He did not ask for them at the time he was saying all the banks were solvent. He did not look for these tapes at the time although the tapes were obviously in existence. That is an extraordinary situation and to do it under pressure from court orders is a completely different matter. His job is to regulate.

Will the Minister answer the second part of the question? What is happening now in terms of Bank of Ireland and Allied Irish Banks at a similar time and since? Are there tapes in existence of which we should be aware? I am concerned, as are many Members of the Independent group, because the scope of the inquiry is limited up to the night of the guarantee. I cannot understand why that is essential. I can understand the reason the inquiry should concentrate on the guarantee when there are other matters which should be subject to investigation as well. There was one night here which all of us can remember, that is, the night of 7 February this year, to which the Minister referred, which saw the liquidation of Anglo Irish Bank. There was confusion and chaos that night because of what was happening and there were changes going on. I would have thought it would be helpful, balanced and less political if the Government was prepared for any inquiry to examine tapes and the facts and events that occurred on that night as well.

Deputy Michael Noonan: The question was whether tapes exist in the other banks, and I assume they do. If a customer rings a bank looking for a statement, there is usually a warning on the answering machine that tells the customer his conversation could be recorded. Anyway, what I was unaware of was that there were internal recordings of conversations between banking executives. I had thought only the calls from outside into the bank had been recorded. I inquired subsequently and I have been informed that it is always the practice to record calls in and out of the treasury department of the bank - for obvious reasons, when one thinks about it.

I assume there are recordings of calls in and out of the treasury departments of the other main banks as well. The banks should be on alert, if they were not already before today, since Deputy Ross has raised the matter, that these electronic data may be required by the Oireachtas inquiry when it is put in place.

Mortgage Arrears Proposals

65. **Deputy Michael McGrath** asked the Minister for Finance his views on the negligible number of split mortgage arrangements in place to deal with distressed borrowers at the end of March 2013; if he has sought assurances that the banks are putting in place genuinely long-term solutions as required by the mortgage arrears resolutions targets programme; and if he will make a statement on the matter. [32226/13]

Deputy Michael Noonan: On 13 March last, the Central Bank, in its capacity as regulator of credit institutions, announced new measures to address the problem of mortgage arrears. These included the publication of performance targets for the six main banks in respect of the number of sustainable solutions to be proposed to mortgage borrowers. Initially, the Central Bank required the relevant lenders to propose by the end of June sustainable solutions to 20% of mortgages that were in arrears of more than 90 days. The target rises to 30% by the end of September and to 50% by the end of December 2013. The Central Bank will in due course set targets for the conclusion of sustainable solutions.

In determining whether a proposal constitutes a sustainable solution, the lender must evaluate both actual and prospective affordability of the solution by the borrower as well as the capital implications for the credit institution in terms of its prudential responsibility to minimise losses. While the Central Bank is not mandating any particular model of restructuring and while sustainable solutions will be arrived at on a case-by-case basis, it has indicated that there are some fundamental principles that must be respected in this matter. The affordability assessment of the borrower must be based on his current and prospective future servicing capacity in respect of all borrowings, and assumed prospective future increases in the debt servicing ability of the borrower must be credible and conservative. Lenders must apply a realistic valuation of the borrower's assets. This also applies to any assumption of potential asset price appreciation, as well as the estimated costs related to a potential repossession of property and lenders must use an appropriate interest rate when discounting future income flows, which should take account of the lender's cost of funds.

The Central Bank has been in communication with each of the relevant institutions to set out the reporting requirements with regard to the public and non-public targets of the respective institution. It also will assess compliance with the sustainability principles as outlined above in its supervisory audit of compliance with the targets, including an analysis of a sample of modifications.

Additional information not given on the floor of the House

The necessary overall strategy and building blocks to address the mortgage arrears problem are, therefore, now in place. These include the Central Bank targets initiative, the new code of conduct on mortgage arrears, the fundamental change to personal insolvency legislation including the provision of new, more accessible and less penal resolution mechanisms to debtors and a comprehensive mortgage information and advice service. The onus is now on lenders to

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move to address individual arrears cases in a comprehensive and speedy manner. Therefore, I expect the banks to increase the number of split mortgages and the other long-term restructured mortgage arrangements put in place over the remainder of this year.

As part of the process banks are requested to make regular returns to the Central Bank on their performance against the targets and the Central Bank will audit the performance of the lenders in this regard. I can assure the Deputy that both my Department and I will keep in close liaison with the Central Bank and individual banks on this important issue.

Deputy Michael McGrath: I thank the Minister for his reply. I believe that with all the focus in the last week or so understandably having been on the Anglo tapes, the revised code of conduct and the latest mortgage arrears statistics have not received the attention they deserve. More than 142,000 families are in mortgage arrears on the family home at present. This is a national crisis that deserves a decisive response. In his reply, the Minister outlined that under the mortgage arrears targets programme, 20% of those in arrears were to be offered sustainable solutions by the end of June 2013. These sustainable solutions can involve being put on interest-only repayments, putting someone into insolvency or the voluntary surrender of the property. Many of them will not, by definition, represent genuine long-term restructuring of the mortgage.

The Minister's reply refers to the reporting arrangements. Will Members receive information at the end of each of the those milestones, namely, the 20% and 30% targets, as to what is being offered? While I do not expect such detail by bank, will Members be informed that X percentage received an offer of a split mortgage, while Y percentage is being put into insolvency? While this is the responsibility of the Central Bank, such information is critical because the banks are becoming increasingly aggressive with people on the ground. This is being facilitated by the change in the law concerning repossession, by the removal of the limit on the number of unsolicited contacts, by the tracker rate now being on the table for the first time and by the removal of the moratorium at 12 months. Moreover, if one is deemed to be non-co-operative, the banks now can move immediately. They are becoming more aggressive and while all Members accept they also must face up to the crisis, my difficulty is that the banks are firmly in control. They are in the driving seat and decide what is a sustainable solution. They decide who is or is not non-co-operative. Many people wish to work through their situation and are in genuine financial distress.

An Leas-Cheann Comhairle: Thank you Deputy. I must call on the Minister.

Deputy Michael McGrath: At present, the evidence on the ground is that the banks are becoming more aggressive. They are being armed with more and more tools by the Central Bank and the Government.

An Leas-Cheann Comhairle: Thank you. I call on the Minister.

Deputy Michael McGrath: Will Members get information on the sustainable solutions that are being offered?

Deputy Michael Noonan: I agree with the Deputy. This is a difficult situation and I am glad that there is now movement to resolve it. On the data available to me on the targets set down, approximately 25,000 offers have been made across the banks already. I can get more precise data for the Deputy. I do not have to hand the breakdown on what are the specific solutions across the range of solutions that may be applied but the general principles are as I have

laid out. These general principles now have been refined further by the code of conduct on mortgage arrears, which has been reviewed again by the Central Bank. The criteria taken into account are the personal circumstances of the borrower, the overall indebtedness of the borrower, information provided in the standard financial statement, the borrower's current repayment capacity and the borrower's previous history.

However, the principle under which everything is operating is an attempt to distinguish between those who cannot pay and those who will not pay. For those who cannot pay, the banks are engaging and providing sustainable solutions. There is of course a difference between the target on offer and the subsequent targets on solutions. Consequently, there will be a second set of data giving information on the offers that have been accepted.

Deputy Michael McGrath: We need the breakdown in aggregate form of the 25,000 sustainable solution offers the Minister said have been made. Under the definition provided in the mortgage arrears resolution targets it is up to the bank to make the call as to what that solution is but it can be interest only. That is fine for those in short-term financial difficulty but it can mean putting somebody into insolvency or handing back the keys to the House. They might be sustainable solutions in one person's definition but in another person's definition that could mean the family home is gone. We need to have the data. Looking at the latest figures to the end of March, the reality is that of the more innovative long-term solutions such as split mortgage or a permanent interest rate reduction, less than 400 have been put through and in the context of 142,000 people actually in arrears with their family home, that is a drop in the ocean.

Progress in this area must be accelerated. We need more data. I hope the Minister's plan works but I have my doubts. I would rather that an independent office had the final say in determining what is a fair solution to a person's mortgage difficulty but the Minister has gone down a certain road. I hope it works but we need the data.

Deputy Michael Noonan: I have some statistics that may be of help to the Deputy. At the end of March 2013, a total stock of 79,689 private dwelling house mortgage accounts were categorised as restructured. That is an increase of 1.8% on the end of December 2012. Of the restructured accounts, 53% are not in arrears. New data collected this quarter, that is, quarter 1 of 2013, indicated that 76% of restructured accounts were deemed to be meeting the terms of their agreement. A total of 24,706 new structure arrangements were agreed during the first quarter of the year. A total of 33.1% of the restructured accounts are on interest only arrangements, a fall of four percentage points on the end of December position, while a further 21.7% are on payments that are greater than interest only. Together, interest only arrangements and reduced payment arrangements account for approximately 55% of all restructured types. That was 59% at the end of December. A total of 144 accounts are in split mortgage arrangements, an increase of 92 cases on quarter 4, while 241 accounts have availed of permanent interest rate reduction, an increase of 17 cases. We have data and I will try, when we are making various statements, to give as much data as I can.

Visit of US Senator

An Leas-Cheann Comhairle: Before proceeding to the next question, on my own behalf and on behalf of the Members I welcome United States Senator Margaret Craven, from the state of Maine, to the House. I hope she has a very enjoyable visit. Céad míle fáilte. A hundred

thousand welcomes.

Ceisteanna - Questions (Resumed)

Priority Questions (Resumed)

Bank Codes of Conduct

66. **Deputy Pearse Doherty** asked the Minister for Finance the reason, at a time of still increasing mortgage arrears, he is allowing banks, through a revised Code of Conduct on Mortgage Arrears, to deal more aggressively with struggling home owners including by removing the 12 month moratorium, lifting the limit of three contacts per month and supporting the reversal of the Dunne judgment. [32192/13]

Minister for Finance (Deputy Michael Noonan) (Deputy Michael Noonan): The Central Bank has now concluded a review of the Code of Conduct on Mortgage Arrears, CCMA, following a public consultation process, with in excess of 230 submissions received. The revised CCMA was published on 27 June 2013 and came into effect on 1 July 2013. The submissions made, as well as a feedback document outlining the Central Bank's response to some of the main issues raised, have been published on the Central Bank's website, *www.central bank.ie*.

The CCMA provides an integrated and cohesive package of consumer protection measures for borrowers facing or in mortgage arrears. It reflects the current mortgage arrears situation and seeks to deliver on the following principles: to ensure appropriate resolution of each borrower's arrears situation; ensure that lenders deal with borrowers in a fair and transparent manner; support and facilitate meaningful engagement between lenders and borrowers; and ensure borrower awareness of the benefits of co-operating with their lender, and the consequences of not co-operating. With regard to the moratorium, to clarify, the 12 month moratorium applied from day 31 after arrears first arose and did not take into account any time taken by the lender to gather information from the borrower, complete an assessment or make an offer. The revised CCMA requires a lender to wait at least eight months from the date the arrears arose before legal action can commence against a co-operating borrower.

Separately, regardless of how long it takes the lender to assess a case, and provided that the borrower is co-operating, the lender must give three months' notice to the borrower before they can commence legal proceedings where the lender does not offer an alternative repayment arrangement or the borrower does not accept an alternative repayment arrangement offered by the lender. This will give co-operating borrowers time to consider other options that may be available to them, such as voluntary surrender, voluntary sale or a personal insolvency arrangement, PIA. The combined effect of the protection period and the requirement for a notice period is that, for a co-operating borrower, legal proceedings must not commence until three months from the date the letter is issued - where the lender declines to offer an arrangement or where the borrower does not accept an arrangement offered - or eight months from the date the arrears arose, whichever date is later.

Additional information not given on the floor of the House

With regard to the Dunne judgment, the Government has taken steps to address a lacuna in the law arising from the High Court decision in July 2011 which created uncertainty in the law relating to the exercise by lending institutions of their repossession rights. A Bill which will ensure that statutory provisions in force prior to implementation of the Land and Conveyancing Law Reform Act 2009 on 1 December 2009 will continue to apply to mortgages created prior to that date was published at the end of March. The Bill has recently completed Committee Stage and will move to Report Stage shortly. However, one of the important provisions in the Bill is that it will give a discretionary power to a court to adjourn a repossession hearing in respect of a principal private residence - if it considers this to be appropriate - in order to allow the debtor to propose, and the secured creditor to consider, the possibility of a PIA as an alternative to repossession. In preparing a PIA, there is an onus on a personal insolvency practitioner to formulate a proposal, in so far as is reasonably practicable, on terms that will not require the debtor to dispose of an interest in or cease to occupy a principal private residence.

The Deputy will be aware that the Personal Insolvency Act 2012 provides new statutory insolvency frameworks to allow debtors - through the utilisation of professional personal insolvency practitioners - and creditors to consider an arrangement to resolve unsustainable mortgage and personal debt. It also provides a legal framework for the resolution of mortgage arrears as well as other personal debt. It will also provide certainty for borrowers and lenders alike regarding the consequences of non-payment and failure to reach agreement. The effect of this legislation is to rebalance the relationship between debtors and creditors and to offer more accessible and effective options to debtors to deal with debt difficulty. The Insolvency Service of Ireland, which will oversee the operation of the new insolvency frameworks, has been established and will shortly begin accepting applications for the new personal insolvency processes.

Deputy Pearse Doherty: As the Minister said, the new code of conduct on mortgage arrears came into force yesterday. There is no doubt that the banks are enjoying the fact that the Government and the Central Bank have let them off the leash. In recent months there has been a major spike in the number of people whose mortgages are in distress contacting my constituency offices in Donegal. The distress to which I refer takes a number of forms. We continually refer to mortgage and financial distress but there is also the distress which happens behind closed doors. Such distress puts pressure on individuals and families. In some cases it can lead to marital breakdown, while in others it has obliged people to leave the country - I have met some of them while travelling abroad - in order that they might find better opportunities which will allow them to repay their mortgages here. Unfortunately, and this has been attested in the courts, it has also led to a number of people taking their own lives. We must be conscious here of what we are discussing. We are not, for example, concerned simply with a sheet of paper containing numbers, statistics, percentages and values, what is at issue here is real people and real suffering.

As already stated, the banks have been let off the leash. That is not surprising because this is the Government's plan. I stated previously that I very much hope the new targets will work. It is my view that an independent body should be established to adjudicate on this matter. The new code of conduct on mortgage arrears will mean nothing more than harassment of people. Who demanded the mechanism whereby it will be possible for a bank to repossess, within three months, the property of someone who is being unco-operative? The banks will only be obliged to produce flimsy evidence of people being uncooperative and their staff will be able to carry out home visits. Report Stage of the Bill relating to the Dunne judgment, which will allow repossessions to happen, is to be taken tomorrow. The fact that the banks retain their veto clearly

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shows that the Government is on their side. Even at this late stage, will the Minister not agree with some of those who have made submissions - including myself on behalf of my party - to leave the code of conduct as it stands or to try to strengthen it in favour of consumers rather than the banks? Will he not consider pulling back from his current position on the code of conduct? The code is clearly an aggressive move which supports the banks and which will place some consumers under serious financial and other pressures.

Deputy Michael Noonan: The Central Bank is responsible for the code of conduct on mortgage arrears. It initially proceeded in this regard by publishing a draft code and it then took into account advice it received. The code was put out for public consultation, 230 submissions were made and it was modified accordingly. The final version which has been promulgated seems to have attracted significantly more support than the draft version. The Central Bank commenced this process in 2009 when it issued a statutory code of conduct on mortgage arrears. As matters progressed, the relevant group recommended that the mortgage arrears resolution process, MARP, and the appeals process be formally reviewed within 18 months of the announcement. Consequently, a review took place in 2011 and another is currently taking place. I presume this is principally due to the fact that matters have again moved on and because the insolvency legislation is coming into effect.

The House will be aware that the Personal Insolvency Act 2012 provides new statutory insolvency frameworks to allow debtors - through the utilisation of professional personal insolvency practitioners - and creditors to consider arrangements to resolve and make sustainable mortgage and personal debt. The code of conduct has been in place since 2009. It was reviewed in 2011 and it is now being reviewed again in light of prevailing circumstances and the current legal position.

Deputy Pearse Doherty: We are now approaching the mid-point of this Government's term in office. I assume that when the Minister took office he did not expect to be approaching the mid-point with the mortgage crisis getting worse. The latest figures show there is an increase in mortgage arrears. Under the Minister's stewardship, we have seen a doubling of the number of those in mortgage distress. There was also a doubling of the number in mortgage distress in the last 18 months of the Fianna Fáil-led Government.

The more we delve into the code of conduct on mortgage arrears, it becomes clear it was written for the banks at the behest of the troika by a compliant Central Bank and, ultimately, supervised by this Government. There are many in this Chamber who believe MABS is the organisation with the most experience of working with those in mortgage arrears. In its submission, MABS stated very clearly that no change should be made to the existing code in regard to permissible unsolicited contact between lender and borrower. The code has removed the three unsolicited calls and has left it at an unlimited number. It also facilitates home calls. The Minister must look at this in conjunction with the Dunne judgment, the personnel insolvency veto and the fact the Government is coming down on the banks all the time, which sends a very negative signal to those in mortgage distress.

The Minister mentioned the 25,000 people who have been offered sustainable solutions, which is welcome. However, we need the details. I know the details of a family who had arrears for the first time ever of €450. The bank scrutinised their position and said there was no other solution but to voluntarily surrender the house. There are serious questions to be asked. I hope that is a one-off case but I would say there are many more like it.

When will the next targets be issued, which are acceptance of sustainable agreements? They were supposed to be announced before July but we still have not got them. When will the Government announce the second round of targets, which is the agreed sustainable agreements and not just the offers from the banks?

Deputy Michael Noonan: I agree with much of the Deputy's analysis. It has been a very difficult time for a group of people who borrowed to acquire family homes at the height of the Celtic tiger and who, for one reason or another, have found it very difficult to pay their mortgages. On top of that, they have found that the collateral underpinning the mortgage is not worth what it was when they borrowed. It is a very difficult situation for people and we are trying to work our way through it.

The people most adversely affected are those who lost their jobs - where one partner in a household lost a job or where there is no one at work in the household anymore. These are the people in most difficulty.

There is a whole variety of circumstances. We tried with the Keane report to design solutions which would accord with the differing circumstances. We are at a stage now where we think the Central Bank has taken a very strong interest in this and is driving the solutions forward. The revised code, which it has published and to which lenders and borrowers will hopefully adhere, hits the right note and hits the average. I hope the situation will be resolved but there will still be difficulties. It is very easy to pick out the most difficult case which goes to one's advice clinic. We all have such cases and we tend to get the more difficult ones but the solution must work on the averages as well. To have 25,000 proposals for solutions in the first quarter is pretty good and I will continue to drive it in so far as I have an influence over it to meet the targets. There is an answer on the data on solutions but I cannot find it in my brief. I will write to the Deputy about that.

Other Questions

Strategic Investment Fund Management

67. **Deputy Dara Calleary** asked the Minister for Finance the process that will be in place to maximise the economic and employment return from the Ireland Strategic Investment Fund; the investment horizon that will be taken by the fund; and if he will make a statement on the matter. [31901/13]

Deputy Michael Noonan: As recently announced, the Government has decided to establish the Ireland strategic investment fund, ISIF, which will absorb National Pensions Reserve Fund, NPRF. The discretionary fund of the NPRF of approximately €6.4 billion will be channelled towards productive investment on commercial terms in the Irish economy. Officials of my Department are currently preparing the necessary legislation, which I hope to see enacted this year.

Using the Ireland strategic investment fund, we will maximise our resources to enhance growth in the economy and improve key infrastructure to maintain Ireland's attractiveness as a place to do business and to create jobs. My Department is working alongside the National Treasury Management Agency, NTMA, to develop the broad parameters for the investment

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strategy for the ISIF in parallel with developing the legislation, and it is envisaged that the work will align with that being done by my Department and the Department of Public Expenditure and Reform on a medium-term economic plan.

It is envisaged that the ISIF will seek to leverage and maximise its resources by attracting private sector co-investment. I am conscious that it is important that a level of independence is maintained to attract that private sector co-investment. To do this, the fund will need to demonstrate clearly that it acts on a commercial basis in order that the very fact that it is prepared to finance a proposal will reassure other potential investors that the project is sound. Any income, capital or other benefit received in respect of ISIF investments will be repaid into the fund and held or reinvested for the benefit of the fund. Whereas the need for the State to provide for social welfare and public service pensions obligations has not abated, fostering economic activity and employment is currently a greater priority and this will in turn put the State in a better position to meet its pension obligations in the longer term.

Deputy Michael McGrath: This is potentially a very positive development and I have a few questions on it. I assume the principle of retaining the NPRF remains and the Government will continue to have non-discretionary portfolios consisting of shareholdings in banks, for example. When the Minister refers to any returns from these commercial investments going back into the fund, is he talking about the strategic investment fund or the NPRF? It would be helpful to clarify that.

Will the Minister give us a sense of the governance arrangements that will apply to the Ireland strategic investment fund? Who will make the investment decisions? Will the Minister or the Government have a role in that or will it be adjudicated upon by an independent board under the aegis of the NTMA? For example, if the Government was convinced of the merits of a motorway between Cork and Limerick, and there was co-investment by the private sector, could it be ensured that it would happen? Will the decisions be political or will they come from the NTMA?

Deputy Michael Noonan: If we were to build a road between Cork and Limerick, the Department of Public Expenditure and Reform would have to put it down as a proposal. The NPRF would assess it on commercial grounds and if it were commercially viable, it could make the cut. If it were not, it would not make the cut. The initiation might be on the political policy side but the decision would be on commercial grounds, and the project would have to stand up to commercial analysis.

Within the existing statutory investment policy and in line with the ISIF announcement, the NPRF has undertaken a number of investments and initiatives under which NPRF capital would be invested on a commercial basis. There is a commitment to invest approximately €250 million in infrastructure, €118 million in public private partnership projects and finance of €500 million will be provided for the small and medium enterprise sector. It has entered into a collaborative relationship with Silicon Valley Bank on small and medium enterprise equity start-ups for the information technology industry. Additionally, the fund has been working closely with NewERA in respect of investment opportunities related to the commercial semi-State sector, and the NPRF is also in discussion with Irish Water with regard to the provision of a financing facility. This provides a flavour of the lead-in work, and when it is put on the statutory basis, the process will be more secure in its capacity to fund and leverage.

Deputy Michael McGrath: Will the Minister clarify my first question? Will the NPRF be

retained into the future and is the principle of providing for the long-term pension liabilities of the State still being subscribed to? Are returns from commercial investments drawn from the NPRF money to be returned to the NPRF? The Minister says that the ISIF will decide on which projects can proceed on a commercial basis but, in practice, who will that be? Will there be a separate board of the ISIF sitting within the NTMA? At what point does the Minister expect that the first commercial investments of the fund can proceed? He hopes to have the legislation enacted by the end of this year so I presume it would the first half of next year before investments could begin.

Deputy Eoghan Murphy: Will the new fund have ethical guidelines along the lines of the ethical investment Bill I introduced in the House that would prevent the fund from investing in companies that participate in certain activities, for example, nuclear weapon development, cluster munitions development and other types of weapons?

Deputy Pearse Doherty: We have been in record as arguing for the NPRF to be used as a stimulus so I welcome the fact that the Minister is finally moving in this direction. Next month, it will be two years since the Minister announced this legislation. He says he is hopeful it can be enacted by the end of the year. Deputy Michael McGrath raised other issues in respect of governance. We know there is a commitment in terms of the water metering project, with which I disagree. There is €6.4 billion in this discretionary portfolio fund. When will we see a sizeable amount of that money invested in the economy? Tens of thousands of people who left these shores in the two years or so since the Minister announced this fund have given up. How much longer can we tell them to hang on, that this money will be made available, that it will be injected and that they will see at least half of it invested? Will it be next year or the year after? When will we see real investment and can directional orders still be given? The Minister gave directional orders to the NPRF to invest in AIB and Bank of Ireland. Is that still an option or will it be completely commercial?

Deputy Michael Noonan: The NPRF is already investing so there is no question of it being delayed along the lines suggested by the Deputy. However, it is investing on the basis of a kind of letter of comfort that I issued to it to allow it to get ahead of the legislation. That must be a temporary arrangement and it needs to be put on a statutory basis. The legislation has gone through the Government at heads stage but it is being drafted in the normal way so it is not possible to give the exact details of what may end up in it. The existing legislation has such a section so I do not see why it should be dropped in the new legislation.

It is proposed that an ISIF investment committee will be established to decide on the investment of the strategic investment fund and within the parameters of the strategy, which will be set by the new board of the NTMA. The NTMA does not have a board at present. It has an advisory board so the whole family of companies within the NTMA will be, from a governance point of view, subject to a new overarching board that will be a statutory board under the new Act. It is proposed that the NTMA will be responsible for the management of the ISIF and will establish an investment committee that will have discretion to make investment and disposal decisions. As with the NPRF commission, the members of the investment committee will have discretion to make investment decisions in line with the ISIF's investment strategy. There is no question of the thing being some kind of political slush fund. The fund's investment strategy will be consistent with the Government's policy objective. The NTMA will be responsible for the management and the investment and disposal decisions will be made on a commercial basis.

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Economic Growth Initiatives

68. **Deputy Michael Moynihan** asked the Minister for Finance the actions he believes ECOFIN ministers can take to provide a Europe economic stimulus; the reason this has not happened to date; and if he will make a statement on the matter. [31920/13]

Deputy Michael Noonan: A number of initiatives are being implemented at EU level to boost growth. The cumulative impact of all these measures will be positive in terms of supporting economic activity in the EU at this difficult juncture. For instance, Heads of State or Government in the EU agreed on a compact for growth and jobs in June last year. This involves action by both member states themselves and at EU level to boost growth, investment and employment.

3 o'clock

Measures to be implemented at national level include the full implementation of the country-specific recommendations from the European semester for those member states included in the process, including the pursuit of differentiated and growth-friendly fiscal consolidation, the restoration of normal lending to the economy and the promotion of competitiveness. At EU level, policies to promote growth include a renewed emphasis on deepening the Single Market and reducing the regulatory burden. In addition, an important measure is the mobilisation of funding to boost European growth. Funds will be made available *inter alia* via EU Structural Funds and European Investment Bank lending. Considerable progress has been made at euro area level to put the single currency on a more solid footing. For instance, the establishment of the European Stability Mechanism and the ECB's announcement of outright monetary transactions have helped restore confidence, while the enhanced system of governance will have a positive impact on economic activity.

I now turn to my role as President of the ECOFIN council. As the Deputy will be aware, Ireland has just completed its Presidency of the Council of the European Union. The theme for the Irish Presidency was stability, jobs and growth. In my role as President of the ECOFIN Council for the Irish Presidency I have overseen a number of actions aimed at improving the European economic environment.

Significant progress was made on the financial services agenda including agreement in Council or with the Parliament on a range of dossiers. Significant progress was made on the banking union agenda with agreement on the single supervisory mechanism and the capital requirements directive, and political agreement at ECOFIN on banking recovery and resolution. There was also significant achievement in other aspects of financial sector regulation including political agreement in the Council on the markets in financial instruments directive and regulation, the market abuse regulation and the transparency directive and agreement on the mortgage credit directive. Agreement was also secured on an amending budget for the European Union. This was a key element in the overall delivery of a political agreement on the multi-annual financial framework between Council and Parliament. There was major progress in the area of taxation with a particular focus on addressing transparency and fraud. The EU economic governance process, the European semester, was successfully managed and agreement achieved on the remaining legislative element of the economic governance process, the two pack.

Additional information not given on the floor of the House

In addition to six formal Councils, a very successful informal ECOFIN was held in Dublin which had a focus on growth and SME funding. At the informal ECOFIN Ministers discussed financing options for long-term economic growth on the basis of the Commission's Green Paper on long-term financing which was presented by Commissioner Michel Barnier. A Presidency issues note was also used to guide ministerial discussion on the topic of non-bank financing for growth and jobs. This has led to further work at European level with a report expected in late 2013. There was also an expert-led discussion between Ministers at lunch on the topic of future growth in Europe.

In February the European Council agreed a budgetary package for the period from 2014 to 2020 for policies focusing on competitiveness, jobs and growth across a broad range of sectors. Recently the Irish Presidency reached political agreement with the European Parliament and the European Commission on a new multi-annual financial framework which unlocks €960 billion in investment across the entire European Union.

Deputy Michael McGrath: As the Minister indicated there were successes during the six-month Presidency, in particular with regard to his stewardship of ECOFIN and he is to be commended on this. Although there are issues with regard to some of the details, it would be remiss of me not to acknowledge this.

The question I tabled is particularly relevant in the context of the very weak economic data we had last week. Unfortunately the country is back in recession, ostensibly because of weakening external demand and the situation in the eurozone and other developed economies. Much of what we hear from European summits and ECOFIN meetings in terms of growth-friendly statements and policies is impenetrable to people and it is very difficult to translate what has been decided to what is actually happening on the ground.

The Minister referred to the country-specific recommendations from the European semester and gave some examples of issues relating to Ireland such as credit, regulation and the role of the European Investment Bank, and there has been some progress on this. There is a crisis in the eurozone in particular, with more than 12% unemployment as confirmed yesterday, 26 million people out of work and record levels of youth unemployment. It seems the triple A-rated countries which have been fiscally very prudent are all engaged in fiscal consolidation as well as countries such as us which must do so.

The lack of co-ordination of fiscal and economic policy throughout Europe has resulted in the scenario we are dealing with now whereby external economic demand, in particular among our main trading partners, is weakening at a time when we depend on an export-led recovery. It is more threatened than it has been previously. Will the Minister give practical examples on the ground of the knock-on effects and the implementation of decisions in Europe and ECOFIN and how they translate to Ireland and how they can help our economic growth?

Deputy Michael Noonan: Among the practical examples which would help Ireland is first of all the commitment to complete the single market. It is approximately 80% complete and for the remaining 20% the financial services sector particularly is inhibited by different rules and regulations in different member states. The fact that Ireland in this Presidency cleared 11 finance folios, most of them in the financial services area, frees up the possibility of the Internal Market working better in financial services. We have a very strong financial services industry in Ireland not only in Dublin, but now moving into other parts of the country too. That is one specific measure that will help.

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A decision approximately a year ago in which €10 billion extra in capital was put into the European Investment Bank, EIB, will help too because that €10 billion can leverage approximately €180 billion and the EIB is gearing up to lend far more extensively than it did in the past. We hope to get our share of that. Already the commitments to Ireland for 2013 are approximately twice what we got in 2012. It is concentrating specifically on lending to SMEs and co-financing PPPs, which will match what we talked about previously. In the multi-financial budget there are dedicated funds for youth unemployment and there is a commitment that if a young person is out of work for four months, he or she gets training or education. That is a very advanced scheme and I hope it can be applied quickly in Ireland.

Deputy Michael McGrath: I thank the Minister for his reply. There is a job of work to be done in marketing the potential role of the European Investment Bank in Ireland, particularly with SMEs. In my experience, SMEs' level of awareness of the EIB is quite weak. When I come across them and point out the various initiatives and sources of funding available, many of them are not aware of them, despite the efforts of various business representative bodies. If the potential of the EIB is now being leveraged in Ireland at a time when the banks are under continued financial stress in respect of their own lending capacity, we need increasingly to look to sources such as the EIB. Will the Government consider building up the level of awareness and the marketing of those potential sources?

Deputy Pearse Doherty: There has been much talk and one would be forgiven for thinking that Europe is going to come to our rescue with a huge stimulus package. It is being presented that way. The Minister mentioned the MFF, the budget agreed in Europe last week, and while the figures for the billions that will be invested over that seven year period are great, if one peels off the layers one finds that the budget is reduced. It is an austerity budget. It is a budget that has been cut. If one looks more closely, one sees a 25% cut in the research and innovation fund, an 11% cut to rural development programmes, a 14% cut in health and consumer protection funding and a 9% cut in the Cohesion Fund. Germany is honest. It does not want to stimulate Europe. We need to be honest as well because many myths are being peddled. The budget the Minister said is part of a stimulus is actually a reduction in terms of the money that will be available with inflation added. Some individual measures are to be welcomed no doubt, but an austerity budget was signed off last week.

Deputy Michael Noonan: On Deputy Michael McGrath's point, the European Investment Bank is engaged in quite a lot of activity, for example, a bundle of schools is being completed, co-financed with the EIB. European Investment Bank money is also funding the separation of traffic at Newlands Cross and the continuation of the road to Wexford. It is assessing the project for the health centres at the moment. That will also be co-financed. In addition, both AIB and Bank of Ireland have received EIB funds for re-lending purposes to SMEs, approximately €200 million or €250 million in respect of each bank. It is beginning to become very significant.

On the issues raised by Deputy Pearse Doherty, we will get assistance from Europe but we will have to do most of the heavy lifting ourselves. Our future is in our own hands. I do not believe in stimulus packages in Germany along the lines of investing in infrastructure. What we really want is for it to loosen its budgetary targets a little and the German workers at this stage, like those elsewhere, would appreciate a pay increase. It is this kind of stimulation that the large creditor countries could pursue to benefit the euro. They could ease up on their budgetary controls and put more spending power into their economies. However, this is not at one remove through infrastructural investment. It is directly.

Banking Sector Remuneration

69. **Deputy Sean Fleming** asked the Minister for Finance when the banks will commence implementation of measures relating to the Mercer report; if he has received an indication of the nature of the measures to be implemented; and if he will make a statement on the matter. [31908/13]

102. **Deputy Brian Stanley** asked the Minister for Finance the proposed actual reduction in salaries to those earning above €200,000 in the AIB's proposal to the Minister following the Mercer report. [31885/13]

Deputy Michael Noonan: I propose to take Questions Nos. 69 and 102 together.

As I have explained in previous responses to questions on this matter, discussions are ongoing at three banks - AIB, Bank of Ireland and Permanent TSB - in response to the Government's decision that they were to come up with plans on how they intended to achieve savings of 6% to 10% of total remuneration costs. It was an inescapable conclusion arising from the review of remuneration practices and frameworks at the covered institutions, a report commissioned by the Government in response to a programme for Government commitment that the cost base of the institutions needed to be reduced further. This is essential if they are to return to profitability, be in a position to support the economy and repay the State's investment through a return to private ownership.

In requesting this, I was not prescriptive in how the target was to be achieved, respecting the banks' differing levels of State ownership and paths to profitability. I am not neutral on the method they may use to achieve the savings and must be satisfied that the terms of the Government decision will be honoured. However, there is a wide tolerance as to how the required reductions will be achieved.

Each of the banks submitted its outline plans to me by the due date requested. As a consequence of the ongoing negotiations, some of which are quite far advanced, it is not possible at this stage to reveal precise individual details bar what has been put into the public domain. In that vein, I can confirm that all three institutions have put forward pension changes to varying degrees as part of their overall responses.

My abiding mantra in dealing with these matters has been to insist that the normal industrial relations protocols and consultation procedures need to be observed by all participants. I am anxious, therefore, that all parties to these discussions are afforded the necessary space and time to conduct and conclude these critical negotiations.

I have put on the record that the Government readily acknowledges the sacrifices and changes made by bank employees to date at all levels and recognises that this has been achieved without major industrial unrest in what is a critically important sector. However, there can be no doubt that whatever emerges from the respective talks will present some unpalatable measures for those concerned and will require reflection from them and their representatives.

The cost bases of the banks must be reduced and remuneration costs must come down. While it would not be appropriate or realistic to specify a timeframe for the savings to be delivered, it is clear that the timely delivery of such savings is critical.

Deputy Michael McGrath: I thank the Minister for his reply. We had an exchange on

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this matter during our last session of finance questions. I am not naive enough to believe that there would not be pain for all bank employees. Clearly, there has already been pain and there will be more. In particular, difficult decisions about pension schemes have been made. In the case of Permanent TSB, for example, these decisions are pending the outcome of Labour Court negotiations. People acknowledge that the banks need to reduce their cost bases but they want a key principle to be observed, namely, those at the top should lead by example and the impact of the reduction should be graduated accordingly.

I sought this commitment from the Minister previously. He has used some of the terms that arose during our previous exchange. For example, he stated that he was neither neutral nor prescriptive. I respect that a process is ongoing, although I would take issue with the manner in which some of the banks have proceeded, namely, making unilateral decisions in the absence of agreement and pending the outcome of the industrial relations machinery.

Will the Minister insist that middle and senior ranking executives lead by example - the Taoiseach gave this commitment in the House some months ago - and that the impact of the reduction in the cost base be graduated accordingly? Can we take it that this will be the abiding principle used in the implementation of the Mercer report?

Deputy Pearse Doherty: The taxpayer spent €120,000 on the Mercer report and the public expected that senior bankers would see reductions in salaries. My question was specific, in that it related to base salaries. At AIB and Bank of Ireland, 257 individuals are on remuneration packages of more than €200,000. Some 2,500 are on remuneration packages of more than €100,000.

I want the Minister to lay my fears to rest. My understanding is that the hundreds of senior bankers at AIB, for example, who are in receipt of more than €100,000 will not take a cut to their base salaries. Their pensions will change, but their pay will remain intact. The Minister knows the details and has been looking at the banks' proposals for a couple of months. Is there a proposal for high earners to take a reduction in their base salaries?

Deputy Michael Noonan: I have asked that payroll costs be reduced by between 6% and 10%. I am interested in reducing the cost base of the banks for all of the reasons of which everyone is aware. I am not as interested in retribution or vengeance as Deputy Pearse Doherty. That is a different objective.

We have received the first round of replies from the banks. These deal with a range of issues. The banks are negotiating internally. As they do so, they will keep me informed. I will inform the House of the result of the negotiations after they have concluded. The principle is one of a reduction in payroll costs of between 6% and 10%, as the banks that were kept alive by the taxpayer cannot be exempt from cutbacks that are being applied elsewhere while the taxpayer is taking pressure across a range of expenses.

Topical Issue Matters

An Leas-Cheann Comhairle: I wish to advise the House of the following matters in respect of which notice has been given under Standing Order 27A and the name of the Member in each case: (1) Deputy Jim Daly - the need for the Government to provide financial assistance to job action groups working to create employment across the country;

(2) Deputy Charles Flanagan - the implications for the national procurement framework following a recent High Court decision;

(3) Deputy Seán Conlan - discrimination against students whose parents and-or guardians for the purposes of assessment of income are in receipt of an allowance as dependants of co-habiting partners who are in receipt of an eligible social welfare payment for the purposes of complying with the legislation that governs SUSI;

(4) Deputy Regina Doherty - the clear evidence of the link between sunbeds and skin cancer;

(5) Deputy Pearse Doherty - the need for the Minister for Health to discuss the impact of the HSE recruitment moratorium on community hospitals in County Donegal;

(6) Deputy Patrick Nulty - the need to maintain history as a compulsory subject for the junior cycle at second level;

(7) Deputy Heather Humphreys - the need to regulate for the permitted height of hedges and trees in privately owned gardens;

(8) Deputy Michael P. Kitt - the theft of six valuable Evie Hone oil paintings from the Church of St. Peter and Paul at Kiltullagh, Loughrea, County Galway;

(9) Deputies Seán Crowe, Aengus Ó Snodaigh and Dessie Ellis - the crisis facing families of seriously ill or impaired individuals who must wait years for housing adaption grants, housing aid for older persons grants or mobility aid grants;

(10) Deputy Andrew Doyle - the impact of proposed legislation in the US on the availability of J1 visas to Irish students;

(11) Deputy Charlie McConalogue - the need for the Minister for Education and Skills to make a statement on his intentions with regard to the pupil-teacher ratio in mainstream classes at primary and secondary level;

(12) Deputy Denis Naughten - the need for the Minister for Children and Youth Affairs to outline the steps she is taking on foot of the publication of the HSE audit of neglect cases in Roscommon, Waterford and Dublin;

(13) Deputy Michael Moynihan - the need for the Minister for Health to honour the programme for Government commitments on home helps;

(14) Deputy Timmy Dooley - the need for the Minister for Health to make a statement on the increase in day case and inpatient waiting lists;

(15) Deputy Clare Daly - to discuss Edward Snowden's application for asylum;

(16) Deputy Patrick O'Donovan - the urgent need for the Construction Contracts Bill to be enacted in light of recent Government investment announcements and the need to tackle the ongoing problem of the non-payment of subcontractors;

(17) Deputy Richard Boyd Barrett - Edward Snowden's application for asylum in Ireland;

(18) Deputy Mick Wallace - the application for asylum in Ireland by US whistleblower Edward Snowden;

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(19) Deputy John Lyons - the need to ring-fence funding for the planned Finglas primary care centre;

(20) Deputy Brendan Smith - the need for clarification from the US authorities regarding their use of surveillance in European Union institutions and member states;

(21) Deputy Aodhán Ó Ríordáin - the urgent need for the inclusion of Addison's disease in the long-term illness scheme and the need to tackle the high cost of hydrocortisone;

and (22) Deputy Mattie McGrath - the urgent need for Gaelscoil Chluain Meala to be considered for a major funding grant, as it has been in temporary accommodation for 20 years and, despite being granted planning permission, has not been granted funding to progress the project.

The matters raised by Deputies Andrew Doyle, Brendan Smith, John Lyons and Seán Crowe, Aengus Ó Snodaigh and Dessie Ellis have been selected for discussion.

Leaders' Questions

Deputy Micheál Martin: Last Thursday, the Central Statistics Office, CSO, confirmed that Ireland was back in recession. GDP has decreased for three quarters in a row. Since last summer, the economy has fallen by 1.8%, the largest fall over three quarters since 2009. We are facing a perfect storm, with decreasing exports due to a co-ordinated austerity programme across Europe that Ireland has continued to support and a calamitous decrease in domestic demand brought about by some homegrown policies. These Government policies have contributed to the economic decline, for example, the cuts to our investment programmes, particularly the capital programme and the consistent underspending of same. Consumers have continued to be hit with regressive taxes, for example, the elimination of the PRSI allowance. The property tax has unquestionably impacted on consumer spending in the past while.

A coherent policy on small businesses is also absent and realistic access to credit is lacking. One only has to talk to those in the small business sector to realise their frustration at the lack of any engagement with the Government on policies that could have a real impact. Added to that, the cut in child benefit and, above all, the continuing failure to deal with a growing mortgage crisis, which is acting as a millstone around our economy, are causing paralysis. That problem has become progressively worse and many people in mortgage arrears are simply not in a position to spend in the real economy. All the Government has done is to give more powers to the banks to put more pressure on many such families. As a result, consumer spending has fallen significantly. It has gone through the floor, falling 3% in one quarter, which is the biggest quarterly fall since the recession began.

An Ceann Comhairle: A question please.

Deputy Micheál Martin: What does the Taoiseach and Government intend to do about this situation, given that the existing policy programme being followed is clearly not working, either at EU level or domestically? Domestic demand is flat and consumer spending continues to fall. The strategy is not working, so I would like the Taoiseach to outline to the House what he intends to do about it.

The Taoiseach: The Minister for Finance, Deputy Noonan, has dealt with this on a number of occasions. I have just returned from briefing the European Parliament in Strasbourg in respect of the conclusion of Ireland's Presidency. In a situation where 26 million are unemployed across the EU, and with youth unemployment now reaching 60% in a number of countries, it goes without saying that other countries are facing really challenging difficulties.

The CSO figures mentioned by the Deputy are not consistent with the tax figures which will be produced later this afternoon. They will clearly show that the profile is on target - the budget having been predicated on a 1.3% growth rate - and that tax returns are actually ahead of profile. The difficulty with the figures that Deputy Martin mentioned is because of a fall in exports and the irregularity of the way that aircraft leasing, and the aviation business generally, works. Clearly, other countries are not in a position to be as strong in terms of their purchasing power as heretofore and this has affected Irish exports.

The indigenous economy is being stabilised. As I have often said before, in Ireland we lost 7,000 jobs a month for three years. That has been halted, however, and 2,000 jobs a month are now being created in the private sector. In that regard, it is disappointing that while these figures emerge they are not consistent with other figures that will be produced later this afternoon.

In respect of mortgages, the Deputy's own admission yesterday about his Government's failure to regulate banks was a central feature and contributory cause to the situation in which so many thousands of people now find themselves. The Government has put in place a range of actions to deal with mortgage arrears for people who are struggling to pay their mortgages. There has been a rebalancing between the rights of borrowers and lenders under the biggest shake-up in the personal insolvency laws in a century. We have given those who bought their first homes during the bubble period significant increases in mortgage interest relief.

All of the tools are in place to accelerate the work-out of the mortgage crisis. My understanding is that 25,000 offers have been made by banks to people who are in mortgage distress. Banks and borrowers need to use these tools to reach fair and sustainable solutions to mortgage arrears on a case-by-case basis. We cannot leave 100,000 families locked in this particular limbo.

In the first quarter of this year, 24,706 new restructural arrangements were agreed. Of those, 33% were interest only, 21% were reduced payment, 17% were term extension, 15% were arrears capitalisation, 8.9% were reduced payment, 3.1% were payment moratorium, 0.3% were permanent interest rate reduction, 0.2% were split mortgages, 0.2% were temporary interest rate reduction and 0.2% were deferred interest schemes.

These targets have been set as a consequence of the Government requiring the regulator to do this. The targets will accelerate the mortgage crisis work-out. Nobody wants to see this happening but it is a legacy of an unprecedented scale of problems that the Government has been working on for quite some time. The mechanics and tools are all there. We expect that the regulator, who is the licenser of the banks, will see to it that they live up to the targets and objectives that are set, and that people can have sustainable exits from the mortgage crisis in which they find themselves.

Deputy Micheál Martin: I thank the Taoiseach for his response, but I am somewhat concerned about what is almost a denial by him of the CSO figures. The Central Statistics Office is an independent organisation that has given us the figures that show the economy is back in

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recession. There is no other way around that. I do not know if the Taoiseach is correct in saying that it is not consistent with tax figures, but the public know all about tax figures. They are feeling the pain of regressive taxes. In many respects, it is the wrong timing. The nature of taxes the Government has imposed has sucked continuing demand out of the domestic economy and has inflicted considerable pain on many families across the country.

People will find incredible the Taoiseach's statement that there has been a rebalancing of rights between borrowers and lenders. His suggestion is that this is to the benefit of borrowers. There has been a rebalancing all right, but it has been totally in favour of the lenders, that is, the banks. Many people are fearful of the impact on their family homes as a result of the rebalancing that has resulted in making it legislatively easier for banks to repossess houses and, indeed, diluting the code of conduct in respect of consumers so that banks can behave more aggressively towards many average families.

An Ceann Comhairle: A question please.

Deputy Micheál Martin: Furthermore, one only has to look at the retail sector to know the scale and the degree to which the domestic economy is on the floor. I have heard nothing in the Taoiseach's reply that gives any hope or sense of a coherent plan to get the domestic economy back on track.

An Ceann Comhairle: The Deputy is over time.

Deputy Micheál Martin: Over the last two or three years, the Government has consistently underspent its capital budget. The Government keeps delaying expenditure on, and thus reducing, what was already a reduced capital budget. The Taoiseach could quickly rectify that to create some demand in the economy and job opportunities. Will the Taoiseach commit to review his approach fundamentally to the domestic economy?

The Taoiseach: I said it was disappointing that the CSO figures did not correlate with the tax returns and receipt figures which will be out later this afternoon.

Deputy Micheál Martin: No. The Taoiseach did not say that at all. He is inconsistent.

The Taoiseach: Those figures will show that the profile is on target in the context of how the budget was set out.

The domestic taxes to which Deputy Martin referred do not impact upon exports. The problem for GNP has been in respect of exports where other countries have greater difficulties and face a series of challenges themselves. They are probably not in a position to buy as much of what we produce as they would normally do.

Deputy Micheál Martin: What?

The Taoiseach: Let me repeat for the Deputy that in regard to mortgage accounts, some 79,689 were categorised as restructured at the end of March 2013. Of those, 53% were not in arrears at the end of quarter one. As a percentage of the total stock in arrears, both early and 90 days plus, 37,454 - or 26% - were classified as restructured. That does not suggest that 47% have fallen back into arrears. Restructured accounts in arrears include accounts that were in arrears prior to restructuring and where the arrears balance has not yet been eliminated, as well as accounts that are in arrears in the current restructuring arrangement.

New data collected for this quarter indicate that 76% of restructured PDH accounts were deemed to be meeting the terms of their arrangement. Deputy Martin himself admitted the other day that the Governments of which he was a member failed to deal with regulating the banks. The light-touch regulation, which became a feature as a policy issue, was a real contributing factor to people having to have inflated mortgages for inflated prices which drove them into this difficulty in the beginning.

The Government has been working assiduously for quite some time to put through the legislation and put in place the mechanism and tools both for borrowers and lenders in order to deal with this. The Deputy will be aware of the changes that have been brought about in regard to the rights of the consumer as distinct from the rights of the lender, the periods of time that must elapse-----

Deputy Micheál Martin: They have already been reduced.

The Taoiseach: -----and the process that must be gone through by the banks in regard to persons who have borrowed money from them and are the subject of mortgage distress.

Deputy Timmy Dooley: The lender takes all.

The Taoiseach: This has been, and is, a very difficult time for many people. As I said, we are now moving in the right direction, with significant numbers of people being offered restructured and, one hopes, sustainable exits from the distress in which they find themselves.

Deputy Timmy Dooley: Exits from their homes.

Deputy Gerry Adams: The ongoing revelations from the Anglo tapes continue to anger and outrage citizens. When I raised this issue with the Taoiseach last week, much of the focus was on who from within Fianna Fáil met the bankers. I also invited Deputy Martin, who was then a senior Minister in the Cabinet, to make a statement to the Dáil setting out which Fianna Fáil Ministers had met the bankers.

(Interruptions).

Deputy Gerry Adams: There has been no response from the Fianna Fáil leadership.

Deputy Micheál Martin: I made a statement.

Deputy Gerry Adams: I also asked the Taoiseach whether tapes from any other banks exist-----

Deputy Timmy Dooley: The Boston tapes.

Deputy Gerry Adams: -----and he told me that he did not know. I then asked if he would find out if other tapes existed. Does the Taoiseach know now, a week later, if there are similar tapes in the other banks affected, including Irish Nationwide Building Society, Allied Irish Banks, the Educational Building Society, Bank of Ireland and Irish Life & Permanent?

We all know that Anglo Irish Bank received €30 billion of taxpayers' money and that the other banks between them received almost €35 billion. This means more than €64 billion has been taken from the pockets of citizens.

Do we know if phone calls between these banks and the Central Bank were recorded by

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the Central Bank? The Taoiseach said that there are no files of any value in the Department of the Taoiseach, although that is contested by Fianna Fáil. Are there files in the Department of Finance or Central Bank that would shed more light on what happened?

I am sure the Taoiseach has met real and understandable cynicism from many people about whether the Government proposes to address these matters. I suppose that is inevitable given the close relationship between the golden circles, some politicians, developers and speculators. This was reinforced by some of these bankers being rewarded with well-placed and highly paid jobs.

In terms of regaining public confidence, central to that is knowing if there are tapes available in relation to the other banks and files on the matter in the Department of Finance and Central Bank.

The Taoiseach: The answer to the Deputy's questions is yes, there are tapes available in the other banks. The Minister for Finance will be writing to those banks tomorrow requesting that the tapes be preserved in the interest of their being available for a banking inquiry, the form of which will be considered following the passage of the relevant legislation through the Houses.

The tapes referred to in respect of the former Anglo Irish Bank only came to notice following their confiscation under warrant by the Garda Síochána. The tapes were then forwarded to the Director of Public Prosecutions, arising from which a number of files have been prepared by the Garda Síochána and Office of the Director of Corporate Enforcement. Deputy Adams will be aware that a number of charges have been laid against individuals.

There is information available in the Department of Finance, copies of some of which have been taken by the Garda Síochána. However, there is not a series of tape decks in the Department of Finance, similar to those contained in the banks. I am assured by the Minister that all of this information will be available for public discourse in the context of the inquiry to be held when Government makes its decision as to the appropriate form of that inquiry.

Deputy Gerry Adams: The Taoiseach will excuse me if I am a little discommoded by the fact that the Minister is to write to the banks tomorrow.

Deputy Pat Rabbitte: He will get the letters out this evening.

Deputy Gerry Adams: This all happened four or five years ago. The Government did not know last week if any tapes existed. Conveniently, the Minister for Finance is going to rush out of the Chamber now and write a letter that will be sent to the banks tomorrow. Is this the type of approach the Government is taking to these issues? There is a sense that there is one law for the well-connected and rich, another law for citizens and no law for some.

Deputy Patrick O'Donovan: The Deputy is dead right.

Deputy Gerry Adams: I do not believe what the Government is doing at this late hour is sufficient. I also do not believe anyone else will be persuaded about its intentions in this matter. The Government's handling of these matters has been dismal and is part of the national disgrace that this whole debacle brought upon ordinary citizens, including the Taoiseach's neighbours, family members and constituents.

The Taoiseach: I remind Deputy Adams that the Government has set in place an entirely new system of regulation and monitoring in terms of the manner in which banks in this country

operate. The Deputy will be aware that the dysfunctionality of our banking system in terms of the number of banks here has changed. Some banks were recapitalised, new conditions now apply and, in terms of mortgages, new targets and objectives are to be set.

The Deputy is wrong that the Government is only acting now in respect of the tapes that exist in other banks.

Deputy Gerry Adams: The Government did not even know they existed.

The Taoiseach: There is a legal requirement on the banks to retain those tapes for a set period. The Minister's letter is merely a reminder to the banks to live up to their responsibilities in terms of preservation of those tapes, which should be available for public information purposes and the banking inquiry to be established under the parliamentary system. It is a case of the banks having a legal responsibility to hold these tapes for a period and the Minister sending them a letter to remind them of that responsibility, so that they will be available for the public inquiry when the Government decides what form it should take.

Deputy Gerry Adams: Does the Garda Síochána have copies of the tapes?

Deputy Clare Daly: Would the Taoiseach agree that Edward Snowden is an international hero? This young man who has a promising career and loving family, one which he is unlikely to ever see again, has become an international exile for the crime of releasing information in the public interest. The information released was of large-scale US surveillance not only of US citizens or its perceived enemies but of its so-called friends, the institutes of the European Union. It is a bit of stretch to say that surveillance of the European Commission has anything to do with the war on terror. It is much more likely to be linked to the imminent EU-US trade talks.

It is somewhat ironic that if Iran or North Korea engaged in this activity, there would be a clamour for something to be done. Instead, all we have is deep shockwaves throughout the international community, with no great response at other levels. Edward Snowden has put the spotlight on the need to deal with the issue of surveillance. As the European Court of Human Rights rightly warned, a system of secret surveillance for the protection of national security may undermine or even destroy democracy under the cloak of defending it.

As far as I am concerned, Edward Snowden has done a huge service. Given the manner in which he is being treated, the withdrawal of his passport and the US leaning on countries that may offer him asylum, Edward Snowden is in real danger of being persecuted should he be returned to the United States, not least because of the treatment meted out to Bradley Manning or the fact that President Obama has gone after whistleblowers more than anyone else, having already filed charges under the Espionage Act against eight people, which is twice the number against whom charges were filed by his predecessors.

When Ireland joined the United Nations Human Rights Council, the Tánaiste rightly said that it provided us with an opportunity of playing an active role in the promotion and protection of human rights worldwide and to make a distinctly Irish contribution. That day has come. Edward Snowden is in grave danger. What is the point in Ireland being a member of this body if it is not going to do anything about this situation? On that basis and in the public interest, I ask the Taoiseach to condemn the actions of the US Government in its hounding of Edward Snowden and countries that might offer him asylum. Will the Taoiseach confirm that Edward Snowden has applied to the Irish authorities for asylum and will he unequivocally support that

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application and give him refuge in this country?

The Taoiseach: This is a serious matter which needs to be cleared up and the facts determined. I referred to the issue this morning in the European Parliament because of the decision taken at the G8 summit in County Fermanagh that formal negotiations on the EU-US trade negotiations and mandate would formally commence in Washington in July. The allegations that have been made of United States surveillance of European Union premises are a matter of concern to everybody, Ireland included. For this reason, the EU's External Action Service has sought urgent clarification of the matter in both Washington and Brussels. The European Union expects to hear shortly from the United States authorities. High Representative Catherine Ashton, on behalf of the European Union, has also spoken directly to US Secretary of State John Kerry in Brunei. We have discussed the issue with senior officials in the US embassy in Dublin and indicated we expect clarification on this matter as soon as possible to follow on the EU request. This country values greatly its relationship with the United States, both bilaterally and in the context of the European Union, and we expect to continue this co-operative relationship in the period ahead.

I confirm that the gentleman to whom Deputy Daly referred, Mr. Snowden, has written to the Irish embassy in Moscow requesting that he be granted asylum in Ireland. It is clear from the content of his letter that Mr. Snowden is facing potentially very serious criminal charges in the United States relating to his having made public information which was privileged and confidential relating to the US Government. Asylum applications are not accepted from persons resident or present in other countries, as our refugee status determination is based on applications for asylum made within the Irish jurisdiction. Accordingly, asylum applications made at Irish embassies abroad are not accepted. Section 8 of the 1996 Refugee Act provides that any person who arrives at the frontiers of the State or any person who at any time is in the State seeking the status of a refugee may apply to the Minister for a declaration of refugee status. It is a generally accepted principle internationally and one which Ireland applies that a person should seek asylum in the first safe host country in which he or she arrives.

Mr. Snowden has written to the Irish embassy in Moscow and I have outlined the conditions that apply in this regard. The process of dealing with the matter, in the event that a valid application is made, will be in accordance with the framework of international legal conventions such as the Geneva Convention, EU directives and regulations.

Deputy Clare Daly: I am not sure what the Taoiseach needs to have clarified as it is a fact that the United States authorities engaged in the surveillance that has been alleged. I note the Taoiseach is not willing to condemn the actions of the United States and chose instead to diminish them by describing them as a matter of concern. They are a matter of very grave concern, which will have serious consequences for our democracy.

It is in these exceptional circumstances that I asked questions about Edward Snowden. While the Taoiseach has confirmed that Mr. Snowden has applied for asylum in Ireland, he brushed off the issue by stating we cannot facilitate him if he is not on our shores. What criteria were used in the cases of the Vietnamese boat people and Bosnian refugees who came here and were correctly taken into this country? Exceptional circumstances require exceptional measures.

I recall that it was deemed sufficiently important to obtain an Irish passport for Tony Cascarino on the grounds of a fictitious grandmother in order that he could be part of Jack's army. A little creativity could be shown on the basis that this young man, who has done democracy a

great service, is in serious danger. We have an opportunity to become a world leader in defending human rights and pointing a way forward. I urge the Taoiseach to seriously consider this issue. If Mr. Snowden lands in Ireland, will the Government give him refuge from the undoubted persecution he faces?

The Taoiseach: As I have not met Tony Cascarino's grandmother, I do not know if she was fictitious.

According to Wikileaks this morning, Mr. Snowden has applied for asylum in 21 countries. I confirm he has written to the Irish embassy in Moscow. As I stated, the way this country operates is that refugee status determination is made in respect of persons who are resident in this State or in its jurisdiction. If a valid asylum application is received from Mr. Snowden, it will be processed in accordance with the Geneva Convention and declarations and accompanying regulations that apply in the European Union. That is the procedure that applies to every person who seeks refugee status in this country.

Visit of Vietnamese Delegation

An Ceann Comhairle: I welcome to the Distinguished Visitors Gallery a group of Vietnamese parliamentarians. They are very welcome.

Ceisteanna - Questions (Resumed)

Seanad Referendum

1. **Deputy Thomas P. Broughan** asked the Taoiseach if he will outline the time-frame for a referendum on the abolition of Seanad Éireann [23668/13]

2. **Deputy Micheál Martin** asked the Taoiseach if a date has been decided for the referendum on the abolition of Seanad Éireann; and if he will make a statement on the matter. [25195/13]

3. **Deputy Joe Higgins** asked the Taoiseach the timescale for the referendum on the abolition of Seanad Éireann. [27555/13]

4. **Deputy Richard Boyd Barrett** asked the Taoiseach if he will provide an update on the planned referendum on the abolition of Seanad Éireann; and if he will make a statement on the matter. [27874/13]

5. **Deputy Gerry Adams** asked the Taoiseach if a date has been agreed for the holding of a referendum on the abolition of Seanad Éireann. [28685/13]

6. **Deputy Gerry Adams** asked the Taoiseach his plans for the holding of a referendum on the abolition of Seanad Éireann. [28686/13]

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7. **Deputy Gerry Adams** asked the Taoiseach the consultation process he intends to hold in relation to his plans to hold a referendum on the abolition of Seanad Éireann. [28687/13]

8. **Deputy Micheál Martin** asked the Taoiseach if his Department has a special unit in place to prepare for the referendum to abolish Seanad Éireann; and if he will make a statement on the matter. [28695/13]

9. **Deputy Micheál Martin** asked the Taoiseach if he will circulate his Departments memos and minutes of meetings held regarding the forthcoming Seanad referendum; and if he will make a statement on the matter. [30375/13]

10. **Deputy Micheál Martin** asked the Taoiseach if his Department officials have given him any assessment they have made on the proposal to abolish Seanad Éireann; and if he will make a statement on the matter. [30376/13]

11. **Deputy Gerry Adams** asked the Taoiseach the timeframe for the referendum on the abolition of Seanad Éireann. [31609/13]

12. **Deputy Simon Harris** asked the Taoiseach his plans to hold a referendum to abolish Seanad Éireann. [31844/13]

13. **Deputy Dara Murphy** asked the Taoiseach the progress made to date on introducing a unicameral style of parliament; and if he will provide an update on the referendum on the abolition of Seanad Éireann. [31930/13]

14. **Deputy Helen McEntee** asked the Taoiseach the progress being made towards a referendum to have a single chamber Parliament. [31933/13]

The Taoiseach: I propose to take Questions Nos. 1 to 14, inclusive, together.

The Thirty-second Amendment of the Constitution (Abolition of Seanad Éireann) Bill 2013 was published on 6 June last. As Deputies will be aware, the Bill completed all Stages in the Dáil on 25 June and is now with the Seanad. While a date has not been set for the referendum, the Government intends that it will be held in the autumn.

The programme for Government contains a clear commitment to ask the people in a referendum whether they wish to abolish the Seanad. Accordingly, my Department's assessment of the proposal and the Department's records relate to the implementation of that commitment in the Bill and its contents, and associated proposals for Dáil reform.

My Department has set up a small unit to deal with the matter. Its focus at the moment is to support the Government in the passage of the Bill through the Houses. The unit has one member of staff working on a full-time basis and three working on a part-time basis. If the legislation is passed by the Oireachtas, the unit will remain in place. It will operate in accordance with the law relating to referendums and in accordance with relevant court judgments. If the proposal is approved by the people, I envisage the unit will remain in place to work on the implementation of the people's decision and associated reform measures.

With regard to consultation, the Bill and explanatory memorandum were published on 6 June, well in advance of the proposed referendum date. The proposals in the Bill are being and will be debated extensively, both by the Houses of the Oireachtas and in the wider public forum, in the period between publication of the Bill and the referendum. Ultimately, it is the people

who are to be consulted on the future of the Seanad.

While the Government does not propose to conduct a public information campaign, such a campaign will be conducted by the Referendum Commission. The early publication of the Bill, some months in advance of the referendum and the fact that the commission has already been established will no doubt assist the commission in its work.

Deputy Thomas P. Broughan: I thank the Taoiseach for his reply. I understand a Referendum Commission has been established under Ms Justice Elizabeth Dunne. In light of complaints made about a lack of resources available to the Referendum Commission established for the children's referendum, will the Taoiseach confirm that sufficient resources will be made available to the new commission? I welcome the Taoiseach's remarks, specifically in respect of the Supreme Court judgment in the McCrystal case. What will be the impact in terms of the way in which the Government will prosecute the campaign to persuade people that the Seanad should be abolished? In my view, the Seanad is a useless and ineffective institution and should be abolished. What does the Government intend to do in its campaign?

I welcome the decision to establish a small unit which will, I understand, work on further reform of Dáil Éireann. It is very small if it has only one full-time member of staff. Will it not be important to present to citizens a significant programme of Dáil reform, including in the area of committee powers and so forth? Will the Taoiseach consider rerunning the referendum on Dáil powers? I was a member of the Committee of Public Accounts for eight or nine years and I know the Taoiseach has been a member of many Oireachtas committees. Clearly, the lack of those key powers was a fundamental obstruction to Deputies in doing our jobs. I ask the Taoiseach to look at that again. A small elite group of people, led by the former leader of the Progressive Democrats and Minister, Mr. Michael McDowell, Mr. Noel Whelan, a senior Fianna Fáil activist, and others, did their damndest to defeat the attempt to give the Dáil much more significant powers. They look like they are lining up again to take on what I believe is the right policy of fundamental reform of the Dáil and abolition of the Seanad.

The Taoiseach: The Government will not run an information campaign. Clearly, we need to abide by the Supreme Court rulings in respect of a previous referendum and the Government will comply with that fully and completely. However, the parties of Government will run a campaign in respect of information for the public about the abolition of the Seanad. The referendum commission is now working on the basis of the provision of information about the Seanad and about the issues relating to its abolition or to its not being abolished. It will be properly resourced and in that sense it will do its work completely independently of Government.

The question of Dáil reform is a matter for Government and for the Oireachtas. I have been doing some work on a number of issues in regard to Dáil reform and I would like to talk to the party leaders and their Whips about that. It is in everybody's interest that we make decisions about a more effective running of this House to use the time more effectively to provide opportunities for people to get involved in legislation in a way that has started with the Friday sittings and the production of Private Members' Bills and so on. On an average week of 24 hours' legislative work here, approximately 11 hours goes to the detail of legislation. We have to make arrangements for people who want to raise priority issues, Topical Issues, Priority Questions and Leaders' Questions. We need to take a serious look at how we focus on the operation of the House here to make it more effective and more energetic. I know the Ceann Comhairle has had a number of ideas over many years. I am certainly not one to say that we should not change the way that we run the business of the House. Over the course of this month I hope to have the

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opportunity to sit down with other leaders and present our own set of proposals that might make the running of the place more effective.

As Deputy Broughan knows, having been a Deputy for a long time, we have had many proposals over the past two and a half decades, some of which worked well for a short while and some of which did not. It is very hard to put in place processes that allow for new Dáileanna and new representatives when they are elected. However, I hope we can improve somewhat on where we are now.

Deputy Micheál Martin: I asked the Taoiseach a number of questions on the referendum to abolish the Seanad. I believe he answered two of them but did not answer the other two and I ask him to look at that again. I asked if the date had been decided and obviously he has said that no date is yet decided. Question No. 8 asked the Taoiseach if his Department has a special unit in place to prepare for the referendum to abolish Seanad Éireann and if he will make a statement on the matter. I believe he said he had one person in a unit, which is fair enough. Question No. 9 asked the Taoiseach if he will circulate his Department's memorandums and minutes of meetings held regarding the forthcoming Seanad referendum and if he will make a statement on the matter. There was no response in the answer the Taoiseach gave. That is a legitimate question of which I gave due notice. It was tabled some time ago and it is not good enough to have no reference to it in the answer.

Question No. 10 asked the Taoiseach if his Department officials have given him any assessment they have made on the proposal to abolish Seanad Éireann and if he will make a statement on the matter. I do not believe the Taoiseach referred to that either. Does such an assessment by the officials exist? Some months ago the Taoiseach indicated to me that enormous preparatory work was being done on this issue. He declined to share that work with me and other Members of the House. I asked him to do it and he just smiled and ignored my question.

The Taoiseach has said he is going to have a chat with us about Dáil reform at the end of the month. He had his chance to have real engagement on these issues with other Members of the House and he chose not to take it. He simply chooses to ignore Opposition politicians on this proposal. While that is his entitlement, he should not come in here now and say he is going to have a chat about how the House will change its ways when he is the main architect of running the House into the ground and leaving us with a Dáil that is more unaccountable now than it ever was. This proposal that will ultimately go before the people will essentially give extraordinary powers to the Government, which has a huge majority over all areas of public policy. What is required is radical reform of the electoral politics of the Dáil itself and not just the Seanad. Having just one system will reduce scrutiny of legislation and will lead to an increased concentration of power in the hands of a few as opposed to having a broader spectrum of opinion.

On the date for a referendum, the referendum commission was scathing of the Government's performance over the Oireachtas inquiries referendum on which it claimed that the time allotted to the commission was "grossly inadequate" to use its term. We know the debacle in which the Government ended up in the children's rights referendum which is still in the courts because of the mishandling of the Minister for Children and Youth Affairs, Deputy Fitzgerald, when the Government went off and unnecessarily circulated its own propaganda on the referendum and did not allow the referendum commission to do it on its own as it is the independent body.

In that context, the recommendation is that a minimum of three months would be provided

for the commission to inform the public on the referendum proposal. The Taoiseach has said that no date has been provided. It would make sense that the Taoiseach should indicate as early as possible - there should be no major mystery to this - the date of the referendum. Furthermore, I ask the Taoiseach that from now he gives a minimum of five months. There is no hurry here. We have until the end of this Dáil term because the Taoiseach has said repeatedly that if the public votes for its abolition, the Seanad will not fall immediately but will continue until the next general election in, I believe, 2016, so there is no need to rush this through the House. Politically, August is a dead month in terms of the public engaging with the issues - not all issues, obviously, but in terms of the conduct of a referendum.

We need a meaningful response to the referendum commission's scathing criticisms of the Government's handling of previous referendums. Given that there are 40 changes to the Constitution consequent on the abolition of the Seanad, we need to give the public enough time to digest the impact of the change and to have sufficient public debate. There is no time imperative that demands that the Government rams this through for its own political agenda.

The Taoiseach said that the abolition of the Seanad would save €20 million. This has been refuted by the Clerk of the Dáil. He has confirmed that gross savings would be less than €10 million a year. If we add on the real savings after tax, it would be only €6 million to €7 million in savings, which represents less than 1% of the cost of Dublin City Council. We need less of this propaganda and more accurate statements from the Taoiseach about what the abolition of the Seanad would entail in terms of costs and so forth. How much time is the Taoiseach prepared to give to the referendum commission in advance of polling date?

The Taoiseach: In respect of the information available in the Department, what we are talking about here is a clear commitment of both parties, Fine Gael and the Labour Party, to put a referendum to the people to abolish the Seanad. When I was in the Seanad last week talking about the Bill, Members asked me why this was not referred to the Constitutional Convention. The Constitutional Convention is a very important entity.

4 o'clock

However, it is an entity that makes recommendations to Government for consideration by Government either to be accepted or rejected. In this case the parties making up the Government, that is, my party and the Labour Party, and the Tánaiste and myself have already agreed that there would be a Government decision to hold a referendum on the abolition of the Seanad.

Deputy Micheál Martin: It is only some of the Labour Party, not all of the Labour Party.

The Tánaiste: This is not a good week for Deputy Martin to get into that.

The Taoiseach: The position was that the assessment carried out by the Department and by the officials was on the basis of what needed to be done in order to put a question to the people to abolish the Seanad. In other words, it was necessary to prepare the heads of the referendum Bill and that meant examining the Constitution and focusing on every article that either directly or indirectly had a relationship with the Seanad and in the preparation of the Bill provide for the removal of those articles from the Constitution. That has gone through the House and is currently-----

Deputy Micheál Martin: Will the Taoiseach make that available to us?

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The Taoiseach: Yes. There is nothing secretive about that. I can give Deputy Martin that information. It is the assessment of the articles in the Constitution that need to be dealt with, removed, amended or altered, as the case may be.

Deputy Martin said the Constitutional Convention was examining the electoral system and that it would make recommendations on that.

Deputy Micheál Martin: I did not speak about the convention.

The Taoiseach: I hear the former Deputy and Minister, Mary O'Rourke, talking these days. She came up with proposals for Seanad reform in 2003.

Deputy Micheál Martin: I did not talk about Mary O'Rourke.

An Ceann Comhairle: Sorry, please.

The Taoiseach: I am talking about her.

An Ceann Comhairle: You have asked a question, Deputy Martin, and you must allow the Taoiseach to reply.

Deputy Micheál Martin: He is not answering.

The Taoiseach: When Deputy Martin says-----

Deputy Micheál Martin: He wanders and meanders around this House and abuses this process.

An Ceann Comhairle: I will let you come back in later.

The Taoiseach: He never listens.

Deputy Micheál Martin: I asked about Question No. 9. Will the Taoiseach answer Question No. 9?

The Taoiseach: One of the hallmarks of those in an arrogant Government is that they never listen.

Deputy Micheál Martin: I asked about Question No. 9. Am I entitled to an answer or not?

An Ceann Comhairle: You are entitled to ask, through the Chair, please.

Deputy Micheál Martin: Through the Chair, this is very frustrating. The Taoiseach is abusing this process.

An Ceann Comhairle: Cool down. We will get to your answers shortly.

Deputy Micheál Martin: It has happened time and time again.

An Ceann Comhairle: The Taoiseach to reply. Other Deputies have questions.

Deputy Micheál Martin: I hear this week after week. The Taoiseach is filibustering and going all over the place and he will not answer the specific questions he is asked.

An Ceann Comhairle: Deputy, would you please behave yourself and show some respect

to the House?

Deputy Micheál Martin: I am behaving myself. The Taoiseach should behave himself.

An Ceann Comhairle: You are not.

Deputy Micheál Martin: With respect, we are entitled to answers.

An Ceann Comhairle: You are not entitled to jump in and shout across the Chamber when you feel like it.

Deputy Micheál Martin: I simply want an answer. There is argy-bargy from time to time in the House. I would not get too excited about it.

An Ceann Comhairle: I will come back to you again. Other people have questions as well. The Taoiseach to continue with his reply. Thank you.

The Taoiseach: The position in so far as the Dáil being accountable is one that we are obviously interested in. Deputy Martin has done a good deal of shouting. The former Deputy, Mary O'Rourke, brought in her proposals for Seanad reform in 2003. All of that could have been implemented by Fianna Fáil and the former Progressive Democrats Party with the former Minister for Justice, but there was no appetite for change then. Instead, the then Government went the other way and set up a plethora of Dáil committees, rewarding chairmen, vice-chairmen, conveners and everyone else. Measures included the appointment of 20 Ministers of State to keep people quiet. In 2007, the Constituency Commission was not tasked with any reduction in the number of Members of the Dáil. In fact, the Fianna Fáil election manifesto sought 180 politicians in the House, no less. I understand that the working group from the party brought forward its recommendations and these included a 15 minute Order of Business and two hours' advanced notice of Leaders' Questions. The first meeting Fianna Fáil held in the new year, on 3 January 2011, was to discuss Seanad abolition. At that point, the party that Deputy Martin leads was not opposed to its abolition. In fact, talks had taken place between the then Ministers, Mr. Kileen, Mr. Gormley and Deputy Martin. Then, clearly, the party changed its tune. Of course other Members from other parties had a similar experience.

Deputy Micheál Martin: The Taoiseach knows our position.

The Taoiseach: Deputy Martin referred to €20 million. The total running costs of the Seanad have been estimated by the Houses of the Oireachtas Commission to be in the region of €20 million per annum. This is based on the 2012 outturn and includes all direct and apportioned or indirect costs. Direct costs related to Seanad Members' salaries, expenses and staff costs amount to €8.8 million. Indirect pay and non-pay costs of the supporting sections, that is, information and communications technology, the office of the Superintendent and procedural and support sections amount to €9.3 million. There is also an annual cost of approximately €2 million in pensions. The pensions of former Members are paid by the Houses of the Oireachtas Commission under subhead 2.1, grant-in-aid in respect of ciste pinsean Thithe an Oireachais. The commission has indicated that it is not possible to estimate the amount of net actual savings that would arise if the Seanad were abolished. While there would be savings related to salary and expense costs, parliamentary printing, information and communications technology and other support services, etc., there would be substantial increases in the pension costs and possible other payments to outgoing Senators.

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The Government has not decided on the date of the referendum but it is expected to be in October. The Government will make its decision on that in due course. Did Deputy Martin raise anything else with me?

Deputy Micheál Martin: Question No. 9.

The Taoiseach: As I said, this was a clear commitment of both parties, and, therefore, the Government, to hold a referendum with regard to abolishing the Seanad. From that point of view there were no meetings about minutes and memoranda on an ongoing basis. This was a clear Government decision that was communicated to the Departments. The work they have done relates to what is necessary in order to be able to put a question to the people on whether they want to abolish Seanad Éireann. The work included the preparation of the heads of the Bill. This meant that we examined the entire Constitution insofar as any of its articles are related to the Seanad. That is the work that has been done and I can supply Deputy Martin with that material.

An Ceann Comhairle: The next question was in the name of Deputy Joe Higgins, but my office has received a message from him. Unfortunately, Deputy Higgins is in Kerry with his elderly mother, who is seriously ill.

The Taoiseach: I am sorry to hear that.

An Ceann Comhairle: Deputy Higgins has passed on his apologies for not being here to take his question. The following question is from Deputy Boyd Barrett.

Deputy Richard Boyd Barrett: I wish to pass on my best wishes to Deputy Higgins and his mother.

An Ceann Comhairle: We all do.

Deputy Richard Boyd Barrett: Fianna Fáil's abysmal failure to institute political reform and its double standards when it jumps up and down now about political reform are apparent to people. However, the issue is about this Government and whether it is serious in its commitment to political reform. I am happy to give credit where credit is due. The Government said that it would abolish the Seanad and has moved to do so. I support the abolition of the Seanad because it is an unrepresentative and elitist entity that does not enhance democracy. However, if the Taoiseach was listening to people in the country he would know that since this issue has come up the public sentiment on the matter is perfectly clear. They want the choice of more democracy not less democracy. They want to see the abolition of the existing Seanad, but they want abolition to take place in the context of an enhanced democracy and a greater level of political accountability, whereby, for example, politicians who make promises and break them can be held to account and whereby people do not have to wait five years to do so. There is clearly a concern among the public about the idea that if we simply abolish the Seanad then we are left with Cabinet dictatorship. This Government has not especially inspired confidence in this regard given its repeated use of guillotines and repeated short-circuiting of debates on vital issues.

Will the Taoiseach listen to the public in the context of the forthcoming referendum and link the referendum on the abolition of the Seanad to a serious debate on democratic reform and how we enhance democracy in order that the whole thing is seen as a package whereby we get more democracy, not less? I put it to the Taoiseach that if he does not do that, he runs a serious risk of losing the referendum. That is where the public sentiment is going such is the level of mistrust

of politicians in general. This must be addressed. That is my question to the Taoiseach. Is he going to listen to what the public is saying on this issue?

Can the Taoiseach convince them it is not just about “Yes” or “No” to the existing Seanad but that he seriously intends to listen to their views and put forward and be willing to accept proposals about how the democracy in this country can be improved and enhanced? Unless the Taoiseach does that, he and the entire political establishment will rue the day.

The Taoiseach: The Deputy did not actually state whether he supports the abolition of the Seanad.

Deputy Richard Boyd Barrett: I support the abolition. That is absolutely clear.

The Taoiseach: Okay, that is clear, and so do I. I accept the Government must engage with the public in a public discourse in this regard. That is the reason there will be a campaign by the parties in government about the abolition of the Seanad and the referendum commission will proceed to do its work independently. When I spoke on this subject at the MacGill summer school a number of years ago, reform of the Seanad was on my mind. However, on considering it, the more one looks at it, one either will end up with a minority discriminatory select system, such as one has at present, or with another version of this House. Consequently, the answer is one on which I agree with the Deputy, namely, we must do our business in this House far more effectively in the interests of openness, accountability and transparency. When I make an offer to talk to Deputy Martin, who is passing me by in the Chamber at present, he tells me it is too late. However, it is never too late because as someone who has been around this place for a long time, I have seen different versions and proposals for Dáil reform to make the place more effective over the years. Some have worked and some have not. I certainly am game ball, as is the Tánaiste.

We have already announced some of these proposals, such as use of the d’Hondt system for the dispensation of the new system of committee chairs to provide greater cross-sectional involvement in such committees. The Houses of the Oireachtas (Inquiries, Privileges and Procedures) Bill, which is going through the Houses at present, will allow for committees to undertake parliamentary inquiries into certain matters of major public importance and a separate administrative system will ensure this works. The intention is to appoint 14 Oireachtas committees. There will be four strategic committees on issues of major strategic and political importance, including the Committee of Public Accounts, finance and European Union scrutiny, which is an issue that always is raised. There will be seven sectoral committees to shadow Departments, as well as a number of thematic committees that will focus on specific issues, including the Ombudsman and petitions, the Good Friday Agreement and so on.

An important element of what is happening is that in the process of legislation going through this House, there will be a pre-enactment Stage before legislation is signed off on fully. The heads of the Bill will be approved by the Government and sent to the committee, which will send them back to the Government for the preparation of the Bill. Then there will be the Second Stage, Committee Stage and normal Report Stage debates. Thereafter, before the Bill is finally signed off, there will be a pre-enactment Stage to establish whether anything has been missed, whether something should have been attended to or whether some other issue has arisen but which had not been considered.

Deputy Richard Boyd Barrett: The public wants much more.

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The Taoiseach: My genuine belief is the committee system, having the ability to draw in experts or anyone who has a view on a subject, will get a far deeper and more comprehensive cross-section of analysis early on. Consequently, when the committee reverts to the Government with its response to the heads of a Bill, it will be with a much broader assessment than currently applies. I have heard people state that one gets highly colourful contributions from the Seanad on Second Stage. This is true and some of them have been very good. However, an effective committee system could have far more of that, as well as far more involvement from people who have experience or a point of view on a proposal. I saw this in Finland recently, where they have a highly extensive system of involvement of advocacy groups, communities, individuals, organisations and agencies as part of the analysis of the legislation. It is all in public in order that the accountability and transparency to which Deputy Boyd Barrett refers is present.

I envisage the committee system being enhanced, being resourced and being given those powers here in a more streamlined legislative process. In my view, this will give a far deeper and more comprehensive analysis of the preparation of legislation, as well as views on such legislation once it has gone through. Ministers will be required to revert within 12 months to engage with the committee and indicate whether the legislation is working and is doing what it was supposed to do and, if glaring anomalies were missed, to rectify them. From that perspective, I wish to talk to everyone before we actually introduce the system in order that it really is effective in the interests of the people.

Deputy Gerry Adams: I also wish to send best wishes to Teachta Higgins's mother and to the Higgins family. I will give my own take on what politics should be about. It should be about empowering citizens, systems of government should be accountable and transparent. and politicians should be the servants of the people. Consequently, the starting point of this discussion on the reform of the Oireachtas should have been about how our democracy is organised and how our governmental systems are organised. As to how this is done in the context of a post-Good Friday Agreement environment, one must have a notion of an all-Ireland vision about all this, as well as on how we reach out to the diaspora. I am a relative newcomer here and find it highly dysfunctional. I find the institutions to be exclusive and have only to cite the Government Chief Whip, who has acknowledged the Government's record on Dáil reform is deplorable. The guillotine is in free use and all the while it looks as though more power is being given to the Government and yet, in his election promises, the Taoiseach was loud in taking about the people's revolution, the need for root and branch reform and so on.

Then one comes to the issue of the abolition of the Seanad. The Seanad is not representative, is exclusive and is not elected by universal suffrage and so clearly it must go. However, the proposed referendum does not give people the choice of being able to vote for a reformed Seanad. I refer to those who might prefer a bicameral system as opposed to a unicameral system, and while I acknowledge the Taoiseach has been citing unicameral systems in other places, most of them also have strong local government structures, which is not the case here. Consequently, with the deepest respect, I am not at all taken by the idea that the Taoiseach will have a talk with Members before the new system is introduced. There must be a discussion about these matters in which ideas are swapped. I attended the Constitutional Convention and it was desperately frustrating for all the citizen participants present that they could not discuss the abolition of the Seanad. They could not even discuss it because they were not allowed to do so.

There is cynicism abroad within society about politics and politicians for very good reason. However, we still retain the tradition of the meitheal and of cabhair na gcomharsan. There

remains a sense of volunteerism and people are highly active within their communities. The Constitutional Convention is evidence of this because every single citizen delegate to whom I spoke was delighted to be there. While those involved would tell one they were not coming down with all sorts of academic qualifications, nevertheless they read themselves into it, took the job seriously, did it and felt privileged and honoured to be a part of it. This shows that were a Government genuinely about root and branch reform, about empowering citizens and about bringing in a genuinely republican form of government in which the people were sovereign, one would get a highly positive response to all this. However, given the manner in which it is being done, the Government is missing a huge opportunity to bring forward real political reform and I think it will leave a mess. I do not say that with any sense of satisfaction.

Does the Taoiseach not agree that a rebalancing of power within the Oireachtas between the Executive and the Legislature is required? Does he not agree that real reform of local government is required, as opposed to what obtains at present? Does he agree that rather than having a centralised core comprising an Executive or a Cabinet holding control, a system in which people genuinely can have a sense of ownership is needed?

The Taoiseach: People in this country in general have always involved themselves extensively in the national politics of the day. That has always been reflected in the high percentages of turnout in national elections because people in this country are always interested in politics and the issues that affect us on a global, European and national scale. However, Government is about leadership and making decisions and this Government made a decision to put a question on the Seanad to the people in a referendum. There was not any need to have a recommendation from the Constitutional Convention in that regard because the Government had already made its decision that this is what it would do, in the same way as the Government will decide on the recommendations made by the Constitutional Convention, be it on the Presidency, the voting age or whatever. I look forward to the recommendations it will make and has made on a number of issues that have been given to it to consider, including, in due course, its views on the electoral system.

The Deputy also mentioned local government reform. Clearly, that is of interest to everybody, particularly to those who might have come up through the ranks of service in local authorities. That is part of the local government Bill, which will be here before the end of the year. It is an extensive Bill where powers are being devolved back down to local authorities. As the Deputy is aware, the Minister for the Environment, Heritage and Local Government is reducing substantially the number of councillors, amalgamating a number of city and borough councils, and abolishing town councils. Also, in regard to the property tax, local authorities will have the option and the decision whether to increase or reduce the property tax over a period, adhering to the Government principle that the vast majority of the revenue raised by the tax is retained within the local authority area.

I agree with Deputy Adams. The meitheal concept was never stronger than it is now. It is part of the personality of our people that in times of challenge they come to assist each other. That can be seen in many small ways throughout the country every day and every weekend when thousands of people give of their time voluntarily for common causes in their individual communities. I strongly support that. I have been witness to it for many years. That is an issue that needs to be reflected in the way Government goes about its business in that we must not lose that voluntary community commitment, a personal commitment, that is so strong and is, as Deputy Adams said, a central core of the meitheal concept, coming from our tradition of challenge and hardship.

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From that point of view the points made are valid. There is no perfect system of parliamentary democracy. If one goes to-----

Deputy Gerry Adams: Korea.

The Taoiseach: -----Capitol Building, the Senate or the Congress one will see it is much like this, except on a bigger scale. I have been there on a number of occasions when only one person was speaking to the television camera, with his or her script or whatever it might be. Others are away attending delegation meetings, doing committee work or whatever.

We have an opportunity, which we intend to take as a Government, to have an effective unicameral system here, that is if the people decide to abolish the Seanad, and to prove that the preparation of legislation, the analysis of legislation and the contribution to legislation can be done far more effectively by a strong committee system where experts, individuals, groups, organisations and letter writers to the newspapers can be called before committees and asked for their view. That can be sent back to Government and repeated during Committee Stage. What I believe is a real advantage is a pre-enactment Stage which will involve the committee reflecting on the legislation in terms of what it has done, whether it missed something, if there is an issue that has arisen since or if there is anything outstanding. Finally, once it goes through, the Minister of the day can re-engage with the committee. From my experience over the years, if we can manage to do that effectively, I believe it will be a huge improvement on the current system.

The British Government sets out its programme almost 12 months in advance. It is difficult to do that here. We are faced with pressure on a legislative basis over the coming weeks, and people want to be able to get away for a break during the summer. The staff are fatigued and exhausted as a result of the extended hours we sit here. In that sense I hope we can put in place now a system for the management of this House, with particular emphasis on the committees.

Regarding Deputy Boyd Barrett's comment that we need a more demonstrably effective way of doing business, that is in everybody's interest. Whoever the people elect is their own business but whoever they elect should have the right and the opportunity to contribute to legislation in the fullest way possible.

Deputy Simon Harris: I very much welcome the advancement of a Seanad referendum, which was a commitment the Taoiseach personally, and both parties in government, gave in advance of the election and I am pleased to see it progressing.

The Taoiseach spoke about the establishment of a referendum commission. It is important that the commission is up and running at an early stage but considering the number of referenda this Government has held and intends to hold, has the Taoiseach given any thought to putting a referendum commission on a more permanent basis or even establishing a broader electoral commission? We all know that in our local authority areas there are disparities in the Registers of Electors. People are turning up to vote in referenda only to find their name has been removed from the list. A body of work needs to be done in that regard, possibly by an electoral commission.

The Taoiseach stated also that Government will comply with the various judgments from the courts. I welcome that but has the Government any intention to consider legislative or potential constitutional change arising from those Supreme Court judgments in regard to the way referenda should be run?

On the issue of electoral reform being considered by the Constitutional Convention, obviously, if there is only one House the way this House is elected comes under even greater scrutiny. What is the Government's timescale for that, considering the electoral reform proposals of the convention?

On the day the Taoiseach finishes the last official event of the Irish Presidency of the European Council, and I congratulate him and the Government on a very successful Presidency, he is in a relatively unique position in this House to have seen many parliaments across this Continent in operation in recent months, many of which represent populations of a similar size to this country with one House. What is the Taoiseach's view on the other countries of a similar size that operate a unicameral system and their effectiveness?

The Taoiseach: The main complaints regarding referendum commissions was that they were not set up for long enough and did not have enough time, according to the chairpersons appointed to do the job as effectively as they might wish. That is why we have given advance notice of the setting up of this commission. It knows it is to be established and therefore it is doing preparatory work on the kind of properly resourced campaign it will set out for the people.

Some consideration could be given to the setting up of a commission on a permanent basis but if we do that there might be an interim period of a number of years in which no referendum is held. We have already had a number of referendums to date. We will have a number this autumn, and the commission being set up will be able to do the job, and will be properly resourced as well.

Regarding the way referendums should be run, once the referendum commission is set up it is completely independent. Clearly, we are now obliged and will follow the decision of the Supreme Court in the way this matter has to be left to the referendum commission in so far as that is concerned. The parties supporting the referendum will run their own political campaigns outlining why this should be done, the effect of it and what it means in terms of the changes that will be made here so that people can have an argument, a discourse or a conversation about how effective that might be.

In respect of the Presidency, I have had the opportunity to visit a number of countries recently. The Nordic countries such as Denmark, Norway and Finland have effective systems of doing their business. I was particularly struck by the range and the authority of the Finnish committee system. As I said, people who get involved in public comment and public proposals about legislation have the opportunity to feed into the committee system; it is very powerful. New Zealand as well as Croatia, Slovakia and new countries that came from a communist regime have only one house. Most countries with populations of between 4 million and 7.5 million have one house. We have two. The point I was making earlier is if we reform the current system we end up either with a minority electorate, which can be deemed to be discriminatory and does not cover all the issues in the way intended, and Ireland has changed, or some form of directly-elected house similar to the Dáil. The Seanad has never really been a second House, rather it is a break on the proceedings of the Dáil. On one hand, this matter relates to legislation, the preparation, assessment, effectiveness and implementation thereof and how it works in the interests of the people. On the other, it comes down to ensuring that the issues of the day can be debated and that there is accountability and transparency. It is not beyond the bounds of our ability to make the Parliament much more effective than is currently the case.

Deputy Dara Murphy: It is rare that I agree with my colleague from the Joint Commit-

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tee on Finance and Public Expenditure and Reform, Deputy Boyd Barrett. However, I am of the view that he was somewhat harsh in what he said about Deputy Martin. While it is true to state that Fianna Fáil has adopted a new position on the Seanad, there is hope that the party may change that position. That was the case in recent days when Fianna Fáil adopted three different positions on the proposed parliamentary inquiry. On Saturday last, Deputy Michael McGrath was unable to indicate whether his party would even co-operate with such an inquiry. On “Morning Ireland” yesterday, Fianna Fáil advocated a Leveson-style inquiry in the first instance and five minutes later it urged the Government to press ahead with its proposed inquiry. There is hope that Fianna Fáil will come around to supporting the Government’s position on the matter under discussion.

I compliment the Taoiseach on the decisive approach he has taken on this issue, in respect of which commitments were included in both Fine Gael’s election manifesto and the programme for Government. Legislation is forthcoming and a referendum is going to be held. To be fair, different styles are apparent in the House. I refer, for example, to the see-what-way-the-wind-is-blowing approach taken by Deputy Martin and his party to this and so many other issues with which we are dealing at this important juncture.

The Taoiseach indicated that Ireland is the second last country with a population of under 10 million which retains a bicameral system. We are aware of the elite nature of the Seanad and the fact that a very small number of people are allowed to vote in elections relating to that House. It is that lack of democracy which is the reason I am of the view that the Seanad should be abolished. Some eight or nine reports on reform of the Upper House have been compiled to date but no action was taken on any of these.

I wish to ask the Taoiseach a number of questions regarding the functions of this House if the people choose - as I hope they will - to abolish the Seanad. Does he foresee potential for more legislation to be forthcoming and for greater efficiency in the context of how the House conducts its business? Will the committees be given more time within which to consider matters before them? It must be remembered that we already have a very busy working week in the context of conducting our business as elected Members of Parliament.

The Taoiseach: When the Deputy commenced his contribution, I thought the Members from Cork were going to stick together at all costs. I thank him for his comments. There are two aspects to the work of the committees. The first of these relates to dealing with legislation. Select committees consider Bills that are presented to them on Committee Stage, while the heads of Bills can be sent to joint committees for their consideration and then referred back to the Government. The second aspect relates to committees holding hearings or receiving presentations from groups - be they those which represent fishermen, pensioners, young people or whomever - from throughout the country. From the perspective of committees, this is where their power actually lies. Committee Stage is the most important of all Stages because it is at that point that legislation is teased out on a line-by-line basis.

When the heads of a Bill are prepared, the Minister involved will bring them before Government for its approval. Those heads, which are general in nature, will then be sent to the relevant committee to be considered from a political, social and national perspective. That committee will seek information to assist it in its deliberations and will call before it experts, interested individuals, organisations, advocacy groups, etc. The problem which arises relates to the amount of time available to committees to allow them to do all of this in the period within which the Dáil is actually going to be in session. Separate from this work, a committee may be

involved in compiling reports on gambling, alcohol or whatever and it will be obliged to hold other hearings so that it might engage with interested groups and organisations. The members of a committee can contribute to the debate on legislation on Second Stage, Committee Stage and again in the pre-enactment stage.

There is a requirement to structure business in a better way. The main forum of the Dáil is used for the taking of Leaders' Questions, Topical Issues, etc., and we need to focus on achieving the best results from the way in which we conduct our business. I am of the view that the real effect of what is proposed will be the creation of a really strengthened and well-resourced committee system. Under that new system, the chairs of committees will be allocated on the basis of the d'Hondt mechanism. Those who will be appointed as chairmen will have the opportunity ask, "What do we want to do here?" When proposed legislation is passed, some committees may be required to hold parliamentary inquiries regarding issues of major national importance. I do not believe we can squash all of this business in between 2 p.m. - when we currently commence business - to 9 p.m. on Tuesdays, 10.30 a.m. to 9 p.m. on Wednesdays and 10.30 a.m. to 5.45 p.m. on Thursdays. We must, therefore, consider the number of hours the Dáil sits each week and how this time can be divided in an effective manner. I attended in the European Parliament this morning, where most speakers have 90 seconds in which to contribute on a given subject. Other speakers are allowed two minutes of speaking time and those who are given very long extensions are able to speak for three minutes and 30 seconds before being cut off. The message there appears to be, "Say it in a short period or don't say it at all".

Deputy Helen McEntee: I thank the Taoiseach for his initial reply to this group of questions. I also welcome the plan to hold a referendum. Should that referendum produce a "Yes" vote, then the committee system will be reformed. In that context, I welcome the pre-enactment and post-enactment stages it is proposed to introduce. The latter will ensure that Ministers will be obliged to return to the House a year after legislation has been enacted in order to provide an update on its implementation. That is an important development.

The Taoiseach referred to how the committees will work in the future. Numerous experts, bodies and groups came recently before the Joint Committee on Health and Children to comment on the Protection of Life During Pregnancy Bill 2013. How will the new committee system improve upon that which is already in place? A great deal of time was spent discussing that Bill, the debate on which is beginning to come to an end. The Taoiseach referred to the committee system which obtains in Finland. Is it possible that a similar system might be brought into operation here?

The Taoiseach: I thank the Deputy for her questions. We have already introduced a change whereby if, for example, the Minister for Education and Skills, Deputy Quinn, brings the heads of a Bill to Government and states that he wants to prepare legislation based on the general principles outlined, those heads will be referred to the relevant committee which will examine the principles involved. The committee in question will then decide from whom it should take presentations in order to inform itself of the position in respect of the various issues which arise. The committee will assess whether there are public groups or whatever which might wish to make observations on the legislation and will then invite them to come before it. When it has completed this process, the committee will make recommendations to the Minister and he will bring all of the relevant information back to the Government and seek permission to proceed to prepare a Bill. When this is drafted, it will be introduced in the House and Members will contribute to the debate on Second Stage. It will then be referred to the committee to which the heads were originally referred. That committee will consider what has and what has not been

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included and whether any matters have been brought to light since its initial deliberations. It will go through the Bill line by line and then refer it back to the Dáil where Report Stage will be taken. When this reform is implemented, there will then be a pre-enactment stage whereby we will be able to assess whether anything has been missed or discuss any issues have been brought to our attention by interested individuals or groups. When, in the future, legislation is passed by the House and signed into law, the relevant Minister will return - within 12 months - to the committee which originally dealt with in order to reflect on how well it has worked, whether it has fulfilled its purpose, whether there is full accountability and transparency in respect of it and whether the intent behind it has been translated into reality in the interests of the people.

The committee systems which obtain in other countries cannot be directly translated to the Irish Parliament. Many of the ways they do business are well worth seeing in the interests of that openness, transparency and accountability about which they talk.

Deputy Micheál Martin: I will be brief because I realise the Taoiseach needs a break from the interrogation he just received from Deputy Dara Murphy, in particular, and Deputies Harris and McEntee.

The Taoiseach: They are all good Deputies.

Deputy Micheál Martin: It was very forensic.

(Interruptions).

Deputy Micheál Martin: The interrogation from the Taoiseach's backbenchers was forensic. I stand back in admiration of their qualities and the very searching questions they helpfully asked, which were obviously prepared by the back room people.

An Ceann Comhairle: No. We do not want to go down that road.

Deputy Micheál Martin: I jest.

An Ceann Comhairle: I want to make it quite clear that every Member of this House is entitled to put a question to the Taoiseach.

Deputy Micheál Martin: I am not questioning that at all.

An Ceann Comhairle: There is this idea that has built up that only the leaders of parties put questions to the Taoiseach of the day. I disagree totally with that. Every Member is entitled to table questions.

Deputy Micheál Martin: I articulated no disagreement with that at all. I merely commented on the quality of the-----

An Ceann Comhairle: There is no need to pass comment.

Deputy Micheál Martin: I am entitled to pass a comment, or I hope I am. I know we are just about to discuss a proposal to abolish the Seanad. I hope we will not abolish free speech in the Dáil-----

An Ceann Comhairle: No.

Deputy Micheál Martin: -----or the right to comment on issues in whatever form we may

and in accordance with Standing Orders.

I asked the Taoiseach Question No. 9, to which I would like a specific and straight answer. It should not be difficult because I think he half answered it. I asked the Taoiseach to circulate his Department's memorandums and minutes of meetings held in regard to the forthcoming Seanad referendum and if he would make a statement on the matter. I would appreciate a categorical "Yes" or "No" answer to that question. The Taoiseach seemed to indicate first of all that there were no memorandums or minutes. I am not worried about the content or the purpose of them but I simply believe they should be circulated to help in the overall public debate on the proposal to abolish the Seanad.

My position prior to the general election was clear that we would favour the abolition of the Seanad only in the context of deep and meaningful reform to the electoral system, to the Dáil itself and to the method of appointing persons to the Executive. It would be a very radical programme of reform because I think the crisis we have experienced demands that.

The Taoiseach has dramatically changed his position. In the famous speech in the Glenties, he detailed considerable reform which he believed in then. Then there was the famous dinner at which he abruptly turned, which he was entitled to do, and came forward with the proposal to abolish the Seanad.

We should also record the fact there have been many very good contributions in the Seanad. People did not only make colourful contributions which I think was a bit of a put down to some very good, sustained and significant contributions people from all political backgrounds made in the context of analysing legislation and making important statements on issues of public importance. That must be acknowledged.

The problem is we are abolishing urban councils in their entirety. That is one tier of democracy at a local level which is being abolished. I passionately believe in town councils. In towns throughout the country, I have seen the work of small town councils, which fundamentally represent people coming together in their communities to make a difference. We are getting rid of that but are dressing it up by saying we are reducing the number of councillors. We are increasing the number of councillors in Dublin by, I think, 60, which is an extraordinary number. The reasons are electoral, that is, to keep the Labour Party seats on those councils.

The Tánaiste: It is population.

Deputy Micheál Martin: We will now have an incredible number of ten-seaters, nine-seaters and so on. It is one of the great gerrymanders we have witnessed in local government. The Government can have that but the abolition of town councils is a retrograde step. Its connection to the Seanad is that it represents another removal of a tier of scrutiny and of public participation in politics and in community activities.

The elections to *Údarás na Gaeltachta* were done away with. The Government said to people living in the Gaeltacht area that they did not really need to have a say on who sits on *Údarás na Gaeltachta*. People are beginning to wonder about an authoritarian streak within the Government. If the Government succeeds in having the Seanad abolished, we will be left with an Executive which has dramatically increased the number of guillotines on very important legislation. It has absolute control over everything that happens in this House, including timetables and length of time issues are discussed, through our historic system of the Executive controlling the agenda of the House, and I acknowledge it did not start with this Government.

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That is the big issue down the line. How far do we go in abolishing democracy and the various tenets of democracy? Direct franchise to the Seanad is an option the Taoiseach could proceed with but he needs to be careful how he proceeds.

Will the Taoiseach circulate the memorandums and minutes?

An Ceann Comhairle: I call Deputy Adams.

Deputy Richard Boyd Barrett: I am next on the list.

An Ceann Comhairle: Deputy Adams had three questions, Deputy Martin had four questions and you had one question, so be patient and I will come to you.

Deputy Gerry Adams: My question is very straightforward and brief. Why does the Taoiseach not give the citizens the option of a referendum of abolition, retention or, more important from our point of view, root and branch reform of the second Chamber?

Deputy Richard Boyd Barrett: I am in favour of the abolition of the Seanad because it is unrepresentative. However, does the Taoiseach not think the enhanced committee system, about which he talks, could replicate the problems we have with the Seanad? I would welcome greater involvement of different sectors of civic society in the committees but there is nothing to stop the same sort of favouritism of the Government appointing its favourite people, its cronies and so on to an enhanced committee system and, essentially, replicating the same elitism and unrepresentative character at committees.

We need representatives of civic society who are genuinely representative of all sectors of society, unlike Members of the current Seanad, who are directly elected from those different sectors, probably starting at a local level as they would come from voluntary and community organisations and genuinely representative organisations and not just professionals, officials, full-timers and so on. We should build a sort of citizens direct democracy from the base up, which would have some influence and some teeth in regard to oversight of the way this House operates and the way democracy generally operates.

From what the Taoiseach is saying, there is a real danger that the Government of the day will end up putting its favourites onto the committees, but that does not resolve the problem we are trying to resolve by doing away with an institution which we have already accepted is not representative and has not really functioned in the way it should. What does the Taoiseach say to some sort of citizens assembly structure, directly elected at a local level, and then maybe building up from there?

The Taoiseach: A citizens assembly is what one calls the local elections. While the town councils are being abolished-----

Deputy Richard Boyd Barrett: Sectorally based.

The Taoiseach: -----current members can stand for the municipal areas or the county councils. The Government has already published the independent report in respect of the boundaries for those local elections and the constituencies are much larger than applied previously which will give a fairer distribution of support from the people.

Deputy Micheál Martin: In some areas but not-----

The Taoiseach: They are in the vast majority of areas. That was an independent operation. I will give Deputy Martin whatever material I have in regard to the assessment of what needs to be done to draw up the Bill for the abolition of the Seanad and the reasons all the articles of the Constitution have to be dealt with by abolition, by amendment or otherwise.

Deputy Micheál Martin: That was not the question.

The Taoiseach: The Government made a very clear decision to ask the people whether to abolish the Seanad. I agree with Deputy Martin that some very fine speeches have been made in the Seanad over the years. Why would there not have been when Members included people from ordinary sectors of life to the very elite? Some have made outstanding contributions but these contributions will also be available to the committee system, which can call in both external experts and people of that nature who have respect and a weight behind particular issues. They can provide that advice to the committee system.

The question raised by Deputy Adams necessitates a “Yes” or “No” answer. The Government has decided it wants a unicameral system, with the changes seeking to run this place more effectively, and the question is whether it is appropriate to abolish Seanad Éireann. This is in the hands of the people and not the Oireachtas, and they will decide the matter.

With respect to Deputy Boyd Barrett’s final question, the d’Hondt system will on a proportionate and equitable basis distribute the chairs of committees. After all, people in the Dáil are directly elected by the people and they represent all sectors and strands of society. I do not understand how it could be that cronies could be appointed in that committee system, and people would be equitably and proportionately distributed in accordance with the system. It would be above board. The committees would have access to expertise and they could call in individuals, organisations or other groups in a manner that would be transparent and accountable.

Written Answers follow Adjournment.

Business of Dáil

An Ceann Comhairle: We are moving to hear expressions of sympathy on the death of a colleague, Mr. Pádraig Faulkner, who served as Ceann Comhairle and as Minister while giving 30 years service to the House. I am delighted to welcome to the Distinguished Visitors Gallery his daughter, Mary, his sons Pat, Tom and Bartle, and son-in-law Frank. They are very welcome. I call on the Taoiseach to propose the arrangements for the expressions of sympathy.

The Taoiseach: Expressions of sympathy on the death of former Deputy Pádraig Faulkner shall be taken now and the Order of Business proposals shall be taken on the completion of the expressions of sympathy.

Death of Former Member: Expressions of Sympathy

Deputy Micheál Martin: Múinteoir, polaiteoir agus Aire den scoth ab ea Pádraig Faulkner.

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Fear mór clainne a bhí ann chomh maith. Déanaim comhbhrón ar dtús lena bhean Kitty, lena chlann Tom, Bartle, Pat agus Mary agus lena chlann clainne go léir. D'oibrigh sé go dian dícheallach ar son mhuintir a dháilcheantar féin agus ar son mhuintir na tíre seo. Fear mór oideachais a bhí ann. Bhí áthas an domhain air nuair a d'ainmnigh Seán Ó Loingsigh é mar Aire Oideachais sa bhliain 1969. Is léir go raibh sé cumasach sa phost sin. Tá a tionchar fós le feiscint sa chóras oideachais atá againn sa lá atá inniu ann.

Amidst the hectic debates we have in this House, I am conscious that we sometimes get into very heated arguments and forget that behind every Deputy there is an individual story. Political life can be a bear pit of rivalries and animosity at times, and sometimes the vocation seems to slide into rancour and pettiness. Behind this, however, lies a deeper commitment that binds public representatives of all political shades. We all believe that at the end of the day, through collective effort we can make a contribution to our community, county and country. This is particularly true about our late colleague, Pádraig Faulkner, who was a dedicated politician who served in this House for over 30 years. Before I recount the enormous achievements of his career, I again pass on my sincere sympathy to Pádraig's wife, Kitty; his three sons, Tom, Bartle and Pat; his daughter Mary; and all the grandchildren. The Faulkner family have lost a beloved husband and father, and this is a difficult and emotional time for them. We hope the memory of a life well lived, great moments shared, a great contribution to his country and of a loving and generous person will help sustain them in the weeks and months ahead.

Pádraig was born in Dundalk and, like many people in Irish families, he came from a mixed marriage, as his father was a Fine Gael supporter while his mother was staunchly Fianna Fáil. Thankfully for Fianna Fáil, Pádraig followed his mother's political outlook. Before being elected, Pádraig was a national school teacher and education was clearly one of the passions of his life. He would later manifest that during his term as Minister for Education. His commitment to public service was clear from a young age and it was that commitment to public service that brought Pádraig into Dáil Éireann.

He was first elected to the Dáil for Louth in 1957 the same year that his beloved Louth beat Cork in the All-Ireland final. That year is indelible in the mind of all Louth people and it is equally indelible in the minds of any Cork footballing family; I knew more about the 1957 All-Ireland final from my late father when I was growing up than any other final. It was the one that got away.

Pádraig had first run during a by-election in 1954 when Éamon de Valera was still Taoiseach. He shared the very competitive four-seater constituency of Louth with the great Civil War veteran Frank Aiken. He represented the people of Louth with great energy, vigour and diligence and he held an incredible array of portfolios over many Governments in his long career.

As a Border county Louth would have been very close to the Troubles and the extraordinary stresses and challenges that the people faced. He was remarkably steadfast and loyal, providing much guidance to the then Taoiseach, Jack Lynch, during those very turbulent years and particularly during the very difficult time of the Arms Crisis. He firmly and passionately believed in a peaceful approach to resolving those challenges on the island of Ireland, and we are all glad he lived to see the signing of the Good Friday Agreement and the transformation in the sets of relationships between communities within Northern Ireland, people North and South and people in the UK and Ireland. He worked very hard for that throughout his political career.

Pádraig's talents were wide-ranging and he was first appointed to a ministerial post when

former Taoiseach Seán Lemass appointed him to the new post of Parliamentary Secretary to the Minister for the Gaeltacht in 1965. In this role Pádraig prioritised bringing industry and employment to Gaeltacht areas across the State. After this portfolio he was appointed as Minister for Lands and would have been instrumental in commencing the work on the DART, which is an integral part of the region's infrastructure. In 1969, former Taoiseach Jack Lynch appointed Pádraig as Minister for Education, where he served with distinction until 1973. In his memoirs he wrote about that period and, looking at the speeches he made about education, nobody could question his passion about this portfolio. He also spoke about the independence of church and State, as well as other lobby groups, in making key decisions.

He had the foresight in 1970 to allocate funds to educate more physical education teachers and he allocated money to send students to Strawberry Hill in London, as Ireland did not have a training facility then. That act was long before its time. Many of the early batch of physical education trainers in this country emanated from Strawberry Hill. He also announced, "a site has been acquired for the new institute of higher education in Limerick", and out of that came the University of Limerick, one of Ireland's most successful newer and modern universities. Sometimes the leadership of these universities fails to trace the origins of their greatness to key decisions like that, which enabled them to develop.

He also started investment in recreational and sporting facilities around the country and he was one of the first Ministers to invite the youth and sporting clubs around the country to contact his Department to seek funding. They answered questionnaires, etc., so that money could be allocated to the neediest and most disadvantaged communities. That was the priority for a modest scheme at the time, and irrespective of political or electoral considerations, the allocation would be given to disadvantaged communities and those which needed it most.

Perhaps one of his greatest legacies was his belief in and development of regional colleges of education.

5 o'clock

When one looks back at the history of Irish education, one of the great democratisers of participation in third level education was our regional colleges of education. Many people without the means to get to third level education accessed it via the regional technical education model. That brought about an extraordinary binary system in our third level sector which has served the country very well in terms of the attraction of inward investment and industry through the years. That was one of the great legacies to which he contributed in the evolution of our education system.

In many ways, he was left with the task of developing on the free education initiative of Donogh O'Malley when he took up the portfolio. That meant the introduction of many more teachers and the development of our school transport system to accommodate the large extra number of students coming on stream to second level education.

When he was appointed as Minister for Posts and Telegraphs in 1977, he met the challenge of bringing the telephone into rural Ireland. It is hard to picture the scene back then. Perhaps the Taoiseach can picture it. We look at the revolution that has occurred in communications today, such as social media, but the basic telephone was not something that everybody had back in the 1970s. He was very involved in that and also in establishing An Post and Telecom Éireann on a statutory basis via legislation. He also served as Minister for Defence.

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He contributed hugely to the social and economic development of our country in the second half of the 20th century. He served all of his years in Dáil Éireann with distinction and, as a result, was a very popular Ceann Comhairle when he was appointed in 1980. He served in a very even-handed and distinguished manner. He was always honest, honourable and true to himself, his family and his values and it is fair to say he was liked by Members on all sides of the House. The former Taoiseach, Garrett FitzGerald, praised “the calmness, coolness and judgments which Deputy Faulkner has applied in office... always with dignity and courtesy”. After his retirement from the House, Pádraig continued to work tirelessly for his community and did tremendous work of collating a history of Dunleer with his son, Tom. This work will last for generations to come. Not satisfied with that, he also wrote and launched his memoirs entitled *As I Saw It* in 2005. It is a must-read and enlightening for any person interested in history, current affairs and politics. Clearly, he did not waste any of his precious time. He was a very proud Louth man and a genuine gentleman of Irish politics. In his time, he made a huge contribution to his county and country. He was a man of decency and good humour who delighted in the achievements of his family.

All of his family can be tremendously proud of those achievements and his contribution to Irish life. Ar dheis Dé go raibh a anam dílis.

The Taoiseach: Ba mhaith liom ar dtús mo chomhbhrón a chur in iúl leis an Teachta Ó Máirtín agus le páirtí Fhianna Fáil as ucht bás Pádraig Faulkner, a cailleadh beagnach bliain ó shin. Go speisialta, ba mhaith liom mo chomhbhrón a chur in iúl le bean céile Pádraig Faulkner, Cáit, agus a chlann, Tomás, Bartle, Máire agus Pádraig.

Pádraig Faulkner was a politician who was bound by honour, duty and respect. It is a good thing for us to occasionally remind ourselves in this House of the intrinsic value of such qualities in public life. Indeed, in paying tribute to Pádraig Faulkner today in the House he served so well, we are paying equal tribute to deeply held personal qualities he brought to his public work. That was work he knew affected the reputation and well-being of our country and, therefore, our people and which he undertook as a consequence with probity, humility and sincerity.

During turbulent times for this State, Pádraig Faulkner served the people of Louth and his country with his characteristic courage and grace. He was always loyal to his people, party and colleagues in Fianna Fáil but, above all, he was loyal to those who gave him the most precious thing a democrat has - their vote. Even if they did not vote for him, they were his constituents and people and they knew he made them his own in all he did for them. There are many in this Dáil who never knew and did not have the occasion to engage with Pádraig Faulkner. Those of us who knew him well realised with sadness what his passing really is. Personally kind and politically very astute, he brought a precise sense of attention and detail to every aspect of his work, particularly when he sat in the Ceann Comhairle's chair when he carried the responsibilities the current Ceann Comhairle so ably carries. He was calm and steady, bringing to that role the necessary strength and order and dare I say it, in his Louth accent, with equanimity. He also brought compassion and common sense to his rulings as well as his sometimes unusual sense of humour.

As Deputy Martin pointed out, Pádraig Faulkner entered the Dáil just as the War of Independence and Civil War generation of Deputies, who had dominated this House since the 1920s, was moving on. His career bridged that period of time when the old made way for the new but he exemplified the value that marked that generation of leaders and that was of public service and putting people and country first. He served under four taoisigh - Éamon de Valera, Seán Le-

mass, Jack Lynch and Charles Haughey. He held the position of Minister in the Departments of Posts and Telegraphs, Tourism and Transport, Gaeltacht and Lands. I have occasion to remember his work as Minister for Posts and Telegraphs when the postal strike took place 34 years ago in a very different Ireland with a very different level of facilities. The crying need at that time in the middle of that strike was not related to the fodder crisis but the headage grants. Those Deputies and Senators of initiative and trust were able to sign in the Department of Agriculture for extensive numbers and volumes of headage cheques, which were more welcome than any postman ever seen in rural Ireland. In fact, the rush was always a case of who would get down first with which village or community's headage grants. Faulkner's cheques arrived one way or the other. As Deputy Martin pointed out, the DART system benefited from his early work.

Given the fact that his career generated many accolades, and rightly so, I suspect that his time as Minister for Education was the one that was most fulfilling for him. He took over from the late Donogh O'Malley and saw through the implementation of free second level education, which was a revolutionary fact in this country; the free school transport system through which the yellow buses became an indigenous part of our country; the establishment of community schools with parental involvement in the boards of management; the establishment of the National College of Art and Design on a sound legal footing; and the establishment of the National Council for Educational Rewards. These were all part of his portfolio of achievements in the Department of Education. His tenure also provided funds for the building of Oberstown and the long overdue closure of the reformatory in Daingean. Each of these was a considerable achievement but all of them together in that era when the country was coming through a very difficult period was quite remarkable.

I graduated as a primary school teacher from St. Patrick's Training College when one of the most far-reaching education initiatives of any era came into being. This was the introduction of the child-centred curriculum in primary education in 1971. I had the privilege of receiving an award of sorts from Pádraig Faulkner when he was Minister for Education in St. Patrick's Training College. Arguably, his piloting through of the child-centred curriculum was one of the most profound initiatives in education policy and the first major change in the primary curriculum since 1926. This was the future of education as Pádraig Faulkner saw it. I have read his autobiography, *As I Saw It*, and it should be required reading for political students, would-be politicians and practitioners throughout the country because he was an administrator *par excellence*. More than this, he was a force for modernisation and a rock of common sense. He could see what needed to be done for the future. On the then Gaeltarra Éireann he stated people with business experience were needed to achieve the radical changes necessary.

His passing just over a year ago brought a heartbreaking change to the life of his family. Through his passionate belief in public service he left an enormous legacy and standards to people throughout the country and particularly those in County Louth. His wife Kitty and his children, Tom, with whom I was in training college, Bartle, Mary and Pat can be so proud of their husband and father. Go ndéana Dia trócaire ar a anam dílis.

The Tánaiste: Ba bhaith liom thar cheann Pháirtí an Lucht Oibre comhbhrón a dhéanamh le clann Phádraig Ó Fachtana agus freisin lena pháirtí, Fianna Fáil. On behalf of the Labour Party, I join the Taoiseach and Deputy Martin in welcoming members of the Faulkner family to the House and I pay tribute to the life and career of Pádraig Faulkner who served this House with distinction from 1957 to 1987. Deputy Martin outlined the many portfolios held by former Deputy Faulkner and it is quite a remarkable list. He was Minister for Lands, the Gaeltacht, Education, Posts and Telegraphs, Tourism and Transport and Defence. This is a tribute to Pád-

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raig Faulkner and to Fianna Fáil's enduring electoral success over this period of time. Pádraig Faulkner served in every Fianna Fáil Government from 1965 to 1980, when he assumed the role of Ceann Comhairle which he held until 1981. By the time he stepped down from the Dáil at the 1987 general election, he had served the people of Louth for a remarkable 30 years and had earned the respect of politicians from all parties and none.

Bhí grá agus suim speisialta ag Pádraig Faulkner don Ghaeilge. Tháinig sé ó na glúine de mhúinteoirí a d'oibrigh go dian ar son na Gaeilge agus ar son chultúr na nGael. Gael den scoth a bhí ann. Ag an am céanna, ní raibh dearcadh dúnta aige ina nGaelachas nó ina náisiúnachas.

I did not know Pádraig Faulkner personally but I have read his book, *As I Saw It*. Deputy Martin highlighted many of his achievements and contributions over a very long period of time in public life. Perhaps the contribution for which he will be best remembered was his support for Jack Lynch at the time of the arms trial, an extremely turbulent period for Fianna Fáil and the country. As a Deputy representing a Border constituency during the early years of the Troubles, it took much courage and bravery to oppose violence and support democracy. He should be remembered in particular for this contribution and support at a very critical time. His commitment to these values, his service to the Government of the country, his public service and the work for those whom he represented in his constituency are rightly recognised in the House today. I again express my sympathy to his family and Fianna Fáil. Ar dheis Dé go raibh a anam.

Deputy Gerry Adams: Ba mhaith liom mo chómhbhrón a dhéanamh le clann Pádraig Faulkner agus le Fianna Fáil. Ní raibh aithne agam ar Phádraig Faulkner. Mar a dúirt ceannaire Fhianna Fail, an Taoiseach agus an Tánaiste, bhí sé mar Teachta Dála don dáilcheantar - Lú - ar feadh tréimhse fada. Chuala mé a lán scéalta faoi. Fear uasal agus Teachta Dála iontach ab ea é, de réir mhuintir Chontae Lú, muintir na háite agus, go háirithe, pobal Dhún Dealgan.

On behalf of Sinn Féin I extend my deepest condolences to the family of former Ceann Comhairle and Fianna Fáil Minister, Pádraig Faulkner, who died a year ago. I also extend my sympathy to Fianna Fáil, which has lost an industrious member who in a long career in politics contributed significantly and hugely to the party.

Mr. Faulkner was born in Dundalk and represented the constituency of Louth which I now have the honour of representing. He did so with great diligence for 30 years from 1957 to 1987. I never met him and did not know him, but I knew of him and it is clear from all of those who did know him or knew of his role as a Deputy, six time Minister, Ceann Comhairle and member of the Council of State that he was very highly and deservedly respected.

Mr. Faulkner was also a husband, father and grandfather and it is particularly poignant and fitting that a third generation of his family is here to listen to his achievements. To his wife Kitty, sons Tom, Bartle and Pat, daughter Mary, son-in-law Frank, grandchildren, extended family circle and his many friends I extend my deepest condolences. His death may have been a year ago but I am sure they feel his loss every single day, and his wife in particular must feel his absence. I am sure they will get some condolence and consolation and great comfort from knowing he made many positive contributions during his life to the well-being of the people of Louth and the State and, of course, to his family. Go ndéana Dia trócaire ar a anam dílis.

Deputy Mattie McGrath: Ba mhaith liom, ar son na Teachtaí Neamhspleácha sa Teach seo, fíor-fáilte a chur roimh chlann Pádraig Faulkner atá sa Dáil tráthnóna inniu. On behalf of

the Independent Deputies, I express our sympathy to the family of the late Pádraig Faulkner. Dunleer lost one of its most famous sons with the death of the former Minister and Ceann Comhairle, Pádraig Faulkner, at the age of 94. He was one of the foremost political figures in the country for a generation and was first elected to the Dáil in 1957, the year before I was born, having been encouraged by Eamon De Valera to do so. He held a number of ministerial positions until his retirement in 1987.

He served as Minister in a number of portfolios, including the Gaeltacht, Education, Posts and Telegraphs, Tourism and Transport and Defence. Deputy Faulkner was first elected to the Dáil as a Deputy for Louth and served as Ceann Comhairle from October 1980 to June 1981. He was born on 12 March 1918 and was the son of a farmer. He attended Dundalk CBS before going to St. Patrick's College of Education in Drumcondra and qualifying as a múinteoir scoile.

His love of politics began courtesy of his parents when he was growing up in Dunleer. He unsuccessfully stood for the Dáil as a 36 year old Fianna Fáil candidate in 1954. After this he helped shape generations to come. He smoothed the path to free education, urging the need for more teachers and school transport. He introduced the laws which saw An Post and Telecom Éireann founded and helped bring the telephone to many rural homes as he backed European policy in this regard. I remember when the first telephone arrived in my house and, as I tell my children today, we were almost afraid of it because it rang through the post office and had to be switched through. We were afraid of it and it was minded. Now my children have all types of devices. He was a champion of future technology. As Minister for Tourism and Transport, he ensured the DART was delivered despite mixed political support. It remains one of his greatest legacies. When he was Minister for Education from July 1969 to March 1973, he was the organiser of the regional college concept, which has since made such a significant and vital contribution to the development and expansion of education in Ireland. We are all aware of that, especially those of us who come from the regions.

When he retired 25 years ago, he became an even bigger part of the community in his beloved Dunleer. He did a lot of research on its past with his son, Tom, a former principal of Dunleer national school, and ensured that a lot of information is preserved in electronic form for generations to come. I am delighted to welcome his family today. He was a man of considerable integrity and a very quiet disposition and he was liked by all. That was proven when he was elected as Ceann Comhairle. He has left a rich legacy and heritage to his family. I wish to express my sympathy to his wife, Kitty, and his family, Tom, Bartle, Pat and Mary and their spouses, his sister, Theresa Clare, grandchildren, nephews and nieces, and the wider family circle. Ar dheis Dé go raibh a anam dílis.

Minister of State at the Department of the Environment, Community and Local Government (Deputy Fergus O'Dowd): Ba mhaith liom mo chomhbhrón a thabhairt do chlann Phádraig Ó Fachtna, a bhean chéile, Kitty, agus a chlann uilig. Bhí aithne mhaith agam ar Phádraig le tamall fada. Bhí an-suim ar fad aige i gcursaí Gaeilge ach go háirithe. Is minic agus is mó an chaint a bhí agam leis, de ghnáth as Gaeilge. Bhí an suim aige sa dúthaigh ina raibh mé i mo mhac léinn agus mar bhall den bhardas.

Pádraig Faulkner had a great interest in his local community. I speak as someone who knew him. There were three very powerful political figures when I was growing up. One was Pádraig Faulkner, another was Paddy Donegan and the third man was Jimmy Tully in County Meath. As Deputy Kirk could confirm, they all filled the pages of the *Drogheda Independent*. There was no local radio, but the punches and blows in the Dáil were deeply scrutinised. Pádraig

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was a very popular local Deputy. He was a particularly hard-working Deputy. He was in the Foresters' Hall at 6.30 p.m. every Monday night. One could walk in there, as I did on occasion, to meet him and to talk to him about constituency matters. He attended many funerals. As my colleagues from Drogheda are aware, he knew practically the entire town. Everybody respected him. Whether they voted for him was a different matter. People had the height of respect for him.

I speak as someone who obviously did not vote for him in 1977, but it was the greatest success Fianna Fáil had. The double F was the logo for Fianna Fáil but in that election it was the triple F in Fianna Fáil – Farrell, Filgate and Faulkner. Fianna Fáil returned three seats out of four to Leinster House. That stuck in my memory for a long time. For those who are connoisseurs of politics, there was not a vote between the Fianna Fáil candidates. There were only four seats. The candidates were properly regimented in historic Fianna Fáil tradition. It was a great credit to Pádraig Faulkner and his commitment to his party that the three Fianna Fáil candidates succeeded in that election. On another occasion they were successful also.

Pádraig Faulkner will be long remembered as a very honourable, decent, upright and honest man. His family can be very proud of him and his memory. He is held in the highest esteem regardless of political party allegiance in County Louth.

Deputy Seamus Kirk: I am pleased to have the opportunity to participate in the tributes to the late Pádraig Faulkner. He was a man of immense political stature for 30 years or more. Honesty, integrity and practical patriotism were his calling card.

He was an officeholder for 16 of his 30 years in this House. His period as Minister for Education saw considerable, progressive change in a vital area of public policy. The concept of the regional college structure, nowadays institutes of technology, was born during his time at the Department of Education. This tier of third level education has made a huge difference and continues to provide skilled personnel for so many areas of the economy.

As Minister for Posts and Telegraphs, he set the scene for the establishment of An Post and Telecom Éireann as two commercial semi-State companies. His decision set in train a communications revolution with a large capital programme. The availability of a modern communication network played no small part in the country's economic development since then. As Minister for Tourism and Transport, despite much criticism, he took a courageous decision to proceed with the DART project in Dublin. To quote a remark he made later, "I was happy to be told that the number of passenger journeys has reached 15 million this year". During the 1980s he was Ceann Comhairle when a number of elections were held in rapid succession. He was appointed to the Council of State in 1990.

The constituents of Louth were always a top priority with him during his years as a Member of Dáil Éireann. We shared the constituency from November 1982 until he retired in 1987. The working relationship was always cordial and co-operative. I very much appreciated his sound advice and considerable mentoring skills during that period. On his retirement from the House, his interest in politics and history never waned. I regularly had the opportunity to reflect on political happenings and to avail of his considerable experience when considering the many issues that arise in every constituency from time to time.

I join in the vote of sympathy to a very distinguished family - his widow, Kitty, and to all the members of the family, Tom, Bartle, Pat and Mary, his in-laws and grandchildren. Ar dheis

lámh Dé go raibh a anam dilís.

Deputy Peter Fitzpatrick: The late Pádraig Faulkner was a true steward of the Dáil and a brilliant elected representative of County Louth. He graced this land for 94 years but it was his 30 years of service in this House that marked him as special. He lived through and played a key role in some of the most dramatic events in the history of the State. He was elected to the Dáil in 1957, a notable year for County Louth, and remained a Deputy until 1987. His 30 years of continuous service to his country is unlikely to be seen again.

He was a true Louth man, having gone to school in the Christian Brothers in Dundalk and hailing from Dunleer in mid-Louth. His good nature was evident from his charity work in the Society of St. Vincent de Paul while studying to be a teacher in St. Patrick's College. Having failed to be elected in 1954, he completed that feat three years later. After that, he would help to shape generations to come. He smoothed the path to free education and championed the need for more teachers and school transport. He introduced the legislation to set up An Post and Telecom Éireann and helped extend the telephone service to many rural areas, as he backed the European policy in that regard. As Minister for Tourism and Transport, he ensured the DART was built despite mixed political support. It remains one of his greatest legacies.

As Minister for Education from July 1969 to March 1973, he was the originator of the regional college concept, which has since made such a significant and vital contribution to the development and extension of education in County Louth and in this country as a whole. When he retired 25 years ago, he became an even bigger part of the community in his beloved Dunleer and gave back to mid-Louth.

During his political career he served as Minister in numerous portfolios, including as Minister for the Gaeltacht, Minister for Education, Minister for Posts and Telegraphs, Minister for Tourism and Transport and Minister for Defence. He was a proud Louth man and a great gentleman of politics. In his time, Pádraig Faulkner made a massive contribution to his constituency and the country. Pádraig was a man of decency, good humour and integrity. He epitomised the spirit of decency of Louth. He will be remembered fondly by those who knew him and those who supported him generously in the ballot box. I give my vote of sympathy to Kitty and the family.

Deputy Gerald Nash: As a Deputy for Louth, I very much welcome the opportunity to share the tributes made to a very decorated predecessor in my county, the late Pádraig Faulkner. His family, his party – Fianna Fáil - his village of Dunleer, and the county of which he was immensely proud, can be immensely proud of his achievements, his integrity and his record of selfless public service.

The best tribute I can pay, arguably, to Louth's most successful politician is to say that his name, his achievements and his fine legacy will live very long in the memory. I was never fortunate enough to have met him in person. He retired from elected office when I was just 11 years of age. He was very much a household name in the county that I am proud to represent. He was a man who, when many of the ills that had infected politics came to the surface, stood proudly and courageously as a paragon of integrity. His time as a public representative was absolutely synonymous with the values and principles of honesty, decency and integrity in public life and in the highest of public office. Importantly, he was proud to be a famous son of Dunleer. From speaking with locals in the village and across the wider county, I know that he was proud of that village. He wrote and researched widely on the history of the village and the

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mid-Louth area with his son, Tom.

As Deputy Martin mentioned, he was also synonymous with one of the most significant social measures ever introduced in this State. The development of the regional technical college, RTC, sector gave opportunities for further and higher education to segments of Irish society that previously could only longingly aspire to higher education attainment and advancement. This was a crucial development in the making of a better, more equal Ireland. It is a tremendous epitaph for any political career when it can be said with certainty that one's work made Ireland a more equal country and a better place in which to live.

I take this opportunity to express my personal condolences and the condolences of all members of the Labour Party in County Louth to his family - his wife, Kitty, his daughter, Mary, and his sons, Tom, Bartle and Pat - and to the people of Dunleer and Louth on our recent loss.

Members rose.

Order of Business

The Taoiseach: It is proposed to take No. 10, motion re ministerial rota for parliamentary questions; No. 16, statements on the European Council in Brussels, pursuant to Standing Order 102A(2)(b); and No. 17, Houses of the Oireachtas (Inquiries, Privileges and Procedures) Bill 2013 - Order for Report, Report and Final Stages.

It is proposed, notwithstanding anything in Standing Orders, that the Dáil shall sit later than 9 p.m. and shall adjourn not later than 10 p.m. or on the adjournment of Private Members' business, whichever is the later; No. 10 shall be decided without debate; and No. 16 shall be taken following the Order of Business and the proceedings thereon shall, if not previously concluded, be brought to a conclusion after 95 minutes, and the following arrangements shall apply: statements made by the Taoiseach and the main spokespersons for Fianna Fáil, Sinn Féin and the Technical Group, who shall be called upon in that order and who may share their time, shall not exceed 15 minutes in each case, the Minister of State, Deputy Creighton, shall be called upon to make a statement that shall not exceed ten minutes, a Minister or Minister of State shall take questions for a period not exceeding 20 minutes, a Minister or Minister of State shall be called upon to make a statement in reply that shall not exceed five minutes, and the order shall resume thereafter with the Topical Issue debate.

Private Members' business shall be No. 42, Equal Status (Amendment) Bill 2013 - Second Stage, to be taken on the conclusion of the Topical Issue debate or at 7.30 p.m., whichever is the later, and adjourn after 90 minutes, and the proceedings thereon shall, if not previously concluded, be brought to a conclusion at 9 p.m. on Wednesday, 3 July 2013.

An Ceann Comhairle: There are four proposals to be put to the House. Is the proposal that the Dáil shall sit later than 9 p.m. tonight and shall adjourn not later than 10 p.m. agreed to? Agreed. Is the proposal for dealing with No. 10, without debate, agreed to? Agreed. Is the proposal for dealing with No. 16 agreed to? Agreed. Is the proposal for dealing with Private Members' business agreed to? Agreed.

Deputy Micheál Martin: The health insurance industry is going through a crisis as we

speak. There is significant concern and anxiety among many policyholders and members of various insurance companies across the board, including the VHI group, to such an extent that many seasoned analysts claim that the industry is in danger of entering a debt spiral against which the centre cannot hold.

The programme for Government contains extensive proposals on health insurance, in particular the establishment of a hospital insurance fund, which was committed to early in the lifetime of the Government. Will the Taoiseach outline to the House when the hospital insurance fund is to be established? Will he indicate when the injection of capital into the VHI group will occur? Substantial moneys are necessary to sustain it. When will the HSE's function for purchasing care for uninsured patients be given to a hospital care purchase agency?

An Ceann Comhairle: That is the liberal end of matters on the Order of Business.

The Taoiseach: In respect of the hospital insurance fund, that is a matter that is under discussion at the moment, both internally and with the European Commission. I do not have a date for the Deputy in respect of the second issue that he raised.

Deputy Micheál Martin: The hospital care purchase agency.

The Taoiseach: Yes. In respect of health insurance, that legislation is moving through. The Minister is involved with the hospital consultative group and the insurance companies. No decision has been taken by Government on the rates to be applied. The Minister is very conscious of the impact upon subscribers to private health insurance arising from this. That is the reason there are intensive discussions under way with the insurance industry.

Deputy Gerry Adams: Ba mhaith liom ceist a chur faoi reachtaíocht atá geallta. Will the Taoiseach provide an update on the child and family agency Bill and the Children First Bill? He may be aware that independent assessments of child protection services in Roscommon, south east Dublin and Waterford have revealed yet again the lack of appropriate services for the most vulnerable. In more than half of the 96 cases examined, adequate safeguards were not in place and chronic understaffing in the psychology services in Roscommon left 180 children waiting for up to two years to be seen. Clearly, this is not acceptable. When will the legislation be published and discussed in the Dáil? When does the Taoiseach expect the new structures to be in place?

The Taoiseach: I expect the child and family agency Bill to be published inside two weeks. Hopefully, we can have Second Stage in the House before it rises.

In respect of the audit that Deputy Adams referred to, this was contingent upon a very serious case in Roscommon some time ago. It was felt that there should be an audit of the general situation. A number of changes have taken place even since that audit was conducted. The Minister will respond in detail on this later.

Deputy Michael P. Kitt: I have a general query on the reports that legislation is necessary to underpin public-private partnerships, PPPs. The Gort-Tuam motorway represents a significant investment of €550 million for which no contracts have been signed. The reason given for this is that legislation must be introduced to underpin this great project. If so, I hope that it will be signed shortly and that work will start on this well-deserved project in the west and my constituency.

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The Taoiseach: It goes through the heart of the Deputy's constituency. The Minister for Public Expenditure and Reform has already pointed out the priority that this road has. No legislation is required. Discussions are under way with potential funders for this as part of-----

Deputy Brendan Howlin: PPP.

The Taoiseach: -----the ongoing stimulus plans that the Minister has been referring to.

Deputy Timmy Dooley: In the not-too-distant past, the Government promised legislation to amalgamate Shannon Development and Shannon Airport. The Taoiseach indicated that the promised legislation would be delivered in this House before the summer recess. We had a difficult situation yesterday whereby the chairperson of the new independent Shannon Airport Authority had to go public and effectively criticise the Government for not moving more quickly in bringing this legislation forward. Can the Taoiseach please tell the House when he intends to publish this legislation?

The Taoiseach: No, I cannot give the Deputy an accurate date on it. I hope that was not a criticism in the sense that we have quite a legislative squeeze here to get things through. It is expected later but I cannot give the Deputy an accurate date on it now.

Deputy James Bannon: Transport links are key to our economic development, particularly in the midlands. We need to modernise our transport infrastructure to give the travelling public a wider choice. Now that the Taoiseach has the EU Presidency behind him, he will be travelling more often through the midlands. He will, therefore, see the bottlenecks on the M4, particularly through Longford-Westmeath.

An Ceann Comhairle: We do not want a tour of Ireland just at the moment.

Deputy James Bannon: Maybe the Taoiseach can indicate when the road transport Bill will come before this House to replace the existing Road Transport Acts. The updated legislation should take account of new policy requirements and try to get the midlands up and running again.

An Ceann Comhairle: I think we have it now.

Deputy Timmy Dooley: The Deputy has been trying for a while now.

The Taoiseach: The midlands were very alert and energetic last Sunday week under the tutorship of Deputy Bannon down in Ballinalee. This Bill is not due until next year but, as the Deputy is aware, the Minister for Transport and the Minister for Public Expenditure and Reform have made references on many occasions to road infrastructure and ongoing stimulus developments, including in the midlands.

Deputy Bernard J. Durkan: Will the Taoiseach indicate the current position with regard to the children (amendment) Bill which concerns the provision of places of detention for children and juveniles? In recent times, there have been references in the courts to the dearth of such suitable places.

As regards my old perennial, when can we expect the bail Bill to be debated in the House? Have the heads of both aforementioned Bills been discussed and when are they likely to be passed?

The Taoiseach: I can confirm for Deputy Durkan that the heads of the children (amendment) Bill were approved in April. It is scheduled for publication later this year. The heads of the bail Bill have not yet come to Government and therefore I cannot give the Deputy a date on this occasion.

Deputy Mattie McGrath: In view of the changes that have taken place under the local government Bill, there are huge discrepancies in different areas. The Ceann Comhairle will be familiar with the town of Cashel. Almost all of the district outside the town is now going into a regional area that is away from it altogether. I am not accusing anyone of gerrymandering but-----

An Ceann Comhairle: Which legislation is the Deputy referring to which concerns Cashel?

Deputy Mattie McGrath: The local government Bill, which will affect the amalgamation of Tipperary, our proud county. It is devastating the way in which some of town councils and other areas have been divided up.

I also wish to ask about the Education and Training Boards Bill in regard to adult and continuing education. There have been tremendous efforts and achievements over the years, which should be protected under that Bill, so that the work of further education will not be hived off and forgotten about.

An Ceann Comhairle: I think we have got the Deputy's message.

The Taoiseach: Maybe the news did not get as far as Tipperary yet, but the education and training boards were established yesterday.

Deputy Mattie McGrath: I know that, of course.

The Taoiseach: The local government Bill is a substantial measure and we expect to have it published and dealt with before the end of the year.

Deputy Mattie McGrath: More collateral damage.

Deputy Michael Healy-Rae: As regards the Education and Training Boards Bill, what is the Government going to do about SUSI grants?

An Ceann Comhairle: We have just dealt with that.

Deputy Michael Healy-Rae: No, that was a completely different issue.

Deputy Brendan Howlin: The Bill has been enacted.

Deputy Michael Healy-Rae: What is the Government going to do about paying students who are waiting for their grants in July?

An Ceann Comhairle: That is a different issue altogether. If the Deputy tables a parliamentary question I will see to it that it is answered.

Deputy Michael Healy-Rae: I have asked them several times but the Minister did not answer.

An Ceann Comhairle: Patience is a virtue.

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Deputy Michael Healy-Rae: The Ceann Comhairle has people in his own constituency who are waiting for grants.

An Ceann Comhairle: I know, but I cannot deal with it on the Order of Business.

Deputy Michael Healy-Rae: I am sure he would like them to be paid, the same as I would like my people to be paid.

An Ceann Comhairle: The Deputy has made his point.

Deputy Michael Healy-Rae: That is the way. I have to face them, but you do not.

An Ceann Comhairle: I face my constituents every day.

Deputy Michael Healy-Rae: The Ceann Comhairle is entitled to a position.

Deputy Barry Cowen: I wish to ask the Taoiseach about the current status of the subcontractors legislation. Can he confirm that it contains a provision to deal with the subcontracting of labour only and that there is no provision for subcontracting materials? If that is the case, does it not defeat the initial purpose and thrust of the legislation?

The Taoiseach: We have had intensive discussions about that. Report Stage of the Construction Contracts Bill is to be taken in the House next week.

In response to Deputy Healy-Rae, some 60,000 applications have been paid and fewer than 100 have not been paid. SUSI is waiting for their details.

Deputy Timmy Dooley: SUSI would want to perk up and pay out.

A Deputy: SUSI will not answer the phone.

Deputy Michael Healy-Rae: SUSI will not talk.

The Taoiseach: If the Deputy has a number of constituents who are affected, he should see to it that the outstanding details are submitted and the grants will be paid. As I said, fewer than 100 out of 60,000 have not been paid.

An Ceann Comhairle: There we are now.

Deputy Michael Healy-Rae: I am sorry, but the Taoiseach is wrong.

The Taoiseach: They need the details, Deputy.

Deputy Michael Healy-Rae: The Taoiseach is wrong.

Deputy Brendan Griffin: I want to ask the Taoiseach about legislation governing the regulation of sunbeds. The Irish Cancer Society, in particular, has been calling for that legislation to be progressed. Is there any expected timeframe for that particular legislation?

The Taoiseach: It would not be needed today anyway, but it will be taken later this year.

An Ceann Comhairle: A division was challenged on Monday, 1 July 2013 on the question: “That the Protection of Life During Pregnancy Bill 2013 be now read a Second Time.” In accordance with the Order of the Dáil of Thursday, 27 June 2013 that division must be taken now.

Question put:

The Dáil divided: Tá, 138; Níl, 24.	
Tá	Níl
Adams, Gerry.	Browne, John.
Bannon, James.	Calleary, Dara.
Barry, Tom.	Flanagan, Terence.
Boyd Barrett, Richard.	Fleming, Sean.
Breen, Pat.	Grealish, Noel.
Broughan, Thomas P.	Healy-Rae, Michael.
Bruton, Richard.	Keaveney, Colm.
Burton, Joan.	Kirk, Seamus.
Butler, Ray.	Kitt, Michael P.
Buttimer, Jerry.	Lowry, Michael.
Byrne, Catherine.	McConalogue, Charlie.
Byrne, Eric.	McGrath, Mattie.
Cannon, Ciarán.	McGrath, Michael.
Carey, Joe.	McGuinness, John.
Coffey, Paudie.	Mathews, Peter.
Collins, Áine.	Naughten, Denis.
Collins, Joan.	Ó Cuív, Éamon.
Collins, Niall.	Ó Fearghaíl, Seán.
Colreavy, Michael.	O’Dea, Willie.
Conaghan, Michael.	Smith, Brendan.
Conlan, Seán.	Timmins, Billy.
Connaughton, Paul J.	Tóibín, Peadar.
Conway, Ciara.	Troy, Robert.
Coonan, Noel.	Walsh, Brian.
Corcoran Kennedy, Marcella.	
Costello, Joe.	
Coveney, Simon.	
Cowen, Barry.	
Creed, Michael.	
Creighton, Lucinda.	
Crowe, Seán.	
Daly, Clare.	
Daly, Jim.	
Deasy, John.	
Deenihan, Jimmy.	
Deering, Pat.	

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Doherty, Pearse.	
Doherty, Regina.	
Donohoe, Paschal.	
Dooley, Timmy.	
Dowds, Robert.	
Doyle, Andrew.	
Durkan, Bernard J.	
Ellis, Dessie.	
English, Damien.	
Farrell, Alan.	
Feighan, Frank.	
Ferris, Anne.	
Ferris, Martin.	
Fitzgerald, Frances.	
Fitzpatrick, Peter.	
Flanagan, Charles.	
Flanagan, Luke 'Ming'.	
Gilmore, Eamon.	
Griffin, Brendan.	
Halligan, John.	
Hannigan, Dominic.	
Harrington, Noel.	
Harris, Simon.	
Hayes, Brian.	
Hayes, Tom.	
Healy, Seamus.	
Heydon, Martin.	
Hogan, Phil.	
Howlin, Brendan.	
Humphreys, Heather.	
Humphreys, Kevin.	
Keating, Derek.	
Kehoe, Paul.	
Kelleher, Billy.	
Kelly, Alan.	
Kenny, Enda.	
Kenny, Seán.	
Kyne, Seán.	
Lawlor, Anthony.	
Lynch, Ciarán.	
Lynch, Kathleen.	
Lyons, John.	

Dáil Éireann

Mac Lochlainn, Pádraig.	
McCarthy, Michael.	
McDonald, Mary Lou.	
McEntee, Helen.	
McFadden, Nicky.	
McGinley, Dinny.	
McGrath, Finian.	
McHugh, Joe.	
McLellan, Sandra.	
McLoughlin, Tony.	
McNamara, Michael.	
Maloney, Eamonn.	
Martin, Micheál.	
Mitchell, Olivia.	
Mitchell O'Connor, Mary.	
Moynihan, Michael.	
Mulherin, Michelle.	
Murphy, Catherine.	
Murphy, Dara.	
Murphy, Eoghan.	
Nash, Gerald.	
Neville, Dan.	
Nolan, Derek.	
Noonan, Michael.	
Nulty, Patrick.	
Ó Caoláin, Caoimhghín.	
Ó Ríordáin, Aodhán.	
Ó Snodaigh, Aengus.	
O'Brien, Jonathan.	
O'Donnell, Kieran.	
O'Donovan, Patrick.	
O'Dowd, Fergus.	
O'Mahony, John.	
O'Reilly, Joe.	
O'Sullivan, Jan.	
O'Sullivan, Maureen.	
Penrose, Willie.	
Perry, John.	
Phelan, Ann.	
Phelan, John Paul.	
Pringle, Thomas.	
Quinn, Ruairí.	

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Rabbitte, Pat.	
Reilly, James.	
Ring, Michael.	
Ross, Shane.	
Ryan, Brendan.	
Shatter, Alan.	
Sherlock, Sean.	
Shortall, Róisín.	
Spring, Arthur.	
Stagg, Emmet.	
Stanley, Brian.	
Stanton, David.	
Tuffy, Joanna.	
Twomey, Liam.	
Varadkar, Leo.	
Wall, Jack.	
Wallace, Mick.	
White, Alex.	

Tellers: Tá, Deputies Paul Kehoe and Emmet Stagg; Níl, Deputies Peter Mathews and Mattie McGrath.

Question declared carried.

6 o'clock

Protection of Life During Pregnancy Bill 2013: Referral to Select Committee

Minister for Health (Deputy James Reilly): I move:

That the Bill be referred to the Select Sub-Committee on Health pursuant to Standing Orders 82A(3)(a) and (6)(a) and 126(1) of the Standing Orders relative to Public Business.

Question put and agreed to.

Ministerial Rota for Parliamentary Questions: Motion

Minister of State at the Department of the Taoiseach (Deputy Paul Kehoe): I move:

That, notwithstanding anything in the Order of the Dáil of 9 March 2011, setting out the

rota in which Questions to members of the Government are to be asked, or in the Order of the Dáil of 18 June 2013, Questions for oral answer, following those next set down to the Minister for Education and Skills, shall be set down to Ministers in the following temporary sequence:

Minister for Children and Youth Affairs

Minister for Social Protection

Minister for Jobs, Enterprise and Innovation

Minister for the Environment, Community and Local Government

Minister for Communications, Energy and Natural Resources

Minister for Arts, Heritage and the Gaeltacht

whereupon the sequence established by the Order of 9 March 2011 shall continue with Questions to the Minister for Justice and Equality.

Question put and agreed to.

European Council in Brussels: Statements

The Taoiseach: I am pleased to brief the House on the outcome of last month's meeting of the European Council which took place in Brussels on Thursday and Friday of last week, 27 and 28 June, the final two working days of the Irish Presidency of the Council of the European Union. As I indicated to the House in advance of last week's summit, the strong focus of the meeting was on the closely interrelated issues of youth employment and access to finance for the real economy, particularly the small and medium enterprise, SME, sector. I am happy this meeting of European leaders agreed on a comprehensive approach to combating the major problem of youth unemployment, with agreement being reached on a series of concrete measures, including the front-loading of funding under the youth employment initiative during 2014 and 2015; the speeding up of implementation of the youth guarantee; improved mobility for young workers; and the promotion of high quality apprenticeships and other work based learning for younger people.

Complementing these measures, the European Council also launched a new investment plan for Europe, which will build on the combined strengths of the European Union's next multi-annual financial framework, MFF, and the increased resources and funding available through the European Investment Bank, EIB. This will help boost the financing of the real economy and support the SME sector, which continues to form the backbone of the European economy. Last week's meeting also saw the conclusion of the European semester process for 2013, with the endorsement of a series of country specific recommendations. Leaders also took stock of implementation of the compact for growth and jobs, 12 months after its adoption.

I am very pleased that my European Council colleagues also reaffirmed the imperative need to break the vicious circle between banks and sovereigns, making it clear that completing banking union remains the key priority in this regard in the short run. Thanks to the efforts of the Minister for Finance and his team, significant progress was made on banking union during

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Ireland's term in the Presidency, as was recognised by colleagues last week. I firmly hope this progress will be built on in the period ahead.

President Van Rompuy reported to the meeting on his work concerning the further strengthening of Economic and Monetary Union, EMU, which Ireland, in its role of Presidency, had facilitated in the Council. There was broad agreement on the need to return to these issues again later in the year.

We also took important decisions concerning EU enlargement, particularly in respect of Serbia and Kosovo, on which the Minister of State, Deputy Lucinda Creighton, will elaborate in her intervention. We had the pleasure of warmly welcoming Croatia as the 28th member of the European Union as of yesterday and we congratulated Latvia on being the 18th member state to adopt the euro as its currency from 1 January 2014. We also expressed our solidarity with those affected by the major flooding across eastern Europe last month.

I took the opportunity of last week's meeting to update my colleagues on the significant range of achievements secured during our Presidency. I am pleased to note that partners were highly complimentary both of the substance of our work and the efficiency and professionalism with which it was carried out. I take this opportunity to pay tribute to all those across our system who played their part in what was an enormous team effort, one that reflects well on the country and which helps to consolidate our reputation as a serious, committed and engaged European partner. The individuals in question, who are rarely seen or heard, do important work in preparing for decisions to be made in the interests of Europe and Ireland. They are owed a great deal of credit.

The important decisions we made on youth employment are underpinned by our agreement with the European Parliament on the new multi-annual financial framework. This includes front-loading the new €6 billion youth employment initiative in order that spending will be concentrated in the first two years. We also expect that this resource will be reinforced by a further €2 billion from what we have agreed with the European Parliament on MFF flexibility.

We agreed to develop a stronger EURES job search facility that will help to fill job vacancies more quickly, including by removing unnecessary barriers to cross-border mobility. This will be supported by the important progress made by the Irish Presidency on professional qualifications, supplementary pension rights and the expanded Erasmus+ programme under the new MFF. The context for these steps was provided by the agreement reached by the Irish Presidency in February on the key principles of youth guarantee schemes. I acknowledge the important contribution of the Minister for Social Protection, Deputy Joan Burton, in this regard. We must now all press ahead with adapting our education and training systems to the new economic realities of the 21st century. This means supporting employability, including through new partnerships with the workplace.

Work is under way towards developing our own national youth guarantee implementation plan. Progress will build from the range of initiatives already under way through our interlocking Action Plan for Jobs and Pathways to Work strategies. This work will also be supported by the OECD, building from the youth action plan agreed at the OECD ministerial committee meeting in Paris at the end of May, which the Tánaiste attended. I expect that our implementation plan will be finalised before the end of the year.

The key to bringing down unemployment across Europe will be recovery in the real econ-

omy, in other words, companies growing their businesses and creating new jobs. For this reason, I attach particular importance to the investment plan agreed last week. The plan provides for important new synergies between the European Union's budget and the enhanced lending capacity of the European Investment Bank. We heard from EIB President Hoyer that the bank has already identified new lending opportunities of more than €150 billion in our agreed priority areas of innovation and skills; SME access to finance; resource efficiency; and strategic infrastructures. The plan will now combine funds from the new multi-annual financial framework with the EIB's enhanced lending capacity to support a significantly expanded volume of new SME loans across the Union.

The Commission-EIB report presented before our meeting set out a number of options for new joint risk-sharing financial instruments to this end. We have asked Finance Ministers to finalise the design of these instruments without delay in consultation with the Commission and EIB in order that they will become operational in parallel with the new MFF from the beginning of 2014.

As the House will be aware, finalising the negotiations between the Parliament and Council on the MFF was a major priority of the Irish Presidency. Last Thursday in Brussels, just before the European Council convened, the Tánaiste and I met with President Schulz and President Barroso in a final effort to bring about an agreement. We found a compromise that we were happy to recommend to our respective institutions. The European Council on Thursday night confirmed the political agreement of the member states and the Parliament will vote tomorrow at its plenary session in Strasbourg. While I cannot prejudge the result, the Parliament's leadership and its negotiators have endorsed the deal, and I am hopeful that this vote will confirm the agreement we brokered. I was happy to refer to this in my briefing to the European Parliament in Strasbourg this morning.

These were long and hard negotiations. I acknowledge the great work done by the Tánaiste and the Minister of State with responsibility for European affairs over many months. This is a real achievement for the Irish Presidency, but more importantly it is an achievement for the European Union, which can now get down to the serious work of planning and programming the spending of these highly significant resources of €960 billion.

As the meeting effectively marked the end of the Irish Presidency, it may be worthwhile for me to recall for the House some of the landmark achievements during our Presidency. We set out to make a difference, and we have. From the outset, we made it clear in three words that our priorities were stability, jobs and growth. Across every Council formation, we identified the measures that could best deliver and we worked hard to make progress. The results of our efforts are outlined in detail in the report that has been laid before the Oireachtas.

From the beginning of January right up to last Friday, the Government worked flat out to secure our objectives. The Minister for Finance, Deputy Noonan, in intensive negotiations last week delivered on banking resolution, a key part of the proposals to sort out Europe's banking system and to ensure we can never experience again what Ireland went through. The Minister for Agriculture, Food and Marine, Deputy Coveney, fought hard for and delivered reform of the Common Agricultural Policy which is vital for Europe's agrifood industry and for the prosperity of rural communities across the European Union. As I have already set out, the Tánaiste, Deputy Gilmore, led the long and tough negotiations with the European Parliament on the MFF that delivered agreement on a budget for the EU of €960 billion, a budget that will support jobs, growth and investment across Europe for the next seven years.

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Across the Council formations they chaired, Irish Ministers worked to manage the EU's heavy agenda and to deliver results. I pay tribute to the commitment, energy and skill demonstrated by my colleagues in Government over the past six months and to the hard work of the officials who tirelessly supported them. The extent of hours put in by public servants in all sectors is often misunderstood. This includes the permanent representation and the young people drafted in to assist them in the past six months.

We achieved agreement on Horizon 2020, the €70 billion programme for research and innovation, paving the way for the jobs of the future. We hosted last month's Digital Agenda Assembly in Dublin, one of the largest events of the Presidency, which highlighted the potential of the digital agenda to deliver growth and jobs. We made our contribution to freeing up the Single Market, providing new opportunities for small and medium-sized enterprises. The new accounting directive will reduce administrative burdens and will introduce a simplified set of accounting rules. The public procurement package will make it easier to tender for public contracts across the EU, which in total are worth some €2 trillion a year. The €2 billion programme for the competitiveness of enterprises and SMEs, known as COSME, will help business to access finance and to trade more easily across borders.

Of course, the search for growth and jobs does not stop at Europe's borders - nobody knows this better than people in a small open economy like Ireland. A lasting achievement of our Presidency will be the mandate for the start of negotiations between the EU and US on an historic transatlantic trade and investment partnership, secured last month at meetings chaired by the Minister for Jobs, Enterprise and Innovation, Deputy Bruton. I hope that in the current circumstances the matters at hand will be addressed, clarified and dealt with so that these negotiations can take place in a transparent and equal manner.

In other areas Ireland sought and secured agreement on proposals that will underpin jobs and growth in the EU for investment across the portfolio of the Minister for Communications, Energy and Natural Resources, Deputy Rabbitte, including telecommunications and energy networks, or Europe's transport infrastructure. Agreement was secured on a range of environmental legislation which will help to ensure that Europe's future is safe and sustainable. Sustainability was also at the heart of the reform of the Common Fisheries Policy, secured under the Irish Presidency. The endorsement of the Atlantic action plan will help drive sustainable "blue" growth in the coastal regions of the five Atlantic member states, Portugal, Spain, France, the United Kingdom and Ireland along with Canada and the United States. I was delighted to be present with Commissioner Geoghegan Quinn in the Marine Institute in Galway for the launch of the EU, US and Canada Atlantic Ocean research alliance in May which will help to transform our knowledge and understanding of the Atlantic.

When the Government came into office, we promised to restore Ireland's standing as a respected and influential member of the European Union. The successful conduct of Ireland's seventh Presidency of the Council was always key to this process. I am proud of what our country and officials have achieved over the past six months. We have demonstrated that we are a serious, competent and responsible partner that has acted in the common interest while holding the Presidency.

Of course, Ireland's engagement with Europe does not end with the Presidency. I am determined that now we should build on the goodwill we have earned, maintaining and developing the contacts we have made so that Ireland continues to be an active part of the decision-making process in order to best protect our long-term interests as a member state. That means continual

engagement with the European Council and Parliament on an ongoing basis.

Our experience over the past six months shows the determining role now played by the European Parliament since the endorsement of the Lisbon treaty. The Oireachtas also had a busy Presidency agenda and I had the honour to address the COSAC plenary session last week. I welcome the contribution of the Oireachtas to the consideration of the roles of national parliaments and the European Parliament in ensuring democratic legitimacy and accountability as the Union considers steps toward closer economic and monetary union.

This Presidency was our first in a trio that includes Lithuania and Greece. Lithuania has taken up the baton with enthusiasm and determination and I wish both our partners every success in implementing our joint programme with its focus on putting Europe firmly back on the path of growth and prosperity. I can pledge Ireland's full support for the work that lies ahead of them.

The outcome of last month's European Council was welcome, as it focused us on the two pressing issues of youth employment and access to finance. These are not abstract concepts. They are real and I am pleased that the European Council has responded in concrete terms to assist in addressing these challenges.

The meeting has placed us on the right track in areas such as the European semester, the compact for growth and jobs or our clear focus on concluding banking union. I was delighted to have had the opportunity, right at the end of our Presidency, to brief my colleagues on a wide range of substantive achievements which we were able to deliver on our watch. I had the privilege of doing that today in the European Parliament. I will continue to keep the House updated on all relevant developments.

Deputy Micheál Martin: The statement the Taoiseach has just delivered claims that the past six months has seen enormous progress. Even more than is usual for a government given to daily praising its own actions, he has presented a picture of Ministers having delivered Europe to a new frontier. The Union is, he claims, growing stronger because of this leadership.

In the middle of this it is striking just how much the Taoiseach has not mentioned. In his review of the past six months, he has managed to completely ignore the fundamental direction of the European economy. He has declared himself absolutely satisfied with what has been achieved, yet the citizens of Europe see a very different picture.

During the past six months growth rates have fallen, recession has returned, unemployment has reached record levels and sovereign bonds have experienced their fourth worst month in more than 20 years. The evidence is overwhelming that the policy of co-ordinated austerity in all parts of Europe has failed and will keep failing, yet the response has been to double down on the policy. The Taoiseach's primary argument is that it is a great success to have closed as many files as possible. It a "never mind the quality feel the width" approach which sees reaching agreements as being more important than what is in them.

The agenda is exactly as was proposed in President Van Rompuy's presentation to the European Parliament last year when he laid out the work programme for 2013. In normal times this would have been unexceptional, maybe even a welcome sign of stability, but these are not normal times. The scale of Europe's problems requires an urgency and ambition completely absent not only during our Presidency, but during the past four years. Nothing done in the past six months will change in any way the direction of Europe, create a new effort to achieve

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growth or address any of the deep flaws in the work of the Union that helped to create the crisis.

Ireland has delivered agreements to keep the push for austerity even where countries have had an alternative. Ireland has agreed to cut the Union's budget, to have those cuts focused on the Union's most important programmes and to keep the link between sovereign and financial debts. I will return to that point later. If the Taoiseach is satisfied with this and if he believes Europe has turned the corner, then he is spending too much time reading his own press releases.

As a result of the Lisbon treaty changes, the duties of the Presidency are significantly smaller than in the past and the absence of the major 2004 accession helped to ensure that costs could be significantly lower. Even with these changes the work of an EU Presidency has a major impact on all states, not only the smaller ones. Ireland has always handled them well because we give our best people responsibility, as the Taoiseach has outlined. Every Presidency since our first, in 1975, has been administered well. The daily work of our officials is unequalled by those of any other country not only in the Department of Foreign Affairs and Trade, but throughout Government, and officials have carried a heavy responsibility and delivered an impeccably administered Presidency. This work has rightly been praised in all parts of the Union.

However, for a Presidency to change the direction of Europe, it requires political leadership. This has been demonstrated in the past at a time when the Presidency was a much greater challenge. The 1984, 1990, 1996 and 2004 Presidencies each involved the Taoiseach and Minister for Foreign Affairs achieving major moves forward on fundamental constitutional change within the Union. The 1984 and 2004 Presidencies in particular led the Council to overcome the belief that it was incapable of agreeing anything significant.

The Taoiseach claimed this morning that Ireland had overwhelmingly delivered on its Presidency objectives of stability, jobs and growth. Certainly, there has been a stability to the agenda, but with growth and employment forecasts for the coming years cut, the claim to have delivered on jobs and growth is clearly not true. A deflationary budget which cuts vital programmes will not deliver jobs and growth. The refusal to change existing economic policies will not deliver jobs and growth. The maintenance of deep structural flaws in the euro will not create jobs and growth.

A defining characteristic of this Government from the start has been the amount of time it puts into public relations. Politics before policy is its only consistent strategy. This has been brought to new levels during the Presidency and, in particular, during the past week. The Taoiseach has developed a deserved reputation for being the most partisan ever holder of his office. He finds it impossible to acknowledge the achievements of people from other traditions from either the recent or distant past.

The Taoiseach: Who wrote that?

Deputy Micheál Martin: Whereas predecessors of different parties saw their role as having a substantial national role above party politics, the Taoiseach has completely rejected this. He has now added to this and become the first Taoiseach of any party to use a Presidency of the EU to play domestic political games. He started this earlier in the year when he travelled to London and delivered a series of partisan speaking points to an academic and business audience. Last week, he went much further and showed that for him electoral politics always come first. The Anglo Irish Bank tapes have rightly caused a public outcry and outrage. When faced with this, the Taoiseach's first and overwhelming instinct was not to address the issue at

hand, but to find a way of politicising it. Absolutely nothing in those tapes has implicated any politician in the appalling behaviour they reveal. Yet the Taoiseach decided he needed to start smearing people with crass innuendo and clearly false assertions about what information has been released to the public.

The Taoiseach has repeatedly stated that he knows nothing about what happened when the bank guarantee was brought in. He has said he would love to know what happened.

The Taoiseach: Is Deputy Martin going to tell us?

Deputy Micheál Martin: If we put aside the lengthy statements and interviews, including those given in the House, this claim of the Taoiseach is transparent, partisan nonsense. For two and a half years he and his Ministers have been in full control of Government. They have had absolute access to the many records of events, especially those contained in all of the documents retained in the Department of Finance. More important, they have had access to the officials who were present at all stages of the guarantee process. The Minister for Finance, Deputy Noonan, has refused to release some information under the freedom of information legislation. The Taoiseach cannot have it both ways.

The Taoiseach: He has no control over that.

Deputy Micheál Martin: In the Taoiseach's case, for an entire year he had at his side the most senior official present during that night.

The Taoiseach: There are no papers.

Deputy Micheál Martin: Is the Taoiseach expecting us to believe that he never asked the official any questions about the meetings he attended? The next most senior official, who was in the room that night as well, worked closely with this Government for well over a year. He regularly attended the Economic Management Council with the Taoiseach, Tánaiste, the Minister for Finance, Deputy Noonan, and the Minister for Public Expenditure and Reform, Deputy Howlin, at which bank-related debts were discussed. Did the Taoiseach ask him no questions during that time?

If the Taoiseach actually believed his own smears he would have used his complete access to officials and records to put the information into the public domain, but for two and a half years he has done nothing of the sort. Worse, he has taken no action to put in place any form of independent inquiry to produce the information he maintains is urgently needed.

I have no doubt that those the Taoiseach seeks to slur acted in good faith and on the basis of the best available information. They reached the same conclusion as the Taoiseach reached and he has not produced a credible alternative to what they decided that evening. His decision to take the low road reflects more on him than them. His first preference has always been to make an inquiry as political as possible and to take as long as possible. When the Oireachtas inquiries referendum was defeated in 2011 because the people did not trust this Government with the extra powers it was seeking, there were many alternatives open to the Government but none of them has been taken. This is not because of the need for any advice, it is because it was decided that the only inquiry Fine Gael and the Labour Party seek is one which can be trusted to be controlled directly by them.

The Taoiseach: There will be no secret inquiries.

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Deputy Micheál Martin: They have no wish to risk an inquiry that does not support their political agenda. Naturally, one thing the Taoiseach especially does not like referring to is that he voted for the same guarantee he says was the product of collusion. He sought outside advice and, in the cold light of day, supported it. He also went to his own private briefing at Anglo Irish Bank headquarters and seems to admit to believing that the bank would survive.

Last week in Brussels, the Taoiseach was eager to make this issue as prominent as possible. The majority of the Cabinet were sent out to deliver snide personal calls on people to supposedly reveal information that is already public. The Taoiseach was eager that the focus should be on implying Government collusion and that it should be seen as a particularly Irish issue. It is striking that Chancellor Merkel, in her reasonable comments, took a completely different approach from the Taoiseach. She directed her comments not only against Irish bankers, but against the mentality in many parts of the industry throughout Europe.

I have looked at the record relating to the three previous leaders of Fine Gael who were taoisigh during our Presidencies. In no case have I been able to find anything which comes close to the cynical party politics the Taoiseach displayed last week. The scale of this cynicism becomes more evident since we have learned that last week Ireland was confirmed as having returned to recession. It is two years since the Taoiseach started claiming to have delivered growth, but four of the past five quarters have seen the economy decline. Most people would have expected the Taoiseach and his Ministers to give a response to this and to explain what their strategy is to reverse the new trend, but they had nothing to say. They ran away from the microphones when asked about the return to recession but sought out every opportunity to talk about 2008.

Fundamentally, this is a Government more interested in exploiting the past than learning from it. It wants to keep re-fighting the last election and is happy to find people who support them in this. It is increasingly clear that it is not helping the Government to halt rising levels of dissatisfaction and falling levels of trust.

Last week's summit signed off on the last part of the country-specific approach to economic policy. The ensuing recommendations entrench current orthodoxy. They do not call on countries that have the ability to stimulate their economies to do so. They leave Europe with an economic policy which claims that freer trade and lower regulation are all that we need to deliver competitiveness, jobs and growth.

The documents agreed last week contain no hope of a new direction and no answer to the rising evidence of a deeper economic downturn taking hold in Europe.

The need for an urgently arranged final meeting involving the heads of the different institutions proved that the budget deal announced the previous week was no deal. It is welcome that there is a political agreement on a budget but there is no circumstance in which Ireland should welcome this budget. No matter how the Taoiseach spins it, the multi-annual financial framework, MFF, will hinder, not help growth in Europe. It implements a cut in the European Union's already low share of the European economy. By definition, cutting spending will be deflationary. Even more seriously, to fund some new areas, existing ones are to be cut severely. The rural economy will feel this most but so too will sectors which were relying on Europe taking a leading role in promoting growth through innovation. While the €6 billion youth employment fund has been improved because of the European Parliament's demands, it still is wholly inadequate. It is not large or focused enough to make a major difference in any country and

over-selling it is foolish.

Last week's agreement on the Common Agricultural Policy, CAP, is welcome because it does less damage than was originally feared. The 10% cut to overall funding that was agreed by the Council will cause serious problems. However, Fianna Fáil welcomes the withdrawal by the Irish Presidency of its earlier position of skewing the budget towards larger units and away from the core social and environmental role of the Common Agricultural Policy.

As for banking union, the spin about last week's deal on the European Stability Mechanism, ESM, and resolution mechanisms has already fallen apart. This deal does not do what is claimed. After the deal, *The Economist* wrote that no matter what the politicians were claiming, "the poisonous link between weak sovereigns and weak banks in the euro remains intact". Yesterday, the *Financial Times* went into more detail by writing:

It kills the last chance of a resolution that could have ended the depression in the eurozone periphery. In the brave new world of the EU's resolution regime, all risks will be shared between various categories of bank creditors, which are mostly domestic institutions, and the banks' home states.

The European Council... has long become silent on the ceremonious pledge, made in June 2012, to break the link between sovereigns and the banks. Last week's agreement did not break it. It has not even been diluted. It has been reconfirmed.

The Taoiseach must reconcile his claims about what was agreed last week in respect of banking union with these independent assessments of what was agreed.

The Taoiseach: The Government has made significant progress but the Deputy will not admit it.

Deputy Micheál Martin: Even today's edition of *The Irish Times* points out: "As yet there is scant progress on breaking the vicious circle between banks and sovereign states which so excited the Government last year."

The Taoiseach: The only truth the Deputy has spoken today is he failed to admit it-----

Deputy Micheál Martin: Some Ministers are claiming the effort to secure ESM funding retrospectively for Irish banks has been damaged. What they have not done is to explain what Ireland has been seeking. The Minister, Deputy Noonan, told a Dáil committee last year that he could not see the benefit from selling our bank stakes to the ESM. Has this position changed?

During this Presidency, Ireland fulfilled its core responsibilities well. It handled the agenda it was given by President Van Rompuy and delivered the required agreements to keep most of the items on track. However, at the end of the Presidency, Europe has not returned to stability, jobs and growth, as the Taoiseach keeps claiming. Our political leaders did not try to change the agenda.

Acting Chairman (Deputy Ann Phelan): I must ask the Deputy to conclude.

Deputy Micheál Martin: I will do so. They did not try to push a move away from failed policies or towards badly-needed reforms of the Union.

The Taoiseach: What about reform of the Common Fisheries Policy or CAP reform or

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Erasmus programme reform or the Europe 2020 targets?

Deputy Micheál Martin: Nothing was done which gives any sense that Europe is actively working to help its 27 million citizens who are unemployed. Unfortunately, this was a lost opportunity.

The Taoiseach: Fire that scriptwriter.

Acting Chairman (Deputy Ann Phelan): I call Deputy Adams, who will share time with Deputy Crowe, namely, seven and a half minutes.

Deputy Micheál Martin: The Taoiseach is good at firing this days.

Deputy Gerry Adams: Go raibh maith agat, a Chathoirligh.

Deputy Timmy Dooley: I hope the Taoiseach is not obliged to fire his colleague sitting beside him-----

Deputy Gerry Adams: Last week's European Council summit marked the end of our Presidency.

Deputy Timmy Dooley: -----when he finds out which way she intends to vote.

The Taoiseach: The Minister had an historical achievement.

Deputy Gerry Adams: Lads, an bhfuil seans ar bith agam?

While I disagree with the Taoiseach's policy on many issues, I commend the great energy he brought to these challenges. Some progress was made on several issues, such as the Common Agricultural Policy and the Common Fisheries Policy, but it is fair to state the Presidency was characterised by spin and exaggeration on many occasions, not least in the Taoiseach's remarks today. Indeed, during the final weeks of the Presidency, the negotiations on the European Union budget or multi-annual financial framework were nearly undone by the Tánaiste and Minister for Foreign Affairs and Trade, Deputy Gilmore's overzealous overselling. The Taoiseach's claim to have secured a deal on the European Union budget was met with the resignation of the negotiator for the European People's Party amid accusations that the Tánaiste was misleading people. While the budget has been cobbled together and will be voted on by the European Parliament this week, many MEPs remain deeply concerned both by the budget itself and by the way in which it was agreed. It represents essentially the continuation of the austerity approach that has contributed to the current crisis and it cannot be welcomed. If it is passed, it will see substantial cuts to important European Union-wide programmes. The immediate impact will be a cut of 6% for 2014, which includes a cut of 25% to research and innovation funding, an 11% cut to the rural development programmes, a 14% cut to health and consumer protection funding, a 9% cut to the Cohesion Fund and a cut of 19% to development aids.

Consequently, while the Irish Presidency of the European Union bears all the hallmarks of austerity, the outcome will be to see more of what everyone has experienced in the recent past. Were further proof needed, the latest figures from the Central Statistics Office show the State once again is in recession. The decline in gross domestic product reflects the depression in consumer spending and high unemployment and all this constitutes an indictment of the Government's policy. One significant impact of these policies, which the Taoiseach has marked down as one of the landmark achievements in his remarks today, is the issue of youth unemployment.

Only €6 billion has been allocated to tackle youth unemployment, which is a drop in the ocean compared with what is required. In some parts of the European Union, unemployment among young people under 25 is as high as 50%. Nearly one quarter of those aged between 18 and 25 across the Union are out of work and in this State, the figure is one in three. This means that 5.5 million young people are unemployed across the European Union. This morning, the Taoiseach told the European Parliament that tackling the blight of youth unemployment was an absolute priority, but yet 91,664 young people are out of work which is treble the level of four years ago. Moreover, Members are aware that these figures are massaged by the fact that tens of thousands of Irish youngsters are scattered across the globe. All the policies the Taoiseach is pursuing here and in Europe are aggravating and increasing the blight of youth unemployment, not ending it.

Moreover, the chances of a deal on our legacy banking debts faded in recent times. This is the same deal the Taoiseach and the Tánaiste and Minister for Foreign Affairs and Trade, Deputy Gilmore, told Members would be concluded by last October and then by this June. This was to be a seismic shift, a game changer and while European Union Finance Ministers have agreed on procedures to deal with future collapses, there is no firm commitment about the nearly €30 billion of Irish taxpayers' money that has gone into the pillar banks. Lest one forgets the €30 billion that was used to pay off the debts of Anglo Irish Bank, that has been kicked down the road but thanks to Fine Gael, the Labour Party and Fianna Fáil, our children and perhaps their children will be paying for the greed and reckless behaviour of those greedy bankers for years to come. The fact also remains that nothing has been done to break definitively the link between sovereign and banking debts, as was promised more than a year ago. What is to be the role of the ESM? While a €60 billion fund has been made available to deal with bank recapitalisation, this fund seems far too small for what is required. Did the Taoiseach not tell Members that the ESM would mean retrospective recapitalisation of Ireland's bad banking debts? Is this still the Government's objective? Sinn Féin has repeatedly called for the Government and its Fianna Fáil predecessors to save the taxpayers from the burden of this debt. That was dismissed as fairy tale economics, yet last week the European Union adopted the position of burning bondholders when the banks fail. It is too late for the people in this State.

In the past week we have also been subjected to a litany of revelations about the banking controversy which bankrupted the State and left citizens here in hock to the EU, the European Central Bank and the IMF. We still have not heard a full account from those involved, and we remain vigilant to see what will come out of all that.

I want to refer briefly to the deal on the Common Agricultural Policy, which represents in many ways a missed opportunity because while there was some redistribution of funds from those at the upper end of the scale to those at the bottom, it is much less than it might or ought to have been.

I am very disappointed that the Irish Presidency did not do more to advance the agenda for peace in the Middle East, particularly in the Gaza Strip, the West Bank and Syria.

I know that on a personal level it has been an extremely busy time for the Taoiseach during the Presidency so fáilte abhaile.

The Taoiseach: Go raibh maith agat.

Deputy Seán Crowe: Ireland's Presidency of the EU has ended. The last major event was

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the Council meeting last week. For many people poverty is seen as having grown in Europe, recession has returned, hunger is knocking on many doors, and there is not much hope about. The Taoiseach spoke in terms of success. He may be too close to it but many people across Europe who are stuck in that awful place would not describe what is happening in their lives as a success.

One of the key stated aims of the Presidency was to tackle the huge levels of unemployment in the EU, and mention was made of youth unemployment, but that has not happened. At the last Council meeting it was agreed to spend over €6 billion in the next two years to support job creation, training and apprenticeships for young people, but there is a strong belief across Europe that €6 billion is not nearly enough funding to tackle this major socio-economic problem.

We know from official figures that more than half of those aged under 25 in Greece and Spain are out of work and that in Italy currently 40% of youths are unemployed. In Ireland, the youth unemployment rate is over 30%, and could be higher but for the haemorrhaging of youth from rural Ireland and from towns and cities across the island. Youth unemployment in France is above 26%, more than double the national rate. On deprived urban estates and in many rural areas, youth unemployment is a whopping 40%. That is the impact it is having across many families.

The current generation of European youth is probably one of the most educated generations Europe has ever produced, yet the scandal is that many of them face a future of unemployment, underemployment or emigration. The fact that we are allocating insufficient investment in the youth guarantee, which will create real jobs, is an indictment of this Presidency. The International Labour Organization has also criticised the shortfall in funding being made available for the youth guarantee. Its estimate is that €21 billion would be needed over two years to facilitate and halt the decline in the EU's youth unemployment rate. Along with the EU budget, the youth guarantee is not fit for purpose. It promises a great deal in rhetoric but, crucially, it does not provide the necessary stimulus funding or investment to provide essential jobs and sustainable economic growth. This is not new funding that we have been promised but money from within the new scaled-down EU budget. Eurofound estimates the cost of youth unemployment in Europe at €150 billion a year. The social costs are also evident every day in constituencies across Ireland and Europe. For many, that €6 billion shows that the EU and Ireland's Presidency has not reacted accordingly to the scale of the crisis.

Most of the talk over the weekend and into this week was about the revelations that the US Government, through its covert PRISM programme, was spying on EU officials and national Government officials. The German paper, *Der Spiegel*, revealed over the weekend that the US intelligence agency, the National Security Agency, NSA, spied on EU missions in Washington and in New York, and that NSA agents may have also infiltrated EU security communication lines in Brussels. That is like playing poker with people who are supposed to be one's friends but they arrange, with tricks and mirrors, to see the card one is holding. They have an unfair advantage over the game, and they always come out winning and on top. It should not be a surprise to anyone that spies spy but it is an uncomfortable wake-up call for states in terms of how far they can trust some states which are supposed to be their friends and allies.

This is not unique to the US. Many European countries engage in this undemocratic practice. In 2004, a listening device was found in my party's office building in Belfast. My colleague, Barbara de Brún, who was then an MEP, had her office bugged by Britain's MI5.

I am sure this issue has been talked about at the highest level since the revelations, and I hope the Taoiseach will raise his concerns at this undemocratic and covert action. It is a warped friendship that promotes and allows that activity.

I congratulate Croatia on joining the EU today and warmly welcome it into the European Union. Croatia is now the 28th member of the EU but this comes ten years after it started the accession process and just under 20 years since the end of its war and eventual separation from the former Yugoslavia. It is a difficult time for the EU due to high unemployment and low growth, and for the past four years Croatia's own economy has either been in recession or stagnant, similar to our own. A priority for the EU must be assisting the unemployed and the disadvantaged, narrowing the gap between rich and poor, and improving the living standards of citizens across the European countries. The EU must focus on an investment stimulus that will create economic growth, not the current policies of cuts and more cuts. The current economic mix has failed to deliver and more people are coming to that conclusion.

Along with others, I am disappointed that there were no Council conclusions on illegal colonial Israeli settlements. At the Foreign Affairs Council last week there was no agreement to publicly condemn Israel's continued settlement construction. According to media reports, Baroness Catherine Ashton pushed strongly against that, wanting to give the US Secretary of State, John Kerry, time to pursue his latest initiative. That is extremely disappointing. Regardless of whether there are negotiations, these illegal colonial settlements should be condemned and efforts towards a ban on settlement produce or even labelling should not be hindered because of it. There was disappointment during the Presidency that we did not see that initiative coming forward. Baroness Catherine Ashton's move is another indication of the lack of willingness from the EU to play a significant and positive role in resolving that extremely difficult conflict.

Along with my colleague, Deputy Adams, I am extremely concerned about the question of Syria and the developments that some countries are talking in terms of arming rebel groups. When we get to the questions we might get some sense of what happened in regard to that.

Acting Chairman (Deputy Ann Phelan): I call Deputy Mick Wallace, who I understand is sharing time with Deputy Boyd Barrett.

Deputy Mick Wallace: All members of the EU should be very concerned about the information that has come into the public domain in the past two weeks from Edward Snowden. It is a little scary. The notion of bugging European embassies and offices has nothing to do with the US's so-called fight against terrorism, and it might impact on the free trade talks beginning next week. President Obama seems to think that is normal and is what happens but that will not wash. The French and the Germans are not pleased and do not regard it as normal to bug one's friends and collect data from them. Some 500 million communications are being tampered with every month in Germany alone. That beggars belief.

Deputy Timmy Dooley: The Government should send the Minister for Justice and Equality, Deputy Shatter, to deal with that matter. He would not be long resolving the problem.

Deputy Mick Wallace: Clearly, this has more to do with business and gaining economic advantage than it has with fighting terrorism. Is what the Americans did any different from what the KGB used to do? We used to criticise the latter for its actions. There has been a great deal of discussion with regard to the Chinese, who, it must be stated, do try to control the Internet. However, it is obvious that the Americans are trying to do so as well. It must be difficult

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now for the Americans to throw stones at the Chinese, particularly as they have been discovered engaging in the same type of activities. Does the Tánaiste agree with me in that regard?

Deputy Eamon Gilmore: The Deputy would know more about spying than I would.

Deputy Mick Wallace: Is the Tánaiste referring to the fact that I have been on the receiving end?

Deputy Eamon Gilmore: Deputy Wallace should not be paranoid.

Deputy Timmy Dooley: It is not only the Minister for Justice and Equality, Deputy Shatter, about whom Deputy Wallace needs to be concerned.

Deputy Mick Wallace: The Tánaiste will be relieved to hear that I am not paranoid. I just know they are out to get me.

(Interruptions).

Deputy Mick Wallace: The collection of a significant amount of words and communications of people in Europe is a matter which the Irish State is going to be obliged to address. Privacy is not what it used to be but what one gives away voluntarily is very different from what an organisation or state might take from one. There was a time when privacy was the defining quality of a free people. In that context, alarm bells should be ringing. I do not believe President Obama's defence of what occurred is going to go down well. I watched him on television last night and he did not look comfortable trying to defend what happened. I was interested in the comments made by Edward Snowden yesterday who stated:

In the end the Obama administration is not afraid of whistleblowers like me, Bradley Manning or Thomas Drake. We are stateless, imprisoned, or powerless. No, the Obama administration is afraid of you. It is afraid of an informed, angry public demanding the constitutional government it was promised...

There has been an attempt to silence whistleblowers in order to stop the flow of important information to the public. We had a couple of whistleblowers of our own of late during the penalty points episode. The Garda Commissioner was not afraid of those whistleblowers but he was certainly afraid of the information relating to the abuse of the penalty points system getting into the public domain. It is from there that the fear comes.

Marjorie Cohn, professor at Thomas Jefferson School of Law, has stated there is another rule of law, international law, that may give the 30 year old systems analyst, Edward Snowden, a path to political asylum. Cohn said Snowden could cite "a well-founded fear of persecution" based on the mistreatment of fellow whistleblower Bradley Manning. If what Professor Cohn has said is anything to go by, then we could be forgiven for thinking that if Mr. Snowden is returned to America, he is unlikely to have a great time. There is also a provision in the Convention against Torture that forbids extradition of a person to a country where there are substantial grounds to believe he would be in danger of being tortured, as was the case with Bradley Manning. The Americans have been quick to claim that terrorist attacks were thwarted by the massive dragnet of surveillance exposed by Snowden. However, Senators Mark Udall and Ron Wyden, who have been on the Senate Select Committee on Intelligence which has examined this classified information for many years, say that this is not true. The intelligence that is the most useful for foiling terrorist plots is traditional in nature and does not involve dragnet sur-

veillance whereby the authorities listen in to people's telephone phone calls and track the sites they visit on the Internet.

Douwe Korff, a Dutch lawyer, writing in *The Guardian* has observed:

It is time that these activities – by all the states involved – are brought within the rule of law. It is what the rule of law is about: that all activities of the state which in one way or another impinge on anyone's rights are subject to legal and democratic constraints; that the agents of the state... are not granted excessive discretion; and that there is proper democratic oversight and control.

I am of the view that Amnesty International should urgently consider taking a case to the European Court of Human Rights on this issue.

I would like the Government to make a statement in support of what Edward Snowden did. I am of the view that Mr. Snowden took the action he did for the right reasons. It is outrageous that his passport has been taken and we should offer him travel documents. The latter is the act of an authoritarian state. I would like people to support Mr. Snowden. It is interesting that a poll carried out in the US last week shows that 53% of the American people think what he did was right. In addition, some 70% of those between the ages of 18 and 34 indicated that they thought what he did was right. Edward Snowden, Bradley Manning, Julian Assange, Aaron Swartz and Jeremy Hammond sought not to liberate land or people, but information. The authorities have sought to criminalise them as spies. Their aim was neither to enrich themselves nor aid foreign powers but to make countries more transparent, knowledgeable, accountable and honourable. The western world has always prided itself on the idea that individuals can make a difference. Clearly, they do so at their peril.

Deputy Richard Boyd Barrett: The utterly shocking revelations arising from the Anglo tapes obviously provided a critically important context to last week's EU Council meeting. Much of the discourse and media debate around those revelations has focused on the reputational damage to Ireland. We need to move away from the idea that such damage has been done. President Higgins was correct in stating that the outrageous comments made, disgraceful sentiments expressed and language used by senior executives in the former Anglo Irish Bank had nothing to do with the character of the Irish people or with their attitude towards the people of Germany or the remainder of Europe. This matter is not about what Irish people did, rather it relates to what bankers did and to the tremendous cost they have inflicted on ordinary citizens, on the country and on its economy. It also relates to what bankers right across Europe did to its economy and the price we are paying for their attitude, activities and gangster-like behaviour. There is no other way to describe what happened.

It is telling that they sought to use a poor imitation of the gangster language of the streets in order to stylise their activities. The language used on the Anglo tapes brought to mind the RTE documentary on Bertie Ahern's rise to power from his base in Drumcondra, wherein some of his cronies stated, without shame, that they had modelled themselves on the Mafia. It seems that there was a cohort of people in the spheres of banking and politics - particularly concentrated within the Fianna Fáil Party - the members of which quite unashamedly sought to emulate gangsterism when conducting the business of society and running the economy. If that is true - I think I would probably have the agreement of the current Government when I say that it is true - and if gangsterism among bankers, politicians and developers and a contemptuous attitude with regard to the impact of their activities on ordinary citizens were the problem, then

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surely the biggest lesson we can draw from this is that we can be absolutely certain and confident in saying that we have no moral, economic, practical or other responsibility to pick up the tab for what these people did.

7 o'clock

It begs the question after these shocking revelations - I know this is the feeling among ordinary people - why the hell are we paying the debts of this gang? There is no other word to describe them other than as a "gang" who had utter contempt for the people of this country, its economy and the wider European economy. That is the lesson we should draw from this and it should give us renewed confidence to say we are not paying off these debts because they will destroy us. Why are we taking responsibility for them? Why are we allowing Europe to force us to bear the cost of what these people did, in particular when Europe went along with the doctrine of light regulation, which was certainly championed in this country by this layer of people, or this golden circle, and cheered on the Irish economic model then called the "Celtic tiger"? It rewarded some of the key figures who were championing this cowboy model of banking and economics and promoted some of them into senior positions in the European Union and, to a large extent, institutionalised their *laissez-faire* no regulation model when it came to running an economy and running banking.

Where I believe our reputation has been damaged - this is an issue the Government must address - is in regard to corporate taxation which is the other big issue that has come up in the past few weeks. I appeal to the Government, if it is serious about wanting to secure, improve and rehabilitate Ireland's reputation at an international level, to show a willingness to seriously scrutinise what multinationals based and operating in this country are doing to avoid paying their proper tax obligations because it is a scandal which is damaging our reputation in Europe, Britain, the United States and everywhere, and we are in denial about it.

In a discussion about setting up a sub-committee to look at global taxation architecture at the finance committee last week, it was very clear that Fine Gael, Fianna Fáil and the Labour Party would scupper efforts to get Google, Facebook, Abbott Laboratories or other such companies to answer questions, never mind change the tax regime, on how they are dodging tax. Surely that is doing far more damage to our reputation and to our public finances in that these companies are not contributing properly to the functioning of a state and its infrastructure which they utilise in order to make their enormous profits.

I appeal to the Government to make a statement, given its commitment to supporting whistleblowers, letting Edward Snowden know that if he comes to this country after doing us the service of telling us that the United States is spying on the EU, of which we are part, we will look favourably on his asylum application as it is the least we can do.

Minister of State at the Department of Foreign Affairs and Trade (Deputy Lucinda Creighton): I will not respond to Deputy Boyd Barrett because it will be a Topical Issue today and I understand the Minister of State, Deputy Costello, will deal with it.

I would like to talk about the Irish Presidency and the six months since 1 January, during which we have presided over the Council of the European Union. I do not think it is self-praise or somehow exaggerating to say it was a good Presidency. I am sorry Deputy Martin is no longer in the House because I thought his contribution was a little ironic. I spoke in the Seanad and in the Dáil on many occasions in the run-up to and during our Presidency and I have always

said we have an excellent record of running Presidencies. Our six previous Presidencies have all been successful. It was somewhat ironic that Deputy Martin actually accused the Taoiseach of politicising statements made during the Presidency and then went on to make a completely politicised statement in which he could not even bring himself to give the slightest bit of credit to the Government or to Ireland for conducting what was genuinely and generally accepted as a very good Presidency.

The Presidency was important for two reasons, one of which was reputation building. It is no secret, as it is in our programme for Government and is repeated by Ministers from the Taoiseach down, that we have prioritised rebuilding Ireland's tarnished reputation. I think we all agree the Anglo Irish Bank tapes have been a very stark reminder of just how damaged our reputation has been over the past five years or so. The Presidency provided us with an excellent opportunity to demonstrate to our partners in the EU and on the global stage that we can run an effective EU agenda for six months and we did a good job in achieving that. There is no doubt in my mind, having been at the European Council on Thursday and Friday last and having literally been on the road since January, that the response to and the recognition of the achievements of the Irish Presidency are genuine in every capital in the EU and beyond and in all of the institutions. It is not simply a question of the Government praising itself, as Deputy Martin tried to claim, but it is something that is accepted widely.

It is easy to be cynical about the Presidency and to suggest it is a waste of time, that a small country, such as Ireland, cannot make any difference, that the EU agenda is set by the institutions or by certain capitals and that the whole thing is not worth bothering with. I would profoundly disagree with that. People will say that I would say that as I am the Minister of State with responsibility for European affairs. However, I particularly disagree with that, having been at the forefront of our Presidency for the past six months.

For example, the trade deal has eluded the EU and the US for the past 20 years. We have talked about it incessantly but we have failed to achieve it, or to even get going on it. Given that we made it a priority - granted it was a risky priority - and created the conditions in the European Union to reach agreement and through our very positive and dynamic relationship with the US, we managed to create a situation where we could build momentum. We eventually achieved agreement among the EU Trade Ministers in the middle of June and, as Deputies know, the trade negotiations will be launched next week in Washington. That is a concrete example of a positive step which would not have been achieved had Ireland not been in the chair and which could have eluded us for many more months or, indeed, years to come. It has massive potential in terms of job creation, growth and offering a brighter future for citizens on both sides of the Atlantic.

Another achievement, of which I am very proud and which is a genuinely important one, is the progress we made on enlargement. It is easy for Europeans within the European Union to forget about enlargement, to say there is enlargement fatigue and to suggest we should somehow pull up the ladder behind us and not welcome new members states into the European Union. Serbia and Kosovo were on their knees 14 years ago. Everyone in the Chamber will remember the really alarming scenes just 14 years ago of NATO bombing both countries and the tragic consequences of that. To me, proof positive of how important, transformative and extraordinary the EU enlargement policy has been is that we have managed to bring those two countries together to engage in a genuine effort to resolve their ethnic and inter-state issues and to try to build a better future for their citizens. That is the power of the EU's enlargement policy. It is one of the most successful policies of the EU, if not the most successful policy, about which we

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rarely talk. That was another important achievement under the Irish Presidency.

It is important we learn lessons from the Presidency as well. One that I have learned and which we must consider again in future is the lack of visibility of EU leaders in the member state which holds the Presidency. It was a big mistake to end rotating EU summits and during the six months of the Presidency it would not be too much to hope for that EU leaders would come for an informal Council meeting to the capital of the country hosting the Presidency. It would be beneficial as a manifestation of Presidency in that important leaders and decision makers would come to the country holding the Presidency. Moreover, it is not necessarily healthy for EU leaders to always meet in Brussels in formal Council meetings. In order to stimulate a bigger and broader picture and debate, and to give more philosophical perspective to discussions, it is important to occasionally meet in an informal context. In many of his recent speeches, President Higgins has highlighted the need for more intellectual rigour in our decision making, and it is very hard for that to happen when all Council meetings are pre-prepared and precooked in such levels of detail. That is a lesson for me and something we should advocate.

It would be helpful for the EU to have longer Presidencies and the six-month term is too short. Team Presidencies, where responsibility could be shared and two or three member states could work together over an extended period, are supposed to have been achieved through the Lisbon treaty but, in reality, six-month Presidencies are still the norm. That makes it very difficult when there are very complex negotiations with the European Parliament, when expertise is developed and officials are stuck in negotiations. All of sudden, the plug is pulled after six months and we hand over to new officials and Ministers who must learn the process again. We should consider this at some point and perhaps after the European elections.

From a domestic strategic view, we must realise that our interest lies in deepening ties with new and aspiring EU member states, including the ten countries which joined in 2004, the two which joined in 2007 and one which joined just yesterday. There are also those which will join in future. From a national perspective, our foreign and aid policies are a little skewed against such an aspiration, as between 1996 and 2009, for example, we spent €33 million in the former Yugoslavia but that programme was completely suspended because of budget cuts in 2010, and there is very little funding going to those countries. We must redirect and refocus our foreign policy, as these countries will be crucial partners for Ireland in future so we should concentrate on developing ties and being a little bit more strategic in how we spend our resources in this country.

I have much I would like to say but, unfortunately, my time is limited. People often think Presidencies come together overnight but they do not, and we began our preparations in 2010. I began chairing our interdepartmental working group with senior officials from all Departments in 2011, and all our preparations have been painstakingly detailed. That has been the recipe for success, and the Taoiseach, Tánaiste and all our Ministers stepped up to the plate and worked extremely hard. The results are clear.

I know the Taoiseach has already mentioned it but I acknowledge the excellence of the officials from all our Departments, as they are genuinely the talk of Brussels and other European capitals because of their pragmatism, willingness to get stuck in and their negotiating and other skills, which are second to none. I mention our so-called Presidency staff, who are excellent, highly-talented and immensely valuable young people who came in on short-term contracts to the Department of Foreign Affairs and Trade and the Department of the Taoiseach, as well as our permanent representation in Brussels and all Departments. Most of those people will fin-

ish this week. They contributed much energy and dynamism in our Presidency and they will be sorely missed. I extend an enormous vote of thanks to these people for their contribution in rebuilding Ireland's reputation abroad and progressing the overall EU agenda and Ireland's Presidency agenda. I wish them the very best in their future careers. In other circumstances there would be a place for them in our Irish Civil Service as they are the type of people we need, as they are dynamic, talented and young. To be honest, they would put any of us to shame. Unfortunately, that cannot be the case but I know many will have bright careers in European institutions and other organisations in Brussels and elsewhere. They will be an asset to the Government and Ireland in any case.

Deputy Timmy Dooley: Does the Tánaiste agree that praise is like a liqueur in that it is often better served by somebody else? I was minded to ask this question because of the extent of the self-congratulatory run we have had and the amount of red carpet rolled out by the Government. I was pleased that at the end the Minister of State's contribution, she correctly recognised the tremendous level of work done by the staff and our Civil Service. Does the Tánaiste agree that a successful Presidency is not without precedent? There have been challenging times in the past from a European perspective and the consistency afforded to the work of the Presidency by our permanent representatives in Brussels and here has really been the backbone of Ireland's contribution to the European Union. It must be recognised that Governments and politicians come and go but it will be for history to decide who did what, when, where and how. It is incumbent on those of us elected by the people to recognise the tremendous work of our Civil Service and contractors.

Will the Tánaiste expand on the issue of banking union? There have been some concerns and our leader, Deputy Martin, spoke of those in particular put forward by the *Financial Times* and *The Irish Times* that seemed to suggest that despite the publicity or spin coming from negotiations, there is still very much a link between the sovereign and the banks, and regardless of the agreement reached last week, there is still an umbilical cord and we have not broken the link in the process that goes back to last year. There was much expectation so will the Tánaiste elaborate on the issue?

I accept the issues surrounding Mr. Snowden happened in the dying days of Ireland's Presidency but I would have thought a stronger position should have been taken by the Taoiseach in the first instance. I have not heard the Tánaiste's comments on the matter so he may be able to provide clarification as our Minister for Foreign Affairs and Trade. Concerns should have been expressed about the issues surrounding Mr. Snowden and particularly the notion that the United States would engage in activity in this State, the European Union and in European Union offices in the United States. That is deeply worrying, and I was disappointed with the way in which President Obama dealt with it by almost seeming to suggest that if information is not readily available, these are the kinds of action taken.

In my naivete I understood that consular services around the world were meant to interact at a diplomatic level, building relationships, networking and getting key understanding of how people think, as well as having off-the-record briefings and discussions, all of which is part of normal diplomacy. It is not about placing bugging devices in offices where sensitive discussions and negotiations are ongoing, which undermines the fundamentals of a democracy and regular interaction. It troubles me greatly as somebody who has supported the United States in almost every conflict in which it has found itself, and I still believe in what the United States stands for. It pains me to be critical of this issue, and if it had happened under a Republican President, there would have been absolute uproar. It is deeply disappointing behaviour from a

friendly nation.

The Government continues to take assurances from the United States about the transport of prisoners and specifically that they have never been transported through Irish airports. That is done on the basis that we have a friendly relationship with that nation and we accept its assurances. It beggars belief that in that kind of environment, this type of activity would have taken place. I wonder why the Irish Government has not taken a much clearer and unequivocal position. It is no harm to stand up to a friend on occasion when we recognise that the friend is straying off the path that would be expected and to give a more than gentle reminder on this occasion that this behaviour is unacceptable and puts the relationship back quite a distance. We can talk about a trade agreement between the EU and US. I would call into question how great an achievement that is when one considers the extent to which information about Europe's position on this has been collated and perhaps disseminated. I would like to hear more from the Minister about that.

Acting Chairman (Deputy Liam Twomey): Does the Tánaiste mind if I take Deputy Crowe as well?

Deputy Eamon Gilmore: Yes, of course.

Deputy Seán Crowe: I was listening the contribution of the Minister of State with responsibility for European Affairs and would like to be associated with her remarks about the staff in the Department of Foreign Affairs and Trade, particularly those young people who helped out and brought so much energy to the Irish Presidency.

The Snowden affair has dominated the news in the past week. The Taoiseach and the Minister of State spoke about the free trade agreement. It is a bad backdrop to those talks. Does the Tánaiste feel that it will have a negative impact on those discussions? The Minister of State spoke about how positive it was that it has kick-started but, realistically, we are talking about years in respect of that agreement. Does the Tánaiste agree with me? This throws up all sorts of questions about being bugged by a foreign power. Are there now concerns about Irish offices abroad? Will there be new investigations relating to that? People are asking this question.

In respect of Palestine, is the Tánaiste disappointed that nothing substantial was agreed in respect of the settlements? I noted from previous meetings that there was condemnation of them and we spoke previously about labelling. Is the Tánaiste disappointed that we could not come to some sort of agreement?

Croatia was mentioned and is now a member of the EU. What effect, if any, will this have on the wider Balkan region? I am thinking in particular of the difficulties in Bosnia-Herzegovina. What can Europe do to support that applicant country in which there are clear difficulties and what can we do to develop other countries?

Syria has not been mentioned today and it would be remiss if we did not mention it. I presume it was discussed at the meeting. Have there been any developments in connection with it, particularly with respect to those countries that believe that arming some of the rebel groups is the way forward? Have there been any new developments in respect of aid for refugees and those still living in some of the so-called liberated areas and the difficulties facing aid groups? I note that GOAL is operating in that region. That highlights difficulties relating to Syrian sovereignty. The Irish Government is supporting those humanitarian efforts but the UN is going through Syrian government channels. Was that discussed at any level? There is a contradiction

there. There are difficulties relating to going through 53 checkpoints to get to people who are in a bad way medically and to provide basic items like food. I would appreciate if the Tánaiste could give us an outline of what was discussed there.

Deputy Eamon Gilmore: I agree with Deputy Dooley that self-praise is no praise. Happily, on this occasion, the country has received very good complimentary remarks from other member states and from the leadership of the EU institutions about the conduct of the Presidency. I am pleased that we successfully concluded most of the files we set out to conclude. There is a satisfaction in that and I join in what has been said in paying tribute to the officials in my Department, the Department of the Taoiseach and all Government Departments who were involved in what I think has been a successful Presidency. I took the opportunity last Thursday when I was in Brussels for the European Council meeting to talk with the staff in the permanent representation and to thank them on behalf of the Government for the outstanding work they undertook. I repeat that here and thank them, officials in my Department and the Department of Taoiseach and all of the officials who worked so hard not just over the past six months, but over the preceding period of time.

Deputies Wallace and Boyd Barrett had no comment at all to make about either the Presidency or the European Council meeting. Deputy Wallace focused his remarks on Mr. Snowden and Deputy Boyd Barrett focused his on the Anglo Irish Bank tapes. The only thing Deputy Adams could find to criticise was something we succeeded in achieving and Deputy Martin was less than generous, disappointingly so. I acknowledge that previous Presidencies were successful. This was the seventh. The country has a good reputation for running a Presidency. To some extent, that probably raised expectations for what we might achieve in the course of this Presidency.

Banking union is a good example of where we made more progress than many expected. Deputy Dooley referred to the decision made last June about the separation of bank and sovereign debt, which was one of those seminal decisions made by the EU. To give effect to that, we must first put in place the single supervisory mechanism. We got agreement on that. There was certainly comment that we would not get the banking recovery and resolution pillars agreed on and we succeeded in getting them agreed. We also succeeded in getting CRD4 agreed, which relates to bankers' bonuses, so very significant progress has been made on putting banking union in place. There was also an agreement that recapitalisation of banks by the ESM can apply retrospectively. From our perspective, that was a critical decision.

The case of Mr. Snowden was not the subject of a discussion at the European Council meeting. If they are true, the allegations that there had been such surveillance activity on EU institutions like the Justus Lipsius building and the EU embassy, both of which were mentioned, are a matter of very serious concern to all EU member states, including Ireland. The European External Action Service has sought clarification of the situation in Washington and Brussels. It has been raised by the High Representative, Catherine Ashton, with the Secretary of State, John Kerry. President Obama has given an undertaking to provide all of the information which countries want in this respect. I would regard the use of surveillance equipment and tactics of this type, if it is true, as invasive and very serious interference with the sovereignty of countries and the collected sovereignty of the European Union. If it is true the Justus Lipsius building was bugged it would be the equivalent of the European Union bugging Capitol Hill. It is this serious and must be taken very seriously. The United States authorities have been asked for an explanation arising from what appeared in the media over the weekend. It is prudent that we await this information. I do not think anybody should be in any doubt about how serious a mat-

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ter this is. It is a very serious matter. We regard it as serious and I believe all European Union member states regard it as serious.

Deputy Crowe raised the Palestinian issue. We had a discussion on this at the Foreign Affairs Council last week and work is being done. The Secretary of State, John Kerry, and the High Representative, Catherine Ashton, have been working on the issue and many discussions have taken place. It is intended to return to have a full discussion at the July Foreign Affairs Council when I hope further progress will have been made on the initiatives taken by the Secretary of State and the High Representative. I expect the labelling issue will form part of the discussion.

I had the honour of speaking at the accession of Croatia event in Zagreb on Sunday night and early Monday morning. It is very significant and welcome. It will have a positive impact on the region. It is also positive the decision was made, on the recommendation of the General Affairs Council, by the European Council to set a date for accession talks with Serbia and to proceed with the stabilisation and association agreement with Kosovo. This builds on the very positive work done by the leadership of both Serbia and Kosovo, with the assistance of the European External Action Service.

With regard to the Bosnia-Herzegovina issue, application for membership of the European Union and accession discussions are not something just driven by the European Union itself. Countries must step up to the mark themselves and must comply with the requirements for membership of the European Union. I had a brief discussion with the foreign Minister of Bosnia-Herzegovina on Sunday evening and I hope Bosnia-Herzegovina will make progress. The progress made in Croatia, Serbia and Kosovo will help increase momentum.

I should also mention progress was made at the General Affairs Council on the issue of Turkey and it has been decided to open a chapter in the negotiations with Turkey, namely, chapter 22, and the intergovernmental conference will take place later in the year.

The European Union is making a huge financial contribution to the humanitarian crisis and the problem of refugees in Syria and €1.25 billion has been committed to date. This is a very significant contribution by the European Union and the member states. The conclusions last Tuesday referred to the Geneva II talks which we want to see progressing. This is the only show in town in terms of getting a peaceful political settlement in Syria.

This covers the issues which have been raised and I thank all Members who contributed to the discussion.

Topical Issue Debate

Undocumented Irish in the USA

Deputy Andrew Doyle: I thank the Ceann Comhairle for selecting this Topical Issue regarding the immigration reform legislation which is before Congress in the United States. The Border Security, Economic Opportunity, and Immigration Modernization Act 2013 was re-

cently passed by the United States Senate by a margin of 68 to 32. The legislation will make it possible for many undocumented people to gain legal status and, eventually, US citizenship through various means. It advances the ideas of talent-based specifically targeted immigration. The new points-based immigration system, which is similar to that in other countries, will allow acceptance of immigrants according to a merit-based system based on professional skills, family relations and work history in the US. The legislation also proposes to remove green card quotas and will create a new W visa category for low skilled temporary workers.

The specific point I wish to raise with regard to the legislation is how J1 visa holders such as Irish students will be affected. In its early stages the legislation contained proposals which would have imposed a levy of \$500 on employers, sponsors or the students themselves. This has been changed after lobbying to \$100 on all J1 visa holders. It is my understanding that at present no such fee exists, which allows Irish students compete on a level playing field for employment opportunities during the summer. This situation may be at risk. There is also concern the legislation may mean Irish students would have to secure employment in the US before leaving Ireland and this is the key point. If this were to be part and parcel of the conditions it would be very restrictive. When most students travel to the United States they do so in the expectation and hope of getting employment and almost all do so through contacts, family friends, relations and the network of Irish Americans.

The Minister of State is aware the J1 visa has been hugely popular among students. It allows them an opportunity to live and work in the United States for up to four months over the summer holidays. While the Bill addresses the problem of illegal immigration in the United States it would be a pity to see the J1 programme being targeted as a consequence. In 2009, 6,700 students spent their summer in the United States. In 2012 almost 10,500 Irish students availed of the scheme, which is an increase of 54%. When I was young masses of Irish people went to the United States and many of them ended up staying as undocumented. At least two Cabinet Ministers have stated they spent time in the United States under the scheme.

I ask that the \$100 charge be reconsidered and I ask the Minister of State to clarify whether work must be guaranteed before a student is able to travel. If this is the case it will have serious consequences for many students.

Minister of State at the Department of Foreign Affairs and Trade (Deputy Joe Costello): I also availed of the J1 visa when I was a student and I found it very useful and valuable. We would certainly like to protect it and it should not be undermined in any way. The Government fully supports the valuable opportunity the J1 summer work and travel programme provides for Irish students who wish to work and travel in the United States during the summer period. The participation of tens of thousands of young Irish people in the programme has made an important contribution to the development of our bilateral relationship. The issue of possible changes to the J1 programme forms part of the broader context of immigration reform in the United States.

As the Deputy will be aware, the welfare of the Irish abroad has been a top priority for successive governments. In particular, the plight of the undocumented Irish in the United States has been a cause of concern for many years and this Government has been committed to a resolution of their situation. In this regard, the Government has actively pursued our interests in the ongoing debate on immigration reform.

I very much welcome the vote last week by the United States Senate to approve a Bill

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that provides for comprehensive reform of the American immigration system. That is a very positive development that takes us another step closer to addressing the problems faced by undocumented Irish emigrants in the United States. I strongly welcome the provisions in the Bill passed by the Senate to address the concerns of undocumented Irish emigrants and the specific E3 provisions for Ireland that provide a legal pathway for the future.

Acting Chairman (Deputy Liam Twomey): The Minister of State's telephone could be interfering with the sound system.

Deputy Seán Crowe: They are bugging the Minister of State's telephone.

Deputy Dessie Ellis: There is a buzz about the place.

Deputy Joe Costello: I do not think it is my telephone.

Earlier versions of the Bill and some amendments sought to make changes to the J1 summer programme. These changes would have included the classification of J1 summer participants as "foreign labourers", thereby imposing heavy additional obligations on their employers and the sponsoring organisations who operate the programme. There was also a proposal for each sponsoring organisation to pay a fee of \$500 per participant. The Department of Foreign Affairs and Trade listened closely to the concerns of the operators in Ireland and the United States, who feared that this fee would render the programme financially unsustainable and force them to withdraw from it. The Tánaiste wrote to the Secretary of State, Mr. Kerry, to express his deeply-held concerns on this issue. The Tánaiste also spoke directly to Senator Patrick Leahy, chair of the United States Senate Committee on the Judiciary, to explain the impact the measures would have on the many Irish students who benefit each year. Following interventions by the Tánaiste as well as intensive lobbying by the embassy, J1 operators and student groups, I am pleased that the Bill as passed by the Senate includes provisions that will allow for continuation of the summer J1 visa programme that has meant so much to successive generations of young Irish people. J1 participants are no longer classified as "foreign labourers" and the proposed additional fee has been reduced to \$100, payable by either the sponsoring organisation or the student. I look forward to the continued successful operation of the programme in future years. The legislative process in the United States remains ongoing and we will continue to monitor developments and seek suitable opportunities to highlight our interest and improve the scheme.

Deputy Andrew Doyle: I compliment the Tánaiste and embassy staff on the work they have done to secure a reduction in the fee. It is regrettable that there is a fee at all but \$100 is much more affordable than \$500. On the conclusion of the previous business, tribute was paid to staff in the various diplomatic missions across Europe on the work they did during the Presidency. I wish to commend the Minister for Agriculture, Food and the Marine, Deputy Coveney, and his team and to put on record my appreciation for what they did with the CAP, and also to embassy staff with regard to this matter.

Is it the case that if J1 participants are not classified as foreign labourers they will not need to secure employment before departing to the United States? If that is possible then the Bill as passed by the Senate will be acceptable.

Deputy Joe Costello: My understanding is that J1 visas will operate on the same basis, namely, that no employment is required prior to departure to the United States. Furthermore, the Bill now moves on to the House of Representatives and the Government will continue to seek to influence the stakeholders there. The Tánaiste will visit Washington next week and

he will meet with key players on Capitol Hill in regard to this and other matters, in particular areas of immigration reform, resolution of the problem of the undocumented where progress is clearly being made, the provision of further legal migration from this country via the E3 scheme and the accessibility of the J1 summer programme. All of those matters are on the agenda. The best work is done on a person-to-person basis, in particular in our bilateral relations with the United States. That will continue very strongly. The matter of J1 visas, as raised by the Deputy, was largely resolved on a one-to-one basis by the Taoiseach and the work that was done in the embassies as well.

We wish to resolve the situation for undocumented Irish emigrants and to ensure that through the resolution there is no negative effect on J1 summer visas, in particular for students travelling to the United States. We will continue to monitor the situation.

US Surveillance Activity

Deputy Brendan Smith: I am pleased the Minister of State is present to respond to the Topical Issue matter I raise.

The recent revelations published by a major German magazine showing that the United States engaged in surveillance at European Union offices at key locations is a most disappointing development. The allegation that telephone lines and computer networks of European Union offices in Brussels were tapped by the American National Security Agency under its so-called PRISM surveillance programme must be investigated. There is no other way of viewing the collection of up to 500,000 e-mails, telephone calls and text messages each month in Germany alone, other than as a gross breach of trust between the United States and European Union nations. This has, without question, the potential to damage the vital European Union-United States relationship on which so much relies at a particularly sensitive time in the negotiations on the transatlantic trade agreement. It also undermines the credibility of the United States in taking a strong stand against cyber-espionage, particularly from China.

These revelations, if true, show that the United States has engaged in actions which are most unacceptable and certainly not good diplomacy. These actions have provoked a feeling of justifiable hurt on this side of the Atlantic as Europeans are being targeted by unwarranted surveillance for unknown objectives. As allies and supporters of the United States, European countries and the institutions of the European Union deserve more respect than that. We understand that in an increasingly complex world where there is a continuing need to be vigilant against international terrorism, surveillance is a necessary element of national security policy. I cannot see how the actions of the United States in this instance could protect national security in any way. After all, our embassies and EU offices are hardly any threat to the security of the United States. This raises the question of whether the United States has been using surveillance to advance its own economic and political interests to the detriment of the interests of the European Union. If true, this would be an unforgivable abuse of power. If it is not the case, we must seek clarification as to why this occurred.

The alleged use of the NATO headquarters in Brussels to spy on the European Council building, also in Brussels, is disturbing, given the latter's central and sensitive role in deciding EU policy. Has the Tánaiste been in contact with his EU colleagues to discuss how best to approach these revelations and have these matters dealt with without delay?

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Deputy Joe Costello: The allegations referred to by the Deputy, if true, are naturally of concern to all EU member states. The European External Action Service, EEAS, of the EU has sought clarification of the situation in Washington and Brussels. The Government also expressed its concerns to the US Embassy in Dublin at a senior official level and looks forward to clarification being provided in response to the EU's request. Ireland is not one of the member states identified in the media reports to date. I understand that the High Representative, Baroness Catherine Ashton, has also discussed this matter directly with Secretary of State Kerry in a meeting in Brunei.

At a press conference in Tanzania yesterday, President Obama emphasised the importance of the US's relationship with Europe and gave a firm undertaking to examine these allegations and to provide "all the information that our allies want". I welcome this clear statement and undertaking.

The House will appreciate that it is not the practice to comment in detail on surveillance and security issues and that the Minister for Justice and Equality has primary responsibility in this area. There is a comprehensive legal regime in place to deal with these matters in this jurisdiction. Under the Communications (Retention of Data) Act 2011, access may only be granted following a request to the particular mobile telephone company or Internet provider in connection with the prevention, detection, investigation or prosecution of a serious offence, the safeguarding of the security of the State or the saving of human life. Access to call content is governed by the Interception of Postal Packets and Telecommunications Messages (Regulation) Act 1993 and may only take place under ministerial warrant. The operation of this is subject to judicial oversight. There are also procedures in place under mutual assistance legislation to cover requests to and from other countries for this type of information.

The relationship between the US and Europe continues to be of vital strategic, political and economic importance. We share a common strong commitment to fundamental human rights, democracy and the rule of law and work closely together to promote these values in a global context. It is within this broad context that matters such as the recent media reports of alleged US surveillance of EU premises must be assessed. It is equally true that close partners must be direct and transparent in their dealings with each other.

Together, the EU and US account for almost half of global GDP and 30% of global trade. Important progress was made during Ireland's Presidency of the European Union towards the achievement of greater levels of free trade between the EU and the US through the launch of negotiations on a transatlantic trade and investment partnership. If successfully concluded, these negotiations could result in the creation of up to 15 million additional jobs.

Ireland continues to enjoy a close bilateral political and economic relationship with the US, underpinned by the extensive connections between our two peoples. Today, some 500 US companies employ more than 100,000 people in this country with a similar number of people employed by Irish companies in the US. President Obama's address to students in Belfast on 17 June was a timely and welcome reminder of the vital role the US played and continues to play in building peace and reconciliation on this island.

Deputy Brendan Smith: I thank the Minister of State for his reply. I welcome that he put on record the fact that Irish companies provide a significant amount of employment in the US. The employment provided by US companies in our country is also welcome.

I am glad the High Representative has raised this matter with the Secretary of State. A timeline should be set for her to revert to each member state of the EU with a reply. At EU level, the system is often slow to respond, but this issue should not be allowed to drift.

The Minister of State mentioned that the Government had expressed its concerns to the US Embassy at a senior official level. Have these concerns been conveyed by our officials, the Tánaiste or a Minister of State? It should be done at political level, pending the appointment of a new ambassador.

The Minister of State rightly referred to the potential for a US-EU trade agreement. From an Irish and EU point of view, this involves sensitive issues, given the agrifood sector and the need to protect the livestock industry. In any trade negotiation, each member state and trade bloc must carry out a great deal of policy work and strategising. The talks will continue for a considerable time. It is important that a clear message be sent, namely, that surveillance is not acceptable. All 28 EU member states deserve a clear reply from the US to the effect that there will be no breach of confidence in the long-standing and good working relationship shared by our two major trading blocs. Many EU member states have a large number of emigrants in the US. We have had a cordial and important economic relationship.

Deputy Joe Costello: I agree with the Deputy's remarks in that respect. The Government and the EU responded rapidly to the allegations. I welcome the fact the High Representative immediately sought clarification and that President Obama has stated on record that he will provide "all the information that our allies want". I agree with the Deputy regarding a timeline, in that the sooner this situation is resolved and information is made available to us, the better. The EU and US are about to embark on negotiations on a new trade agreement. We share strong values. The US is a friendly entity towards the EU and its member states. Anything that would undermine this relationship is serious. It is important that we get results as quickly as possible.

As I mentioned when replying on the subject of J1 visas, the Tánaiste will be in Washington next week. I do not doubt that this issue will be on the agenda when he meets various representatives on Capitol Hill.

Primary Care Centres Provision

Deputy John Lyons: I thank the Chair for the opportunity to speak on the urgent need to ring-fence funding for the stalled primary care centre planned for Mellows Road in Finglas, Dublin. To provide some background, the centre is in the capital expenditure plan and funding has been granted to get the project started. I warmly welcome this project, which Finglas needs badly. The site that the HSE identified as the best overall location is a Dublin City Council property on Mellows Road in west Finglas. In order for the sale of land to go ahead, a vote was taken at the north west area committee meeting of local councillors the week before last. Unfortunately, apart from two Labour Party councillors who were in attendance, everyone else voted against the site's sale.

While councillors might have voted against the land's sale for various reasons, the main opposition revolved around the belief that the centre should be located in Finglas village. I respect people's right to decide based on where they believe it should be located.

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However, a site was already planned as an ideal location which had been decided by the HSE after much consideration. Essentially, this has resulted in the indefinite stalling of a badly needed primary care facility in Finglas. It could also seriously threaten the funding to build this state-of-the-art primary care centre in future.

At the moment there are not enough GPs located in Finglas west or south to serve a population of approximately 18,000. It is recommended that there should be one GP for every 1,500 people but there are insufficient GPs in the Finglas west and south areas. This location is also recognised as an area of high deprivation. It has acute health care needs that have been identified by the HSE and would be best met in the locality. The HSE has told all public representatives in the area that there is no alternative site that meets its needs in Finglas for this primary care centre to go ahead. The HSE has said that GPs have signed up for this project. The HSE has also told us that it has plans for it but does not have the site to build the primary care centre.

If the HSE does not meet its deadlines for the project, the funding for it may be in danger. That is my major concern. I am very worried that if the proposals fall down at this stage the residents of Finglas will not get the primary care centre they badly need and deserve.

Can the Minister of State with responsibility for primary care ring-fence the funding for the proposed primary care centre in Finglas, irrespective of what happens with the purchase of the Mellowes Road site? Can some flexibility concerning deadlines be given to the HSE's project team? Any time extension on the decision to withdraw funding would give the HSE project team and local representatives the possibility of coming up with a solution that will still meet the need that the people of Finglas deserve, which is a primary care centre there. I would greatly appreciate it if the Minister of State could respond to those questions.

Minister of State at the Department of the Environment, Community and Local Government (Deputy Jan O'Sullivan): I am taking this Topical Issue matter on behalf of the Minister for Health. The debate offers an opportunity to provide the House with a report on the delivery of a much needed primary care centre for Finglas, as Deputy Lyons has indicated. Finglas has been identified as a high priority location for the development of a primary care centre. Approval for a HSE direct-build primary care centre was made in 2012 in the context of the HSE's multi-annual capital plan.

Following the review of a number of sites in the area, the HSE identified a Dublin City Council-owned property on Mellowes Road, Finglas as the preferred site for the construction of the proposed new Finglas primary care centre. Subject to planning permission, the commercial terms for the sale were agreed with officials of Dublin City Council and approved by the HSE. This site was selected because it is centrally located in the catchment area which it is intended to serve; it has very good accessibility and is well served by bus routes; it is a generous green-field site, has future expansion capacity and there would be no impact on current services during the construction period; it would complement the HSE day care centre on Kildonan Road; it facilitates the establishment of GP services in this area; and local GPs have expressed significant interest, in discussions with the HSE, in being a part of this development in this specific location.

The HSE now advises that the north-west committee, which is a local area committee of Dublin City Council, has rejected the proposed sale of the Mellowes Road site to the HSE for use as a health care facility. A final decision is awaited from Dublin City Council. This is a very disappointing outcome for one of the most socially deprived areas in the country. The HSE remains committed to the development of this primary care centre and has appointed a

design team which has commenced a preliminary design. The design is now on hold pending completion of the purchase. It was intended to submit the planning application once the site acquisition had been finalised.

An important feature of the HSE's construction programme is that it recognises the construction dynamic - that construction projects can develop at different paces - and as a consequence it is multi-annual. Ring-fencing this project's estimated construction costs - Deputy Lyons has specifically raised this issue - would cut across the multi-annual concept and be counter-productive, as funds ring-fenced but not spent in a given year must be surrendered to the Exchequer at year end. That is clearly a difficulty but I note the question that Deputy Lyons has raised and I will ensure that the Minister for Health and the Minister of State with responsibility for primary care are made aware of it.

This project's progress and its estimated costs, as is the case for all other projects, are reviewed and revised as appropriate at each stage of development. Primary care is central to the Government's policy objective to deliver an integrated and cost-effective health care system. The primary care strategy states that primary care is the appropriate setting to meet 90% to 95% of all health and personal social service needs.

Improving equity of access has the potential to improve health by ensuring that people know what services they are entitled to, how to get those services and that there are no barriers, financial or otherwise, to receiving the services they need. Finglas has many urgent needs and the provision of a 21st century health care facility will underpin and support our efforts to improve health and well-being in Finglas.

The current position is very disappointing but the Minister has urged a speedy resolution. This primary care centre is a priority health care facility which the HSE and the Department of Health are committed to delivering.

As regards the Deputy's other point on flexibility, I will bring that to the attention of both Ministers also.

Deputy John Lyons: I welcome the response that has been given by the Department of Health on this matter. It reiterates many of our concerns locally on the issue. I am glad to see that the response highlights it is disappointing to see that local politics has played a part in what could lead to local people not getting what they are entitled to, deserve and ultimately need.

As the Minister of State said, the particular location for this site is the best one on all grounds. I have also heard that from the HSE. In addition, her reply highlighted the fact that this is in an area of huge social deprivation. Those who need the service most would benefit from it because it would be on their doorsteps. It would also be accessible for people from all around the area by other modes of transport, including buses.

I thank the Minister of State for her positive response which recognises the need for this centre in its current location. I will continue to support this project at local level. I have spoken to the Minister of State with responsibility for primary care, Deputy Alex White, about this matter and he is aware of the situation. He is very concerned about the decision not to move to building on this particular site.

I thank the Minister of State, Deputy Jan O'Sullivan, for taking on my concerns. I look forward to hopefully having a positive outcome. When we take politics out of this, the only

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winners at the end of the day should be the people of Finglas and nobody else.

Deputy Jan O’Sullivan: As I said, I will certainly bring the matter to the attention of the Minister for Health and the Minister of State. It is important for people to recognise how funding operates and it is important to spend money that is allocated. If there is flexibility we will ensure that it is exercised. Speed is an issue here, however, and decisions will obviously have to be made regarding the site. The most important priority is that Finglas needs to get a primary care centre.

Housing Adaptation Grant Applications

Acting Chairman (Deputy Bernard J. Durkan): The next Topical Issue is in the names of Deputies Seán Crowe and Dessie Ellis. Deputy Aengus Ó Snodaigh was originally included but is no longer available. Both Deputies have four minutes in total to make their initial statements.

Deputy Seán Crowe: Is the Minister of State aware of the difficulties that are facing such families? I am hoping that in her reply, she will outline what she will do about this matter. These grants can have the potential to transform people’s lives, but there is a long wait involved. In some cases in my constituency, people can wait for up to three years for such grants. I am aware that some local authorities have suspended these grants, so some counties are hit harder than others.

I wish to outline two cases in my constituency. One concerns Daniel who lives in Rossfield in Tallaght. He is on dialysis and his life revolves around getting his dialysis treatment. He needs a sterile room and downstairs toilet. There is a chair-lift in the house but he often does not make it. It would transform the life of this man and that of his wife, Pauline, and their children if he could have his dialysis treatment in his own home. Despite that three years have passed his application for an extension has still not been approved.

I know of another woman in the area called Tracey, who is 20 stone in weight and has multiple cancers in respect of which she is being treated with steroids. This is affecting her bones and has led to the collapse of a couple of vertebrae in her back and her being unable to exercise, hence the weight gain. The difficulty Tracey has is that the stair lift in her home is not strong enough to support her weight, which means she has difficulty washing or using the toilet. Tracey relies on her children and elderly father to care for her and has been also waiting three years for a life-changing house adaptation.

How many families are in a similar situation? I have given two examples, which I am sure are repeated across the country.

Deputy Dessie Ellis: There are roughly 3,500 people on the housing waiting list that are elderly or have a disability, which is approximately 3.5% of those waiting for social housing in this State. Many people placed on waiting lists will be able to obtain rent allowance. While an offer of unstable housing is no solution and seeks only to perpetuate the poverty trap, it is something at a time when little housing is available. Unfortunately for older people and for those with a disability this is not an option. These people require secure and suitable housing which meets their specific needs.

Grants are made available to make housing more suitable to specific needs and in recogni-

tion of the priority which people with special needs must take in the housing system. As in the case of all other forms of public services, it is the people who need the most that are catered for by the State as the market is unwilling to do so. For this reason, the 40% cut to adaptation grants announced in March this year is devastating. This is the only option for many people who require specific tailored housing to meet their needs. These people cannot go elsewhere and this cut is a door slamming in their faces.

I recently spoke to a young mother of two children, Victoria Gonzales, who was badly hurt in an accident. She spent a long time away from her family recovering in hospital. Following painstaking rehabilitation Victoria was ready to return to some form of independent living and to care for her children despite her paralysis. Her courage and dedication facing down her misfortune was rewarded with no support from the State and she was forced to live in a cramped room in Beaumont hospital for almost two years. The Taoiseach personally promised her a home but nothing came of that August 2012 meeting. Until last week, Victoria had been 21 months in hospital away from her family and without any hope of change in her circumstances. However, following an article in *The Sun*, she has now been promised a home. Not every person in Victoria's circumstances will have their plight reported in an article in a national newspaper or have a chance meeting with a Taoiseach. Some people do not have the strength or courage which Victoria had to push forward and claim her rights.

Housing need has never been so high or severe. At one point, a medical priority was a good signifier of a person being housed soon. In some areas, this is now relatively meaningless. I deal with priority cases all of the time, many of which involve people who cannot go on in their current circumstances but somehow manage to scrape through their days. This is not discretionary spending; it is essential spending. It is not a pot that should be limited by over-zealous accounts but a fund to ensure those who need the most get the least they deserve, a secure home.

Deputy Jan O'Sullivan: I thank Deputies Crowe and Ellis for raising this matter.

As Minister with responsibility for housing, I am keenly aware of the challenges we face in providing housing supports to a range of vulnerable groups. The problems facing the State's finances, which necessitate reducing public expenditure to sustainable levels, are impacting on capital programmes across the entire public service. My Department's housing capital programme is no exception. Regrettably, these steps are necessary to bring stability to the public finances. As a result, capital spending on housing programmes in 2013 is down on last year.

Within these constraints, I am determined to make the best use of the limited budget and to target those most in need. Accordingly, the social housing supply initiatives funded from the housing capital programme are now almost entirely focussed on meeting the particular housing needs of the elderly, people with a disability and the homeless. Approximately €120 million is being dedicated to this important programme in 2013. New social housing supply is now largely delivered through the leasing of properties to augment the smaller numbers coming from the traditional capital funded construction programmes. I expect some 5,000 will be provided through this route in 2013.

I am also focussing on improving the quality and standard of the 130,000 social rented units. This will be done through a range of measures including regeneration, estate-wide remedial works and energy retrofitting of older houses and apartments. This year, I brought in a new measure, with funding of €10 million, which will specifically target older properties and involves the insulation of attics and walls, draught-proofing of windows and doors and the fitting

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of heating controls. Last month, as part of the Government's investment in infrastructure and jobs, I announced a €50 million insulation programme, which will target the 25,000 least energy efficient local authority houses and bring tangible benefits to these homeowners, in terms of fuel savings and comfort levels.

I am conscious that substantial grant funding was provided for improving and adapting private houses in recent times. During the past two years, almost 22,000 householders benefitted under the schemes. This year, I allocated 12.4% of the housing budget, some €34.2 million, to the grant schemes as compared with 13.2% in 2012. That said, there is no denying the fact that the actual financial allocation has decreased in line with a reducing capital budget. Allocations across all 34 city and county councils were made in as transparent and fair a way as possible. Between them, at the start of the year local authorities had contractual commitments in respect of approved grants totalling €18 million. Historically, local authorities have been encouraged to maintain continuity in terms of approving and paying grants. Commitments carried forward into the new financial year have always had first call on the available funding. This year, each authority was allocated the full amount of their contractual commitments and the balance of the available funding was allocated on the basis of each authority's share of the new applications on hand in January 2013. As such, it was a completely fair and transparent system. I believe this to be an equitable way of apportioning the funding, although I appreciate this approach has resulted in lower than expected allocations for some authorities.

I accept that particular difficulties are arising in some local authorities and I am taking steps to address this. I have set aside a small contingency to deal with these and I approved additional allocations totalling €1.2 million for 13 local authorities. Dublin City Council and South Dublin County Council applied for additional funding from this reserve and were notified of supplementary allocations of €118,063 and €126,111, respectively, on 22 April 2013, bringing the councils' overall allocation for 2013 to €5,050,383 and €1,340,098, respectively.

Through active management of my Department's overall housing budget for 2013, I am now in a position to allocate additional funding to two priority areas. First, there is a pressing need to augment the supply of special needs housing to meet the needs of people with a disability. Together with my colleague, Minister of State, Deputy Kathleen Lynch, I have published an implementation framework for the national strategy for people with disabilities. As a sign of my commitment to that implementation policy, I am allocating additional funding to support a call for proposals from local authorities, aimed at the acquisition of additional units of accommodation for persons with a disability. My Department asked local authorities to submit proposals in this regard by 16 July and I intend to announce a list of approved projects as soon as possible afterwards.

Second, I agree with the Deputies that additional funding is needed to address urgently needed adaptations and fittings that can facilitate people to remain in their own homes. I will be allocating additional funding to the grants measure. I hope to be in a position to notify local authorities of their increased allocations by the end of the month. I have managed to secure some additional funding, which I hope will help to address the specific cases raised by the Deputies and others throughout the country.

Deputy Seán Crowe: I welcome that the Minister of State has secured additional funding for this area. It would be useful if the Minister of State could at some stage provide the House with information on waiting lists for adaptation grants in each of the local authorities. I know from other Deputies that in some areas none is being provided. It would be terrible if a person

with a serious illness had to move from one county to another to obtain a better outcome, in particular a person in need of dialysis who must have his or her treatment in hospital rather than at home. What is being done in this area, in terms of the cost of caring for a person in hospital versus adaptation of his or her home, is not cost effective. Funding home adaptations could act as a stimulus in the sense that these are shovel-ready projects which could begin tomorrow, thus creating employment and generating money for the economy.

There is a crisis and I ask the Minister of State to produce some solutions. In my local authority area people are waiting for up to three years, and they may be waiting longer in other local authority areas. Those affected are in poor health and these delays are having negative psychological and physical effects on them and their families. While I welcome the additional funding provided, we must wait and see the extent to which it will transform the difficult circumstances in which many families find themselves.

Deputy Dessie Ellis: I too welcome the additional funding to which the Minister of State referred. It is clear that small but essential adaptations, such as the installation of ramps and hand-rails and the widening of doorways, have been placed on a lower priority list by Dublin City Council. In a number of cases, people are refusing to allow relatives to leave rehabilitation care or hospitals because they cannot have a ramp installed or a doorway widened to enable them to have access their homes. While larger works to adapt homes will not be done in the current economic climate, people should at least be able to access their homes. Rather than having adaptations carried out, people are being told they will be placed on a transfer list and may secure a place elsewhere when one becomes available. This pulls people out of their communities and away from their families and neighbours who have helped and stood by them. This approach is to be deplored. We must not go down that road. It should be possible to look after people leaving hospital - for example, those who are on dialysis or who are grossly overweight. The current position is unacceptable.

Dublin City Council has indicated it has spent all the funding available for adaptation grants in 2013, primarily on priority cases. The council already has another list prepared for next year. It is not possible that this list of works will be completed, given the large number of priority cases. I ask the Minister of State to press local authorities to carry out minor works that would allow people to leave hospital, access their homes and enjoy some quality of life.

Deputy Jan O'Sullivan: As I stated previously, I am reviewing the scheme to ensure the limits are correct and it is being used in the best way possible. While maximum spending limits apply in the schemes - the limit is up to €30,000 in one of the schemes - the average cost of works is much lower than the maximum limits. This indicates that local authorities are showing a good deal of flexibility. We have asked the local authorities not to suspend the processing of applications in case urgent cases arise. We want them to have a rolling system for processing applications rather than stopping schemes when they begin to run out of money. We also asked them to do this at the end of last year because there will always be cases that must be prioritised.

As I indicated, we have some additional moneys that can be allocated this year. As the Deputy noted, there are two funding streams, one for local authority houses and the other for private houses. I accept Deputy Crowe's point on the need to get a handle on whether the system is fair across local authorities and whether some local authorities have larger waiting lists than others. We hope the review will provide more information in that regard.

Estimates for Public Services 2013: Message from Select Committee

Acting Chairman (Deputy Bernard J. Durkan): The Select Committee on Agriculture, Food and the Marine has completed its consideration of the following Revised Estimate for Public Services for the service of the year ending 31 December 2013: Vote 30 - Agriculture, Food and the Marine.

Equal Status (Amendment) Bill 2013: Second Stage [Private Members]

Deputy Pádraig Mac Lochlainn: I move: “That the Bill be now read a Second Time.”

As an Irish republican, equality is at the core of all that I believe in. I believe in a new republic, one in which all citizens are equal regardless of the colour of their skin, their religious beliefs, their sexual orientation, where they live or what they do. We are appealing to the Government via the legislation before the House to implement equality budgeting.

Creating the conditions for establishing an equal society means recognising that many diverse groups and sections of society need enhanced protection from the State. This Bill amends the existing legislation and aims to provide for equality proofing, through impact assessments, of Government policy and budgets as well as public bodies. The legislation will ensure that, in exercising their functions, the Government and public bodies do so in a way that is designed to reduce the inequalities of outcome that result from socioeconomic disadvantage.

The Bill recognises those additional sectors of society that require enhanced protection from the State in respect of policy and spending decisions. While we all know that times are hard, what some of us fail to recognise is just how difficult they are for some of the poorest and most vulnerable. The Government came into office on a wave of promises in 2011. Soon afterwards, however, it became apparent that many of its plans involved taking from some of the most vulnerable. A study carried out by TASC revealed that lone parents, the group most at risk of poverty, lost the highest percentage of income in budget 2011. Low-income workers are disproportionately affected by austerity measures, such as the universal social charge, which is a highly regressive tax in that it comes into force at its highest level of 7% at just above the minimum wage. Women make up the majority of workers earning the minimum wage or slightly above it. They are also more reliant on public services and welfare provisions, all of which are being severely curtailed by the Government. This applies, in particular, to women with children.

Cuts in health expenditure have also resulted in reductions in services for people with disabilities. Recent budgets have resulted in cuts in the disability allowance, carer’s allowance and carer’s benefit. We continue to see increases in inequality and poverty and there is growing evidence showing the disproportionate impact economic policies have been having on disadvantaged groups since the beginning of the economic crisis.

Equality budgeting has been internationally accepted as a means to effectively deal with in-

equality and poverty. Worldwide, more than 60 countries have adopted or are working towards equality budgeting. These include the United Kingdom, South Africa, Canada, Tanzania and Uganda. The time has come for Ireland to follow suit and make a stand by providing a more just and equitable society for all. Creating true equality sometimes requires that we put in place mechanisms to ensure this objective is achieved. This is one of those times. If we were to adopt equality budgeting, we would ensure that equality is placed well and truly at the centre of any decisions concerning public expenditure and income.

I will now outline some of the specifics of the Bill. The existing Equal Status Act 2000 came into force on 25 October 2000 and was amended by the Equality Act 2004 on 19 July 2004. The Acts relate to discrimination based on the following nine grounds: gender; civil status; family status; age; race; religion; disability; sexual orientation; and membership of the Traveller community. They apply to people who buy and sell a wide variety of goods, use or provide a wide range of services, obtain or dispose of accommodation and attend or are in charge of educational establishments. Separate provisions apply to clubs practising discrimination. All complaints must relate to at least one of the nine discriminatory grounds listed.

Sinn Féin's Equal Status (Amendment) Bill 2013 aims to achieve a number of objectives. It seeks to add new and additional anti-discriminatory categories to the existing nine categories. These prohibit discrimination on the grounds of trade union membership or socioeconomic background, which is very important, as well as discrimination against Irish language speakers, former political prisoners who served their sentences before the Good Friday Agreement or were released under its terms, and rural dwellers. It seeks to introduce equality impact assessment schemes and consultation on a statutory compulsory basis by all Departments and public bodies where they are introducing any new measure, policy or budget detailing what adverse impact this may have on the existing nine and, it is hoped, the additional six anti-discriminatory categories proposed in the Bill and how they intend to better achieve equality of opportunity, or would better eliminate or lessen existing discrimination.

They must have regard to promoting equality of opportunity. The equality impact assessment scheme of each Department and public body will be assessed for compliance and monitored by the Equality Authority of Ireland, which will become the human rights and equality authority later this year when the legislation is passed. It will offer advice as per guidelines detailing the statutory duties of all Departments and public bodies. Departments and public bodies will publish the results of their equality impact assessments and state the aims of the measure, policy, budget to which the assessment relates and give details of any consideration given against the duty to promote equality of opportunity and against the existing nine categories and, it is hoped, the additional six proposed.

The Government and public bodies in carrying out their functions must have regard to reducing the inequalities of outcome which result from socioeconomic disadvantage. A system for complaints against Departments and public bodies will be introduced also and overseen by the Equality Authority of Ireland. The authority may approve a Department's scheme and will have the power to modify it or request the Department to make a revised scheme. Each Department and public body must publish an annual report on the operation and performance of the scheme. Through equality audits and impact assessments, equality budgeting provides information on the economic impact of policy measures on different sections of society.

Inequality and poverty are on the increase in Ireland. The gap between the richest and poorest in Ireland increased by 25% in 2010, with the top 20% earning 5.5 times the income of those

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on the lowest 20%. The percentage of people in Ireland living in consistent poverty increased in 2010, as did the percentage of children at risk of poverty, which stands at 19.5%. We know that economic policy measures introduced since the beginning of the economic crisis are having a disproportionate impact on certain sections of society, thereby exacerbating inequality and poverty. Equality budgeting makes sense. It is fair and just. I am asking all Deputies in the House and particularly Government Deputies to allow the Bill to progress to Committee Stage.

Deputy Mary Lou McDonald: Táim lán sásta páirt a ghlacadh sa díospóireacht tábhachtach seo. I commend Deputy Mac Lochlainn on introducing this very important and progressive legislation. Last year, Sinn Féin pledged support for the equality budgeting campaign, a campaign that has developed significant momentum. I welcome to the Gallery many of the campaigners who are pushing for this modernisation. Our legislation places equality impact assessment schemes and consultation on a statutory and compulsory basis for all Departments and public bodies when introducing new policy or budget related measures. These measures would ensure the adverse impacts of the annual Government budget, for example, on specific groups in society, would not only be exposed but mitigated and dealt with to remove the entrenched inequality that exists in our society, a reality that has prevailed in good times and in bad.

One might ask whether this legislation is necessary. It is absolutely necessary. In 2008, nearly one in five people in lone parent households were in consistent poverty. As the Celtic tiger was breathing its last breath, lone parent households were the household type with the highest rate of being at risk of poverty. Lone parent households also reported the highest deprivation levels of any household type, at just under 25%. In 2009, four harsh budgets ago, one in five lone parent households went without heating at some stage. Deputy Mac Lochlainn referred to the study carried out by TASC, which revealed that the most at-risk group of poverty in Ireland, lone parents, lost the highest percentage of income in budget 2011, and things have got much worse for these families on Labour and Fine Gael's watch.

The ESRI distributional impact of tax, welfare and public sector pay report informed us last year that following budget 2012, the greatest reduction in income was in families with the lowest income, a fall of about 2% to 2.5% for the poorest 40% of households. This contrasts with a fall of about 0.7% for the top 30%. These results reflect in measurable terms that increases in indirect taxes are regressive and that cuts in welfare have a greater impact on low income groups. We should know intuitively on a commonsensical basis that this is so, but those statistics write it up large. These figures reflect why we need equality budgeting. It is not enough to say we aspire to do better for disadvantaged groups. We need to put in place the necessary and compulsory framework to ensure equality is the cornerstone of all budgetary decisions. If we fail to do so, *de facto* we are accepting the Michael McDowell-ism that "inequality is an inevitable part of the society of incentives that Ireland has ... become". I certainly do not want that type of society.

One partner in the Government coalition already accepts the premise of Sinn Féin's argument. Labour Party Members have called for budgets to be equality proofed by undertaking a distributional analysis of proposed budgetary measures on all income groups and for the evidence generated as part of the proofing process to be published as part of the budget documentation. They also called for budget measures implemented to be subjected to an equality audit quantifying the impact of budgetary measures on all income groups, and for this information to be published within six months of the budget.

The Fine Gael and Labour programme for Government acknowledges that the rights of

women and men to equality of treatment and their right to participate fully in society must be upheld. It is not simply not good enough for Fine Gael and Labour to make this commitment and then to retreat from it when asked to implement it. Every time this matter is raised with the Minister for Public Expenditure and Reform, he tells me his primary objective in life is to reduce the deficit and return the public finances back to a sustainable footing. I do not understand this response because equitable budgets are the only path to a sustainable recovery. Deepening inequality costs society dearly in social and hard economic terms.

The Minister also tells me that Cabinet procedures require that proposals from Ministers indicate clearly whether there is any impact of the proposal on, among other things, gender equality, persons experiencing or at risk of poverty or social exclusion and people with disabilities. He could have fooled me and could have fooled the people who saw their respite care grant cut or the children who attend DEIS schools who saw the Government attempt to undermine that system. In any event, when I ask for these data I am told the information cannot be released owing to Cabinet confidentiality. I simply do not accept that data such as these should be shrouded in a veil of secrecy. I believe that if that data is in the possession of Government it should be made publicly available. Recently, the ESRI and NESC reports detailed clearly the impact of the economic crisis on young people and families. In particular, the ESRI asked how policy could best address the disproportionate impact the crisis has had on Ireland's young. The NESC report highlights how five austerity budgets have impacted hardest on families with children. It states that some 22% of all households are now without any work, that one quarter of all children are living in jobless households and that youth unemployment is soaring at 50% in Limerick, 49% in Donegal and 47% in Wexford. I could go on.

The Government's failure to embrace the concept of equality budgeting is nothing short of reckless in the face of these statistics. The equality auditing and impact assessments would provide information on how different sections of society are impacted by economic and social policy measures. Under the Government's current budgetary process it simply cannot achieve the best equality outcomes for society, especially for those hardest hit by disadvantage and unemployment. We know that the crisis is hitting low-income families, women, the youth and those with disabilities hardest. The Department of Finance and the Department of Public Expenditure and Reform continue to consider fiscal planning from the bottom line up. By doing so, the Government is deliberately and needlessly restricting its own analysis.

Equality of opportunity is not simply an aspiration; it is a right in a modern society, with all the benefits that brings in good times and bad. Even if one is transfixed and one's world view is limited to the bottom line, equality still makes sense in real economic terms.

The Minister of State, Deputy Lynch, has responsibility for equality issues. I thought that to fulfil her job description she would be campaigning for and agitating for a framework such as that proposed in our legislation. It would be astonishing if a Labour Party Minister of State charged with the delivery of equality were to consider even for one moment voting against this proposal.

We have had rhetoric and the lip service. We are all familiar with the terminology of fairness and protecting the vulnerable. Those terms are a constant chime in the Chamber. Now, we want the reality and the delivery. We want to ensure that families the length and breadth of the State, women, our young, people with disabilities and people from the Traveller community, all of whom are often vulnerable to bad budgetary decisions, have protection in law and on the Statute Book. We invite every Deputy to support this legislation, to allow its passage to Com-

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mittee Stage and to begin a new chapter in good practice, good governance and in measures that can deliver equality.

Deputy Martin Ferris: In supporting this Bill I wish to draw attention in particular to the need to ensure that qualifying prisoners released under the terms of the Good Friday Agreement are not discriminated against. We would prefer to include other former political prisoners in the legislation as well. I was involved in negotiations on prisoner issues and the clear commitment at the time was to ensure that qualifying prisoners under the Good Friday Agreement would be facilitated in their efforts to rebuild their lives outside of prison. The clear understanding was that no barrier would be placed in the way of former political prisoners in terms of accessing employment and taking up educational opportunities and so on.

Unfortunately, the spirit of that commitment has not been fully adhered to. In general, former republican prisoners have successfully rebuilt their lives outside prison, but recently we have seen an attempt to discriminate against former political prisoners in respect of employment. I am specifically referring to the recent legislation governing the issuing of taxi licences.

Naturally, we recognise that certain categories of offenders must be excluded from certain types of employment to protect members of the public, but we do not accept that this ought to apply across the board. Distinctions should be made in respect of categories of non-political prisoners as well. Many former republican prisoners work as taxi drivers. One reason for this relates to the difficulties in securing other employment for a long period owing to age, qualifications or their having been in prison. It is, therefore, unfair that former prisoners should be discriminated against in this manner, given that they have often worked for many years as taxi drivers and have not been convicted of any other offence that would or should exclude them from being issued with a licence.

My party as well as other Deputies and Senators made that point in the debate on the taxi legislation but we were ignored by the Government. There is no evidence that former political prisoners present a danger to the public who use taxis and yet they were gratuitously included in the legislation. If the new licensing regulations are adhered to, strictly to the letter, it will mean that many former political prisoners will lose their only means of employment. Many are at an age when finding an alternative job is difficult if not impossible in the current circumstances. Therefore, there is clearly a need for a measure such as that proposed in the Bill to ensure that qualified political prisoners under the Good Friday Agreement and other political prisoners released prior to the Agreement are given greater protection under the law.

One part of the reconciliation process and conflict resolution in the aftermath of the cease-fires and political agreements which brought an end to the conflict has been the re-integration of former political prisoners from all parties to the conflict. Lately we have seen attempts to interfere with that process, including the arrest of former prisoners as well as the exclusion of former political prisoners on both sides of the Border from particular jobs. It would appear that certain people are intent on penalising former republican political prisoners for vindictive reasons.

This is not only vindictive but also a retrograde step. It illustrates a certain degree of complacency about the conflict resolution process as well as a breach of the spirit, if not the letter, of the understanding that after 1998 former political prisoners would not be prevented from enjoying the same rights and opportunities as other citizens. Clearly, there is a need to ensure that in future the process does not depend on the goodwill or otherwise of whichever party or parties happen to be in power. The only way to ensure that, as with the protection of other sections of

society referred to in the Bill, is to embody protections in the law. Therefore, I hope Deputies from across the House will vote for the Bill and allow it to go forward to be properly debated and, if necessary, amended to implement in law the protections it outlines.

Many who have come through the House have been former political prisoners. Indeed, if the letter were adhered to with regard to republican prisoners the Deputy in the Chair might find himself in difficulty because of his past association with the Irish Farmers Association and having been in prison because of it.

Deputy Michael Colreavy: Equality must be the foundation stone of any republic. People must have not only freedom from oppression but freedom to achieve everything that is within their ability. Unfortunately, barriers are often placed in front of groups and individuals and they are unable to achieve their full potential. I congratulate and commend my comrade, Deputy Mac Lochlainn, on introducing the Bill. It aims to recognise that there are many diverse groups and sections in Irish society that need enhanced protection from the State. These groups suffer disadvantage in outcomes for a multitude of reasons and they must be offered protection. The Bill also seeks to amend current legislation and provide for equality proofing of the policy and budgets of Government and public bodies through impact assessments. This means that Government policy should be tested to see what effect it could have on marginalised groups in Irish society.

The Bill aims to introduce six new additional anti-discriminatory categories to the existing nine categories. These include trade union membership, socioeconomic background, Irish language speakers, former political prisoners, those with criminal convictions and rural dwellers. The Bill would introduce equality impact assessment schemes and consultations on a statutory compulsory basis for all Departments and public bodies when they are introducing any new measure, policy or budget and these would monitor any adverse impact the measures might have on any of the groups. It must also be an aim to improve the condition of marginalised groups in society through legislation. This will give the State a clearer picture as to where it is failing to provide for those most in need of protection in Irish society.

Equality screening also would be extended to the budget, which would allow those who draft it to ascertain what possible impact financial changes they make could have on those most in need of protection. In each year since the onset of the recession, both the former Fianna Fáil Government and the current Fine Gael-Labour Party Administration have failed some sections of the most marginalised in Irish society. Perhaps, if equality screening of the budget had been introduced, this could have been avoided. A practical example of equality screening in respect of rural dwellers is the provision of broadband. Each person in this day and age should have access to an adequate level of broadband but, clearly, this is not the case. Were an equality impact assessment introduced to the Department of Communications, Energy and Natural Resources, I am sure it would find that rural dwellers are at a distinct disadvantage when it comes to broadband provision and appropriate steps could be taken. Inequality based on race, creed, colour, occupation, sexual orientation, level of ability or disability or geography is and always will be wrong.

I will conclude by referring to what I hope is an unintended impact of changes to regulations. I have to hand a petition that has been signed by almost 1,000 people in a small rural area of north County Leitrim. The petition states the loss of a school bus to Ardvarney national school is yet another example of how this Government through its policies, in this case through the school transport scheme operated by Bus Éireann, is actively attacking and leading to the

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demise of communities in rural Ireland. The undersigned signatories then ask for the retention of all school bus services to Ardvarney national school and to other rural schools. While I hope this was an unintended consequence, decisions made to change eligibility for the school transport scheme have the effect of putting at risk the very sustainability of a number of small, rural schools. The people have spoken through this petition and this is the reason this Bill is needed, that is, to ensure there are no further unintended consequences of changes in legislation or policy or budgetary impacts that are hitting the most vulnerable in society.

Deputy Sandra McLellan: The rhetoric of Irish politics is weighted very heavily towards the idea of equality, albeit perhaps in a vague way and without a certainty as to what is meant by that but it is there nonetheless. It fits in with the particular sense of community and solidarity that defines Irish people or sprid an meitheal, one might call it. It often is to be seen at budget time, when politicians of all persuasion and in particular those in government are at pains to tell one they are about protecting the most vulnerable and the least well off in society. The reality is, of course, the complete opposite. The Government has hit the unemployed, single parents, the poor, the disabled, the unwell, those with special needs and more, while those at the very top, the high net individuals and those at the top of the public service, have not been asked to shoulder their fair weight. It has been shown that the budgets of the Fine Gael and Labour Government have disproportionately hit those on low incomes. It is simply lip-service, no more, no less.

This legislation is a fantastic opportunity to change that. It will introduce, for the first time, equality impact assessments on a statutory basis. This means State bodies will be required to take on board the impact of their decisions on those who could be discriminated against, such as marginalised communities and so on. Similarly, the Government of the day will be forced to take into consideration the impact its budgets and financial decisions will have on the most vulnerable or, in effect, forced to engage in equality proofing. This is not a new concept as it has been tried and put in to effect in many places including the North of Ireland, where the equality duty is founded in section 75 of the Northern Ireland Act 1998. This requires public bodies such as Assembly departments and other agencies to promote equality of opportunity. A public body could no longer simply state it has not discriminated against someone but was now obliged to actively promote equality and then actually prove that it was doing just that and must fulfil its commitment to equality in public.

There are those who would argue this will be complex and cause delay. The reality, however, is very much the opposite. This will force the relevant State bodies and Departments to outline how their decisions are equality-proofed, to take this in to account in making decisions and they would be obliged to factor in longer-term planning in all their decision-making. I believe this process could lead to a whole new way of planning and creating policies in State bodies and Departments. It would be planning in a way that promotes equality but also prudence, sustainability and long-term thinking. This legislation would be enshrining good practice. Consequently, it is clear that the legislation is an excellent piece of work, legislatively sound and well thought through, and Deputy Mac Lochlainn and his team deserve significant credit.

I will take this opportunity to note a few particular points regarding some of the new categories proposed to be inserted in the Equal Status Act, with all of which I wholeheartedly agree. I come from a constituency that contains considerable rural areas, as well as a number of larger towns, but in recent years I have noticed a considerable shift of services from rural communities and a serious erosion in the quality of life. The closure of Garda stations, local post offices and transport systems, alongside the shutting down of rural schools, is tearing the hearts out of rural

areas. Cuts in the provision of health services and hospitals or family resource centres and the lack of child care have accelerated this decline. In tandem with high unemployment in rural areas, this is leading to people leaving the countryside to go into the cities. The Government has pursued policies in rural areas that are not even remotely equality-proofed and there is hardly even the sense that rural areas deserve equality in terms of the services with which they are provided. That must change as rural areas, with the huge potential which exists in agrifood and other areas such as renewable energy, could be a key driver of economic recovery. However, this simply will not happen unless there are sustainable communities and at their root, sustainable communities have decent provision of services. Unless the Government ensures that rural communities get the services to which they should be justly entitled, a decline in such rural communities will continue. This Bill can help in that regard.

I also consider the inclusion of the ground of trade union membership is vitally important and anyone connected with the trade union movement will recognise the importance of this provision. I was a shop steward in my workplace over many years and am acutely aware that many employers will be reluctant to employ trade union members and activists and indeed can often dismiss employees who are trade unionists for that reason, although they will be given another reason for such a dismissal. However, it also is important that people recognise that discrimination does not only work in terms of negative treatment, but also through more favourable treatment being shown to others. This is a particular issue with regard to workers' rights because one often sees the stick of mistreatment or dismissal accompanied by the carrot of various inducements. I refer, for example, to a wage increase or a promotion being offered, albeit with an implied suggestion that union membership might not be helpful in obtaining it. Trade union membership could be added to the six grounds of discrimination and could give a legal mechanism for challenging such behaviour. It is apt that Sinn Féin is bringing forward this legislation while the Irish Congress of Trade Unions participates in its biennial conference. In particular, I appeal to Labour Party Members to consider the value of this Bill in ensuring fair treatment for workers. Ta sé fíor-tábhachtach i mbliaina, céad bliain ón stailc cáiliúil i mBaile Átha Cliath, go ndéanfaimis cosaint ar cearta oibríthe. Ní saoirse go saoirse lucht oibre.

Likewise, the Irish language community has been consistently, persistently and badly discriminated against over many years. Worse still is that there are those who would paint them as an elite and that they should stop complaining while the Government breaches and disregards their rights. The reality is somewhat different. In his annual reports, An Coimisinéir Teanga has regularly highlighted the flagrant breaches of the Official Languages Act and the discrimination against Irish speakers in terms of accessing services.

9 o'clock

In one shocking example of discrimination, a driver who was stopped by the gardaí in relation to a road traffic matter found himself arrested and escorted in handcuffs to a Garda station where he was detained until a Garda was found who could deal with him through Irish. The Coimisinéir's report stated: "The person detained in the case was not involved in an accident nor were there any allegations made concerning speeding or driving under the influence of alcohol."

That is scandalous. However, there are many other examples. Many State agencies are in breach of the Act, as was the Department of Social Protection. The Coimisinéir, Seán Ó Cuirreáin, is doing an excellent job. However, his thanks is to be ignored by the Government, and the complaints disregarded. It is the Government which is responsible for pursuing these

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matters with those Departments and bodies that are in breach of the law. This is disgraceful discrimination, and this Bill could rectify that. To discriminate against Irish speakers would be contrary to the Equal Status Act, as it should be.

Tá sé fíor thábhachtach go mbeadh cearta Gaeilgeoirí daingean agus go mbeidís in ann úsáid a baint as seirbhísí, maraon leo siúd nach labhrann Gaeilge. Is cearta daonna iad cearta teanga.

I wish to note that Private Members' time is often acrimonious and heated as we debate the matters of the day and hold the Government to account, and that is as it should be. However, it is also a key opportunity to bring forward legislation which we believe is necessary, useful and valuable. This is legislation with which we can all agree, certainly in terms of its objectives and likely in terms of its provisions also.

Amendments to improve the Bill will be welcome. However, that can be done on Committee Stage, and there is no real reason to oppose the Bill's passage to Committee Stage, where it can be taken. I would urge Members on all sides of the House to support this important legislation.

Ní mór don Rialtas tacú leis an fhreasúra nuair atá píosa reachtaíochta úsáideach agys fiúntach os chomhair an tí.

Fianna Fáil talks about constructive opposition as it opposes a property tax it came up with, condemns cuts that are the same as those it brought in, and brings forward pre-budget submissions which contain gaps a train might fit through. That is not constructive opposition. We are bringing forward a piece of legislation which could greatly contribute to the budgeting and management of State bodies, help ensure that we protect our most vulnerable, and go beyond the rhetoric. That is constructive opposition. I ask Members to please support this Bill.

An Leas-Cheann Comhairle: I call the Minister of State, Deputy Kathleen Lynch. I understand the Minister is sharing with Deputies Ciarán Lynch and Paul Connaughton.

Minister of State at the Department of Justice and Equality (Deputy Kathleen Lynch): Yes, if that is agreed.

An Leas-Cheann Comhairle: Is that agreed? Agreed.

Deputy Kathleen Lynch: The Government opposes this Bill on a number of grounds. First, the Bill proposes that there would be very resource-intensive obligations on the full range of public bodies to prepare and publish equality impact assessments of their work for approval by the Equality Authority. In the Bill to establish the new Irish Human Rights and Equality Commission, IHREC, which we are working on and hope to publish before too long, we are taking a different approach to ensuring that public bodies place equality and human rights at the heart of what they do. Instead of a formalistic box-ticking exercise, with an enormous administrative overhead, we are imposing a positive duty on public bodies to look at the human rights and equality issues they face and address those in their strategic plans and annual reports. Instead of agreeing paper schemes and monitoring, the role of the new IHREC will be the much more active one of providing support and facilitation. I believe this will prove to be a much more positive and useful approach.

Given the proposal to create this elaborate new proofing mechanism, it is particularly ironic

that the Bill is not accompanied by an explanatory memorandum or impact assessment. The Bill proposes to extend the discrimination grounds in the Equal Status Acts, which deal with provision of goods and services, but not in the Employment Equality Acts, which cover employment, to five new grounds: trade union membership, socio-economic background, native Irish language speaker, criminal conviction, “qualifying prisoner”, that is, former IRA prisoners released early under the Good Friday Agreement, and living in a rural area.

It is not clear if the omission of the Employment Equality Acts is deliberate or a drafting error but the Bill, as published, does not apply to employment issues. As I said, it is notable, particularly given the impact assessment obligations the Bill proposes to create, that the Bill is not accompanied by any assessment of the scope of these new grounds or what might be the impact of incorporating them, without any qualifications or exceptions, in equality legislation. It is the Deputy’s job and not my job to undertake such an assessment, but I am setting out on the record some of the most obvious questions and comments that arise and that need to be assessed in an impact assessment of this Bill.

On the trade union ground, which we heard about from the previous speaker, it is not clear that circumstances in regard to the provision of goods and services in which discrimination on this ground would actually arise. Trade union members are not distinguishable from the general population, and the Bill does not seek to amend the Employment Equality Acts in this regard. The recognition of trade unions in the workplace and the question of protecting persons who join or want to join a trade union from victimisation is a separate issue, which is appropriately addressed as an industrial relations issue rather than under equality legislation.

On the socio-economic background, no guidance is offered as to what this means, and whether and to what extent it is linked to income levels and ability to pay or assessment of risk based on income levels, for example, in regard to provision of financial services, including loans.

On the native Irish language speaker ground, it is not clear why this would be necessary, given the constitutional status of the Irish language. The provision of public services to Irish speakers is provided for via the Official Languages Act. The Private Members’ Bill refers to discrimination and does not create a general obligation to provide goods and services in Irish, but perhaps that is what is intended. Why a distinction is made between native speakers, who are approximately 2% of the population, and competent speakers who are not native speakers, who are a bigger proportion of the population at between 8% and 10%, is also unclear.

On the criminal conviction ground, as the Bill relates to provision of goods and services only, it is not clear what this ground is intended to achieve in practice. On the face of it a criminal conviction for fraud or theft would appear to be directly relevant to assessment of risk in the case of certain insurance and other financial services. If one were looking at the employment aspects these and other criminal convictions, for example, sexual offences, would also be directly relevant. However, the Bill chooses not to cover employment issues. Equality legislation seeks to eliminate unfair or prejudicial discrimination based on a person’s inherent characteristics, for example, gender, race, age, rather than affecting rational assessments of risk based on a person’s previous actions. The question of wiping the record of criminal convictions is not one that can be addressed by a simple one-line prohibition of discrimination but requires a more nuanced approach via spent convictions legislation that allows differentiation as between different types of criminal convictions, adult versus juvenile convictions and so on, different types of employment and other risk assessment situations. The Criminal Justice (Spent Convictions)

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Bill is currently awaiting Report Stage in the Dáil and is expected to be enacted in the autumn.

Regarding qualifying prisoners, these are in law a subset of the previous category but the rationale for the Sinn Féin Bill treating them separately is an obvious political one.

The question of taxi licences and licences from the Private Security Authority has been raised. The Bill may be an attempt to compel the relevant authorities to grant licenses in such cases irrespective of genuine concerns about suitability but if that is the case it would be, even if this Bill were enacted, completely ineffective as it demonstrates a lack of understanding of how the Equal Status Acts operate. The Equal Status Acts apply to the provision of goods and services, other than public services that are regulated by other legislation. The equal status legislation - and I draw the Deputy's attention to section 14 of the Equal Status Act 2000 - is without prejudice to the provisions of other statutory provisions. Essentially, the 2000 Act does not apply to an issue which is governed by separate legislation.

Regarding the rural area ground, the intent or envisaged impact of that is not clear. An obvious potential impact is in respect of the delivery charges by providers of goods, including household goods. It is common practice not to charge for delivery to locations in the immediate vicinity of a shop but to charge for those which are longer distances away or to limit deliveries to an immediate catchment area. This could be construed as discrimination against rural dwellers. Another example is that providers of cable television and other telecommunications services may not provide services outside a defined area or may not provide a service of equal quality to sparsely populated areas. Under the proposed new provision, this could again be construed as discrimination against rural dwellers. It is not obvious that the real difficulties in providing high quality broadband services, for example, to rural areas can be addressed by a simple prohibition on discrimination or that the increased provision of such services by market providers would be positively encouraged by an outbreak of litigation before the Equality Tribunal.

I wish to make a final point. The unrealistic ambition which underpins the Bill is also indicated by the inclusion of the Dáil, the Seanad and the Government in the definition of "public body" and of the annual budget in the definition of "measure" - that is, a measure whose impact must be assessed as laid out in a scheme which must be approved by the Equality Authority - respectively. Budgetary decisions are for the democratically elected Government of the day to make and for the national Parliament to approve. They are not subject to the approval, in terms of process or content of any State agency's board. As a result of its membership of the European Union and the eurozone and its accession to the fiscal stability treaty, the State has legally binding budgetary obligations in respect of the deficits it can run and to the overall level of general government expenditure it can undertake. Within the parameters required by considerations of prudence and Ireland's EU obligations, budgetary decisions as between levels of expenditure and taxation - and as between retention of income by those who earn it versus redistribution to those in need via the social welfare system and other measures - are also for the democratically elected Government of the day to make and for the national Parliament to approve.

The reality is that resources are limited and additional expenditure demands or costs arising - for whatever reason - will have to be paid for through expenditure reductions elsewhere or through the raising of additional revenue. Nothing is this Bill can change that reality or be of any help to the Government in making the difficult decisions its members have been elected to make on behalf of the people as we work to restore the country's economic sovereignty. The Government will shortly introduce, as promised, legislation to establish the new Irish human rights and equality commission. The provisions of the legislation in this regard will include a

workable, positive duty on public bodies to have regard to equality and human rights issues in their work. This will be in line with the commitment in the Government's Programme for National Recovery 2011-2016 which states, "We will require all public bodies to take due note of equality and human rights in carrying out their functions". We are also working on legislation to consolidate and streamline the various Acts which deal with family leave, including those relating to maternity protection, parental leave and carer's leave. When these two projects are taken through to enactment, we will commence a general review of the substantive equality legislation. This will include considering whether there is a case for creation of new grounds, as well as examining the scope to simplify and streamline the two main sets of legislation relating to equal status and employment protection.

In the meantime, the Bill before the House is confused and ineffective. I am most surprised that Sinn Féin, a party which I consider to probably have the best resourced researchers in this Parliament, managed to get it so badly wrong.

Deputy Pádraig Mac Lochlainn: If that is the best the Minister of State can do, there is no doubt that she has lost her soul.

Deputy Ciarán Lynch: For a number of reasons I am advocating that the House should oppose this Bill when the question is put tomorrow night. It is clear that the Bill is focused on establishing further committees and creating an extremely cumbersome bureaucracy. The enactment of this legislation could lead to progress in the area of equality becoming bogged down for many years. In essence, the Bill represents a box-ticking exercise rather than an imposition of a robust duty of care on public bodies in the context of how - by means of their strategic plans - they meet the challenges they face in their day-to-day operations. Furthermore, there are a number of technical difficulties with the Bill. For example, it contains many measures which are obviously related to the Employment Equality Acts but it makes no reference to or cites those Acts. That is more than a drafting error, it constitutes a real problem. If a Bill is not related to other legislative measures, it will be open to immediate challenge when enacted.

Deputy Pádraig Mac Lochlainn: Then the Government should amend the Bill on Committee Stage. The Labour Party has lost its soul.

Deputy Ciarán Lynch: Deputy MacLochlainn is having a bad hair day and he should relax.

An Leas-Cheann Comhairle: Deputy Ciarán Lynch should address his remarks through the Chair.

Deputy Ciarán Lynch: Another technical difficulty which arises relates to the definition of the Houses of the Oireachtas as public bodies. Neither these Houses nor the Government are public bodies. Sinn Féin may come to realise that if it takes up office at some point in the future. A Government is not a public body; it is put in power in order that it might legislate. The definition of Government as a public body in the Bill would mean that budgetary decisions could not be made without the approval of State agencies or a State-appointed body.

Equality is a subjective concept. Someone might come before this House and propose that because of the mortgage difficulties which obtain, everyone should receive a write-down of 30% on his or her mortgage. That would be an equal measure but it would also be subjective because we would be giving a break to people who would not deserve it and we would probably not be giving enough assistance to those who require it. When we discuss equality, we should place it in a subjective context.

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Deputy Mary Lou McDonald: No, we should not. Equality is not a subjective concept. The Deputy does not even know how to define equality.

Deputy Ciarán Lynch: Neither an impact assessment nor explanatory memorandum are provided with the Bill. In addition, no costings or financial implications have been supplied in respect of it.

Deputy Martin Ferris referred earlier to former prison inmates and IRA prisoners. I spent ten years working in the criminal justice system. I worked on Spike Island, in Cork prison and in probation, pre-release and post-release programmes. All of the latter were very effective because there were clear performance indicators in respect of them. The programmes to which I refer involved dealing with recidivism, rehabilitating people and reforming the system. What Sinn Féin seems to be proposing is that those prisoners who have done their best to make up for their transgressions and who are trying to get on with their lives should be left out of the loop. The legislation before the House constitutes another aspect of Sinn Féin's subjectivity when it comes to dealing with prisoners.

Deputy Mary Lou McDonald: That is ironic.

Deputy Ciarán Lynch: The Bill would give rise to a resource-intensive system. It is very demanding legislation. Performance indicators and outcomes are either confused in nature or are absent from the Bill entirely. Regardless of the intention behind it, the measure is technically flawed and ill-prepared. On that basis, it should not be allowed to proceed. At best it represents a poor attempt at what might be considered good intent. That is the best thing I can say about it.

Deputy Pádraig Mac Lochlainn: Where is the Deputy's Bill? He is a backbencher, why has he not brought forward his own legislation?

Deputy Ciarán Lynch: My comments must be hurting the Deputy because he is shouting at me.

Deputy Pádraig Mac Lochlainn: Where is the Deputy's Bill? He is talking nonsense and is becoming flustered.

Deputy Ciarán Lynch: Deputy Mac Lochlainn is not doing himself any favours by shouting at me.

Deputy Pádraig Mac Lochlainn: Nonsense. I do not know if there was any doubt about the matter but it is now clear that the Deputy's party has lost its soul.

Deputy Ciarán Lynch: If the Bill is an attempt on the part of Sinn Féin to embarrass the Government, then it has missed by a mile. If it is an attempt at having a positive impact in legislative terms, then it has missed by a country mile. The legislation before the House is completely unworkable and I advise other parties and individuals in opposition to vote against it when the debate concludes tomorrow evening.

In the context of Deputy Mac Lochlainn's comments, I welcome the Minister of State's announcement to the effect that the Government will shortly introduce, as promised, legislation to establish the new Irish human rights and equality commission. Further equality measures will also be introduced during the lifetime of this Administration. A commitment in that regard is contained in the programme for Government and that commitment is being delivered upon.

Deputy Paul J. Connaughton: I welcome the opportunity to contribute to the debate on the Bill. As is the case with all legislation which comes before the House, I am concerned with regard to its likely impact. Essentially, the Bill would place more pressure on the staff of public bodies to prepare reports and would require the allocation of significant additional resources to the Equality Authority in order that it might respond appropriately to such reports. Within the public sector, measures which would have to be proofed in line with an equality impact scheme of this nature would be the annual budget presented by the Government and voted on by the Dáil. At a time when the Minister for Finance, Deputy Noonan, must make incredibly difficult budget decisions, the thought that this entire process could be held up while civil servants check if there is any possibility that the budget might have a negative impact on former IRA prisoners released early under the Good Friday Agreement is simply bizarre.

The Government has a job to do and it must be allowed to work unhindered towards achieving its goal of getting the country back on track, restoring consumer confidence and rebuilding the broken jobs market. This work is being done at a time when we continue to spend beyond our means.

In many respects, the rationale behind this Bill is laudable. It seeks to ensure decisions made by Government and public bodies are examined to see what impact they will have on the most disadvantaged in our society. However, the flaw in this Bill is the method by which it seeks to achieve that goal.

One reason the Equal Status Act has had some measure of success to date is that its parameters are confined to nine grounds. Students in secondary school learn the nine grounds under which discrimination in the provision of goods and services is prohibited. To add a further five grounds would only serve to confuse the public, dilute the Act and have the opposite effect to that intended.

Another element in terms of the success of the Equal Status Act is that its measures were mirrored in the Employment Equality Act. This Bill seeks to insert a further five grounds for discrimination in the provision of goods and services but not in terms of employment, which is welcome. For an employer faced with many prospective employees to have to explain himself or herself if he or she chooses not to take on someone with a criminal conviction for theft, for example, is simply unworkable. Once again, common sense must prevail. The nine provisions in both Acts are easily understood and are sensible. The extension of the grounds to a further five sections of society in the Equal Status Act but not the Employment Equality Act is not sensible and simply must be rejected on those grounds.

In terms of the impact assessments this Bill proposes public bodies carry out, no consideration has been given to the extra burden this will place on public bodies in the context of staff costs at a time when resources in all public bodies are extremely stretched and when staff are under great pressure to comply with all the strictures with which they are currently faced. In the current economic circumstances, any change to legislation should be accompanied by a comprehensive assessment of how much additional expenditure such measures are likely to incur. The lack of any explanatory material in terms of the financial burden this proposed Bill will place on public bodies is a serious lapse and further underlines why this Bill cannot be supported.

The Government in the Programme for National Recovery 2011-2016 undertook to require all public bodies to take note of equality and human rights in carrying out their duties. This is a

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much more sensible approach to the matter - one that requires fewer resources on behalf of all public bodies but which still requires that they consider the human rights environment in which they operate.

For five years, tough decisions have had to be made by Ministers for Finance in order to steer the country away from the disastrous course it was on. This year will be no different. Resources are increasingly scarce in Government Departments and public bodies but, more important, in every household across the country. Anyone in charge of household finances knows that in tough times, every decision must be examined in terms of the extra financial burden it will create and what the reward, if any, will be.

While laudable objectives lie at the heart of the drafting of this Bill, it is unrealistic in the current climate and if passed, would do little more than place a major bureaucratic burden on already hard-pressed employees in public bodies.

Deputy Robert Troy: I welcome the opportunity to speak on the Equal Status (Amendment) Bill which will create a legal onus on public bodies to conduct a socio-economic equality impact assessment on measures undertaken by them while, at the same time, charging them with the responsibility of developing an equality scheme to underpin the work of that body. Fianna Fáil broadly supports the goals of this legislation and is proud of its record in the area of equality. We believe in true republicanism which is based on equality, liberty and fraternity.

The ground-breaking Equal Status Act, initiated by Fianna Fáil, came into effect in October 2000. This Act protects against discrimination outside the field of employment and prohibits discrimination in the supply of goods and services, facilities, accommodation and education on nine distinct grounds, including sexual orientation, gender, civil status, family status, age, race, religion, disability or membership of the Traveller community. The Equality Authority is an independent body set up under the Employment Equality Act 1998 with the objective of overseeing the mechanics of the State to ensure a greater level of equality on a number of grounds.

In recent months, my colleague, Senator Averil Power, introduced the Employment Equality (Amendment) Bill in the Seanad which would ensure teachers could not be dismissed from a religious run school based on their sexual orientation. I think Sinn Féin supported that Bill in the Seanad. It was disappointing the Government did not accept it but I hope it will do so in time.

We have a number of concerns in regard to this legislation which stem from the administrative burden it could place on overstretched public bodies. In our capacity as public representatives, we deal with a whole range of public bodies and officials, some of whom are burned out and overstretched. We have seen a reduction in the number of personnel working in these bodies and in the resources going to these organisations. That said, and bearing in mind the administrative burden this additional work could place on staff and the scarce resources of public bodies, the broader goal of securing enhanced equality of opportunity is an important political goal. The principles of equality must be at the core of public policy and our goals of achieving a fairer society.

The need for the guiding principle of equality at the heart of public policy has been clearly illustrated in the budgetary policies pursued by this Government which have had a deeply regressive impact on our society. An ESRI article stated that from looking at the impact of the 2012 budget, it is clear the greatest reduction in income is for those on the lowest incomes and that a fall of between 2% and 2.5% for the poorest 40% of households compares with a fall of

close to 1% for the next 40% of households and a fall of 0.8% for the top 20% of households. That is not Fianna Fáil, members of the Technical Group or any other party in this House saying it. It was stated by an independent body, the ESRI. That is a disgraceful indictment of the budgetary policies being pursued by this Government.

Deputy Kathleen Lynch: As a result of what?

Deputy Robert Troy: I refer to some of the decisions taken. Carers took a disproportionate hit to their income when the respite care grant was cut. Let us remember that the carer's allowance, which was brought in by Fianna Fáil when in government, is paid to the only social welfare recipients who actually work for their payment. They provide 24-7 care to a loved one. The children's allowance took a further hit, despite the election promise made by a particular party which was in full knowledge of the economic constraints the country faced when it made that promise. There was a cut to the provision of guidance counsellors. The abolition of the PRSI exemption hits people by exactly the same amount, whether they are on €20,000 per annum or €200,000 per annum. Where is the fairness or equality in that cut? It is not there.

The Minister for Education and Skills, Deputy Quinn, in his first budget, tried to undermine DEIS schools, a policy which was initiated and pursued to help the most disadvantaged and marginalised in society. Only last week, the Minister and the Government had to do a U-turn when they deliberately tried to target children with special needs and disabilities and in need of learning supports by capping the number of resource teachers and special needs assistants. I welcome the fact the Minister did a partial U-turn and acknowledge the fact he will employ additional resource teachers. I still have a concern, which I outlined last week, that the number of children requiring special needs assistants, SNAs, will increase this September by 2,000 while at the same time the number of SNAs will remain capped.

Deputy Kathleen Lynch: Fianna Fáil negotiated that.

Deputy Robert Troy: It is not the first time the Minister for Education and Skills, Deputy Quinn, has had to hold up his hands and admit to the inequitable nature of his decisions. Maybe if this legislation had been in place, such a decision would never have materialised from the Minister's desk and created the level of anxiety and worry that became evident. Only yesterday, changes to maternity benefit came into effect, which is an unfair attack on working women.

Deputy Kathleen Lynch: That is part of the deal done by Fianna Fáil.

Deputy Robert Troy: There has been a tightening of the one-parent family allowance. These policy decisions were made in the last budget and the Minister of State can correct me if I am wrong but the Government has been in office for two years and four months.

Deputy Kathleen Lynch: It is part of the deal done by Fianna Fáil.

Deputy Finian McGrath: The Minister of State is heckling. Move her out.

Deputy Robert Troy: Only today we met representatives of St. Vincent de Paul who outlined - as if anybody needed to - the serious consequences of the recent budget changes. They appealed to us as members of the Opposition to argue that there are choices to be made and there is a fairer and more equitable way to tackle the financial constraints we face today. We know the Government blames us and has not taken any notice of the world economy. It is entitled to the opinion that it is our fault. Regardless of who is at fault, the issue must be corrected

in a fair and equitable manner.

Deputy Kathleen Lynch: That is a fact.

Deputy Robert Troy: The ESRI - rather than us or anybody else in the House - has indicated that the Government is not tackling the issue in a fair and equitable manner.

Deputy Finian McGrath: Hear, hear.

Deputy Robert Troy: An article by Professor Tim Callan and Dr. Claire Keane, published in the quarterly economic commentary from the ESRI, indicates that the austerity budgets of the last four years of the Fianna Fáil Government - which I admit we introduced - were progressive. That means the percentage of tax paid by higher earners was more than that paid on lower incomes. Last year we produced an alternative budget, A Fairer Way to Recovery, and the Labour Party agreed with some elements of it. If we are to believe what happened in the Cabinet negotiations, the Labour Party walked out over the proposed 3% increase in the universal social charge. I would love to know what happened to make them walk in again. There are choices, which the Minister of State should never forget.

Deputy Kathleen Lynch: If the Deputy tells us what happened on the night of the bank guarantee I can tell him what happened with the budget. We can trade secrets.

Deputy Robert Troy: It is a little hypocritical of Sinn Féin to introduce this Bill, given its failures in the Northern Ireland Executive, which include an unfair property tax and educational inequalities. The average property tax in Northern Ireland for 2011 to 2012 was €980 but the party vehemently opposed such a measure in the Republic of Ireland. Of the 11 councils in which Sinn Féin is the largest or joint largest party, nine implemented an increase in property tax rates in 2013. We can also consider some of the educational failings, with two of every five teenagers in Northern Ireland leaving school without basic reading and writing skills, according to the office of the Comptroller and Auditor General for Northern Ireland. Officials from that office visited ten primary schools and ten post-primary schools as part of its examination during the 2010-2011 term, finding that as students progressed through the system, the numbers reaching the expected standard in maths and English declined.

With regard to child poverty, it was recently revealed that according to the UK Child Poverty Act, the offices of the First Minister and Deputy First Minister have a statutory obligation to report on a strategy to tackle child poverty to the Assembly by the end of March 2012. As of yet, that has not happened. One can speak of financial constraints, but this obligation is merely to present a document outlining how these issues would be tackled in times of great resources. It has not been forthcoming, even a year and some months later. Some areas of Northern Ireland have the highest child poverty rates in the UK, particularly west Belfast, which has the highest rate in Northern Ireland at 46.2%. We all know whose constituency that is.

Welfare recipients are also facing cuts in Northern Ireland. The Northern Ireland Assembly currently observes welfare parity with Westminster, and this is a legislative choice of the Assembly, so, unlike in the case of the taxation regime, Sinn Féin has not thus far made any substantive effort to change the parity principle despite its stated position. The failure to work towards welfare powers by Sinn Féin links to its aversion to financial portfolios in the Executive, and the party is systematically avoiding being in a position in which it must take tough financial decisions. Instead, it is choosing to lay blame on others.

Nevertheless, we welcome the principles of the Bill, as we are a party founded on true republican values of equality, liberty and fraternity, and we want to ensure that any policy coming from public bodies will ensure fairness at its heart. In anything we do - whether it is a difficult or an easy decision - we must prioritise consideration of whether our action is fair and equitable, and whether those who can afford to pay most will do so. If that forms a theme in the forthcoming budget, the Government will be surprised by the people supporting it. We acknowledge that difficult decisions have to be made, as can be seen with the alternative budget we presented last year. It was fully costed by officials in the Department of Finance by way of parliamentary questions and other methods. I know this year's budget will be at an earlier date but we will again take a responsible approach in opposition, presenting alternative costed proposals that will meet the scrutiny of the Department of Finance. More importantly, they will meet the approval of the general public, because the measures will be fair and equitable. That is a current failing, as the public believe that many of the decisions made by this Government are inequitable and unfair. It is annoying people.

Deputy Thomas Pringle: I welcome the opportunity to contribute to the debate on the Equal Status (Amendment) Bill, which I will support. One of the distinguishing features of recent budgets has been their impact in increasing the levels of inequality in our society. This has been highlighted by Social Justice Ireland, TASC, the Society of St. Vincent de Paul and the Government's own think-tank, the ESRI. Today in our society, the top 10% of the population based on income has nearly 14 times the disposable income of the lowest 10%. In 1980, the top 10% had eight times more disposable income. Thus, even in the so-called boom years in the economy, and given that the Government indicates that we are still at the income levels of 2003 or 2004, income inequality has grown. It should be the aim of every government to protect the weakest in society and it is clear that this Government is not interested in achieving equality.

We should be long past the rhetoric that a rising tide will lift all boats and that if our economy improves, incomes will improve with it. Even if we did not need a reminder, the publication of the so-called Anglo tapes over the past week has shown us all in a stark way how a well-paid coterie of bankers, who were more than likely in the top 30% of income earners, feel about the rest of society. We cannot expect people like that to bring equality to society. The only way that citizens can expect to have equality recognised is through the actions of a Government that places the equality of citizens at the centre of all decision making.

We are now in the budgetary process for 2014 and an integral part of that process should be an impact assessment of all the proposed measures and decisions made based on the lowest impact on equality. Then and only then can citizens be certain that their Government will be working to protect their interests and not the vested interests of the top 10% of income earners.

Income inequality is not the only area where equality should be measured. Equality should be measured across all Government and public policy actions as outlined in the Bill. This is the only way that equality for citizens can be achieved. We have only to look at some recent decisions taken by this Government, particularly in respect of the ending of the mobility allowance and the motorised transport grant, to highlight the inequality directly shown by public bodies. The decision was justified on the basis that public transport could pick up the slack, but even a five minute conversation with any recipient of the mobility allowance from a rural area would immediately have shown that this could not have been the case because there is no public transport in rural areas. The announcement of the continuation of the mobility allowance for another number of months shows clearly that this decision by the Government was wrong. If it had been equality proofed prior to being made, it would not have been made.

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Last year, I raised directly with the Tánaiste the unequal treatment of rural patients where they were being denied specialist medical treatment in Dublin hospitals because they did not live in the catchment area of these hospitals, even though these treatments were only available in Dublin. That shows the inequality inherent in our system when citizens should have equal access to all services across the State. An equality proofing of these types of decisions would clearly highlight the inequality in them and force the authorities to look at different options and provide different policy options that do not impact negatively on citizens.

Deputy Finian McGrath: I welcome the debate as this Bill is designed to protect equality in the functioning of public bodies and bring about the carrying out of equality impact assessments. It also amends the Equal Status Act 2000. This Bill is progressive legislation and I will support it in the vote tomorrow night. I commend Deputy Mac Lochlainn and Sinn Féin on bringing it forward.

Equality is a very important word for me, particularly in the modern world. More importantly, action on equality is the major issue. There is no point in talking about equality unless one implements it in issues such as in this Bill. It is about human rights, respect for the person and enjoying and celebrating difference in a modern, inclusive society. Sadly, we have a long way to go so it is up to all of us to lead on the equality agenda.

The Equal Status Acts prohibit discrimination on nine grounds. The one on which I will focus is family status - being pregnant, the parent of a person under 18 years or the parent or resident primary carer of a person with a disability. In recent days, we have all seen how the disabled and their families had to fight once again for the resource hours in our national schools. It is a constant battle, and even when they win that battle, the war must go on for rights to other services. Budget 2013 was particularly harsh on family carers who are still reeling from the 19% cut in the respite care grant, the decimation of the household benefits package, the introduction of the local property tax, the tripling of prescription charges for medical card holders and the increase in the drugs payment scheme threshold to €144. The overall cut of 5% imposed on family carers in budget 2013 was unfair and disproportionate compared with the 1.9% cut applied to the general social protection budget and continues to cause significant hardship for many carers. This Government can create better value for money by using limited resources more effectively. I also believe the Government should prioritise service quality and continuity for the most vulnerable. It should also develop and deliver strategic improvements in public policy. I strongly support the Give Carers a Break campaign in its budget 2014 submission.

These issues are all part of the equality debate, which is one of the reasons I put forward new legislation entitled the Down's syndrome (equality of access) Bill 2013 today to ensure all children with Down's syndrome get proper services and resources as a right. I will be bringing this Bill forward to the House as soon as the Ceann Comhairle permits it and allows time.

I urge all Deputies to support this Bill and commend Deputy Mac Lochlainn and Sinn Féin on bringing it before the House. It is appropriate and significant that many Sinn Féin Members who live in the Six Counties and have experienced discrimination and sectarianism have brought forward this Bill. I commend them on doing so. This Bill is about equality, justice and respect for all our citizens but, above all, it is part of building a just and inclusive society.

Debate adjourned.

Dáil Éireann
Message from Seanad

An Leas-Cheann Comhairle: Seanad Éireann has passed the Criminal Law (Human Trafficking) (Amendment) Bill 2013 without amendment.

Houses of the Oireachtas (Inquiries, Privileges and Procedures) Bill 2013: Order for Report Stage

Minister for Public Expenditure and Reform (Deputy Brendan Howlin): I move: “That Report Stage be taken now.”

Question put and agreed to.

Houses of the Oireachtas (Inquiries, Privileges and Procedures) Bill 2013: Report Stage

An Leas-Cheann Comhairle: Amendments Nos. 1 and 2 are related and will be discussed together.

Deputy Sean Fleming: I move amendment No. 1:

In page 12, line 40, after “device,” to insert the following:

“including a record of phone calls to and from a landline or a mobile phone,”.

I look forward to hearing the Minister’s comments on some of the amendments I have tabled. This amendment follows on from one we discussed on Committee Stage. I asked that cloud computing be included in the definition of “documents”. I think I heard the Minister say that information in the cloud was going to be included.

I accepted all of this. On Committee Stage when introducing amendments the Minister stated he wanted to be sure to be sure. He used the Irish version of the phrase but I am not as conversant in Irish as he is, not being a teacher, and Irish was not well-taught in the midlands when I was going to school.

Amendment No. 1 is with regard to the definition of documents. The Bill mentions various discs and mechanical and electronic devices. I want to be sure to be sure we will include in the definition of records covered in the legislation records of telephone calls to and from a landline or a mobile telephone. Amendment No. 2 refers to transcripts of telephone calls to or from a landline or mobile telephone.

We have had further discussion on this matter in the Chamber with the Taoiseach, and the Minister for Finance indicated today he has either recently written to AIB and Bank of Ireland or intends to do so in the morning to ensure any records, tapes or other recordings of telephone calls which might be necessary for any future banking inquiry or to help get to the bottom of the financial situation in the banks over a period of time would be retained by them for such use.

He feels this needs to be covered and I am reflecting this view in the amendments.

I want to be sure and very specific, particularly as last week there was so much discussion on the issue of telephone calls and taped telephone calls. We have read 25 minutes worth of the transcripts in the *Irish Independent* over the past ten days and apparently this is out of 250 hours of telephone calls. I am sure far more calls were recorded in the other banks and they would be equally as interesting. Perhaps transcripts of all telephone calls have not been made in some of these places, but I am sure it would not be proper corporate governance for institutions such as the Central Bank, the Office of the Financial Regulator, AIB, Bank of Ireland and other financial institutions not to record major telephone calls, as millions of euro can hang on what is said on a particular telephone call or on a person's recollection or understanding of it.

I will give a simple little example. Last year, I queried a VHI travel insurance payment as I felt I was charged on the double. I was told it was based on an instruction I had received the previous year but I disputed this. Two days later VHI in Kilkenny telephoned me back to tell me the recording of the call which had been made to 12 months previously had been checked and it was not quite clear either way so I was given the benefit of the doubt.

I expect most sophisticated telephone exchange systems in Government Buildings, Government offices and AIB allow for automatic recording. I want to be absolutely sure all records, including telephone calls to landlines and mobiles lines, are specifically included in the definition. I know the Minister will state they are, but the legislation will allow for the establishment of Oireachtas inquiries. I will make a bigger point later on whether there can ever be a banking inquiry after the performance of the Taoiseach and other members of the Government in recent days, as the matter has been so politicised the House has shown itself to be inherently, individually and structurally biased and a banking inquiry could not properly take place without legal challenge by those being inquired into. It may have been possible up to now but it is no longer possible as a result of recent statements. However we do want to know about the other tapes in other institutions and ensure they are all protected.

Deputy Thomas Pringle: I support these amendments. The need to ensure that records and transcripts of telephone calls between landlines and mobiles are made available to be used in any inquiry, whether a banking inquiry and whether an inquiry of this House, has been well rehearsed in the House in recent weeks, and highlighted very starkly for everybody. They would provide a complete record of the evidence which would be required for an Oireachtas inquiry to ensure we get the complete picture of what happened when crucial decisions were made.

It would be interesting to see recordings of the incorporeal Cabinet meetings which took place over the telephone on the fateful night when the bank guarantee was introduced, but I suppose they would be probably covered by Cabinet confidentiality. It might be possible to waive this confidentiality in the interests of hearing the full story of what happened with regard to the bank guarantee. If the calls were recorded this evidence should be available, in the interests of the committee and the people, to ensure the full story comes out. It should be included in the definitions and if the Minister states it is I ask him to outline exactly where so we can have clarity and so that in future no doubt will arise in this regard.

Deputy Minister for Public Expenditure and Reform (Brendan Howlin): Deputy Fleming's amendment seeks to expand the definition of "document" in section 2 to ensure it includes recordings and transcripts of telephone calls. This is an expansion of his position on Committee Stage when he discussed allowing documents or recordings in the cloud to be captured. I

understand why he would broaden his net with regard to the definition section on foot of recent events.

A broad definition of “document” was chosen for the Bill to ensure it encompassed a wide range of materials in written and electronic form. On foot of the new amendments tabled by Deputy Fleming I have rechecked to ensure this is absolutely robust, and this is the clear position. Transcripts of telephone calls would clearly be considered a “record or other written or printed material in any form (including in any electronic device)” as is provided for in the Bill. Regarding recordings of telephone calls, these are also covered by the definition of “document” in the Bill. The term “document” is defined in the Bill to include “a disc, tape or other mechanical or electronic device in which data other than visual images are embodied so as to be capable, with or without the aid of some other mechanical or electronic equipment, of being reproduced from the disc, tape or other device”. The sound recordings of a telephone call are clearly covered by this aspect of the definition of document.

I am satisfied, and I have rechecked, the current definition of “document” is sufficiently broad to cover recordings and transcripts of telephone calls. Therefore, there is no need to broaden it, not even an eagla na heagla or on the basis of wanting belt and braces. It is important we are clear legally on it and I have rechecked with the Parliamentary Counsel. Deputy Fleming and I are *ad idem* these should be captured and that they are important.

We will speak about any specific inquiry which might arise subsequently when we get into the meat of this, but what we are doing here is crafting legislation, as the Deputy knows, to cover every possible inquiry. Although the legislation is highly likely to be involved in establishing a banking inquiry in the first instance, it must be a general tool which will last the test of time to be the framework within which any inquiry of the various types constitutionally permitted, and which are listed in the legislation, can be carried out.

I can give the Deputy the reassurances he has asked for that all recordings of telephone calls, any data, and any electronic data on a disc, machine or stored externally in the cloud is fully covered and can be accessed for the purposes of an inquiry under the terms of the Bill.

Deputy Sean Fleming: I understand what the Minister has stated but I cannot accept it under the current circumstances because tapes and telephone calls are such a big issue. The Leveson inquiry which took place across the water is a good model for an inquiry and it was based on illegal telephone tapping. I am concerned the Minister’s well-intentioned original definition might not have included some of the items captured by Leveson. To cut to the chase, I will press the amendment.

Debate adjourned.

The Dáil adjourned at 10 p.m. until 10.30 a.m. on Wednesday, 3 July 2013.

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