



DÍOSPÓIREACHTAÍ PARLAIMINTE  
PARLIAMENTARY DEBATES

**DÁIL ÉIREANN**

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

Leaders' Questions . . . . .	2
Business of Dáil . . . . .	12
Government's Priorities for the Year Ahead: Statements . . . . .	18
Protection of Residential Mortgage Account Holders Bill 2014: Second Stage [Private Members]. . . . .	74

# DÁIL ÉIREANN

*Dé Máirt, 4 Márta 2014*

*Tuesday, 4 March 2014*

Chuaigh an Leas-Cheann Comhairle i gceannas ar 2.30 p.m.

*Paidir.*

*Prayer.*

---

## Leaders' Questions

**Deputy Micheál Martin:** This week the Executive has usurped the Parliament and has forced upon us for the next three days a debate on Government priorities, with no legislation at all tabled by the Government side. In that context, could the Taoiseach confirm whether the Government has delayed making any decision on implementing the plans of the Minister for Health, Deputy Reilly, for universal health insurance for a year until a major costing exercise is complete? A draft memo that the Minister for Health circulated to his Cabinet colleagues found its way into *The Irish Times* this morning and many caveats have been put in regarding the timetabling and the plan itself. It might be a good exercise in the public interest to publish that draft memo so we could all see it and have a reasonable chance this week, when we discuss the Government's priorities, of discussing its major priority - namely, the introduction of universal health insurance, allegedly, in approximately six years' time. It would be no harm if we could have the opportunity to discuss that meaningfully this week, given that we are meant to be discussing Government priorities.

People would like to know the potential cost to them, as individuals and families, of such a new system. The Dutch model has increased overall *per-capita* costs by approximately 46% since its introduction in 2005. We need a very honest debate with people. Somebody somewhere has to pay for health services. Somebody will have to pay for the future health service irrespective of the funding model adopted. Would the Taoiseach accept that there will be a significant increase in costs to the Exchequer in the years to come following the introduction of the universal health insurance system? There will also be a significant cost to individuals and families. The 2 million people who already have health insurance will face extra costs for the basket of services they enjoy under the health insurance policies they have. Also, approximately 1 million people have neither medical cards nor health insurance. The Taoiseach needs to be honest and tell the people concerned that they will pay a tax from now on in the context of the new model. We need to be straight with people in that regard.

Has the Taoiseach deferred making a decision on the Minister for Health's plans until a full costing exercise has been completed? Does he accept that there will be an increase in overall health expenditure for the Exchequer as a result of the introduction of universal health insurance, about which the Minister for Finance, Deputy Michael Noonan, and the Minister for Public Expenditure and Reform, Deputy Brendan Howlin, have articulated concerns? Does he

accept that there will be an increase in costs for many individuals who currently have health insurance? The Minister, Deputy Brendan Howlin, has said the cost of health insurance could be up to €1,600 per person per year.

**The Taoiseach:** No, I do not accept that at all. First, the Government has not put off a decision on universal health insurance, UHI, until next year. I do not accept the Deputy's premise about an increase in costs for each individual. I accept that this is the most radical and fundamental change in the health service structure since the foundation of the State. We cannot continue with a system that is inequitable, unfair, which penalises those on lower incomes and costs an extraordinary amount of money. When the Deputy was Minister, it cost €16 billion.

The Government's decision today was to confirm the concept and principle of universal health insurance. However, there is clearly a need for a process of consultation with the people in order that everybody will understand what is involved. The fundamental difference between what is in place and what will apply under universal health insurance is that the package of services that will be available and the choice for each person as to what is most suitable for him or her will include access to primary care and GP care. Therefore, the cost being paid for that currently will not be a cost under UHI.

It is a matter of considerable importance that there be no confusion. Therefore, the process of consultation will involve ordinary citizens, men and women, around the country who will be impacted on by this change and the Oireachtas Joint Committee on Health and Children which will have a central role to play and provide an understanding of or an explanation for the value of having a single tier system that will provide equal access, rather than having a two-tier system which is discriminatory, unfair, exceptionally costly and does not work.

I think what the Deputy is trying to get at is whether I can tell him what the average cost will be per package. I cannot do that because UHI will not be implemented in full for some time, but the process is in train. We have the strengthening of primary care services, the special delivery unit, the establishment of six hospital groups, the patient safety agency and the first phase of the money follows the patient approach. These are all parts of the process leading to implementation of universal health insurance.

To answer the Deputy's question, the Government has accepted and confirmed the UHI concept and principle. It is continuing to discuss the question of how best to roll it out and the process through which we can explain exactly what is involved. I do not accept the Deputy's figures or his assertion that this will cost more. The Minister for Health has said-----

**Deputy Michael Healy-Rae:** He is always right.

**The Taoiseach:** He has already said universal health insurance cannot cost more than the ineffective two-tier system and that implementation of the programme will be subject to the constraints and ceilings set by the Minister for Finance and the Minister for Expenditure and Reform.

**Deputy Micheál Martin:** The Taoiseach has confirmed what I said in my original question; the Government is delaying universal health insurance, UHI. He has just said the Government confirmed the concept, but the concept was confirmed before the last general election, with statements like the "money follows the patient" and that kind of soundbite which got him through the last general election. The Taoiseach has now tied it up to get himself over the next election with no detail. He will certainly get by the local elections with absolutely no detail.

The only ones sowing confusion are the Taoiseach and the Minister for Health, Deputy Reilly. The plan now is to get to the next general election, when the Taoiseach will tee it up again and make the exact same promise he made three years ago, which will then be five years ago, and say we have another five years to go before we implement this, with no detail whatsoever.

**Deputy Jerry Buttimer:** That is called commissioning reports.

**Deputy Patrick O'Donovan:** Deputy Martin will go into the local elections himself.

**Deputy Micheál Martin:** The Taoiseach needs to be honest with people and say this will cost more. It will cost people extra money. I was not the first to say that. The Ministers for Finance and for Public Expenditure and Reform, Deputies Noonan and Howlin, were the first to raise the red flag on this.

**Minister for Finance Deputy Michael Noonan:** I never said that.

**A Deputy:** The Deputy published so much when he was on this side of the House.

**A Deputy:** Bring in a consultant.

**Deputy Micheál Martin:** The Minister is shaking his head. He should publish the memo that was circulated today. Why not publish it? If *The Irish Times* can get it, surely the Dáil can get the memo. Why not publish the White Paper?

**Deputy Finian McGrath:** The Minister for Finance needs to get his sums right.

**Deputy Micheál Martin:** The people have been waiting three years for the White Paper on universal health insurance.

**Deputy Bernard J. Durkan:** We waited 15 years for things the Deputy never did.

**Deputy Micheál Martin:** Despite all the talk of radical change, the only reality for people is that the cost of health insurance policies has gone up 60% in the meantime. Tax relief for health insurance policies has been curtailed.

**Deputy Jim Daly:** Whose fault is that?

**Deputy Micheál Martin:** There is serious uncertainty about the private health insurance market.

**Deputy Kevin Humphreys:** So says the boy who bankrupted the country.

**Deputy Micheál Martin:** That is what is happening now. The same is happening with medical cards. They are being taken from people.

**Deputy Bernard J. Durkan:** The Deputy ran from the Department of Health.

**Deputy Emmet Stagg:** His government built the HSE. It was the architect of the disaster.

**Deputy Micheál Martin:** Thirty-five thousand medical cards are being taken from older people this year. Disgracefully, medical cards have been taken from young children with multiple special needs. People are worried because their sense of universal health care as advanced by this Government has meant a withdrawal of services-----

4 March 2014

**Deputy Bernard J. Durkan:** Will the Deputy apologise to the people for what he did to the country?

**Deputy Micheál Martin:** -----in the primary care field, the acute hospital setting-----

**Deputy Patrick O'Donovan:** Will Deputy Martin apologise at his party's Ard-Fheis for what it did to the country?

**Deputy Micheál Martin:** -----and in the community care setting through the reduction in home help hours, the massive increase in private health insurance premiums and the reductions in tax relief. There is an incredible yawning gap between the reality as experienced by people and the rhetoric peddled day in, day out, with no detail and no serious or substantive debate in this House about what is supposed to be the Government's number one priority. It has not even been tabled for debate this week.

**Deputy Patrick O'Donovan:** They will say Deputy Martin bankrupted the country.

**Deputy Bernard J. Durkan:** Fifteen years.

**The Taoiseach:** The Deputy has had his little rant.

**Deputy Bernard J. Durkan:** The Taoiseach should not encourage Deputy Martin.

**The Taoiseach:** I do not accept at all his assertion that this is an attempt to put universal health insurance and the explanation of it out beyond the next general election. As I have said on many occasions, that will be in spring 2016. Long before then, people will understand. The universal health insurance concept, principle and proposal-----

**Deputy Michael Healy-Rae:** And the price.

**The Taoiseach:** -----will be explained to people so that everybody understands the value of having a single-tier system as against a two-tier system.

Deputy Martin would say that costs will increase. Why would he not? After all, in his own time the cost went up by over 320%-----

**Deputy Micheál Martin:** It never did.

**Deputy Timmy Dooley:** The Taoiseach is the one who made the promises.

**Deputy Michael Healy-Rae:** The Taoiseach will not leave anything.

**The Taoiseach:** -----from €3.6 billion to over €15 billion, and we ended up with nearly a world record of 569 people on trolleys on one day in January 2011.

**Deputy Timmy Dooley:** The record is stuck.

**The Taoiseach:** That is the legacy the Deputy left.

**Deputy Micheál Martin:** We have a very fine legacy in health.

**The Taoiseach:** That is a system that he appears to want to defend, continue and perpetuate. It is very necessary, with the rise in population, the longevity of people now-----

**Deputy Micheál Martin:** Why are people living longer?

**The Taoiseach:** -----and changes in medical systems, that we move to a single-tier system of health.

**Deputy Micheál Martin:** Something must be working. Does the Taoiseach have a problem with longevity?

**The Taoiseach:** This works in most other countries in Europe, and what will apply here will be a system that is very suitable for our needs here in Ireland.

**Deputy Timmy Dooley:** The Taoiseach's own lads are laughing at him.

**Deputy Sean Fleming:** They are laughing at the Taoiseach.

**The Taoiseach:** The Deputy mentioned private health insurance. The Minister for Health has said on many occasions that the McLoughlin report, for instance, pointed out way after way for private health insurers to reduce costs. The VHI increased its cost by 2% while others went up by 13% or 15%. This will have an impact on everyone in the country. We want to get it absolutely right.

**Deputy Michael Healy-Rae:** It will be after the elections.

**The Taoiseach:** It will be central to this radical change to the way health services are delivered. That is why the Joint Committee on Health and Children will play a central part in dealing with the preparation and analysis of the baskets of services to be provided.

**Deputy Sean Fleming:** Deputy Jerry Buttimer will save us.

**The Taoiseach:** Everybody will understand that what is involved is equity in access to treatment on the basis of medical need, as distinct from what one can pay and, in terms of community rating, those on lower levels subsidising those on higher levels. This is a serious piece of restructuring of the health service and I accept that we have to get it right. I do not want to see a situation where everybody is floundering around in confusion about what it does not mean and about costs that have been assessed.

**Deputy Timmy Dooley:** The Taoiseach must be joking.

**The Taoiseach:** Members of the Deputy's party used to speak about exorbitant charges for this, that and the other.

**Deputy Micheál Martin:** Will the Taoiseach publish the memo?

**The Taoiseach:** Yes, we will publish it very soon.

**Deputy Timmy Dooley:** After the election.

**Deputy Michael Healy-Rae:** On 24 May.

**Deputy Barry Cowen:** The June bank holiday weekend.

**The Taoiseach:** In the next couple of weeks.

**Deputy Micheál Martin:** The Taoiseach told me that four weeks ago-----

**The Taoiseach:** I did.

**Deputy Micheál Martin:** -----and four weeks before that.

**Deputy Bernard J. Durkan:** The Deputy told the people nothing.

**The Taoiseach:** I did not tell him there would be an increase of 320% and I do not accept his figures. This is about getting it right because it is going to apply to every person in the country. Everybody will have a say and Deputy Micheál Martin can defend what he wants - an inequitable system that is grossly over cost and not working in the interests of the people.

**Deputy Finian McGrath:** Deputy Jerry Buttimer will fix it.

**Deputy Jerry Buttimer:** The Deputy was damn glad to have the Minister, Deputy James Reilly.

**Deputy Micheál Martin:** That is uncalled for.

**An Leas-Cheann Comhairle:** Order, please.

**Deputy Michael Healy-Rae:** That was not a smart thing to say.

**Deputy Timmy Dooley:** From the man to whom the Taoiseach is giving responsibility to sort the matter out.

**Deputy Gerry Adams:** As the Taoiseach will be aware, 48 young people were killed in this city in the Stardust fire in 1981. It was one of the greatest tragedies to befall the people of the capital city. The original inquiry into the fire found that the cause was probably arson, but that finding has long been disputed by the families of the victims and others who have examined the evidence closely. The families of a number of those who died in the fire asked various experts to review the transcripts of the original inquiry and these experts have come to an entirely different conclusion. As the Taoiseach will be aware, the families are seeking a new commission of investigation into this terrible event. The main basis for this request is the report by a senior counsel, Mr. Paul Coffey, whom the previous Government tasked with reviewing the Stardust affair and the Foy report commissioned by the families. I hope we can persuade the Minister for Justice and Equality to change his mind, but thus far he has rejected calls for an inquiry into the Stardust tragedy. Will the Taoiseach meet the families of the victims to discuss their demands? Will he support them in their search for justice and establish a new commission of investigation to be headed by a judge and which would draw on whatever expertise was necessary to examine this tragedy?

**The Taoiseach:** I have had some engagement with Stardust survivors in the past few years and raised the issue on a number of occasions when I was on the other side of the House. In the recent past, anytime I have been in contact with survivors of the Stardust, I have been accused of not telling the truth or it has been said I should produce information or evidence that would alter what has already been determined. I told them that if they had a legal person who had evidence that was new or could confirm what they were saying, it should be produced. However, I receive requests to produce photographs of flooded basements or to show there was no fire in the ceiling space. I do not have that information. Any time I respond on this issue I am accused of telling lies. Of course the survivors and siblings of those 48 young people who died at the Stardust deserve to have the full facts determined, but this has been examined pretty exhaustively on a number of occasions, and a number of other matters were attended to. I understand

there is a question of outstanding legal fees of a pretty serious nature.

The families will have met Deputy Martin, Deputy Adams and others in the recent past, but Deputy Adams is asking me to form another commission of inquiry. I am being asked to determine whether there is some other evidence that will confirm a different version of what has already been determined. All I said to them on the last occasion was that if the legal person they have employed has evidence that is new, different and confirms what they say, then that should be provided to the proper authorities. If that is available - I do not know whether it is - I would respectfully suggest that this is a way forward in the process.

**Deputy Gerry Adams:** I thank the Taoiseach for his answer. I accept his assertion that he does not have the information that he mentioned - how could he have it? However, I have the two Coffey reports here. It is important to note that the Coffey report was submitted to the Government on 10 December 2008. It is clearly a report with his findings, conclusions and recommendations. I am working my way through this and the families have a solicitor doing the necessary forensic scrutiny of the report. There were changes in the report; in particular, in the report submitted on 10 December 2008, Mr. Paul Coffey SC stated on page 70, paragraph 5.13, "I further accept that a new inquiry is necessary if it is the only way of placing on the public record a finding that is based on [fact]", yet that was left out of the report on its publication in 2009. I appreciate that the Taoiseach might not have an explanation for this omission. If he does not, that is fair enough. However, I would ask him, if he cannot tell the Dáil today why this is the case, that he undertake to do so as soon as possible.

The families have concerns, and I have listened to them, as the Taoiseach stated, as has he. However, even in terms of the original recommendation of the Coffey report that "a new inquiry is necessary", if I understand the Taoiseach's answer, he is stating that if the evidence is given to him he will open up a new commission of investigation, and that he needs the evidence to go to the proper authorities. I am looking for a little clarity on that. The fact that people are so anxious 40 years on is a sign of the trauma they all have been through. I draw that one particular point to the Taoiseach's attention and I would ask him to be open to the request that a new commission of investigation be set up.

**The Taoiseach:** I know where Deputy Adams is coming from and I accept the genuineness of his question. Any time I have met the relatives of the Stardust victims, it was obvious that their pain was still palpable. We understand that.

If Deputy Adams advises the legal person that the families have employed to send me his evidence of what is different, new and warrants further analysis, I will consider that, but, as Deputy Adams will understand, I cannot commit to a commission of inquiry. This has been looked at exhaustively and extensively on a number of occasions. However, as I said to those who contacted me, if there is new evidence-----

**Deputy Finian McGrath:** There is.

**The Taoiseach:** -----and if that is available to the legal person, I invite the families to make a submission to me on that basis and I will consult with the Minister for Justice and Equality on the basis of that evidence, new or different, on how it might progress this matter.

**Deputy Joan Collins:** I wish to raise with the Taoiseach one of the most immediate and pressing issues that has developed in the past six months, that is, on top of the already critical homelessness problem, the new phenomenon of young families finding themselves homeless

owing to a number of factors. A family of two adults and two children who have been in touch with us are living in Bewleys Hotel since November because they could not afford to pay the rent increases demanded by their landlord. They are on the housing waiting list of South Dublin County Council, but they will not get a house for the next seven years. They have been advised by the county council to look outside Dublin for something that is affordable. Calls from constituents are more frequent following the introduction of the rent assessment scheme as people are finding that their landlord is coming back to sell the home. They have been advised to hold on to the leases because they have nowhere else to go in Dublin because of rent increases. In the past three months in the Dublin 8 area alone rents have increased by almost 10%. To rent a house in Drimmagh, Dublin 12, it costs about €1,200 a month.

Last week or the week before young homeless men were found sleeping in bins, one of whom was almost killed. A young homeless lad has contacted us twice in the past three weeks. He was asked to telephone the emergency services at 2 p.m. only to be told the available accommodation was full. He was asked to telephone again at 10 p.m. when again the accommodation was full. He was given a sleeping bag, as he had to sleep on the street. That is what is happening. More families are on the streets than ever before. Focus Ireland has stated the number of families who are becoming homeless each month has increased from eight to 16, while some five children find themselves homeless each week. Is the Taoiseach aware of this trend? Some of his backbenchers from County Kildare have raised the issue in parliamentary questions. What is the Government doing to remedy the problem? The real issue is that in 2008 €1.4 billion was allocated for housing. In 2012, 2013 and 2014 the amount was reduced to €300 million, a decrease of 80% in the allocation for social housing and in expenditure on housing nationally. The dependence of previous Governments on private developers to build social housing and on private landlords to provide social housing is coming home to roost. What is being done about this? There is a need for an immediate response by way of organising an emergency conference to deal with the issue. Given that some 90,000 families need homes, why is this need not being addressed?

**The Taoiseach:** The point the Deputy has raised has been raised with me and the Government by a number of Deputies from all parties. I was on Merchant's Quay some time ago with Deputy Catherine Byrne where I met some of the homeless community. I understand the pressures they are under. Deputy Joan Collins is well aware that almost 100,000 houses were built in Ireland during the so-called Celtic tiger years at a time when we needed 25,000 to 30,000. Today 7,000 or 8,000 houses are being provided when we need 25,000 to 30,000. What the Deputy has said is true. It is not only those who are single who are on the streets because of one problem or another but families also. There is pressure on families who are not homeless but who are cooped up in apartments and want to move to detached homes. This is part of the discussion the Government is having on the construction sector which is too small and not contributing either to the economy or employment. This needs to be rectified. The issue is how to deal with derelict units that should be renovated for the provision of adequate units for homeless people and families. The Minister of State at the Department of the Environment, Community and Local Government, Deputy Jan O'Sullivan, is dealing with this issue. Recently there was approval for the cross-departmental group dealing with homelessness. As the Deputy is aware, it is a Government priority and part of the programme for Government that the problem of long-term homelessness be eliminated by the end of 2015, which means that there is not much time left. The issue requires a good deal of concentration and it is my intention to call in the agencies, with the Minister, to see what is included in the programme. I recall seeing a picture of a homeless man featured in one of the Irish newspapers before Christmas.

*3 o'clock*

He had been homeless for ten years. Given the extent of the public funding of these agencies, I just do not understand how that can be. We have got to find out the answers to these questions. People are entitled to have a roof over their heads, a home they can call their own and be able to get on with their lives. Some require attention, assistance and support because of a variety of complications, as the Deputy is well aware. Her question is valid but I want her to understand the Minister of State is focusing on this and will report to the Government. She will meet representatives of the homelessness agencies in the near future to determine what precisely the programme is, how we can get to a point where Dublin City Council can assist with vacant, dilapidated and decrepit buildings, what the social housing provision will be and the figures pertaining to families who are homeless and obviously caught in the trap of pressure and demand. Rents are now increasing all over Dublin and this is causing serious pressure for some of the families.

**Deputy Joan Collins:** We know what the needs are. Some 90,000 families are on the waiting list nationally. In Dublin alone, there are 16,100 families on it. This amounts to approximately 170,000 individuals, which is the population of Wexford and Leitrim combined. This is not a question of having discussions or waiting for a month or three weeks to have a meeting. The problem needs to be addressed now; we know what the needs are. There is a housing crisis. There has been a 60% increase in the number of homeless over the past three years. Moreover, there are those who cannot afford to pay their rent, and the rental accommodation scheme is not an option for them. The local authorities cannot provide housing for them.

Deputy Catherine Murphy said that yesterday the housing officer in Kildare interviewed 16 families and could not take on the extra people who needed to speak to the homelessness agent. One family approached the Deputy after it having split up. They have nowhere to go. The father is currently sleeping on a couch in circumstances in which his life has already been threatened, but he cannot leave. The mother, who has fallen ill, and the nine-year-old boy are staying with a friend. There are so many such cases that an immediate, emergency response is required. We must put ourselves on a war footing. This is not something to be discussed down the line. We need to hear such a response from the Taoiseach today.

There are people experiencing homelessness. I hope none of us present will ever experience it. Many people are only a week away from homelessness. We want to see action on this and an emergency approach. It is not good enough to say discussions have been taking place over a period. Amnesty International has stated this is a human rights issue.

**The Taoiseach:** It is wonderful for Deputy Collins to point out that there are 90,000 people on the housing list; we know that.

**Deputy Timmy Dooley:** It is not wonderful.

**The Taoiseach:** The Deputy wants an immediate response. I am sure she understands that Dublin City Council or any other local authority cannot just move in on a site tomorrow and say a specified number of houses are to be built there. Things do not work like that in reality.

This is a fuse that has been burning for quite a number of years. The Government is left to clean up another mess here. That there are 90,000 people-----

*(Interruptions).*

4 March 2014

**The Taoiseach:** We recognise that the construction sector-----

**Deputy Timmy Dooley:** That is a lovely soundbite.

**Deputy Micheál Martin:** The Labour Party was-----

**Deputy Jim Daly:** Fianna Fáil has let its developer friends buy out the contract.

**The Taoiseach:** I thank Deputy Cowen for his comments.

**An Leas-Cheann Comhairle:** Could we have order for the speaker?

**The Taoiseach:** The fact is that there are now 90,000 people on the housing list and they need accommodation. Every Deputy present knows well the pressure on families to move out of apartments that are too small to detached homes, particularly in greater urban areas.

**Deputy Catherine Murphy:** It is not that they are too small.

**Deputy Joan Collins:** They have been thrown out of their homes.

**The Taoiseach:** The Deputy started out by talking about homelessness and then she mentioned 90,000 people.

**Deputy Joan Collins:** On the local authority waiting list.

**The Taoiseach:** She should not get them confused in that there is pressure on the construction sector and pressure on for housing. We will have the full debate on housing here shortly.

**Deputy Timmy Dooley:** God help us.

**The Taoiseach:** I would like to hear Deputy Collins's proposition that will bring about an immediate response. We know from the homelessness agencies about the people who are homeless.

**Deputy Finian McGrath:** The Government is three years in power.

**The Taoiseach:** We know the support, including financial support, that is being given to them. One cannot just put them into prefabricated buildings here, there and everywhere. There is a process to be gone through.

*(Interruptions).*

**The Taoiseach:** If the Deputy does not wish to hear the truth, do not listen to it. A process must be gone through to provide proper housing accommodation for people who need it.

**Deputy Emmet Stagg:** Fianna Fáil caused it when it stopped building ten years ago.

**The Taoiseach:** That means blocks, concrete, bricks and mortar. It means one must put in place a process to know what must be provided and go through the proper channels to secure planning permission and so forth. We have said quite clearly that the construction sector must step up to the mark. We cannot have any more pyrite and Priory Halls. Of course it is a priority for the people who are homeless.

**Deputy Barry Cowen:** It is not a priority.

**The Taoiseach:** God love them, we are anxious to do something for them as quickly as possible. However, the Deputy will not get an answer to her question tomorrow. There is a process to be gone through, including planning, the provision of sites and the provision of finance to build these houses and move people into them. Even the Deputy knows one cannot do that in the space of a couple of months. What one must do is set out the steps and strategy-----

**Deputy Barry Cowen:** The Government has had three years.

**The Taoiseach:** Yes, and it has gone on all during the years, Deputy Cowen. The Deputy is not responsible for any of this, but we know what happened-----

**Deputy Joan Collins:** The Taoiseach is in power now.

**The Taoiseach:** -----and we are still paying the price. God knows, the people who are homeless on the streets and those who need housing are paying the price of greed and profligacy and money being fired around this country like confetti during the so-called boom years.

**Deputy Timmy Dooley:** You were demanding much more.

**The Taoiseach:** We must clean up that mess too, and we will.

### **Business of Dáil**

**An Leas-Cheann Comhairle:** We will now move to the next business, statements on the Government's priorities for the year ahead.

**Deputy Micheál Martin:** On a point of order, a Leas-Cheann Comhairle, I wish to protest in the strongest possible terms-----

**Deputy Jerry Buttimer:** That is not a point of order.

**Deputy Micheál Martin:** -----the suppression of the Order of Business. Most Members came to the House thinking there would be an Order of Business this week-----

**Deputy Jerry Buttimer:** The Deputies agreed that last Thursday.

**Deputy Micheál Martin:** No; the Government forced it through the House last Thursday in a very undemocratic manner. What we are having today is basically a series of set-piece speeches-----

**Deputy Jerry Buttimer:** That is not a point of order.

**Deputy Micheál Martin:** -----to spin this and that. It has nothing to do with substantive policy.

**An Leas-Cheann Comhairle:** Deputy Martin-----

**Deputy Micheál Martin:** Two weeks ago we agreed to have substantive statements on housing policy-----

**An Leas-Cheann Comhairle:** Deputy Martin-----

4 March 2014

**Deputy Micheál Martin:** -----and the Government agreed to that debate-----

**An Leas-Cheann Comhairle:** Deputy Martin, I am on my feet.

**Deputy Micheál Martin:** There was supposed to be a discussion on housing two weeks ago.

*(Interruptions).*

**An Leas-Cheann Comhairle:** Deputy Martin, I will have to suspend the House.

**Deputy Micheál Martin:** We would like to raise some legislative items with the Government. I seek an explanation as to why the Government has ordered the business of the House in such a way that we cannot even have an Order of Business this week, or discuss or raise issues to do with legislation. There is not a single legislative measure before the House this week from the Government, although there is from the Opposition.

**An Leas-Cheann Comhairle:** Please, Deputy Martin.

**Deputy Micheál Martin:** It is a disgrace. It is the usurpation of the Parliament by the Executive for its own purposes and nothing else. It is absolutely cynical and disgraceful.

*(Interruptions).*

**Deputy Eric Byrne:** Would the Deputy prefer we were talking about Ivor Callely?

**An Leas-Cheann Comhairle:** Can we have some order? There was a discussion on this last Thursday when the Order of Business was decided. The Taoiseach might have another proposal on this. I call the Taoiseach.

**The Taoiseach:** This matter was decided last Thursday.

**Deputy Barry Cowen:** It was railroaded through.

**The Taoiseach:** Last week, without even being asked for it, the Government gave Members not only a debate and statements but also questions and answers. It is a measure of how generous we can be but, of course, the Deputy will not mention that.

**Deputy Micheál Martin:** What is the Taoiseach talking about? There are no questions and answers.

**The Taoiseach:** It is proposed, notwithstanding Standing Orders-----

**Deputy Micheál Martin:** I just raised a point of order. The Chief Whip did not know, as late as this morning, how the speeches would be organised. He did not even know how the blocks of speakers would be organised. There was complete disagreement all morning between the Whips.

**An Leas-Cheann Comhairle:** Let us hear from the Taoiseach.

**Deputy Micheál Martin:** It was completely disorganised. The Government did not know what way it wished to organise this. It is absolutely disgraceful.

**An Leas-Cheann Comhairle:** I call on the Taoiseach to announce the statements.

**The Taoiseach:** It is proposed, notwithstanding anything in Standing Orders or the order of the Dáil of 27 February regarding the arrangements for the statements on the Government's priorities for the year ahead, that the statements of each other Member called upon after the opening statements shall not exceed 30 minutes in each case.

**Deputy Timmy Dooley:** Where are the questions and answers?

**Deputy Finian McGrath:** Accountability? Dream on.

**Deputy Emmet Stagg:** Send any requests to the Opposition Whips.

**An Leas-Cheann Comhairle:** The Taoiseach has announced that for the second round of speakers the Member called shall not exceed 30 minutes in each case. Is that agreed?

**Deputy Micheál Martin:** Not agreed.

**Deputy Barry Cowen:** He proposed questions and answers as well.

**Deputy Patrick O'Donovan:** The Deputy was not here last week and neither was his Whip.

**Deputy Micheál Martin:** The reason this has been proposed is to get over a difficulty and problem which emerged this morning, and the lack of preparation by the Government side for this debate is evident-----

**The Taoiseach:** On the contrary.

**Deputy Micheál Martin:** -----in the way it wants to organise this block by block, in other words to dilute the capacity of each Opposition party-----

**Deputy Jerry Buttimer:** Deputy Martin was not here for half of last week.

**Deputy Micheál Martin:** -----to have its 20 minutes-----

**Deputy Jerry Buttimer:** The Opposition missed half a debate last week.

**Deputy Emmet Stagg:** Everything Fianna Fáil asked for was granted.

**Deputy Micheál Martin:** No it was not.

**An Leas-Cheann Comhairle:** Please.

**Deputy Emmet Stagg:** Everything Fianna Fáil asked for was granted.

**Deputy Micheál Martin:** Deputy Stagg was not even party to it but he is such a merciful person.

**Deputy Emmet Stagg:** Deputy Martin is trying to think of something else now he is on his feet.

**An Leas-Cheann Comhairle:** Deputy Stagg please.

**Deputy Micheál Martin:** He is all mercy and generosity. We all know about it.

All I want to say is there were issues about speaking slots all morning. The Government side did not know how to order the state of affairs. I know the Ceann Comhairle's office had

4 March 2014

its views on the options for former members of Fine Gael with regard to speaking priorities and each party getting a block of time to respond.

**Deputy Patrick O'Donovan:** What about Finian?

**Deputy Jerry Buttimer:** What about Mattie?

**Deputy Micheál Martin:** In essence what the Government proposed was a fragmented position for the Opposition whereby each speaker from the various parties would have seven minutes. It was very unacceptable from our perspective.

The whole week is a farce. The idea the Dáil should have to spend three days backslapping the Government is a farce and ridiculous.

**Deputy Ray Butler:** It would not have happened in Deputy Martin's time.

**Deputy Micheál Martin:** The Government does not have legislation to bring forward so we could have the normal week everybody would want, which would allow for Order of Business and questions to the Taoiseach.

**Deputy Emmet Stagg:** Is this meant to be a brief contribution?

**Deputy Micheál Martin:** Why do we not have questions to the Taoiseach today? The Taoiseach decided not to have them.

**Deputy Emmet Stagg:** Deputy Martin will have nothing left to say.

**Deputy Micheál Martin:** This is a jackboot approach to Parliament. The Government wants to dictate the debate the way the Executive wants to dictate it, with no input from the Opposition whatsoever in terms of the form or order of the schedule.

**Deputy Emmet Stagg:** Deputy Sean Ó Feargháil had an input.

**Deputy Micheál Martin:** The Government's approach is very anti-democratic. With regard to all of the proposals made on Dáil reform and so forth, this is the absolute antithesis of such proclamations by the Taoiseach in the past.

**The Taoiseach:** Neither true nor fair.

**An Leas-Cheann Comhairle:** Does Deputy Adams wish to comment?

**Deputy Gerry Adams:** No, I have become used to the way the Government does its business. I would rather go into a review of the programme for Government.

**Deputy Billy Kelleher:** Is that a white flag?

Question put: "That the proposal for dealing with No. 19 be agreed to."

<i>The Dáil divided: Tá, 66; Níl, 42.</i>	
<i>Tá</i>	<i>Níl</i>
<i>Bannon, James.</i>	<i>Adams, Gerry.</i>
<i>Butler, Ray.</i>	<i>Boyd Barrett, Richard.</i>
<i>Buttimer, Jerry.</i>	<i>Broughan, Thomas P.</i>

<i>Byrne, Catherine.</i>	<i>Calleary, Dara.</i>
<i>Byrne, Eric.</i>	<i>Collins, Joan.</i>
<i>Cannon, Ciarán.</i>	<i>Colreavy, Michael.</i>
<i>Carey, Joe.</i>	<i>Cowen, Barry.</i>
<i>Coffey, Paudie.</i>	<i>Crowe, Seán.</i>
<i>Conaghan, Michael.</i>	<i>Daly, Clare.</i>
<i>Conlan, Seán.</i>	<i>Doherty, Pearse.</i>
<i>Conway, Ciara.</i>	<i>Donnelly, Stephen S.</i>
<i>Coonan, Noel.</i>	<i>Dooley, Timmy.</i>
<i>Corcoran Kennedy, Marcella.</i>	<i>Ellis, Dessie.</i>
<i>Costello, Joe.</i>	<i>Fleming, Sean.</i>
<i>Creed, Michael.</i>	<i>Halligan, John.</i>
<i>Daly, Jim.</i>	<i>Healy, Seamus.</i>
<i>Deenihan, Jimmy.</i>	<i>Healy-Rae, Michael.</i>
<i>Deering, Pat.</i>	<i>Higgins, Joe.</i>
<i>Donohoe, Paschal.</i>	<i>Kelleher, Billy.</i>
<i>Dowds, Robert.</i>	<i>Kirk, Seamus.</i>
<i>Doyle, Andrew.</i>	<i>Mac Lochlainn, Pádraig.</i>
<i>Durkan, Bernard J.</i>	<i>McGrath, Finian.</i>
<i>Farrell, Alan.</i>	<i>McGrath, Michael.</i>
<i>Ferris, Anne.</i>	<i>McLellan, Sandra.</i>
<i>Fitzgerald, Frances.</i>	<i>Martin, Micheál.</i>
<i>Fitzpatrick, Peter.</i>	<i>Mathews, Peter.</i>
<i>Flanagan, Charles.</i>	<i>Murphy, Catherine.</i>
<i>Flanagan, Terence.</i>	<i>Nulty, Patrick.</i>
<i>Gilmore, Eamon.</i>	<i>Ó Caoláin, Caoimhghín.</i>
<i>Hannigan, Dominic.</i>	<i>Ó Cuív, Éamon.</i>
<i>Harrington, Noel.</i>	<i>Ó Feargháil, Seán.</i>
<i>Harris, Simon.</i>	<i>Ó Snodaigh, Aengus.</i>
<i>Hayes, Brian.</i>	<i>O'Brien, Jonathan.</i>
<i>Hayes, Tom.</i>	<i>O'Dea, Willie.</i>
<i>Heydon, Martin.</i>	<i>O'Sullivan, Maureen.</i>
<i>Hogan, Phil.</i>	<i>Pringle, Thomas.</i>
<i>Humphreys, Heather.</i>	<i>Ross, Shane.</i>
<i>Humphreys, Kevin.</i>	<i>Shortall, Róisín.</i>
<i>Kenny, Enda.</i>	<i>Smith, Brendan.</i>
<i>Kenny, Seán.</i>	<i>Tóibín, Peadar.</i>
<i>Kyne, Seán.</i>	<i>Troy, Robert.</i>
<i>Lawlor, Anthony.</i>	<i>Wallace, Mick.</i>
<i>Lyons, John.</i>	
<i>McCarthy, Michael.</i>	
<i>McLoughlin, Tony.</i>	
<i>Maloney, Eamonn.</i>	

<i>Mitchell, Olivia.</i>	
<i>Mulherin, Michelle.</i>	
<i>Murphy, Eoghan.</i>	
<i>Nash, Gerald.</i>	
<i>Neville, Dan.</i>	
<i>Nolan, Derek.</i>	
<i>Noonan, Michael.</i>	
<i>Ó Ríordáin, Aodhán.</i>	
<i>O'Donovan, Patrick.</i>	
<i>O'Dowd, Fergus.</i>	
<i>O'Mahony, John.</i>	
<i>O'Reilly, Joe.</i>	
<i>O'Sullivan, Jan.</i>	
<i>Penrose, Willie.</i>	
<i>Phelan, John Paul.</i>	
<i>Quinn, Ruairí.</i>	
<i>Reilly, James.</i>	
<i>Ryan, Brendan.</i>	
<i>Stagg, Emmet.</i>	
<i>Stanton, David.</i>	

Tellers: Tá, Deputies Joe Carey and Emmet Stagg; Níl, Deputies Seán Ó Feargháil and Aengus Ó Snodaigh.

Question declared carried.

**Deputy Micheál Martin:** I do not want to delay proceedings further, but I ask the Taoiseach to clarify whether there will be time for questions and answers after each Minister's contribution, which is what was suggested earlier.

**The Taoiseach:** This matter was agreed to yesterday over the telephone with Deputies Seán Ó Feargháil and Aengus Ó Snodaigh. Then Fianna Fáil wanted to change the arrangement again, which is why I read out a revised Order of Business today in order that Opposition spokespersons could come in directly after Ministers. That is why it was changed, despite the fact that it had been agreed to by the Fianna Fáil Whip yesterday over the telephone.

**Deputy Micheál Martin:** In fairness, that is not happening in the case of the Ministers for Health, the Environment, Community and Local Government and Children and Youth Affairs. Our spokespersons will not come in on the issues of health, the environment and children, mainly because of the availability of Ministers and so forth. That will not actually happen, even though the Taoiseach mentioned that there would be questions and answers.

**The Taoiseach:** This was agreed to yesterday. Then the Deputy wanted it to be changed and I have changed it for him.

**Deputy Micheál Martin:** Yes, but the Taoiseach mentioned that there would be questions and answers. I take it that-----

**The Taoiseach:** No. We are now going to have statements.

**Deputy Micheál Martin:** Just statements.

**The Taoiseach:** There will be plenty of time to ask plenty of questions.

**Deputy Barry Cowen:** We cannot ask questions.

**An Leas-Cheann Comhairle:** I received no notice of any of this. I am now going to go ahead.

**The Taoiseach:** Deputy Barry Cowen should calm down.

**Deputy Barry Cowen:** Of course, we cannot question the Minister for the Environment, Community and Local Government. He is bringing in water charges, about which we cannot ask questions.

*(Interruptions).*

**An Leas-Cheann Comhairle:** Order, please.

**Deputy Barry Cowen:** The Government doesn't want to be reminded of that matter.

**Deputy James Bannon:** The Deputy should go back to his brother.

**The Taoiseach:** Deputy Cowen was one of the good ones.

### **Government's Priorities for the Year Ahead: Statements**

**The Taoiseach:** I am happy to have this opportunity to inform the House of the Government's priorities for the year ahead. This comes on the same day as the Government has published its third annual report, *After the Bailout*, which catalogues the substantial progress it has made since 2011. When this Government of Fine Gael and the Labour Party entered office, we faced the toxic legacy of years of economic mismanagement. Ireland faced an enormous economic, financial and social crisis. Unemployment was reaching record highs; the public finances were out of control and our international reputation was in tatters. The nation had to endure the ignominy of a bailout from the European Union and the IMF to keep the economy and the country afloat.

The first task facing the Government was to restore financial stability and return the economy to growth in order for Ireland to successfully exit the EU-IMF bailout. Thanks to the hard work and sacrifice of the people, that central national objective has been achieved. On 15 December 2013 Ireland left the bailout programme. Last year saw the Government achieve several key objectives that helped us to this point. The past year has been a good year for jobs, with 61,000 new jobs created, more than 1,000 a week, representing the fastest employment growth rate in Europe. The live register has dropped for 20 months in a row while the unemployment

4 March 2014

rate has dropped from a high of 15.1% to the current 12%. Our Pathways to Work strategy has helped 27,000 long-term unemployed people move back into work. While we have the country moving in the right direction, far too many people are still unemployed or are forced to work abroad, however.

Underpinning recent progress has been our continued responsible management of the public finances throughout 2013, which has seen our deficit continue to fall. The Haddington Road agreement was a key success in this regard and, once again, we sound our appreciation to all public servants for their contribution to Ireland's recovery. Last year also saw Anglo Irish Bank and Irish Nationwide Building Society formally closed and the successful replacement of the onerous annual promissory note payment, which has reduced the burden on the taxpayer further.

However, exiting the bailout was not an end in itself. Too many people do not feel any improvement in their daily lives. We must use this opportunity to create more jobs and a strong economic recovery. Looking ahead, in the same manner that we had a plan to exit the bailout, we also have a plan to grow the economy and get Ireland working. It has two top targets. First, we aim to create more jobs. We plan to reduce unemployment to below the eurozone average this year and below 10% by 2016, and to return to full employment by 2020. Second, we aim to expand the economy to support new jobs. We are targeting growth of at least 2% in 2014, 2.5% next year and 3% in 2016.

There are three pillars with which we are focusing on these targets in the year ahead. The first pillar is helping the domestic economy. Rapid job growth on the scale needed to return Ireland to full employment will mean a more intensive focus on the domestic economy. Our new Action Plan for Jobs for 2014, co-ordinated by the Minister for Jobs, Enterprise and Innovation, Deputy Bruton, and published last week, creates that focus. Since we began this process in 2012 we have implemented more than 1,100 job-supporting measures. This represents an implementation rate of 95% and the brick-by-brick rebuilding of a competitive, successful and sustainable economy to replace the ruins we inherited three years ago. This is the first action plan since we exited the bailout, and it contains 385 actions involving the entire public service. The 2014 action plan has a strong focus on the domestic economy and on improving competitiveness as well as supporting our entrepreneurs and smaller firms. By focusing on the domestic economy, we must ensure that job creation reaches every part of the country.

The agrifood sector is one area where we can create 25,000 extra new jobs in the next seven years with the proper supports. This year we are working towards gaining access to the US, Canadian and Chinese markets for our beef. Changes in EU policy will see the abolition of milk quotas next year, which will also present new opportunities for Irish businesses to significantly increase output. We have already seen new investment decisions in the run-up to 2015. To help improve agrifood exports, several major agrifood trade and investment missions are in preparation for China, Africa and the United States. This year the Minister for Agriculture, Food and the Marine, Deputy Coveney, will also target new rural jobs through further development of the aquaculture sector. In January, the Government welcomed the agreement of a new draft rural development programme for Ireland as a part of the wider Common Agricultural Policy, CAP. It is a €12.5 billion injection into the agriculture sector, including nearly €4 billion for the rural development programme in the years to 2020, which will be important to the Leader programme and to many communities. At a time of scarce resources, this represents the Government's strong commitment to job creation and investment in our rural communities.

The construction sector is another part of the domestic economy that has a key role to play

in our recovery and in creating new jobs. This sector is too small for the needs of a growing economy. This year will see many individual initiatives helping the sector. The Minister for Education and Skills, Deputy Quinn, is progressing 70 major school projects in 2014. The Minister for the Environment, Community and Local Government, Deputy Hogan, and the Minister of State at the Department for the Environment, Community and Local Government, Deputy Jan O'Sullivan, are expanding the energy efficiency retrofit programme for social housing to 12,500 homes, involving around 1,000 construction jobs. Part of this is also the responsibility of the Minister for Communications, Energy and Natural Resources, Deputy Rabbitte. The Minister for the Environment, Community and Local Government will also be publishing the maritime and foreshore Bill this year, which will help develop our maritime resources. There is more we plan to do in 2014: the Government is finalising a new strategy for the construction sector, which will be published shortly.

One sector that has shown encouraging signs of growth since the Government introduced new measures within 100 days of entering office has been tourism. The measures we have taken, such as cutting the VAT rate on tourism services, have already helped to create more than 22,000 new jobs. Last year, The Gathering was a huge success. The Minister for Transport, Tourism and Sport will publish a new tourism strategy shortly, which will build on this over the next decade.

This year will also see a shake up in how government, especially local government, will support local businesses. Under our plan, local authorities have a critical role to play in supporting job creation at local level, particularly in areas such as the retail sector where commercial rates can be a huge burden. In May, the people will elect new members to the local government system. Whoever the people elect to local councils will have new and real power to determine local charges. They will deal with property taxes, commercial rates and parking charges. Over the coming months, the Ministers for the Environment, Community and Local Government and Jobs, Enterprise and Innovation will oversee 31 new local enterprise offices, LEOs, with 170 dedicated staff for the purposes of giving advice and information to new and existing small businesses. They will be established throughout the country to provide that advice and support at local level. The LEO roll-out will result in additional funding of €3.5 million provided in 2014, including a new entrepreneurship fund, which is aimed at business start-ups by people aged under 25.

In combining expertise in local government and enterprise support, from waste management and rates to training and business planning, the LEOs will enable an integrated approach to the delivery of services for small and new companies. In addition to providing supports and information directly, the LEOs will also work with Enterprise Ireland and other State organisations to ensure the right supports are available to each company. In a new departure for local government, each LEO will also develop a plan to boost local enterprise and job creation. In short, each LEO will be the local hub for enterprise support, delivering a comprehensive “first-stop-shop” service to local entrepreneurs and businesses.

To further help Irish retailers win new business in the 21st century, the Minister for Communications, Energy and Natural Resources will deliver a new trading online voucher scheme to more than 1,000 businesses this year. By helping small business trade online, we expect 3,200 new jobs to be created in this area over the next two years. It is interesting that of the €4 billion traded online, approximately three quarters of that comes into the country. There is enormous potential for people to be more ambitious in what they do.

4 March 2014

In supporting the domestic economy in 2014 we must also maintain and improve on our recent competitiveness gains. We must be careful about doing anything that would add to the cost of employing people and make it more difficult to create the jobs that are so badly needed. Creating a competitive business environment that supports an increase in exports is essential in ensuring Ireland achieves growth and, crucially, gets more people back to work.

The second pillar is the public finances and the need to continue to manage our public spending prudently. The effort of all Ministers, especially by the Ministers for Finance and Public Expenditure and Reform, to tackle the huge gap between government spend and income has been crucial in exiting the bailout. It is essential for continued investment. We will complete this job by cutting the budget deficit to 3% by 2015 and eliminating it entirely by 2018. We recognise high taxes on jobs and employment dampen job creation. That is why we will continue to deliver on our promise not to increase income tax and, when the public finances allow, introduce new measures to encourage more job creation.

The third part of the Government's plan for jobs and growth is the need for new credit and the development of a sustainable banking sector. Irish banks have been stabilised but, clearly, much more needs to be done. The Minister for Finance will continue to repair and restore trust in the banking system, which is vital to ensuring businesses are confident to seek out credit to fund expansion opportunities. This means banks provide credit at competitive interest rates and is being achieved through the Government's ongoing SME credit policy. We are also making new sources of funding available to support the creation of jobs. In the coming weeks, legislation will be published to establish NewERA and the €6 billion strategic investment fund. We are also concluding an agreement with Germany to secure significant new funding for Irish businesses from the German state bank, KfW. The Department of Finance is also focused on the partnership we have with the Silicon Valley Bank and the Chinese Investment Corporation, which came here last year.

The banks must also do more to help people who are in mortgage arrears. That is why we will require them to make sustainable offers to every family in mortgage distress by the end of this year. Engagement between consumers and lenders has led to more than 51,000 permanent mortgage restructures, an increase of in excess of 6,000 accounts in the last quarter of 2013. The number of mortgage accounts in arrears of greater than 90 days has started to fall.

This year, 2014, will also see important progress on a number of other fronts crucial for the development of the country. The Government will continue to prioritise its welfare reform and work activation agenda. As new jobs are created in the economy we have to ensure that those who lost their jobs and suffered most are not left behind in the recovery. That is why our Pathways to Work strategy, led by the Minister for Social Protection, Deputy Burton, aims to move 75,000 long-term unemployed people into employment by the end of 2015. With 22,500 long-term unemployed already moved back into work we will update the strategy by mid-year and put a stronger emphasis on removing the disincentives to returning to work facing some long-term jobseekers.

By replacing rent supplement with a new housing assistance payment that will continue to be available to unemployed people returning to work, we will ensure an additional 34,000 families are better off in work than not. We will also complete the first phase of welfare and work activation reforms with the roll-out of all Intreo offices nationwide. To increase the number of case workers available to those on the live register the Government will be contracting in additional capacity from the private and voluntary sectors in 2014. To help rebuild trust and

confidence in the State's employment services with businesses, the Minister for Social Protection, Deputy Burton, will be producing a new employer engagement strategy. It will represent a new beginning for Intreo services and local employers that will ultimately help jobseekers.

In addition, the Minister for Education and Skills, Deputy Quinn, will publish the first ever five-year strategy for the further education and training system which will prioritise re-training the unemployed to take up the opportunities arising in the economic recovery. This matter will be aided by the Minister of State, Deputy Cannon. The Minister for the Environment, Community and Local Government, Deputy Hogan, and the Minister for Social Protection, Deputy Burton, will also roll out the gateway work activation scheme during 2014 that will see 3,000 long-term jobseekers working in local authorities on local projects.

As Ireland is a small, open economy, the Government will continue to positively and proactively engage with the EU and its member states to enhance the Single Market, reduce administrative burdens on business and facilitate new trade, including through EU external trade agreements. Progressing the EU-US trade agreement, started under the successful Irish EU Presidency, will open up new opportunities for Irish business and jobs. An estimated 2 million jobs can be created from a European perspective on conclusion of this agreement. The Government will continue to open doors for Irish entrepreneurs and businesses. The Tánaiste and his embassy network will be supporting 18 ministerial trade missions this year in close co-operation with Enterprise Ireland. The Government is focusing on new opportunities in the United States, China, India, Australia, Indonesia, Turkey and west Africa to name a few. Preparations are also under way for the first ever State visit to Britain this year following on from the visit of Queen Elizabeth to the Republic of Ireland in 2011.

Finally, we will continue the political and public service reforms needed to ensure that the recovery is fair, inclusive and sustainable, and in doing so to continue to rebuild trust in our institutions. We will expand the powers of the Ombudsman to enhance scrutiny of public services. The Minister for Justice, Equality and Defence, Deputy Shatter, will take action to ensure the Garda Síochána Ombudsman Commission will have the right structures to provide effective and independent oversight. We are legislating to increase the scope and reach of freedom of information, to afford protections and clarity to whistleblowers and to consolidate the ethics Acts following the publication of the Mahon and Moriarty tribunal reports.

We have established Irish Water as a means of financing and providing for investment in clean, safe water. To end the current inefficient two-tier health system the Minister for Health, Deputy Reilly, and the Minister of State at the Department of Health, Deputy White, will take further steps towards the introduction of universal health insurance. We will prioritise the full establishment of hospital groups funded on a "money follows the patient" basis, the roll-out of free GP care to all children aged under six in the first half of this year and the publication of a White Paper on universal health insurance.

The Minister for Arts, Heritage and Gaeltacht Affairs, Deputy Deenihan, following on from his successful agreement with Bank of Ireland to turn part of the former Irish Houses of Parliament on College Green into a cultural space, will lead on the commemorations programme. This includes major works on the General Post Office, GPO, so that an interpretative centre can be in place for 2016. It also means improvements to Cathal Brugha Barracks and the Kilmainham Courthouse.

The continued improvement of our education system is key to our long-term prosperity.

4 March 2014

The Minister for Education and Skills, Deputy Quinn, will publish by June of this year, for the information of parents, a summary of the performance of all schools. We will pass legislation to reform school admissions to make them fairer, more transparent and more inclusive. We will continue to roll out the area-based programme to tackle the root causes of child poverty and exclusion. The Minister for Communications, Energy and Natural Resource, Deputy Rabbitte, will also complete the roll-out of next-generation broadband to all secondary schools in the State by the end of the year. An education system built on excellence is essential for the future of our children. To further their interests the Minister for Children and Youth Affairs, Deputy Fitzgerald, will shortly launch the national children and young peoples' policy framework which will set out the key Government commitments to promote better outcomes for children and young people over the next seven years.

The Government has an ambitious plan of action for Ireland. Exiting the bailout was only the first step in Ireland's recovery. There is no complacency in Government about the scale of the challenges we must rise to meet. There is still an unacceptable number of people unemployed. There are still far too many working families struggling to make ends meet. We are moving in the right direction, and we have a distance to go, but at least we have a clear plan on how to get there and that plan is working. We exited the bailout, jobs are being created and the public finances are under control. Working with the Tánaiste and the Labour Party we are wholly united in the crucial task of getting our country working again. There will be no let up in our efforts until we return the country to full employment and everyone has the opportunity to achieve their full potential for themselves and their families at home in Ireland.

**Deputies:** Hear, hear.

**The Tánaiste:** This Government was formed in the face of the worst economic crisis in the history of the State, at a time when the financial survival of the State was in question, unemployment was rocketing and when the banking system was broken.

**Deputy Thomas P. Broughan:** On a point of order, is the script of this speech available?

**An Leas-Cheann Comhairle:** We will inquire about that.

**The Taoiseach:** Tá siad ag teacht.

**Deputy Eamon Gilmore:** At that time, in the middle of the crisis, the immediate tasks facing the Government could be expressed in a small number of statistics. The bond yield encapsulated the view from abroad of Ireland's financial position. The live register showed the rate at which jobs were being lost and lives destroyed. The number of mortgages in arrears signalled the scale of the social destruction being wrought by household debt. The loan-to-deposit ratio in the banking system showed the extent to which Irish banks had been bloated in an unsustainable property bubble.

Today, those numbers have all improved dramatically. However Government is not about numbers but about people. As we move into the fourth year of this Government the tests we face and must now pass are different. The numbers still matter, but the tasks of Government are more diverse and personal than before. Having left the bailout, we must decide what kind of post-crisis Ireland we want to create and what kind of future we want to build for our children. I want Ireland to be a genuine republic where opportunity is open to all our people, where if one works for a living one can afford to live; where a job pays enough to pay the bills, buy a home and raise a family; where one can hope for something better for one's children; and where

one can grow old in safety and dignity. We want a country where a young person who leaves school or college can find work, education or training; where a young family can afford to buy a home; where the parents of young children can find a school for their child that fits with their hopes and beliefs and where they can bear the cost of sending their children to school; where if one gets sick one can afford to go to the doctor; where elderly citizens can afford to keep their health insurance and where they can access a hospital when they need to; and where parents can be sure that their children can be children, safe in school and safe online.

We cannot have those things without sound economics. However, they are not just economic questions. They are fundamentally about fairness. They are about whether individuals and families who work hard and play by the rules can have a decent standard of living and hope of a better future. Too many people do not have that. Too many families in this country are still under severe financial strain, living from day to day or from week to week. The legacy of the crisis is still with us, even if the headline indicators have improved. That is why we are determined to continue the work of restoring the economy and maintaining financial stability. Too much has been sacrificed for anyone to now put the recovery at risk. There can be no return to the failures of the past or to fairy tale economics.

**Deputies:** Hear, hear.

**Deputy Eamon Gilmore:** What we do now after the bailout has to be guided by four principles. First, we need a sustainable prosperity. Too many of our people still do not have work, or do not have enough work. We have to create more and better jobs. Second, we need a shared prosperity, which means that we have to invest in our people and ensure that recovery is spread across society, and across the regions. Third, we need to maintain a threshold of decency, as we have done for the past three years, and ensure nobody is left behind. Fourth, we must commit ourselves to tolerance and freedom at home and promoting Irish values abroad.

Having achieved the goal of exiting the bailout, we must now focus on our next objective, full employment. The medium-term economic strategy sets the objective of reducing unemployment to below the eurozone average this year and below 10% by 2016. By 2020 we aim to return the economy to full employment by increasing employment to 2.1 million, thereby replacing all of the jobs lost during the crisis. In the first instance, we must work to ensure a balanced recovery by doing more to promote the domestic economy. We have made it clear that the construction sector must be a major priority. We cannot go back to the days of the bubble, but the construction sector is now operating at well below normal output. It has the potential in the next five years to create some 60,000 jobs and in so doing provide the houses, offices, factories and infrastructure the country needs. In the coming weeks the Government will finalise our construction strategy and make its implementation a core priority for the year ahead.

Despite the crisis, we live in a fast-changing global economy. Technology is creating new products and economic sectors at a rapid pace. Today thousands of Irish people work in sectors that did not exist ten years ago. The centre of economic gravity is shifting to the east and billions of new workers and consumers are coming into the global trading system. We can either see these trends as threatening or as opportunities. The Government is determined that in the year ahead we will do more to lay the foundations for the future prosperity of the country.

We will expand the network of embassies and consulates abroad and enhance the staffing of Enterprise Ireland in key markets. Following the review of the export trade strategy, we will redouble our efforts to open up new opportunities for Irish exporters in priority markets and

4 March 2014

continue to work for greater co-ordination through the local market teams. It is not often appreciated that the diplomatic corps are often the first “boots on the ground” when it comes to opening up new markets to Irish firms. In January I announced the opening of new missions and consulates in a number of markets, including further development of our presence in the United States, reconfiguration of our approach in Africa and new missions to emerging markets such as Indonesia. However, it is not enough for us to open up new markets. We must develop the companies that can create new products and services to sell into these markets. That is why the Action Plan for Jobs has a particular focus on facilitating new start-ups and assisting firms to make the transition from focusing on the domestic economy to exporting products overseas. New firms and sectors need finance. The Government has established NewERA and the strategic investment fund on an administrative basis and in the coming weeks we will bring forward legislation to put both entities on a statutory footing. We will put €6 billion of the State’s resources into the strategic investment fund, with the task of investing in areas of strategic significance to the economy. We will also work to implement the proposals in the medium-term economic strategy for credit availability, including both bank and non-bank finance. As part of this approach, we are hopeful the strategic investment fund will be able to work with the German Bank KfW to enhance the flow of credit to Irish SMEs.

The prosperity we seek must be sustainable, but it must also be shared. Across the world Ireland has been noted for the fact that social solidarity and industrial peace have been hallmarks of the way we have tackled the crisis. They must also be built into the design of the economy that emerges from the ashes of the crisis. Already the Government has embarked on a far reaching reform of the social welfare and training systems which we call Pathways to Work. The fundamental principle of our reform is that everyone should have the opportunity to learn and work in our society. The first day of unemployment should be the first day of a journey back to work, through training education and work experience. In the year ahead we will continue to roll out Intreo offices and in the next few weeks we will publish the first ever five year strategy for the further education and training system which will prioritise retraining the unemployed to take up opportunities in economic recovery.

We will also continue to work to address the question of high personal debt, a burden that continues to weigh on thousands of families. We have made enormous changes in the regime for dealing with personal insolvency, but we must keep working to address this problem. In the coming months we will monitor the extent to which banks are meeting their mortgage arrears targets and will not let up until this problem is addressed. The problem of personal debt is just one manifestation of an economy where people have seen a dramatic reduction in their living standards. For the Labour Party, higher living standards and a better quality of life for working people are at the very heart of our politics. What we have learned in the past few years is that higher living standards must be built on firm foundations.

It is important that we maintain an atmosphere of industrial peace and an industrial relations structure where issues can be resolved through discussion and negotiation. To that end, the Government is bringing through legislation to reform the workplace relations institutions and we will shortly bring forward legislation on collective bargaining rights.

The people have been through a period of profound economic crisis, but even so, society has not stood still. Important social issues cannot be put to one side while the crisis is addressed. That is why we have worked to maintain a threshold of decency, despite the many painful measures which have been necessary to get the economy back on the road to recovery, and have restored the minimum wage and taken 330,000 people out of the USC net. That is why we

are bringing important reforms to make our system of government more open and transparent, extending the power of the Ombudsman and expanding the scope of freedom of information legislation. We are working to update our laws to reflect the modern Ireland, including the Protection of Life During Pregnancy Act, the forthcoming transgender Bill and our determination to put the case to the people for the right of same sex couples to marry.

Ireland's foreign policy is an essential element of the Government's work. It is the means by which we promote our values and pursue our interests abroad. Through it, we pursue Ireland's economic prosperity and promote peace and security, both at home and in the wider world. Our foreign policy is also a statement of who we are as a people. It projects an image which shapes how others see us and engage with us. Following our successful EU Presidency last year, the chairmanship of the OSCE in 2012 and having exited the EU-IMF programme, we now have an opportunity to reflect on the future direction of our foreign policy, the values and interests we seek to promote through it and how it contributes to achieving Government objectives. That is why, last October, I initiated a review of Ireland's foreign policy and external relations. As I said, our external environment and the international system in which we operate are experiencing rapid change. The shift of economic and political power and influence from the west to the east and the south is changing the way the world looks and works. We must keep up with these changes if we are to ensure our continuing prosperity and well-being as a country. Many of today's challenges such as cyber security, climate change and migration are not defined by borders and regions but require global solutions. The fast moving pace of the global economy and the need to keep pace with technological change and innovation are also factors with which we are familiar. The purpose of the foreign policy review is to provide an updated statement of Ireland's foreign policy and external relations and identify a series of recommendations for its conduct. What will not change, however, is our clear commitment to our aid programme which we have maintained, despite enormous budgetary pressures, or our commitment to a foreign policy based on human rights and international law.

Our ongoing engagement with Northern Ireland will continue to be central to the work of the Government in the year ahead. The peace which was hard earned can never be taken for granted. Northern Ireland is a priority for me, my Department and the Government. In our contacts with the British Government and political leaders in Northern Ireland we will continue to stress the importance of their support for full implementation of all aspects of the Good Friday Agreement, including a Bill of Rights for Northern Ireland, an Irish language Act and the establishment of a civic forum. Implementation of all key provisions is essential to the integrity and balance of the whole. I commend Dr. Richard Haass and Dr. Meghan O'Sullivan for their work with the political parties in Northern Ireland in the lead up to the new year. I hope the political parties will be able to build on this work. Their efforts will have the support of both the Irish and British Governments.

This is a Government that came to office at a time of profound national crisis. We have faced into that crisis; we have refused to run away from it and are succeeding in what we set out to do. No one claims for one minute that we have achieved everything we set out to do, but our work is continuing. We will face into the coming year with the same determination and commitment to create jobs and restore the economy that have brought us in the past three years from crisis to recovery.

*4 o'clock*

**Deputy Micheál Martin:** On the long and growing list of abandoned promises made by

4 March 2014

Fine Gael and the Labour Party, the promise to reform politics has a prominent place. This is a Government that promised a “democratic revolution” but has worked to deny even basic accountability of Ministers to Dáil Éireann. This debate is a further example of a persistent trend towards marginalising the Dáil. It was promised as a detailed discussion, first of the programme for Government, then of a specific programme of priorities, with the Government pledging to listen and take on board suggestions. When announced it was hailed by the Taoiseach and the Chief Whip as a huge innovation. Instead, what we have got is an empty and cynical vehicle for self-congratulatory speeches. This is a fitting way of marking the third anniversary of a Government that is deeply obsessed with trying to spin everything. The difference between the rhetoric and the reality is growing all the time. We are being asked to debate priorities that have not been set out and circulated. There is discussion about what the priorities might be; they are to be whatever the Government has already decided.

Between now and Thursday evening the only vote before the House will be on Fianna Fáil’s legislation to protect mortgage holders. This will be voted down by the Government with no real engagement with the issue being raised.

**The Taoiseach:** It will not. We accept the Bill.

**Deputy Micheál Martin:** Will the Government activate it?

**The Taoiseach:** The Bill is flawed but we will accept the principle of it.

**Deputy Micheál Martin:** Will the Government activate in time before the-----

**The Taoiseach:** The Deputy said it would be voted down. It will not be voted down.

**Deputy Patrick O’Donovan:** The Deputy is wrong.

**The Taoiseach:** The Minister for Finance will set out the details in his response this evening.

**Deputy Micheál Martin:** There is a March deadline because of the sale of the IBRC loan book.

**The Taoiseach:** The Minister will set out that he accepts what the Deputy wants to do but the Bill is grossly flawed. It will not be voted down.

**Deputy Micheál Martin:** It is flawed? Will it be in place before the IBRC sell-off of the mortgage book?

**The Taoiseach:** The Minister will explain all of that this evening.

**Deputy Micheál Martin:** It will not be.

**An Leas-Cheann Comhairle:** That is another debate.

**Deputy Micheál Martin:** I am glad the Taoiseach will be-----

**The Taoiseach:** The Deputy was pre-empting matters, saying it would be voted down.

**Deputy Patrick O’Donovan:** The Deputy was taking that for granted.

**The Taoiseach:** It will not.

**Deputy Micheál Martin:** The Government has a habit of taking some Bills on Second Stage but then letting them linger forever.

**The Taoiseach:** That is why we made the change to have Friday sittings for Private Members' Bills. It was a good thing to do.

**Deputy Micheál Martin:** The key point of the Bill is to put protections in place for those who hold mortgages that are being sold off by the IBRC.

**The Taoiseach:** I know that. The Bill is flawed and the Minister will set out the reasons why. We will not vote it down.

**Deputy Micheál Martin:** On Friday two non-Government Deputies will propose legislation, which will be rejected by Ministers in prepared speeches. The Government will add this week to the list of meetings of the Dáil and declare that in year three of the democratic revolution we are doing more work than ever.

This debate is a transparent political sham. Nothing will change because of anything that is said here over the next three days. This sort of so-called debate goes a long way towards explaining why the Government has been so unpopular for so long. While the Taoiseach and his Ministers were busy telling journalists at the weekend that they are unpopular because they have taken tough decisions, the undeniable fact is that they became unpopular well before they took any real decisions, let alone tough ones. This is a Government that waited more than two and a half years before it published any economic plans. Its defining policy has been to follow events and jump on things for which it might be able to claim credit. How else to explain a Government that claims credit for budget changes it voted against and interest rate reductions it did not ask for?

The Taoiseach said at the weekend, and again today, that creating jobs is the absolute priority. No one can disagree with this, but we can disagree with the Government's spin about what is happening in the jobs market. In recent weeks the Taoiseach has said the Government intends to "deliver 100,000 jobs". According to speech after speech at Fine Gael's conference, employment growth in the economy is down purely to the Government. This is both deeply cynical and wrong. The growth in employment has nothing whatsoever to do with Government employment policy; in fact, all of the evidence indicates that Government policy has continued to be a drag on employment. The Government does not create jobs when it takes millions of euro out of pension funds that invest in Irish businesses. The Government does not create jobs when it cuts local enterprise supports.

**The Taoiseach:** So we should not have reduced VAT?

**Deputy Micheál Martin:** The Government does not create jobs when it misses every single growth target it sets.

**Deputy Robert Dowds:** There would be no extra jobs if we had not-----

**Deputy Micheál Martin:** With the greatest of respect, I did not interrupt any speaker in this House today - not one. The Deputy should allow some semblance of democracy. It is in short supply from him and from Members on that side of the House.

**Deputy Patrick O'Donovan:** The Deputy is great for the prepared speeches.

4 March 2014

**Deputy Micheál Martin:** The economy today is smaller than predicted in the first Fine Gael-Labour Party budget, by more than €5 billion. The Government has never introduced a measure to which it has attached a specific jobs target. In this context, claims to be delivering on jobs are clearly untrue. The Government is not creating jobs; businesses are creating jobs using the underlying strengths of the Irish people and an upturn in international growth. The Government is a bystander, focusing on public relations rather than on making an impact.

The Action Plan for Jobs 2014, which the Taoiseach and Tánaiste have mentioned again today, is the perfect example of a strategy that is all about claiming credit for job creation rather than actually creating jobs. Like its two predecessors, this year's jobs action plan is primarily made up of actions which either will have a marginal impact or were happening anyway. In some cases they go much further and are crudely cynical. The best example of this is the proposal to establish 31 new local enterprise offices. What the Government has actually done is to close every county enterprise board and cut the funding for local enterprise support. It will rearrange offices and then go on a spree of opening them. Every one of those openings will be a sham. A cut in local enterprise services will be celebrated as an increase, a tactic that would not be out of place in George Orwell's *1984*.

This is not the first time we have seen such cynicism; it is in every year's action plan. For example, last year we were told that seven new world-class research centres were being created. What was not said was that each of the centres had already existed for between five and ten years and many other centres that operated at a world-class level were being closed to provide the extra funding for them. There is a wider and more strategic problem in this effort to sell the message of a government delivering a huge boost to employment. It fails to acknowledge the deep strengths that the economy already had. It puts short-term politics ahead of a long-term message for the country. This is not a good message for Ireland.

We can see this strategy at work in the Government's reaction to the results from IDA Ireland last year. It was another good year for the IDA. Implementing a strategy devised over the long term, it has focused on key industries and key types of employment. As it pointed out in its own press release, it was the fifth year in a row that it had delivered a net positive result. Even in the worst part of the recession inward investment remained strong, and most of the new projects are with firms with which we have had a long-term engagement. By contrast, the Government's press release on exactly the same figures ignored this strength and tried to claim that all progress was new and directly linked to Ministers. If the action plan for jobs represents the Government's major priority then this will be a problem for it. When one takes the time to look behind the presentation one finds some very interesting detail. In one action it is proposed to arrange research which, Ministers hope, will establish links, where possible, between actions in the action plan and outcomes. In other words, while Ministers already claim to be delivering jobs, their own document says they do not know whether this is the case.

In order to make jobs a real priority, the Government should adopt a new approach to key issues. First, it needs to recognise that we are seeing a two-tier recovery. In areas in which the priority of the State over many years was to invest in skills and attract investment, job growth has been high and levels of pay have been high. However, in many other areas employment growth has been weak and conditions have been poor. The two largest elements of the employment figures are part-time work and SOLAS training places. We should not settle for this. The Government needs to push the financial system to return to proper levels of support for business. Credit is far too tight. The State-funded balances of the banks are sufficient to enable a return to levels of lending which can allow more businesses to survive and grow. Domestic

demand will not recover until lending returns, and the Government should move from its position of leaving it to the banks and settling for weak targets.

It also needs to get serious about the large overhang of mortgage and family debt that is imposing a huge social and economic burden throughout the country. My party has produced a succession of Bills and policy positions to tackle the problem and each one has been voted down by the Government in favour of its gradualist “leave it to the banks” approach. This week, again, it is refusing to give statutory protection to mortgage holders to prevent State-owned debt from being sold to non-regulated companies. For the past three years the Government has claimed it is prioritising the needs of people with mortgage and household debt problems, but it has stood by as the problem has deepened. For jobs and the economy, as well as for fundamental social reasons, a more aggressive approach to tackling mortgage and household debt should be, but is not, a priority for the Government.

This is the fourth month in a row that the Government has been giving “exclusive” comments to journalists about how cutting tax this year is a priority. The Labour Party and Fine Gael have even started to attack each other about whose idea it was to cut taxes. It is time for the Government to stop the media campaign and to start to explain what it is considering. We have been promised an open budgetary process with genuine debate. Let us start with the promised priority of tax cuts. The Taoiseach’s statement was short on specifics in this regard. Families are feeling the pressure on their disposable income and the Government’s claim to have left this alone is completely untrue. This year the amount payable in property tax has been doubled and a range of other service cuts and charge increases have also impacted on disposable income. The campaign to withdraw discretionary medical cards is directly targeted at the squeezed middle.

Families with children with autism or other disabilities are particularly aggrieved. The Jack & Jill Children’s Foundation which tries to help parents with the most severely ill babies and children in the State is appalled at the way in which medical cards have been withdrawn from such families.

Water charges are on the way. We do not know exactly when people will be told about the charges that are going to be imposed, but from 1 January 2015 families will face extra bills. Between now and June the Taoiseach will refuse to indicate how much they will be expected to pay in water charges. They will also be facing compulsory health insurance charges if the Government introduces universal health insurance, on which matter the lack of detail is stark. The Government’s key tactic is to give a small amount back to cover up what it is taking away. If it genuinely wants to help the squeezed middle, it will have to outline all of the changes it proposes to make in charges and taxes.

Every independent study of the Government’s fiscal policy has confirmed that it has taken a significantly more regressive approach to revenue raising. The one consistent element of the Government’s policy is that ability to pay is not considered. Some people may be gullible enough to listen to its promise of tax relief, but the general public will not be fooled. The medium-term economic plan launched in December contained less detail than any recent multi-annual framework. It was written in a way that maximised political claims and minimised details. Instead of continuing the current campaign of trying to tell soft stories about tax cuts, I ask the Government to show us what spending cuts and revenue increases it is proposing in order to fund them. Show us the true cost of water charges, compulsory health insurance and property taxes. If it continues to speak about tax cuts without showing the details, people will

be justified in seeing it as being more interested in its own fortunes than the squeezed middle.

In the past month the internal Cabinet debate about compulsory health insurance has been fought out in a series of unattributed leaks, as well as a public fight-back by the Minister for Health who claimed in a signed article that his new system would cost less, deliver more and be the end of problems. The Taoiseach reiterated these claims at the weekend, but it appears that there is no basis to them whatsoever. In the absence of details of costs, services to be covered and premiums charged, it is dishonest to make any claim about the new system. Compulsory health insurance has been the policy of both Government parties for over ten years, yet they expect us to believe they still do not know how it would work. One thing that appears settled is that Fine Gael's preference to have the system controlled by for-profit insurers has prevailed. The Department of Public Expenditure and Reform has already estimated that the average cost of a policy under universal health insurance will be €1,600. The Labour Party's plans specified that the insurance companies would be State-owned and not-for-profit, the predominant model elsewhere. How the Labour Party can stand over this defeat on a core ideological principle has yet to be explained.

The Government's priority for the health service during the next year is to keep progressing towards the Minister's new system. If this happens, further chaos is inevitable. The HSE service plan which was censored by the Cabinet cannot be delivered with the current level of funding. This has been confirmed by the HSE's chief executive officer. Throughout the country patients are seeing the impact in curtailed services. To cover this up, the Government has fixed the figures by changing the way waiting lists are compiled to adopt a much easier target and redefining what is meant by admitting a patient. It has reduced nursing and medical cover for each patient on wards and ramped up the programme of shutting services which the Taoiseach personally promised to keep open. The introduction of free GP care for children under the age of six years is a stated priority for this year, but the implementation and cost of this promise are becoming less clear by the day. Assuming that it is actually implemented, it appears that "free" is now to be defined as "with a charge". We have another scheme which does not do what has been promised and which is to be funded by cutting other badly needed services. The priority for the health service in the next year should have been an honest approach to mounting problems, instead of more spin and denials, alongside damaging and costly changes which will ultimately lead to an open-ended health tax.

The Government has claimed it will engage in a genuine consultation process. A genuine consultation process would include the possibility of listening to people and abandoning ill-thought out privatisation and costly changes. During the coming year Irish Water will come closer to full operation and introducing charges. It has made a submission on how much it wants to charge, but because there has been no commensurate reduction in other taxes, these charges will represent an additional tax. Larger families are likely to be hardest hit by water charges. The Government has ensured the final figures for the new charges will not come out until after the local elections. If it is convinced that its new agency is a good thing, it should immediately publish Irish Water's submission on its desired charges. This would show people the full agenda and impact of the scheme.

It is disappointing that restoring confidence in the administration of justice is not a priority for the year. At the weekend the Taoiseach not only backed the Minister for Justice and Equality, he also applauded his behaviour. In spite of the fact that it has been necessary to establish three reviews of actions taken under the Minister, that he has used confidential information received from the Garda Commissioner to cast a slur on an opponent and that he has shown no

interest in how another Deputy was targeted through leaks or how GSOC investigations have been ignored and hindered, the Taoiseach has decided that party loyalty is more important. This does not auger well for how the Government will handle the independent reviews when they are delivered. It suggests that, regardless of what he does, the Minister's past loyalty to the Taoiseach is more important than his current behaviour. As the Minister is allowed to operate independent of Cabinet or Oireachtas oversight, the legal priority for the year ahead will be his scheme of changes to the legal profession. This is not reform. It has at its heart changes which no one is seeking and which will bring no benefit. Not one piece of research has been produced to support the claims made on reduced costs, whereas the conclusive evidence shows that access to the top legal talent will be more restricted and elitist. Once again, the Labour Party has been silent on a deeply regressive measure.

In the past three years the Government's neglect of issues concerning Northern Ireland has become increasingly obvious. The Government is not to blame for the recent problems, but it has chosen to take the role of bystander, rather than active participant. Leaving the peace process in the hands of two parties focused on partisan interests has failed. Levels of trust are falling and, worst of all, opportunities for growth and reconciliation are being missed. If the Government is sincere about Northern Ireland, it must make it a priority to re-engage on all issues and tell the British Government to fulfil its commitments about the past, including, in particular, the Finucane case and the Dublin-Monaghan bombings. It will also stop focusing on holding formal meetings and start to develop concrete proposals for new North-South activity. Funding the Narrow Water Bridge project should be an immediate priority and its neglect by the Government is nothing short of disgraceful.

European policies played a central role in Ireland's economic crisis. We have not yet received full justice for our case. Having declared victory on at least three occasions in the past two years, it is time for the Government to be open and honest about what it is seeking on relief of bank related debt and other issues. This week in the Dáil three days have been allocated to debating a set of Government priorities which have not been set out in advance. The health service plan has not even been debated. The housing plans were meant to be debated two weeks ago, but we have not yet had an opportunity to consider them. That demonstrates the farcical nature of this debate. All we have before us is a set of political set-piece speeches driven by public relations rather than public policy. The real priority for the year should be an end to the strategy of putting spin first, an engagement with the social and economic pressures facing the people and an acceptance that policy must change if we are to tackle the two-tier recovery under way. Unfortunately, nothing said by either the Taoiseach or the Tánaiste suggests they understand this.

**Deputy Gerry Adams:** The Government has ordered the business here to celebrate three years in government and there is no substantive debate on how it intends to continue for the next two years because there has been no detail put forward. I note there were 16 pages from the Taoiseach, 11 pages from the Tánaiste but in the middle of all the verbiage there are two little gems. From the Taoiseach, there is an acknowledgement: "There is still an unacceptable number of people unemployed. There are still far too many working families struggling to make ends meet." Sin é - that is it. From the Tánaiste, there is much of the same: "Too many families in this country are ... under severe financial strain, living from day to day or from week to week." The reason for that must be clear. It is called austerity, and that is the clear policy choice of the Government because it has patently refused to invest properly in job creation.

Today is about the Government going out and holding a press conference, and coming in

4 March 2014

here to sing its own praises. In the past number of years, perhaps many citizens have become used to these songs of self-praise. For example, at the June 2012 European summit, the Taoiseach and the Tánaiste were in close harmony, in full chorus, declaring a game changer and a seismic shift. Having given the banks €65 billion of the taxpayers' money, they claimed that the European Stability Mechanism would reduce debt. They stated it would separate banking debt from sovereign debt. They stated that this would be retrospective and that hard-working hard-pressed citizens in the State would get some of their money back. Of course, none of that has happened. The Fine Gael-Labour Party Government secured nothing to relieve citizens of this odious banking debt. For generations to come, citizens will be forced to carry an unsustainable debt burden inflicted on us because the Government has persisted, for ideological reasons, in blindly pursuing the destructive austerity agenda, and all of this has been done to bail out banks that caused the crisis in the first place. Mar a deirtear i nGaeilge, is cuma le fear na mbróg cá leagann sé a chos.

That is fair enough from Fine Gael because it would be a party of austerity. Even if there had not been the crisis, Fine Gael would be pursuing these types of policies in any case. However, the Labour Party sets itself out as a different type of political party. There is much the Tánaiste stated in his opening remarks with which I could agree about the type of Ireland we want to see, but, unfortunately, there is no plan, strategy or will to bring this about.

When the troika left and the Government also sang its own praises in December, the troika mindset stayed. There has been a litany of broken election promises from both Government parties. The Government promised a strategic investment bank. They promised the end of upward-only rents. They said they would not cut child benefit. They said they would not cut supports for those citizens with disabilities. They said a lot, but instead delivered cuts to living standards and vital public services; cuts to supports for persons with disabilities; 140,000 householders in mortgage distress; homelessness on the increase; a crumbling health service; a family home tax; and water charges.

I spent last evening on the Cooley Peninsula. There is an unprecedented level of isolation and fear in rural areas where many are concerned about the closure of Garda stations, post offices and schools, and the destruction of public transport systems. All the while, and this is where the needle gets into people, they see public money being given hand over fist to consultants, investors, bankers and politicians while there is no funding and supports for those who are vulnerable, such as the young unemployed, pensioners and children with a disability. There is the farce - a term I use advisedly - of very ill patients having their medical cards withdrawn. In the past year, 60,000 patients were waiting on hospital trolleys. The wages and conditions of Irish workers are steadily being driven down.

People are cynical because, while all of this is going on, politicians still claim significant wages and expenses, and the gap between rich and poor has become wider and society has become more polarised. Most citizens understand that we have faced an unprecedented crisis and want to play their part in rectifying this, but what they resent is the unfair way in which this is being done by the Government. Tá an ciorcal órga faoi chosaint agus tá gnáthdhaoine faoi ionsaí. Ordinary, hardworking citizens, the most vulnerable sectors of society, and those who worked hard, paid taxes and did all the right things who face retirement, discover that they are again being forced to carry the burden of adjustment. People who never saw the Celtic tiger, once again, are being oppressed, while those at the top come through unscathed because the mark of the Government is to preserve the privilege and wealth of the elites while not looking after those citizens around which society should wrap itself.

The Taoiseach and the Tánaiste mentioned fairness quite a few times in their remarks, but unfairness has been the hallmark of their term of office so far. They promised to transform the political culture in the State and to end cronyism, but we have seen the recycled same old failed politics and the same old way of doing business. Rather than open up government, as they promised, the Government actively obstructed the Dáil by concealing its knowledge on the expenditure involved in the establishment of Irish Water-Uisce Éireann and in the farce surrounding the Minister for Justice and Equality. Even in his Ard-Fheis speech, the Taoiseach spoke of the serious allegations involving the administration of justice and oversight of the Garda.

What we have had all of the time - I am a newcomer here - is first call to the media and second or third call to this Chamber. It has been government by press release, spin and hype, while actively and regularly bypassing this Dáil on issues of importance.

It is also evident in the old way of doing business the manner in which the Government continues to breach pay caps for ministerial advisers while cutting supports for the most vulnerable citizens. Many of these decisions are taken at Cabinet level. I do not even know why the Government keeps saying, "This was a Cabinet decision". It decided to cut home help hours and carer's allowance. This is a group of people sitting around a table deciding to take money and resources from those who depend upon them most.

There has also been an effort to centralise political power and emasculate local democracy. One of the telling marks here - both the Taoiseach and the Tánaiste have much more Gaeilge than I have, as they were reared in a different environment - has been the increase in the marginalisation of the Irish language in the public administration system. Actions of the Government have ensured that language schemes by public bodies have been poorly devised and inadequately implemented. The decision to merge the Office of An Coimisinéir Teanga with the Office of the Ombudsman, and the insufficient resources provided, is evidence of the Government's disregard for the Irish language. The resignation of An Coimisinéir Teanga, Seán Ó Cuirreáin, over the failure to provide services through Irish is a damning indictment of Fine Gael and Labour.

There has also been an ongoing spin of recent jobs figures as demonstrating growth. All jobs are welcome and everybody is glad to see the unemployed back at work, but there is a number of matters revealed which the Government does not want to see highlighted. Some of the greatest increases have been in the lowest paid sectors of the economy. Emigration is also playing a significant part in the reduction of the unemployment figures. Since 2011, 266,000 people have left the State, and only 28,100 jobs have been created. Since the Government came to power there are 40,000 fewer under the age of 35 in work and 85,000 fewer in the labour market, and while some may have returned to study, the majority of the 85,000 have left. In the past two years there has been a marked increase in the number of workers with variable hours. These are workers who have a minimum number of hours but no set income or set hours week-to-week. What is very clear is that rather than emancipation of workers there has been a casualisation of labour and an erosion of workers rights.

**Deputy Richard Bruton:** Did the Deputy read the latest figures? What he has said is entirely incorrect.

**Deputy Gerry Adams:** I live in the real world. I meet these people every day. The latest figures also show that workers' average weekly earnings were down 2.1% in the last year for which figures are available. With inflation running at 0.8%, there is less money in the pockets

of workers, and that is before they pay the new water and family home taxes. Jobs growth has been heavily concentrated in large urban centres. Unemployment in the Border region has increased and is well above the State average. Much more needs to be done to realise the full potential of the all-Ireland economy and to tackle the barriers to jobs and growth in the Border region. This should include an all-Ireland approach to trade and the marketing of Irish products, and the establishment of a Border development zone.

The programme for Government commits to the full implementation of the Good Friday and St. Andrew's Agreements. As well as trying to get the British Government to fulfil its obligation, which is a difficult challenge, there needs to be a forensic ongoing approach by the Government to all of these issues. As a joint guarantor - not a junior partner - the Government needs to ensure the implementation of all key parts of the agreements, such as an Irish Language Bill, Acht na Gaeilge, a bill of rights, an all-Ireland consultative forum and an all-Ireland charter of rights. As I have often said here, not one comma of the Good Friday Agreement has been incorporated into any of the workings of the institutions of the State or the protocols by which we are governed. There is also a need for the Government to be totally and absolutely unambiguously focused on the full implementation of the proposals from Richard Haass and Meghan O'Sullivan. The recent brouhaha over the so-called OTRs provides ample proof of the need for the type of approach that we have long advocated.

The Government has also failed to keep the British Government to its commitment to secure an inquiry into the murder of Pat Finucane or to get London to co-operate with the Oireachtas motion on the Dublin-Monaghan bombings. It has failed to advocate for a Border poll. If it does not want a Border poll, that is fair enough, but it is part of the Good Friday Agreement.

The Taoiseach never mentioned the North at the Fine Gael Ard-Fheis last weekend; neither did the Tánaiste at his party's conference. The plan to amalgamate the Irish Human Rights Commission and the Equality Authority is totally in breach of the agreement. The Government has also failed to give the Irish Human Rights Commission the same powers that the equivalent body has in the North. The same applies to the Police Ombudsman for Northern Ireland and the Garda Síochána Ombudsman Commission. The Government has even brought forward legislation in relation to taxi licences which completely undermines the provisions of the Good Friday Agreement for former political prisoners with regard to employment rights. The Government was informed of that but it ploughed ahead.

Although the programme for Government commits to "publishing and acting on the recommendations of the first Review of the North-South Implementation Bodies and Areas for Co-operation and to progress the second Review, which will [identify] new areas for North South co-operation", this has not happened and the review has not been concluded. The Government has cut funding to the A5 Derry-Dublin road and failed to support the Narrow Water bridge project. When I raised this issue with the Taoiseach I said that if he wanted to make this happen it would happen. The Government constantly says it does not have a choice in the policies it implements. This is not true. We all have choices. Sinn Féin knows about difficult choices. We understand the art of compromise. Politics is all about choices. The political choices a government makes are defined by its view of society, its ambition, its ideological anchor and the interests that it seeks to represent. In my view, the Government has made choices that are not in the interests of the vast majority of citizens. The Government is therefore making the wrong choices, in contravention of the mandate it was given. For instance, the Government could introduce a 48% tax on incomes over €100,000, raising €365 million. It does not do that. That is its choice. It could re-introduce the non-principal private residence charge at €400,

raising €151 million. It does not do that. It could restore capital gains tax to 40%, raising €98 million. Again, it does not do that. It could increase capital acquisitions tax to 40% and lower the thresholds, raising €108 million. It could introduce a 1% wealth tax, even temporarily, on net wealth over €1 million. It could introduce a new employers' rate of PRSI of 15.75% on portions of salaries over €100,000. It does not do that. It could standardise pension tax reliefs. It could introduce a phased withdrawal of the annual State subsidy to private schools. It does none of those things, but decides to do something entirely opposite and different.

Sinn Féin has proposed that Oireachtas pay and allowances, including those of the Taoiseach and his Ministers, be reduced by 50% of all amounts over €75,000, and that of Deputies and Senators be reduced to €75,000 and €60,000. This would save €3.7 million. How many home help hours would that provide? How many resources would that provide for children with disabilities? How many medical cards would that produce? Sinn Féin has been robust in holding the Government to account, but we have been measured; we have not opposed Government measures merely for the sake of it. At all times our approach has been to honour the mandate we received, to defend the interests of those on low and middle incomes, and to protect and support the most vulnerable of our citizens. We have sought to be constructive in opposition. We have put forward proposals which, unlike those of the Government parties, are based on fairness. We are trying to have a view of the social consequences of measures that are introduced. What type of Ireland will emerge arising from these policies? Our most recent alternative budgetary proposals had the capacity to reduce the deficit. There was no talk of fairy-tale economics or economic illiterates when that was put forward. It was fully costed. The Government may have disagreed with it in terms of its ideological basis but it was fully argued out. We wanted to reduce taxes on families, protect public services and invest in real jobs. That is what we put forward. There was not a whimper from the Government on any of the detail of that.

Citizens need a break from unrelenting austerity. We identified measures that would have allowed for a €2.453 million adjustment. We set out concrete proposals to assist job creation, to assist small and medium-sized businesses, to help the agricultural sector, to help people in mortgage distress and to defend rural Ireland. We argued the need for equality budgeting. There is no equality test for any of the measures the Government is bringing forward. The difference between Sinn Féin's proposals and the Government's budgets is that our alternative would reduce the deficit in a fair and equitable way. We have also outlined numerous costed ideas for how high-quality full-time jobs could and should be created in order to keep our young people at home.

The Government assumed office on the promise of a new way of doing politics, but it compounded the worst excesses of its Fianna Fáil predecessors. The old, discredited way of doing politics continues, with slightly different partners in Government. The explanation for all of this was given by the Minister for Communications, Energy and Natural Resources, Deputy Pat Rabbitte, when he explained that such promises were "what you tend to say during an election campaign." These comments may yet serve as the epitaph for this Government. It has been said that too many people do not see any improvement. That is because they have had no improvement. In fact, they are worse off.

The Taoiseach appears to have abandoned his proposal to produce report cards on the performance of Ministers. Given the way some have stumbled from calamity to controversy and back to calamity again, it is not surprising that there are no report cards. The Taoiseach used to say he had a five-point plan. Now he has no plan whatsoever and, really, no point.

**Deputy Shane Ross:** I listened to the ministerial speeches and, once again, I wonder at what constituency they are aimed. Someone affected by the recession in Ireland would be left utterly and totally cold. There is little comfort in them, although there are many boasts on a macro-economic scale. The Taoiseach's speech, like so many by him and the Tánaiste, was directed, once again, at large vested interests overseas. It is directed at the global markets and people in power in Europe and elsewhere overseas in order that they will recognise, as they do, the job of work the Taoiseach and his Ministers have done. Everybody in this House knows that the applause we are receiving internationally for what has happened to the economy is raucous, loud and frequent. The Government has taken in that applause and is now playing to that audience more than the home audience. Those affected by the measures taken are not as impressed as those overseas who seem to be dictating the pace of the economy and the agenda in this country.

One need only look at what happened today in the Irish stock market to realise who is benefiting from what has happened. The results Bank of Ireland produced yesterday are full of boasts that the bank will be in profit this year. It will be. The results are full of boasts that it is moving back into solvency. However, one of the most significant developments today is as a result of the fact that Bank of Ireland shares have trebled in value recently - they have increased in value by 25% this year. One of the largest investors, Mr. Wilbur Ross - an unfortunate name, but I have to live with it, as others do - is taking out a whole whack of Bank of Ireland shares because he has profited so much. The value of the shares has trebled during the period he has been an investor. Those large investors who took advantage of our collapse have done extraordinarily well. Mr. Ross has made several hundred million euro. His comrade, Mr. Prem Watsa from Fairfax, told Reuters in an interview that over the three year period "Bank of Ireland has been one of our most successful investments." He has also taken hundreds of millions of euro out of the economy.

The banks have done really well. They have got their way and those who invested in them and took advantage of their collapse have done very well. However, they have done so on the backs of the people. It is not a happy day to be celebrating the so-called economic success of the Government considering that we heard Mr. Richie Boucher praise the Government yesterday on economic recovery. Today the Government is singing from exactly the same hymn sheet. The Cabinet should not be working for the banks. The symptom of its doing so was the enormous profit those who had supported and bought the shares at rock-bottom prices had gained from the banks. They have been taken from a potential gain for the people.

I would like to hear the Minister for Finance on this issue and, unfortunately, he will not be present today. I would like to hear him speak to us in view of the fact that Bank of Ireland shares have increased in value by so much and I would like to hear what he would do about recapitalisation. In the speeches of the Taoiseach and the Tánaiste - I do not believe I have seen the Tánaiste's script - there is in the midst of the great euphoria they are forecasting for this year and the utopia ahead no mention of the big obstacle, namely, the stress tests. I do not know what will happen in them; nobody else does either. The last stress tests were rather soft and benign, but the tests this year are certainly a sword of Damocles hanging over the banks. This may well require that the two pillar banks, Allied Irish Banks and Bank of Ireland, on which Government strategy is pivotally poised, be recapitalised. That would send the economy and the Government into circumstances they are refusing even to contemplate.

Does the Minister for Finance recognise recapitalisation as a possibility? If so, from where will the money come? The only suggestion we have had in recent times is that the money will be obtained from private sources. We know the Government cannot get the money from the

taxpayer. As it is unlikely to get it from overseas, it states it might get it from private sources. It is most unlikely that private sources would invest in Bank of Ireland or Allied Irish Banks at this stage, partly because the share values have already trebled in a short period. Bank of Ireland, in particular, is massively expensive in market terms compared with its peers overseas. That is because people have bought and are still buying into the Irish story and believe it is the only way of buying into a vehicle which is the Irish story. However, if circumstances start to unwind, requiring bank recapitalisation, the whole economy will, once again, be faced with a very difficult situation. The Government has not faced up to this at all. Although Wilbur Ross has trebled his money and Fairfax has pronounced that it made a wonderful investment, the people are not feeling it for one moment.

I would like to hear whether the Government is contemplating a sale of its own shares in the two banks in which it has put so much store. I refer to a policy the Minister for Finance recognised this morning or yesterday as being in doubt in that he recognised the need for a possible third force in banking. Pillar banks of the sort in question have a capacity for crucifying the people and creating a new cartel.

Let me address the issue of political reform. The Government has failed abysmally in this regard. There is a little window-dressing in terms of directorships, semi-State organisations and the cutting off of one or two quangos here, there and everywhere. Only ten days ago I introduced a Bill in this House to challenge the Government on political reform. The aim of the Bill was to take judicial appointments out of the public arena, certainly out of Government control. The Government and Fianna Fáil – I was delighted to accept the support of Sinn Féin – decided that patronage was to continue. They could not face the possibility of power of patronage leaving their hands and, therefore, voted down the Bill. Let us wait and see: a judicial appointments board will be introduced, but it will be muted at birth.

The obvious solution to the crisis that we noticed in the Garda Síochána recently and the awful lack of confidence in the force involved in some way taking the 200 top appointments in the Garda out of the political arena. It is welcome that the Labour Party, or certain members thereof, has championed and taken on board this cause recently, including during the consideration of my Bill. If the Government is serious about its commitment to restoring confidence in the Garda and about reform of the institutions of the State, which I believe it is not, it should now concede the point that we can no longer afford to have a force for law and order which is not supported by the people because of the recent shenanigans, many of which lie at the Government's door. The Government should accept a proposal or a Bill to ensure that the appointment of the Garda Commissioner and the 199 subordinates he has at present is taken out of the political arena and given to an independent commission.

**Deputy Richard Boyd Barrett:** Let me summarise the speeches of the Taoiseach and the Tánaiste. It was a case of blah, blah, blah, mumble, mumble, mumble and “success”. What a load of bullshit.

**Acting Chairman (Deputy John Lyons):** The Deputy might just watch the language.

**Deputy Richard Boyd Barrett:** The Government is living so far from reality that it might as well be in the outer stratosphere of a planet on the other side of the universe. Its definition of success is utterly perverse. If one defines success as looking after bankers and international speculators and lining the pockets of consultants and an army of spin doctors, then the Government is a spectacular success. However, if one's definition of success is the one that most

ordinary people in this country have, which is to eliminate poverty and homelessness, provide a health service that keeps people safe and to provide real, meaningful jobs, this Government is a disastrous failure, and everybody knows it. The only people who are applauding this Government are the elites - the international financial elites, the bankers and the very wealthy. Ordinary people are suffering dreadfully.

The Government's policies are leading directly to the biggest homelessness and housing crises this State has seen. It is daily driving more people into poverty, particularly young and disabled people and people on low incomes with families. As a result of cuts in the health service, the Government is needlessly endangering the lives of sick people who need help, and it is either driving young people out of the country or into low paid, exploitative pretend jobs. They are not real jobs, just exploitative jobs. Meanwhile, it is enriching an army of consultants, speculators, bankers and the very wealthy in this country.

Let us consider homelessness and the housing crisis, which the Government clearly does not wish to discuss. The dishonesty of the Taoiseach this morning was absolutely staggering when he said he was worried about this issue and referred to reviews. For two and a half years Members on this side of the House have been pointing to the fact that the Government's policies are directly contributing to homelessness. The Government has done absolutely nothing while that crisis has got worse each day. It is not simply that the Government has other priorities; it is the Government's policies that are creating the crisis.

The rent allowance caps for Dublin and the urban centres are directly leading to people losing their homes and being forced into homeless accommodation. For example, a woman called Charlene, who was protesting with me outside the Dáil today, has five young children who go to school in Shankill, but for the last week she has been put into a hotel in Citywest, on the other side of the city. Each day she does not know whether she will be able to keep that hotel room and she must bring her children across the city to school in Shankill. Another example is Peter, a young man I spoke to today. He has mental illness problems but for three years he has been in homeless accommodation with drug users and people with chronic alcohol problems. There are tens of thousands of other people on housing waiting lists for ten to 14 years.

The Government has done nothing about this. In fact, it caused it. In July 2012, the Government produced a policy document which stated that the new policy would be to stop building council houses and rely on leasing arrangements with the private sector to provide housing. That has failed disastrously. Why do members of the Government not simply put up their hands and admit they were wrong? The journalists can check this. It was the policy document produced in 2012 by the Department of the Environment, Community and Local Government. This situation was not an accident, but a policy.

Similarly, why are rents rising? I disagree a little with Deputy Ross about the stress tests on the banks. I believe the banks will be found to be not too stressed. The reason is that it is the Government's policy to drive up the value of property and rents in order to restore the balance sheets of the banks. It is succeeding. The big corporate landlords are doing very well at present. They bought up property at bargain basement prices in the last two years and now property values, as well as rents, are going through the roof. The corporate landlord makes a fortune, the poor are made homeless and the banks are sorted yet again. Again, the banks are driving people into homelessness. In my view, that is a deliberate policy of the Government.

The health service is an unfolding catastrophe. The reason is that €1.8 billion has been

taken out of the service, 6,000 staff have been lost and 2,500 beds have been removed from the service, while the Government plans to take another 7,000 staff out of the service this year and plans another €1 billion in cuts. Is it any wonder there are 370 people on trolleys in hospitals around the country as we speak? Is it any wonder that there are waiting periods of a year or two for important operations? It is the inevitable result of slashing jobs and spending in the health service. The Government is now going to compound the misery by charging people €800 or €1,000 per year for compulsory private health insurance, the only beneficiaries of which will be private health insurance companies. People will pay through the nose to have their lives endangered when they go into our hospitals. That is what is happening.

Only the private health care providers and insurance companies will benefit from this, but, of course, that is Fine Gael policy. It is always about the market, by which it means its mates in the corporate sector who see health, housing and just about every vital service that human beings need as an opportunity to make profit, not an opportunity to provide services and infrastructure for the human beings outside this House who are suffering the consequences of Fine Gael's policies.

Now, we have the Gateway scheme with the local authorities. This is like a wet dream for Fine Gael. The unemployed are being dragooned, under threat of having their social welfare taken from them, into low paid jobs in local authorities. These should be properly paid jobs. If those jobs must be done, people must be paid for doing them. We should not try to force people to do them for €20 on top of their dole. It is absolutely disgraceful and will lead to the displacement of real jobs. Of course, that is what Fine Gael has always wanted, but it is sickening in the extreme that the Labour Party is facilitating this. It is beyond belief.

In conclusion, I wish to respond to something the Taoiseach said today. The other thing the Government has not done is bring justice to many people in this State who have been crying out for it, because an injustice was done to them in which they lost loved ones or suffered terribly. Today the Taoiseach told the Dáil that he did not have the evidence from the Stardust families regarding the official findings for the reason the Stardust fire was started. He said he did not have that information.

*5 o'clock*

That is not true. He was given the information. The first draft of the Coffey report which was never published stated there should be an investigation because they knew and had evidence to show - the families sent it to the previous Government and this Government - that the timeline for the start of the fire and its location were different from that stated in the official record and that it had started in the roof a considerable amount of time before it was claimed it had started in the alcove. The evidence is available and has been provided. Why does the Government not be honest? Why does the Taoiseach not meet the families and give them the committee of investigation for which they have so long asked and which he promised them before he took office? It is blah, blah, blah, blah, bullshit.

**Acting Chairman (Deputy John Lyons):** I will probably have to check this, but I am sure the Deputy used at least two phrases which, if we were to check, might be deemed to be inappropriate in the parliamentary practice of the Dáil. I ask him to think about this in the future. I also noticed that there were some very young children in the Visitors Gallery shortly after the Deputy had mentioned these words. They were possibly children who still used crayons and language was used which I assume most people would not like their children to hear. The

Deputy might watch this the next time.

**Deputy Richard Boyd Barrett:** I apologise, but I am angry. I am sorry.

**Acting Chairman (Deputy John Lyons):** The Deputy has a right to be frustrated, but I ask him to watch his language.

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** I always welcome a bit of passion in the House. Whatever about unparliamentary language which is worth avoiding, I welcome anyone who is passionate about his or her politics.

I have listened to the debate and, to be honest, the contributions I have heard from the Opposition have been fanciful. No one has recorded the situation of the economy we inherited when we entered government and the truth of the situation. This is true for Deputy Gerry Adams just as it is for Deputy Richard Boyd Barrett or Deputy Micheál Martin. The Government before us was spending almost 50% more than it was taking in revenue. Deputy Gerry Adams chooses to portray dealing with this reality as austerity. No country in the world can continue to spend 50% more than it takes in revenue and think it will survive. The reason was clear for everyone to see; no one would lend to us in this condition. Any willingness to lend to the Government had folded and in the face of this the previous Government had to go cap in hand to the European Union for a bailout. That is the reality.

On the employment front, we were losing 100,000 jobs a year. They were being wiped from the economy. They were good decent jobs. We were imploding as an economic unit. That was the reality we faced. This must colour one's analysis of the options which faced the Government, but I see absolutely no sense of understanding of the problem we had to confront. We had a jobs crisis and also had to confront a budget which was in complete disarray. We had banks which were unable to lend and a real problem because the previous Government had given a guarantee to bondholders. That was the situation with which we had to deal.

I come here in good faith. We have not done everything right, by no means, but I cannot sit here and listen to Opposition spokespersons pretend the creation of 72,000 additional jobs in the economy in the past five quarters is not a real transformation and change in the situation we faced as a Government. I do not care what county one represents, every region in the economy has enjoyed job growth in the past 12 months. We see growth in tourism, agriculture, construction for the first time, and all of the high-tech industries which we recognise are crucial for long-term growth. We also see growth in the traditional food sector, which is important. We are beginning to see the strength and ingenuity of workers and enterprises in turning a very disastrous situation into new opportunities.

I listened to Deputy Micheál Martin state we had no plans, but in his very next sentence he condemned out of hand the Action Plan for Jobs which was published last week and which he has had ample opportunity to study. He did not consider the impact of any of the proposals made. All we heard from him was a smart-alecky analysis and he accuses the Government of spin. The reality we faced was that we did not have a bucket full of money, as Sinn Féin sometimes pretends we do, which we could throw at the economic crisis and hope it would refloat all boats. We had to painstakingly roll up our sleeves and look at every Department to see what each could do to transform our employment setting and that is what we did. We sought to enlist every Department to confront the one central crisis at the heart of this issue. Whether one is concerned about poverty, marginalisation or loneliness, the lack of employment and the number

of households without work were and continue to be the central challenge. We addressed it by getting every Department to face up to it and under the eye of the Taoiseach, they were made accountable quarter by quarter for delivering actions which would make a difference, and we have made a difference.

One can ask what is the connection between the changes we made to access finance and job creation or the connection between the reforms we made in competitiveness in the business environment and job creation. One will not be able to trace an exact route, but the reality is this is now ranked, not by stockbrokers but by those who want to invest, as one of the best countries in which to invest. This is also ranked as one of the top ten countries in which to start a small or large business. We have created an environment in which employment can be created and can see dynamic companies grow. I have the privilege of travelling abroad with these companies and whatever one's ideology is, one would be absolutely proud to see the quality of workmanship, intelligence and technology applied by Irish companies to create solutions for people in other markets and in winning jobs at home through their ingenuity. That is what is happening.

We cannot state we have created these jobs and I have never stated we have done so. I have always stated the heroes of this recovery are the workers and enterprises that will make these changes. I can provide many examples of companies faced with closure which confronted problems and turned themselves around and produced new markets which are growing employment. We must encourage more of this. I listened, hoping to hear during the course of the debate some fresh ideas of what we could be doing, but there was none. To be fair, Deputy Gerry Adams suggested a whole lot of taxes he would like to see introduced. Fair enough; that is grand, but there were no ideas on sources of the dynamism we were missing or the sectors we could target in which we could do better.

**Deputy Richard Boyd Barrett:** Build some council houses.

**Deputy Richard Bruton:** Building council houses brings us back to the same issue; we are restricted in the amount we can borrow. That is the reality and what we inherited. We have a debt-GDP ratio of 120% and are not in a position to raise it to invest to meet public needs.

**Deputy Richard Boyd Barrett:** We are paying it out in rent allowance.

**Deputy Richard Bruton:** We are very restricted in what we can do. This is the environment we have inherited and we must deal with it.

We must try to use the money we have in smart ways, which is why we have used the National Pensions Reserve Fund, NPRF, in a smart way. The NPRF put out €200 million and leveraged it to secure an €850 million investment for small and medium enterprises. It used the seed to get a bigger bulk of money, which is now available to drive enterprise creation which can impact on job creation. We have many strong companies which could do better in markets, but they are starved because of the condition of the banks. The NPRF has taken some of its money and not only spent it today but also put it into a renewable leveraged fund. It will get its money back and be able to repeat it. One needs to invest and be innovative in the use of one's assets. It is easy to spend money, but we inherited an economy in which one could not spend money. One had to think of ways to make a difference without big cheque book investment strategies. While everyone would love to be able to pursue such strategies, that was not the economy the Government inherited.

To reflect on the position from which we have come, the Government sought to look at sec-

tors that could give it a bang and from the first day Deputy Noonan took office, he identified tourism as a sector in which an early win could be achieved. Were the VAT rates and the employers' PRSI rate to be changed and were the travel tax to be reduced, the Government could get a bang out of tourism. Moreover, it got that bang. In the past 12 months, 16,000 additional people have been at work in the tourism sector. Similarly, the Government has examined manufacturing, which is a long-neglected sector in this economy. In the past 12 months, 8,000 people have returned to work in that sector and more can be done next year in this regard. This year, the Government is specifically looking at how to get more people to start their own businesses. Two thirds of all jobs, both in this economy and in virtually every western economy, come from businesses that have started up and are in their first five years. That is the source of new growth of employment. Deputy Tóibín, who has put a lot of thought into this issue, understands the needs of small business and the Government is trying to make better the environment for such small growth companies.

I heard Deputy Martin being cynical about the LEOs but the Government is creating a centre of excellence for small business within Enterprise Ireland to back these LEOs with new tools to drive opportunities. In addition, the Government is tapping into the vast strength of the local authorities to make them an ally in driving new business opportunities in each county nationwide. This approach is novel and different and while it does not require huge amounts of additional money, the Government is making available an additional €3.5 million this year. One thing for which it will be used is to incentivise young people to start up a business. I acknowledge the Oireachtas Joint Committee on Jobs, Enterprise and Innovation, of which Deputies Calleary and Tóibín are members, has been extremely keen to have youth entrepreneurship promoted and the Government seeks to do that.

I am not defensive and am happy to take criticism and to try to improve in every way. To be fair, I work with the aforementioned committee in a highly constructive light and I try to improve continually what I am doing. However, I find it somewhat cynical to listen in the Chamber to Members - Deputy Ross in particular - engage in hyperbole about stress tests, share values, bank shares and heaps of stuff, while pretending to be the champion of the little guy. The truth is that the 72,000 additional people at work is the practical thing the Government has done to help ordinary people. Moreover, 60,000 fewer people now are unemployed and most of them come from those who were long-term unemployed. A total of 137,000 people came off the live register last year to get employment opportunities and the Government is making a difference in many people's lives. I acknowledge there is a great deal of hardship and I do not deny this for a minute. It has been really tough to try to pull back from an economy that was spending 50% more than it took in revenue. That meant that a lot of people depending on public services had poor impacts and were affected badly. Many people in public service lost pay and were obliged to take lower pay. It has not been possible to recruit in the public service but the Government has now returned to a position in which it can borrow more cheaply than ever before. Moreover, we are beginning to see an economy that is restoring its capacity to be self-sufficient and in which our enterprises have created opportunities for 72,000 people over the last five quarters. That constitutes progress. One may certainly criticise and state the Government could do more and I do not pretend it is perfect. However, the tone of this debate has been far too cynical on the Opposition side. Let us talk seriously about those things that can be done and let us have an honest debate on the potential that exists.

It is not perfect and I accept the point made by Deputy Boyd Barrett. There is a problem in the housing rented sector. The recent rise in rents in Dublin is putting pressure on many of the

extant systems and I acknowledge that. I see it in my constituency just as he sees it in his. In this context, the household assistance payment system is to move away from the rent supplement, which, as the Deputy is aware, one would lose entirely were one to work for more than 30 hours. The idea is to try to move away from that all-or-nothing rent supplement, which traps people in unemployment, to the housing assistance payment. The latter has been designed by the Minister of State with responsibility for housing, Deputy Jan O'Sullivan, and effectively is a differential rent for those who are in the rent supplement sector. The ambition is to give support to people but in such a way that they can improve their position. That is a reform-----

**Deputy Richard Boyd Barrett:** This must happen soon.

**Deputy Richard Bruton:** It is. The pilot is being introduced at present in Limerick and it will be introduced nationally later in the year. There are efforts in these areas and I believe Members should try to engage in respect of those things they can change and on how they can be changed against the constraints the State faces, rather than pretending one is living in an entirely different environment, in which one can shovel money around. That is not the environment that will be with us for some time.

I wish to make a final point, having listened to Deputy Ross and his talk about the lack of political reform. I believe the Government has made quite a lot of progress in respect of political reform. Quotas for women and an independent fiscal authority now have been put in place. Some of the bad decisions will not be as easily made.

**Deputy Dara Calleary:** The Government is not listening to it.

**Deputy Richard Bruton:** The Government has provided inquiry powers to the Dáil in order that it has the power to inquire into issues. Moreover, on every day that one turns on one's television, one will see an Oireachtas committee holding people to account, actually turning over some of the stones that were left unturned for years and seeing what is crawling and creeping under them. In my book, that constitutes Dáil reform and is a changed environment.

**Deputy Peadar Tóibín:** It is more Sinn Féin Deputies.

**Deputy Richard Bruton:** One can see the Dáil making a greater impact on issues of public concern. Bills now are being put into the committees before they are framed and set in stone in legislation. I have been around here for years and Bills have come into the House with so much momentum behind them and about which people's minds were so made up that the process of bringing them into the House was meaningless. Such Bills now are going into the committees at the point of inception, when there still is flexibility to change them and I believe this is different. The other point I will make is it is hard work for Deputies. Dáil reform, unfortunately, does not offer a lot of opportunities for plaudits from the media but is a lot of grinding hard work in committees. Moreover, it is a problem that the media are not particularly interested in Dáil reform and the work it involves. However, I believe real Dáil reform is under way, more of it is needed and I am all in support of that. I probably have spoken beyond my time.

**Deputy Charles Flanagan:** No, I rather am enjoying listening to the Minister, Deputy Bruton, and would concede two or three more minutes to him as he is on a roll.

**Deputy Dara Calleary:** He has had his Weetabix.

**Acting Chairman (Deputy Peter Mathews):** I am enjoying it too and thank the Minister.

**Deputy Charles Flanagan:** I would willingly concede to the Minister.

**Acting Chairman (Deputy Peter Mathews):** I thank Deputy Flanagan but I am looking forward to hearing his contribution.

**Deputy Charles Flanagan:** There is no doubt but that the main focus of the Government is precisely that which has been stressed by the Minister, namely, the maintenance and the creation of jobs and the gradual return to economic growth. I do not believe anyone in this Chamber would argue but that this should have been the priority of the Government for the past three years. On the economic front, the renegotiation of the promissory note, the exit from the bailout and the increasing numbers of people returning to the workplace all bear the hallmarks of a job well done thus far but nothing upon which to rest laurels. I acknowledge the commitment of the people and their dedication towards the task at hand and with three years gone and two more to go, I believe the Government is on a firm course. I acknowledge greatly the work of this partnership Government, which is to be commended.

In the few moments available to me, I wish to address the latter points made by the Minister for Jobs, Enterprise and Innovation on the issue of Dáil and political reform. Now that the Government is well into the second half of its term, I believe it should embark upon the type of meaningful political and Dáil reform that was the subject matter of the programme for Government. One possible unintended consequence of last year's Seanad referendum was that it had the impact of slowing down the pace of Dáil reform. People are now speaking of political reform in terms of Seanad reform which, I believe, is at the expense of a commitment to the reform of this institution - Dáil Éireann. I want to see an appetite within Government to accelerate the programme of Dáil reform, especially at a time when this country is undergoing great change in a lot of areas, many of which were adverted to by the Minister for Jobs, Enterprise and Innovation, Deputy Bruton.

I still believe Government is far too dominant at the expense of this House. A weakened House does not bring out the full potential of many Members from all sides of the House, some of whom have experience and expertise to bring to bear. It is regrettable that because a person is aligned to a minority party interest, often times a commitment, an idea or a constructive approach is lost in what is the adversarial nature of our Parliament. I say that as a former Whip. I accept the challenges the Office of the Government Chief Whip holds in terms of running the schedule and ensuring the legislative programme for Government is delivered on time. However, the stark reality is that reform of these widely held practices represents a big challenge.

Parliaments and assemblies are, by nature, conservative institutions and while we have witnessed a measure of political reform, these initiatives must go much further. The fact the instruments of reform referred to by the Minister, Deputy Bruton, were all introduced, discussed and handed down by Government, without reference to even a debate in this House, is indicative of a weakness we should admit is a cause of concern.

We must conduct a root and branch examination of the role and function of our parliamentary system, including the Seanad which was the subject matter of public debate last year. It is reasonable to assume that had the electorate been asked to vote on a package of Dáil reforms or on the role and functions of the Dáil, it would have acknowledged that we have a most centralised system of Government. It behoves us on this side of the House to ensure we have a package of Dáil reforms that will restore confidence in our political system. It is fair to say there is something of a political disconnect and that the Dáil is not working as it should. We see

that on a daily basis in our interaction with society and we should admit it. We should move on with a programme of reform.

There is very little in terms of parliamentary control of Government. The focus centres on the ongoing battle between Government and Opposition rather than the real contest between Government and Parliament - between this House and the adjoining Government Buildings - and a reformed Dáil where Deputies play a central role not only in scrutinising legislation, as was said by the Minister, Deputy Bruton, but in preparing legislation, where the Dáil has the real power to hold to account Ministers and senior officials and where the work of public bodies and regulators is overseen and continuously monitored by Deputies for and on behalf of the people we represent. I do not want to deflect from some of the reforms we have already undertaken but we need to look again at the record in terms of the use of the guillotine. I acknowledge that much of the Opposition criticism in this regard has a certain validity. One need only look at the record and the statistics, which do not lie.

The Topical Issue is a worthwhile mechanism introduced by Government but again there have been occasions when it has proved to be weaker than it should be in terms of the topic at hand, the pre-prepared reply and often the inability of the person giving the reply to answer any form of question that happens to depart, even in a small way, from the script.

I acknowledge the report from the National Women's Council today which should represent something of a wake-up call on the manner in which we do our business. Much of that report could form the basis of reforms we can introduce between now and the end of this Government.

Some Dáil committees are working well but they must be supplemented with proper resources and powers to function properly. The Minister, Deputy Bruton, mentioned debating Bills at draft stage and the input of committees into legislation. While that facility was recently introduced, it is far too early to assess the introduction of this reform as being successful. I refer to the one experience we had, namely, the Protection of Life During Pregnancy Bill. The record will show that not one line of that Bill changed from its introduction to its completion through the various Stages in this House. That does not accord with the type of political reform to which we look when we say committees will have a major input into legislation from start to finish.

I would like to see a one in four committee week. That would interrupt the scheduling of business in this House but it is a weakness of our committees if, during hearings with expert witnesses, there are interruptions of a very serious nature to the committees' work by dint of a division in this House without notice and often unplanned. Until we have a one in four committee week, the committees will not have the power of oversight or the strength they might otherwise have.

The Office of the Ceann Comhairle needs to be radically transformed. As guardian of the Members, the Ceann Comhairle should preside over the order of questions every morning from a pool submitted in a lottery type fashion. A powerful speaker should be the most important person in this Parliament and should be elected by Members in a secret ballot with a criterion that the speaker should have even a minimum level of cross-party support. An independent Chair would defend Parliament rather than defend Government. The guillotine should not be used without the Ceann Comhairle deliberating on the urgency of legislation or on whether the time for debate has been sufficient. The Ceann Comhairle could determine whether, in the circumstances, Members are filibustering or delaying the passage of the legislation by meaningless discussion. The guillotine should not be used without the imprimatur or the stamp of the

independent Chair - the Ceann Comhairle.

Another measure that would strengthen Parliament would be a well-resourced statutory legal office to advise Dáil Éireann in the same way as the Attorney General advises Government. Time and again, we hear that legislation cannot be amended or processed or that a Private Members' Bill is unacceptable to the House or to Government because the Attorney General says it is not appropriate. We never see the advice of the Attorney General, so let us redress that imbalance not by the publication of the Attorney General's advice, because it is the duty, under the Constitution, of the Attorney General to advise Government, but by having a strong parliamentary legal advisory office that can provide us, as non-office holding Members of the Parliament, with the type of strengthened advice the Attorney General provides to Government on a daily basis. That office would be available to advise and assist Deputies, groups of Deputies or committees, as required. The current imbalance, which sees the Cabinet and Government served with a full range of legal advices through the Attorney General and Parliament playing no more than a rubber stamping role in many cases, must be redressed if the constitutional function of this House is to be complied with and honoured.

One aspect of political reform that has worked well is the Constitutional Convention, which recently concluded. It was an exciting development and I was privileged to serve on it. It is a pity it did not get the publicity and media attention it deserved. I urge Members of the House who did not have an opportunity to follow the deliberations to read the reports of the convention. I also urge the Government to ensure that those reports are acted upon. I do not believe there is any way of approaching this other than to have a Constitution day, with five, six or seven questions put to the people. That would be an enormous challenge, but one we must prepare for. It might take a year to 18 months to do so. We could divide up this House into groups of ten to 15 Deputies who would promote a particular question being put, on a cross-party basis, to ensure that we have the capacity to ask the Irish people to decide on five or six constitutional questions on the same day. That may sound daunting, but it is not impossible if carefully planned.

In conclusion, over the past three years the Government has been completely focused on job creation and on promoting measures that will see our people return to work. The legacy of this Government can be further underpinned by a programme of real political reform of a type that we have not seen in the last three years but that we must see between now and the end of the Government's term in office.

**Acting Chairman (Deputy Peter Mathews):** Deputy Dara Calleary is sharing time with Deputies Tóibín and Pringle, at ten minutes each.

**Deputy Dara Calleary:** I did not think we would be discussing political reform this early in the proceedings, but I agree with much of what Deputy Flanagan has said. However, the fraud that is political reform is absolutely evident right now in this Chamber. Deputy Tóibín and I are here but the Minister has left. He is now attending a meeting of the Oireachtas Joint Committee on Jobs, Enterprise and Innovation to answer questions ahead of the forthcoming European Council meeting. We should be there, but this business was scheduled at the same time as the committee meeting. The Minister is there now, unchallenged and unquestioned, and we will not get there until after he has finished speaking. That is the reality of so-called Dáil reform. I agree that we need a committee week and many other reforms, although I am not convinced of the merits of a Constitution day.

I am totally frustrated at what we are putting up with here. I am very cynical about this week and frustrated that we are giving over an entire week to this charade. Even the way it is structured is frustrating. The very fact that I am sharing my time with Deputy Tóibín and a member of the Technical Group says it all. They should have time in their own right; they are members of the Opposition too. The Minister's response was interesting. He is normally very mild-mannered and constructive but with a little bit of criticism he gets all prickly and claims that we are not being fair. This is not the Fine Gael Ard-Fheis - that finished on Saturday night. The Fine Gael love-in at the Convention Centre will happen tomorrow night. This is Parliament and we hold the Government to account here. It is tough if the Government does not like our message.

I am often criticised by members of my own party for not kicking hard enough but I got really annoyed at the Minister's assertion that there was no financial plan in place when this Government took office. There was a plan already in place and the Government implemented it. An adjustment of €21 billion had already been made prior to its taking over. We paid a very high political price for that. Many of my party colleagues in the last Dáil who worked incredibly hard paid the price, and this Government implemented our plan. It is not as if the Government parties went in blind; they were briefed by the IMF and the EU. I direct these comments at members of the Labour Party in particular, who seem to have forgotten that they got those briefings. They knew how bad it was. This notion that they did not think things were as bad as they were is absolute and utter political nonsense, for want of a stronger word. Let us not have three days of that kind of talk. Let us focus on the facts and the issues.

I welcome the fact that there has been an increase in employment, and we all need to focus on ways to continue that trend. My difficulty is that the increases have been surrounded by so much spin and palaver. A lot of the jobs growth last year was in agriculture, forestry and fishing, with 26,800 new jobs created in those sectors. The balance of the increase in jobs has been in accommodation and food services, with 17,400 new jobs. I am glad the Minister of State, Deputy Cannon, is still here because I want to point out that we must focus more on the accommodation and tourism sectors. We used to have an organisation in this country called CERT, which no longer exists. Fáilte Ireland has divested itself of responsibility for training people to the standards required by a modern hospitality industry. I know the Minister of State is doing some work in this area, but we need to urgently refocus our efforts in tourism and hospitality. If we are going to put more of our eggs in that particular basket, we must make sure that Irish chefs, waiters and hospitality industry staff are trained to the highest level. We used to be very good at that and we need to get back to that space. We are about to enter this year's high season with a shortage of qualified chefs, while more than 400,000 people are still unemployed. There should not be labour shortages in that area. We need an urgent response to this problem.

The biggest problem facing employers in the accommodation and food services sectors is the decision taken by the Government to double employers' PRSI, which came into effect on 1 January. The half-rate of employers' PRSI was part of the Jobs Initiative and was funded by the levy on pensions. My colleague, Deputy Michael McGrath, has often asked the Minister for Finance how the money raised from that levy was spent, but his questions have been consistently dodged by the Minister. There was a surplus raised by that levy, but despite this, employers' PRSI was doubled on 1 January. I met a man recently who owns a small supermarket with 25 employees. His PRSI bill has increased by €30,000 because of this decision. That equates to a job. The decision means that many more jobs will not be created or may even be lost. My worry is that the gains made, particularly in the accommodation and food services sectors, will

be lost.

On the figures for agricultural gains, the CSO has issued a health warning in its last two quarterly household surveys and we need to have the figures clarified. When one talks to people in agriculture or forestry, one does not get a sense of that level of employment growth on the ground. We have a Minister for Agriculture, Food and the Marine who is sticking his head in the sand regarding beef prices at the moment and allowing beef farmers to sail away in the wind. There will be job losses in the beef sector if that situation is not addressed. The folly of today's proceedings is clear. How can we be expected to deal with the enterprise portfolio in ten minutes?

On finance, our banks are still not lending. The schemes that the Government has come up with, namely the microfinance scheme and the credit guarantee scheme, are not working. The Minister keeps telling us that he is conscious they have not worked. The microfinance scheme, for example, is almost 60% below target. We need an urgent review of that scheme. Why will the Minister not allocate some of the budget for the microfinance or the credit guarantee scheme to a pilot scheme on source financing? It has proven to be very successful in other countries, including the UK, allowing small companies to raise small amounts of money to get themselves up and running. The Minister is looking for ideas and this is one we should explore further.

My party has welcomed the local enterprise offices, LEOs, but we are cynical about the number of times they have been announced. They have been announced more times than Joan Collins had husbands. Let us get them up and running, because the legislation has now gone through the Dáil. They were announced in 2012, 2013 and 2014. They are like the Kerry football team - they will be going for four in a row before long. We need to get them up and running and to resource them properly. Many people have difficulties with the concept of LEOs. We are lucky in Mayo in that we have a local authority which is taking the spirit of the LEO as it is intended and has set up an economic investment unit that is going to do a really good job. We are lucky in our county manager, in the head of that unit and in the officials who work in it, but other counties do not have the same luck. The notion of a local authority being business-friendly is something with which everyone is struggling to contend. Generally local authorities view businesses as a source of funding through development levies, parking charges, commercial rates and so forth. To date, local authorities have seen businesses in their areas as a cash cow. If local authorities are to be true partners in business, the LEOs will have to work. They will have to be supported and resourced properly. My party proposed that there be some sort of independent oversight of the LEOs by business people or elected representatives, but that was pooh-poohed by the Government. Our amendment was not supported in the House, and the LEOs will be a full-time creature of the local authorities. That is fine in local authorities that have good management and good members, but in those that do not the LEOs will become as afflicted as the rest, and the manner in which they are created by the legislation will only encourage that.

The regions are not seeing the kind of recovery in job creation and enterprise policy that Dublin, Galway and Cork are. IDA Ireland's visits schedule shows that every year counties like Meath and Kildare are not getting visits even though they are less than an hour from Dublin. Who put that roads infrastructure in place? It did not just magically appear in the past two years as the Government likes to think it did. When we ask the IDA about jobs for counties around Dublin which are only down the road, we are told we cannot corral people. There is talent in the universities outside of Dublin and a good transport infrastructure but no political will to invest in the regions. While Galway city is flying - good luck to it as Connacht is proud of its city - we

need a break in the other parts of the province. We need to give the same opportunities to our people that the city of Galway gets. Up to 64% of IDA flying visits went to Dublin, Cork and Galway last year. That is easy pickings, getting the low-hanging fruit. We have to challenge our agencies to do more with the talented workforce we have.

Ultimately, the Government's best friend in employment creation continues to be emigration. Up to 13,800 fewer people aged between 15 and 34 were employed by the end of 2013 compared with 2012. The number of 15 to 24 year olds in the workforce fell 11,900 in 2013 with a further drop of 24,700 in the 25 to 34 year old cohort. This is at the same time as the back-to-education allowance has gone down. Until the Government faces up to the problem, it will stand by as an entire generation leaves this country and entire communities are denuded.

The Action Plan for Jobs published last week contained not one mention of the proposal contained in the fine report commissioned by the Government in January, *Entrepreneurship in Ireland*. It contained good and radical proposals but these did not make their way into the jobs action plan. There is no sense in commissioning reports when they are ignored because they do not fit the spindoctors' profile.

The Government will try to make the next three days a love fest. It will be like Woodstock with Fine Gael and Labour, peace and love, etc. I am sorry if we are going to ruin the party but we are. This is not the Fine Gael Ard-Fheis. That concluded at 9 o'clock last Saturday evening. I am sorry if Ministers feel a little bit set upon if the Opposition dares to criticise. That is what we are here for, however, and that is what we will do.

**Deputy Peadar Tóibín:** Regarding political reform, because of the scheduling of this debate over the next three days, the Sinn Féin spokesperson on arts, heritage and the Gaeltacht will not have an opportunity to question the Minister for Arts, Heritage and the Gaeltacht for another five weeks. In the month when the Irish language movement found its voice with 10,000 people on the streets to support it, I, as Sinn Féin spokesperson for the Irish language, will only get to put one question to the relevant Minister in eight weeks, an incredible period.

The programme for Government promised a revolution, a political whirlwind and spoke of unprecedented national resolve. The Fine Gael-Labour election campaign in 2011 was festooned with promises of jobs and employment creation. For the most part, these have just been empty rhetoric, Pat Rabbitte style promises. In the past three years, there has been no sense of urgency that one would expect in the jaws of a severe economic crisis. We have had a plethora of dubious schemes introduced. If these are added to the numbers of those who have emigrated, the likelihood is that 20% of the State would now be unemployed. We have 80,000 people quitting the State every year for the past three years, up to 250,000 citizens in total who have emigrated. Tens of thousands of families have been uprooted from Ireland and forced abroad to face an uncertain future. It means thousands of communities having the most energetic and innovative generation deleted from their midsts.

The Government will be known to these families as the emigration Government. Since it came to power, unemployment has crept down from 14.6% to 12.3% but there is no doubt emigration played the largest part in that. A rate of 12.3% is a long way off from a rate of 4.5%. The figures do not tell the full story. In Nordic countries, 25% of the working age population is not working. In this State, six years ago, 31% of the working age population was not working. Now that figure is 42% but it is not recorded in the Government's figures. In 2011, the Minister for Social Protection, Deputy Burton, stated, when launching *Pathways to Work*, "no one who

loses his or her job should be allowed to drift, with no support, into long-term unemployment". Three years later, the proportion of those aged between 20 and 24 not in employment, education or further training is more than a quarter, the highest of all EU member states other than Greece and over twice the average level of OECD member states. Almost half of those aged under 25 are already more than 12 months unemployed. The anaemic response to this is a watery youth guarantee that has not got the necessary investment. Long-term unemployment, with all the social ills associated with it, has ballooned over the past three years and is above the rate of all OECD countries, bar Greece.

One of my major gripes is that the indigenous small and medium-sized manufacturing and services sectors which trade internationally have been ignored by the State. So much effort has gone into attracting foreign direct investment, which is important and welcome. However, it cannot be to the cost of indigenous companies. Some of the elements in the programme for Government that would have helped those indigenous businesses, such as tackling upward only rents, were forgotten about as soon as the rear ends of the new Fine Gael and Labour Ministers touched the leather on their new ministerial seats. They acquiesced to the wishes of the vested interests, namely large landlords, many of them shown to have been investors in the Government's election campaign.

The programme for Government promised to fix the desert in credit availability facing small businesses. A major element to this was to ensure the banks were oriented into delivering credit to small businesses. This never happened, however, because Fine Gael and Labour never exerted the necessary influence to make it happen. As a result, we have seen an ecosystem of State-backed credit providers which do everything but provide credit. The microfinance start-up fund has €100 million in place but only has had €2 million drawn down. The programme for Government promised to deliver balanced economic policy. The first Action Plan for Jobs in 2011 contained a proviso that 50% of foreign direct investment had to go into regions outside of Dublin and Cork. Under this Government, there has been a collapse in foreign direct investment outside of Dublin and Cork. In 2011, it was at 27% and it was dropped from the next action plan. In 2012, it fell to 23% and it is still falling. If you live outside of the M50, the Government has not got you on its radar.

The programme for Government promised sustainable and inclusive growth with a taxation policy that would ensure developments in the building industry would be sustainable. Over the past few months, however, we have seen unsustainable localised property bubbles, which are pushing out families. Speculators are elbowing them out of their way again and badly needed funds for enterprise are being sucked into these bubbles locally to the detriment of productive sectors of society. The programme for Government referred to tackling poverty and preventing attacks on the most vulnerable, but the Labour Party voted for and oversaw the destruction of the Sunday premium, which supported hundreds of thousands of low and middle-income earners, many of whom were women. The party ended it but they depended on it.

Reform of VAT for exporting service companies was promised, but that disappeared, while the promise to help indigenous suppliers to tackle the issue of "hello money" has been forgotten. The Government's policy has worsened the experience of small businesses trying to tender for State contracts. Ireland currently is a poster boy for all the wrong reasons. A larger proportion of such tenders are won by firms outside the State than in any other European state because the Government is tendering such large contracts that small domestic enterprises cannot tender for them.

We have an urgent crisis but there has not been an urgent response to it. The programme for Government and the austerity treaty were headlined with promises of investment. We were told that the land of stimulus and investment was around the corner and all we needed to do was to trust the Government parties and they would take us there, but there has been no urgency, investment or stimulus. Any stimulus that has been announced has been matched with cuts in the capital investment programme over the past number of years, negating any opportunity for it to bring benefits.

The strategic investment bank has mutated into the Strategic Investment Fund, which has all the urgency of a sleepy tortoise. One of the Government's major jobs initiatives related to energy efficiency. It said 1 million homes would be insulated by 2020, but that target has disappeared, as has the investment that was to be put into the scheme and the jobs that would have been created.

There are ways to create jobs other than by reducing people's pay and conditions. Energy charges and rents for businesses and the costs of the interaction between business and the State could be reduced, while commercial rates that reflect the profitability of a business could be introduced. The Government could also develop investment commensurate with the level of urgency needed. Our party has identified the source of those funds. We urge the Minister to use his remaining time in office to implement some of these measures.

**Deputy Thomas Pringle:** I welcome the opportunity to contribute to the debate but I wonder why we are spending an entire week discussing the programme for Government, considering the volume of legislation that is guillotined in the normal course. Meanwhile, the Government has set aside a week to clap itself on the back. There have been contortions, twists and turns in the context of how targets have been achieved when, in many cases, they have not been. The theme of this section of the debate with the Minister for Jobs, Enterprise and Innovation is jobs. As previous speakers said, the Government's policy is to focus on foreign direct investment and achieving jobs growth through the mantra of an export-led recovery. That is fine if one lives in the Pale or on the east coast, but if one lives in County Donegal that amounts to a great deal of empty rhetoric on the part of the Government because there has been no FDI in the county. Investment in rural areas has not been prioritised and the Government has not committed to investing in or developing rural areas or creating jobs to give the people living in them an expectation of finding a job and developing a career for themselves while remaining in their communities.

Families in Donegal have been devastated by emigration. I spoke to a constituent last weekend who has six children. Two have emigrated to Australia, two have emigrated to Canada, one is attending university in England and the sixth child is at home only because he is still at school, but when he completes his schooling he will go on to further education before emigrating. That story is repeated in every community and practically every household in the county. People are rearing their children for emigration. That is an example of the failure of the Government's policies. Up to last September an *ad hoc* cross-party committee met to discuss the deliberations of the Commission for the Economic Development of Rural Areas, CEDRA, which the Minister for the Environment, Community and Local Government had initiated and funded. Two earnest men travelled around the country holding public meetings to develop ideas. They were enthusiastic about what could be done for rural areas to stimulate economic development and they listened to the views of the public. A report was supposed to be published last September but it has disappeared off the face of the earth. We cannot find out what is happening regarding CEDRA. Is a report planned? I doubt very much anything will happen because it is not a prior-

ity of the Government to protect rural areas and areas outside Dublin. That is a sad reflection on the Government and that will be part of its legacy in respect of job creation.

Letterkenny Institute of Technology, LYIT, has a campus in my home town, Killybegs, which has been established for 50 years. It houses a catering college that was previously run by CERT. The college amalgamated with LYIT in 2007 and this was supposed to copperfasten its future and allow it to evolve into a full third level institution over a period of years. However, LYIT wants to close the facility and bring it back to Letterkenny. The Higher Education Authority says no funding is available to move the college back to the institute's campus, but there is a risk that it will close and be lost altogether. The facility has a significant international reputation for producing the best-quality people to work in the hospitality sector. Last week saw the launch of the Wild Atlantic Way, which comprises 2,500 km of coastline that could be developed with major economic potential, yet a tourism college on the route is under threat because of the model developed by the Government to fund third level institutions. The numbers attending the college are increasing and it could be in a position to finance itself in the future if it were given breathing space, but the Government will not provide that. That are many other similar scenarios.

A total of 26.3% of the workforce in Killybegs are unemployed. The national average is 19% but the rate averages 24% throughout Donegal. That will be the Government's legacy in respect of job creation. The Western Development Commission published a report four years ago on the contribution the creative industries could make in the north west. The commission estimated that by 2018 they could create 18,000 jobs if they were given the ability to develop Internet marketing, but there has been no movement on this. These industries could be developed in rural areas and they could provide jobs, exclusive of FDI, that would keep young people in our communities, ensuring that they continue to grow.

In recent days it has emerged that universal health insurance, UHI, is in serious bother, and that is positive. I hope this proposal dies over the next year because it is not about providing universal health care for our citizens; it is about handing over control of the health service to private companies. This has almost been a disaster in Holland, where competition has shrunk since the introduction of UHI, premiums have skyrocketed and people cannot access treatment in a timely fashion.

*6 o'clock*

I would welcome it if the Government abandoned it completely in the next year. That will have to happen.

Regarding the care of older people and community care, the programme for Government states the Government will invest in the supply of more and better care services for older people in the community and residential settings and that this will be a priority, yet right across County Donegal community hospitals have beds closed because of an embargo by the Government. In my town, Killybegs, we have a 41 bed community hospital in which eight beds are closed because there are no staff to open them. Other community hospitals are overrun with patients. In Letterkenny General Hospital and other hospitals patients cannot get step-down beds to move back into the community because the embargo keeps these beds closed. The programme for Government talks about job creation and caring and providing for older people, but this is not happening. There is a so-called commitment to ring-fence €35 million every year to develop mental health services. We know that money is not being spent, but we still cannot find out ex-

actly where it is going. It is going into the black hole of the health service and not being spent on mental health services. That is the failure within the programme for Government.

The asylum seeker process is a major scandal that will break in years to come. The commitment is that we will introduce comprehensive reforms of the immigration, residency and asylum systems which will include a statutory appeals system and set out rights and obligations in a transparent way, yet people have been in the direct provision system for ten years. That is criminal and an absolute disgrace. Children are being born in direct provision accommodation. Parents have refused to take their children out of care because they would be taking them back into the direct provision system. I wonder if in five, ten or 15 years time we will have a Minister apologising on behalf of the State because of the way these children who will be Irish children by that stage have been treated by the State in a completely dysfunctional system which is effectively a system of open prisons. The Government committed to deal with it, but it has still not done so. People in direct provision accommodation should not be sitting there for three to seven years and, in some cases, up to ten years and more. It is an absolute disgrace and an abuse of their human rights. The Government should ensure the system is reformed and changed.

I could speak for an hour on the programme for Government with no difficulty. These are just some of the highlights I wanted to address. It is a disgrace that we are spending three full days this week debating the programme for Government when there is legislation that could be put through and funding that could be found to deal with some of the priorities about which we are talking.

**Acting Chairman (Deputy Peter Mathews):** The Minister for Social Protection, Deputy Joan Burton, is sharing ten minutes of her time with the Minister for Transport, Tourism and Sport, Deputy Leo Varadkar. Is that agreed?

**Deputy Timmy Dooley:** Poor Leo. He is not getting a fair crack of the whip.

**Acting Chairman (Deputy Peter Mathews):** I determine that it is agreed.

**Minister for Social Protection (Deputy Joan Burton):** When the Government took office, we set ourselves three key goals for success: to regain control of the public finances; make economic recovery a reality; and reform and modernise our politics and public institutions. These goals are not abstractions but serve to expand the employment prospects, prosperity and democratic participation of all the people. Only by the sustained creation of jobs can we enhance their prospects, prosperity and participation. Three years on, I can report that we are on the right road. The troika has checked out for the last time; Ireland has exited the bailout; the economy is growing again and, crucially, we are getting people back to work. In the year to the end of December, employment increased by 61,000 or 3.3%, to reach just over 1.9 million. It is probably difficult for people in Opposition parties such as Sinn Féin and even Fianna Fáil to recognise and acknowledge that internationally, by any yardstick, having an extra 61,000 people back at work is a very significant achievement which has been welcomed by the markets and resulted in our being able to borrow at much cheaper interest rates. Unemployment is down from a crisis peak of 15.1% to 12% now. That is the European average, which I think is too high, but compared with where we were, it is a very significant improvement. Since the nadir of the economic crisis, almost 70,000 jobs have been created. From when the economy bottomed out we have had a net increase of 70,000 jobs, a very significant performance. The live register has fallen on a seasonally adjusted basis for 20 months in a row. There are many within and outside this House who were utterly dismissive of the Government's target to cre-

4 March 2014

ate 100,000 extra jobs by 2016. People argued both inside and outside this House that it could not be done, but we are well on the way to achieving and even exceeding that number and the evidence is there for all to see.

Three years on since the Government took office to rescue the country from the worst financial crisis it had ever suffered, Ireland is in a much better place and we can be confident about the future again. The crisis is over and recovery has begun. That was the first phase. I will speak about the second phase: ensuring the recovery is felt in every person's life and every community across the country. This means building the recovery from the bottom up and the middle out, rather than the top down. It means a dividend for those who were squeezed most by the crisis. It means doing our utmost to deliver full employment, fair wages and an income tax system that gives the hardest pressed workers - those in the low and middle-income categories - a break. I will deal with each of these issues in turn.

When the financial crisis erupted, it brought with it a devastating impact on jobs. At one stage, the live register looked set to smash 500,000 and some commentators feared Ireland would not see full employment again for decades, if ever. The Government took a different view. I introduced the Pathways to Work strategy and my Cabinet colleague, the Minister for Jobs, Enterprise and Innovation, Deputy Richard Bruton, introduced the Action Plan for Jobs. The strategies complement each other to ensure the creation of new jobs and that as many of them as possible will go to those on the live register. Pathways to Work represented a sea change in how the State tackled the issue of unemployment. As the OECD noted, "Labour-market activation policies were relatively weak in Ireland prior to the crisis".

The Department was, by and large, a passive benefits provider, providing income support for jobseekers but little in the way of concrete employment supports that would help them to get back to work and leave the live register. Through Pathways to Work we changed this for the better, introducing significant structural reform and transforming the Department into an active and engaged public employment service. We have replaced the dole offices of old with new Intreo centres, one-stop shops in which for the first time jobseekers receive their income and employment supports in the one place. Last month the Taoiseach and I opened the 44th such centre in Castlebar and the energy in the room from both staff and prospective employers was palpable. They are united in their determination to get Ireland back to work. By the end of this year we will have completed the roll-out of Intreo to all 63 of the Department's offices nationwide. In all of this, the buy-in of employers is crucial. Already the Department has a range of employer supports and services to help businesses to expand and find the right recruits. We want employers in Ireland to follow the example of their counterparts in countries such as Germany and Austria and be willing to give not alone young jobseekers but also long-term unemployed persons work, training and apprenticeship opportunities. It is critical our employers are fully active in giving unemployed persons an opportunity to get back into work. That is why I appointed a labour market council of leading industry and policy experts, featuring representatives from some of Ireland's biggest employers, to drive implementation of the Pathways to Work strategy. The council will help to deepen our engagement with business and advise on what further actions can be taken across government to increase employment. The Intreo offices, the Pathways to Work approach and the work we do with employers are all making a massive difference and the employment figures prove it. However, a 12% unemployment rate is still far too high. That is why, this year and beyond, my priority will be to ensure the live register falls substantially further, with full employment the central target. Make no mistake about it: we want this to be a country in which there is full employment. It will take us some time to

get there, but an additional 61,000 jobs in 2013 puts us well on the road to getting there. It will not happen overnight, but I am confident it will happen faster than anyone could have predicted when the Government took office and I am not the only one who believes this. In his column on the employment figures last week the respected economic commentator Dan O'Brien also pointed out that there was a long way to go but added, "If current momentum is maintained, we could return to full employment far sooner than almost anyone would have thought even one year ago."

There is another aspect to employer buy-in - to recognise what existing employees have done for employers. I appreciate that businesses suffered significantly during the crisis, that the recovery is still nascent and that not every business has yet felt the benefits. However, many businesses have. Their order books are growing again and their profits are returning to healthy levels. These businesses must recognise that their employees were crucial to this recovery and they acknowledge this. Those employees took pay cuts or accepted pay freezes, reductions in hours worked and, with their employers, hung on in. Their solidarity in hard times needs to be recognised as the outlook improves. As employers see the benefits of the recovery, so too should their employees. I do not think it is unreasonable to say companies which are prospering again should recognise the contributions of their employees and ensure they, too, share in that prosperity. I know from meeting employers all around the country that a number of them have already begun to award pay increases to staff.

In the same vein, there is scope, as the economy recovers, to examine the introduction of a living wage in Ireland. A living wage would be higher than the minimum wage and provide the income necessary to meet basic needs, including housing and health care, over and above items such as food and heating. We should consider a gradual phasing-in of a living wage, beginning on a voluntary basis, with a buy-in from employers. Much like full employment, a living wage would boost tax revenues, reduce the welfare spend and create room for additional investment in essential public services. However, decent wages are only part of the solution. We also need to reduce the tax burden on low and middle income workers, when feasible. Danny McCoy of IBEC was not wrong when he said the effective 52% higher tax rate kicked in far too early. It acts as a barrier to people taking on more hours of work and more responsible and better paid roles. Just this week I had to deal with the case of a mother of four who had gone back to work part-time, for 20 hours a week. When she looked to increase her hours to 25, to her dismay she found that the majority of the extra money she was earning would be taken in tax due to hitting the higher tax rate band so early. She will now go back to working 20 hours and the economy will lose the extra wages and productivity it would otherwise have enjoyed. A tax system that discourages people like her who want to work more, earn more and take on greater responsibility is one that, without radical reform, risks being discredited.

It is also important to remember that not every family or worker earns enough to be taxed at the higher rate. We need to find a way to ease the burden for low income workers also. One of the first things the Government did on taking office was to take 330,000 low income workers out of the universal social charge net and restore the minimum wage to its previous level. When there is sufficient scope to examine the tax burden, we must look further at the USC, as well as the marginal tax rate, to ensure both low and middle income workers share in the social dividend. Such a move would be socially just and enhance the living standards of those on the lowest incomes. It would also be economically sound for a shared social dividend of this nature would provide a vital stimulus, boost consumer spending and inject money into the economy.

The recovery would also pick up pace if viable businesses had sufficient credit to expand,

but credit remains constrained because the banks are still working through the problems caused by the crash. As a result, viable projects are struggling to get off the ground. Work is ongoing on the establishment of the strategic investment fund which will utilise the €6.4 billion in the National Pensions Reserve Fund for infrastructural and commercial investment, including the provision of credit for SMEs. The fund will be a crucial next step in further boosting the recovery by part-filling a credit gap. However, it will not be sufficient to close the credit gap for SMEs and capital investment. We, therefore, need to be more ambitious and set out a clear plan and timeline for the establishment of the strategic investment bank committed to in the programme for Government. The strategic investment bank would work along the lines of the KfW bank which has played a key part in Germany's economic development. It would ensure that in the medium to long term a secure credit line was available for high potential, high growth companies. This, in turn, would place the economy on a more sound long-term footing. The strategic investment bank could also be a stable and carefully scrutinised source of medium to long-term finance for another important area, housing. One of the problems during the boom was that the banks had sunk all of their lending into one asset class, property, with disastrous consequences. Now they have overshot on the other side and almost developed a phobia against property and construction lending. We went from building too many houses in the wrong areas during the boom to building too few houses in the right areas now. We need a rebalancing. The strategic investment bank would be motivated by sustainable returns, rather than short-term profits, and provide the long-term investment capital necessary for the right projects in the right regions at the right times, in line with Government policy.

In the meantime, the construction strategy the Government will bring forward in the coming weeks will contain a number of important elements. One such element will see the extension of the use of social clauses in public work contracts. These social clauses will ensure a set number of the jobs created through such contracts will go to people on the live register. The clauses are another valuable tool with which we will further reduce unemployment. Members can be sure that where they see fine new schools being built or refurbished in their area, they will see local unemployed people being employed under these and other public investment contracts. We have made significant progress in reducing the toxic debt that the public was saddled with courtesy of the disastrous bank guarantee. We have secured lower interest rates and the extension of maturities on our EU loans, meaning a €40 billion reduction in the State's funding requirement in the next decade, but we will not let the matter rest there. We have exited the bailout and the troika has gone home.

**Deputy Timmy Dooley:** That is the Minister for Public Expenditure and Reform, Deputy Brendan Howlin's speech.

**Deputy Joan Burton:** We have, however, unfinished business with the European Union and the ECB. In June 2012 eurozone leaders solemnly affirmed that it was imperative to break the vicious circle between bank and sovereign debt. They also committed to examining Ireland's position in that regard. We will continue to push for that agreement to be honoured and a wider deal on the debt. There is widespread recognition in Europe and further afield that Ireland was dealt a very savage blow in the deal to which the previous Government signed up. We need to get a deal on bank recapitalisation, particularly through using the potential of the European Stability Mechanism which is under negotiation.

**Deputy Seán Ó Fearghail:** That does not seem to be happening.

**Deputy Joan Burton:** We will get there. People in Fianna Fáil said no renegotiation of the

deal was possible.

**Deputy Seán Ó Fearghail:** We hope the Government will get there.

**Deputy Joan Burton:** The Green Party also stated this before the general election.

**Deputy Timmy Dooley:** The Government stated it would burn the bondholders.

**Acting Chairman (Deputy Peter Mathews):** Please, Deputy.

**Deputy Timmy Dooley:** The Minister is baiting us.

**Deputy Aengus Ó Snodaigh:** That is not difficult.

**Deputy Joan Burton:** They also said the promissory notes could not be dealt with, yet we have dealt with two. The remaining one deals with the link between sovereign debt which the Deputy's party created-----

**Deputy Timmy Dooley:** What about the bondholders the Government stated it would burn?

**Deputy Joan Burton:** -----and bank debt.

**Deputy Timmy Dooley:** Did the Government burn the bondholders?

**Deputy Joan Burton:** Fianna Fáil, uniquely, decided to do this.

**Deputy Timmy Dooley:** Did the Government burn the bondholders?

**Deputy Joan Burton:** Tackling unemployment is our immediate priority and will remain so for the foreseeable future. In the long term a looming pensions problem needs to be addressed. It is not enough to help people to get back to work unless we also take steps to provide security of income for them in retirement. I have protected the State pension-----

**Deputy Timmy Dooley:** That is all the Minister has protected.

**Deputy Joan Burton:** I want to see us improve the level of occupational and private pension cover.

**Deputy Timmy Dooley:** What about child benefit?

**Acting Chairman (Deputy Peter Mathews):** Please, Deputy.

**Deputy Timmy Dooley:** The Minister is upsetting me.

**Deputy Joan Burton:** That also is a key area on which I am working as Minister.

**Minister for Transport, Tourism and Sport (Deputy Leo Varadkar):** I very much welcome this initiative to allow time every year for a discussion of the Government's priorities across each sector. It forms part of the Government's Dáil reform programme which has included a more liberal and accepting attitude to Opposition and backbench amendments, longer hours, more sitting days and Friday sessions to allow backbenchers to bring forward legislation and a requirement that backbenchers and Opposition spokespeople turn up to ask their own questions and that Ministers turn up to take their own debates. While much of this has gone unnoticed, the extra teeth given to Oireachtas committees, to which the Central Remedial Clinic,

the Garda Commissioner and Rehab can attest, have not gone unnoticed. Some of this has not gone down too well in this House, but I think the public likes it and wants to see more of it, as do I. While politicians should never abuse privilege or power, it is their job to hold others to account, particularly when public money or policy is involved, and they should be supported in doing so. I look forward to the Oireachtas banking inquiry commencing in the next few months. It will not be the first banking inquiry but the first to be held in public. If one spent too much time listening to late night TV and radio programmes, one would be forgiven for thinking nothing had changed in the Dáil at all, but I shall not dwell on that issue.

Since becoming Minister, I have adopted the practice of publishing my Department's priorities at the start of each year and, more importantly, following up at the end of the year with a detailed report on the progress made on each one, which is also published. I draw up the priorities in consultation with the Ministers of State, officials and advisers, having regard to the programme for Government, international obligations and the party manifestos. It is a good discipline. It sends a clear message to officials and agencies about the Government's priorities for the year and we examine progress monthly at management, board and adviser level meetings.

In politics, we are always under pressure for time and time management is often a battle between the urgent and the important. There are always fires to fight and crises to address which are urgent, but having a clear set of priorities every year enables one to deliver on a long-term programme also, which is important. My Department's responsibilities range across a few major sectors, including sport, tourism, maritime transport, aviation, roads and public transport. Priorities are, therefore, numerous and different. For 2014, there are 24 priorities, all of which are set out on the Department's website. In the time allotted to me it would be impossible to go into detail on each of them; therefore, I will confine myself to a general overview.

The first priority on each year's list is a general one, recognising the need to contribute fully to the Government's efforts to reduce the deficit, generate economic growth and increase employment. The Department will do this by coming in on budget and ensuring the policies it promotes and the money it spends, whether on capital investment or current programmes, are focused on supporting economic development and creating and protecting jobs. Too often, Departments are silos and Ministers often get sucked into them and allow themselves to be transformed into lobbyists within the Government for their particular sectors. Making this my first priority sends, I hope, a clear message that I do not intend to operate in that way and reminds me of this when, from time to time, I forget.

The creation of sustainable jobs will be one of the most important benchmarks against which the Government will and should be judged and my Department is contributing to it, directly and indirectly. The direct contribution can be seen, for example, in the dramatic turnaround in the tourism industry in the past three years, on which we will build further in 2014. There are 60,000 more people at work than there were this time last year, of whom 17,000 are in the hospitality sector. The indirect contribution will come from our work in improving transport infrastructure and air and sea connectivity, thereby increasing the attractiveness of Ireland as a place to visit, trade, set up or expand a business.

Each Minister of State in the Department is leading on several specific priorities for the various sectors. The Minister of State with responsibility for tourism and sport, Deputy Michael Ring, will take the Sport Ireland Bill through the Oireachtas - the heads of the Bill which will merge the Irish Sports Council and the National Sports Campus Development Authority have just been considered by the relevant Oireachtas committee. He will also oversee the prepara-

tion of a sports policy statement and decide on the allocations in a new round of the sports capital programme. He is also working on the promotion of the Wild Atlantic Way which we expect to make a huge contribution to building on the success of The Gathering and driving tourist numbers up once again this year. We have set a target of increasing the number of overseas visits to Ireland by 4% and revenue by 8% in 2014. The Minister of State and I are also working closely with the IRFU and other stakeholders, including the Northern Ireland authorities, to lay the foundations for a bid for the 2023 World Cup which will deliver short and long-term tourism benefits for the island as a whole.

The Minister of State with responsibility for public and commuter transport, Deputy Alan Kelly, is spearheading several important initiatives to improve public transport and promote walking and cycling as a more sustainable alternative to transport by car. He will finalise the implementation of the new rural transport programme and oversee implementation of the new Taxi Regulation Act which he took through the Oireachtas last year. The Leap card will be extended to Cork and Galway, both of which will benefit from the introduction of CityBikes in 2014, as will Limerick. He will also complete a review of the national cycle policy network and provide support for a number of flagship greenway projects. He and I are working with the National Transport Authority, Coras Iompar Éireann, Luas and other transport operators to increase the number of people using public transport by 2% this year, which equates to 5 million extra passenger journeys. This will not be easy to achieve, given the fall in numbers using public transport in recent years, but we are committed to achieving this target. To quote a former US President, we seek to do these and other things “not because they are easy but because they are hard.”

My Department is one of the busiest in bringing legislation before the Oireachtas. Already this year the Oireachtas has enacted the latest legislation on road safety which includes a provision for roadside testing for drug driving, changes to the penalty points system and the introduction of novice driver plates, among other changes. As soon as one Bill on road safety is concluded, work starts on the preparation of the next. This will form part of a concerted effort to ensure the new road safety strategy which I published last year is successful in securing further reductions in the numbers of fatalities and serious injuries on the roads. Thankfully, following last year’s reversal of the downward trend in the number of fatalities, the year to date is showing an improvement, but this is one area in which there is never any room for complacency.

The type of concerted approach that has been successful on the roads also needs to be taken on the seas where the casualty rate remains unacceptably high. This year I will bring forward a safety at sea strategy to reduce the number of marine fatalities and injuries. I read every Marine Casualty Investigation Board report from cover to cover and I am simply shocked at the cavalier attitude of many fisherman and recreational craft users to their own safety. Some complain about the response of the emergency and rescue services, but, if the truth be told, in most cases, the incidents that required an emergency response should have not occurred in the first place.

I will shortly publish the State Airports Bill which will give legal effect to the establishment of the Shannon group. I intend to have the Bill enacted by the summer. In January I published the Roads Bill 2014, which deals with the merger of the National Roads Authority and the Railway Procurement Agency. I will be publishing legislation to deal with the transfer of ports to local authority control and the regulation of vehicle clamping on private property. I will also bring to the Oireachtas a Bill which was published just before Christmas to update the regime for the registration of merchant vessels.

4 March 2014

I am working on two policy statements which are each of great significance. The first will set out a new integrated policy on aviation which is a critical industry for Ireland because of the importance to the economy of competitive air services. An extensive consultation process was carried out last year and a draft of the policy statement is being prepared. It will be published in the next couple of months to allow time for comments from stakeholders before the policy is finalised for publication in the summer. Similarly, we have engaged in an extensive consultation process on tourism policy and a detailed analysis of the responses has commenced. We aim to finalise the review in the first half of 2014 and a new detailed tourism strategy and action plan will be finalised by the end of the year.

Traditionally, my Department has been responsible for a large capital programme, but our scope to invest has been greatly constrained since the financial crisis began. PPP markets were closed off to us and the Exchequer was not in a position to plug the gap. However, construction is now under way on the first new transport PPP project in five years, the combined N11 Arklow-Rathnew and N7 Newlands Cross schemes, and I expect the N17-N18 Gort-Tuam PPP project to commence construction this year. While Exchequer funding remains tight, I have nonetheless secured just under €1 billion for capital investment this year. Priority is being given to the restoration and maintenance of regional and local roads and the public transport investment programme. I am particularly pleased to see works commencing on the Luas cross city line. I am personally chairing a high level project group involving a wide range of stakeholders that is focusing on ensuring the work proceeds smoothly, while minimising disruption and congestion in the city. I am pleased to have been able to provide funding for a substantial investment in sports infrastructure, including the development of the indoor arena at the National Sports Campus in Blanchardstown.

The Government will soon begin work on developing a capital investment programme to succeed the current one which runs to 2016. A priority for my Department this year is to complete the development of what we are calling the strategic framework for investment in land transport, the purpose of which is to ensure investment decisions in the transport sector will in the future have a much more rigorous evidence base than was the case in the past in order that we prioritise projects which will offer the greatest economic and social return for the resources we provide. The Department is also developing a low carbon roadmap which is a long-term programme to achieve significant reductions in emissions in the transport sector as a contribution to our overall national climate change strategy.

When it comes to the haulage sector, we will allow road transport operators to obtain their licences online, thereby saving time and money for operators and the Department. We will also make decisions on the possibility of introducing road charges for trucks linked with a reduction in motor tax and, possibly, tolls. As motor tax is a matter for the Department of the Environment, Community and Local Government, we have established a joint working group to progress this project.

The diversity of my Department's agenda can be seen clearly in this brief overview. I am happy with the contribution we have been able to make to economic recovery in the past three years, despite the significant constraints we have faced, and I look forward to delivering another positive progress report at the end of the year.

**Deputy Seán Ó Fearghail:** I am standing in for my colleague, Deputy Willie O'Dea, in responding to the Minister for Social Protection.

It would be remiss of me not to express dismay at the way in which the debate is being held. I acknowledge that the programme of Dáil reform proposed to provide an annual opportunity for Government and Opposition Deputies to discuss priorities for the ensuing year, but we find ourselves discussing Government priorities that have not been published or made available to us. Ministers are making substantive contributions to set out their stall, but the timing of the debate means that the Opposition's response is unnecessarily fractured. We do not have opportunities to respond in the manner proper democracy would require. I have the sense that I am participating in an extension of the Fine Gael Ard Fheis that took place at the weekend, with the Labour Party, to give Fine Gael Members a clap on the back.

Deputy Willie O'Dea and I have considerable respect for the Minister, Deputy Joan Burton. She has been a reforming Minister, as have many of her predecessors. Given that she is in charge of one of the highest spending Departments, she faces an enormous task and is to be commended on her efforts in this regard. However, the purpose of these statements is to review the Government's commitments in the programme for Government and consider priorities for the year ahead. The programme for Government stated unambiguously that the Government would maintain social welfare rates. The Minister must accept that she has failed to live up to this commitment.

Since the Government came to power, core social welfare rates have been cut hard. Job-seeker's allowance was cut for younger citizens; child benefit was cut for certain children; the elderly have had their fuel, electricity and television allowances pared back; and the telephone allowance has been abolished completely. The policy decisions taken by the Minister have resulted in a significant reduction in social supports for the elderly and young people, in particular. Fine Gael and the Labour Party have been spinning the line that older people have not been affected by the cuts and tax increases in recent budgets and that they could take more of a hit in coming budgets as a result. This is totally untrue and does not reflect the facts. Budget 2014 targeted older people on an unprecedented scale, with the abolition of the bereavement grant, the shameless grabbing of 30,000 medical cards, the increase in prescription charges and the abolition of the telephone allowance. These cuts have a direct and lasting impact on the most vulnerable and, in particular, the elderly. The measures will put the final nail in the Taoiseach's goal of making Ireland the best small country in the world in which to grow old. In 2012 the Government cut over 1 million home care hours for the elderly, shut down the mobility allowance, cut the respite care grant by 20% and reduced the period of the fuel allowance from 32 weeks to 26, all of which directly impacted on older people. The security and welfare of older people were also compromised through the short-sighted abolition of the telephone allowance which affected over 394,671 people, including the old, the disabled and carers. Almost 30,000 carers relied on this allowance, while more than 56,000 disabled people also received it. Its abolition was a mean and dangerous step. As the allowance was often treated as regular income by older people, essentially, it meant a cut of €9.50 to their pension every month. This was disproportionate and unfair and it threatens the security and welfare of older people.

Young people have also been affected in a significant way by the Government's policies. Nowhere has the Government's policy of spin over substance been clearer than in the area of youth unemployment which remains unacceptably high in Ireland. The latest EUROSTAT figures show that over 26% of the under 25s in Ireland are unemployed. This equates to approximately 54,000 young people who are unable to obtain work and thus secure a future in this country. Thousands of young people have decided that they are better off abroad, which is a national tragedy, as young people want to work. The moratorium on public sector recruitment,

with fewer opportunities in the private sector, makes it extremely difficult for young people to attain decent work with decent pay. The Department of Social Protection has admitted that it will be unable to provide training or employment for over half of those aged under 25 years and on the live register. Government inaction in this area has been the focus of criticism by the OECD and the European Commission which claim that Ireland risks the emergence of a lost generation. I implore the Minister to prevent this from happening. In addition to this, we see, in the case of applicants for social welfare benefits, inordinate delays in the processing of all applications and insupportable delays in the processing of appeals against decisions of the Department. Despite the good intentions of the Minister, at the end of a three year period in government we have reached a point where this is a far more unequal society than it was when she took over, one in which the rich are getting richer and the poor are most definitely getting poorer.

**Deputy Timmy Dooley:** I welcome the opportunity to contribute to the debate. I acknowledge some of the successes of the Minister for Transport, Tourism and Sport, Deputy Leo Varadkar, in his time in office. There are those who take a less constructive approach to opposition, but it is appropriate that we recognise that there are areas in which he has had success. In particular, I commend him for the approach he has taken to road safety. Notwithstanding the difficulties experienced last year when there was an increase in the number of road deaths, I do not believe that was his responsibility but rather the responsibility of the Minister for Justice and Equality owing to his failure to recognise the comments of the chairman of the Road Safety Authority and others who believed the level of enforcement had fallen in line with the reduction in the number of gardaí and their inability to police the laws pertaining to the use of the roads to the extent that they would have liked.

I also give the Minister, Deputy Leo Varadkar, credit for the approach he took to The Gathering. The concept was in gestation when he took office and he worked effectively with it. He succeeded in taking it to the level that had been envisaged and credit is due to him in that regard. Of course, there are potential downfalls, of which he will be aware. I have heard him talk about the difficulties recognised in Scotland when it sought to introduce a similar scheme, referred to as the Homecoming, and the inability to retain the same level of activity the following year when there was a fall-off in the number of visits. The Minister has experienced success in the retention of the 9% VAT rate which has been helpful to the tourism sector generally.

I am disappointed that the Lord Mayor of Dublin has spoken about the St. Patrick's Day Festival as being soulless. He should keep such comments to himself or commit himself to being part of a strategy aimed at changing the way in which the festival is organised. It was unfortunate and unhelpful for the mayor to make these comments and I encourage him to engage with the Minister and the various persons involved in the committee because the St. Patrick's Day parade and other events present a significant opportunity to sell Ireland abroad and encourage visitors to come here.

Where the Minister has not been as successful has been in dealing with the pensions dispute at the State airports and in Aer Lingus. That Irish airline superannuation scheme has been on the burner for some time and the dispute now has the potential to derail the efforts the Government and the tourism sector are making by creating a level of uncertainty in the minds of the travelling public. As the Minister will be aware, the threat of strike action can act as a deterrent. People make decisions at this time of the year as to where they will take their vacations. In the American market, in particular, they plan ahead. They only have their nine or ten days holidays and do not want to get caught up in anything that involves a risk for them. For that

reason, I am concerned that the threat of strike or industrial action has the potential to damage the tourism sector. While I welcome the panel the Minister has announced to try to break the impasse, it was an intervention that came too late. Unfortunately, to some extent, the situation has been allowed to get out of control. I hope there will be a resolution at the end of the period the Minister has set for the panel to achieve success.

On public transport, the Government has allowed fares to increase year on year, making the public transport system more expensive for the everyday commuter. I understand the Minister's difficulty in not having the funding required to support the public transport network, but it is incumbent on the Government to set out its strategy for the kind of network it wants. Notwithstanding the dispute or difference in ideology between the Labour Party and Fine Gael about private involvement in the public transport system, public transport is already expensive when compared with fares charged and services provided elsewhere. The Government fails to recognise the economic madness of increasing fares, while expecting increased passenger numbers. This does not work in any other sector and it is unlikely to be successful in this one. There have been some welcome improvements such as the introduction of the passenger real-time information system provided by the NTA, but radical action is needed to transform the public transport system into one in which services will be more frequent, cost effective and reliable. Such action has not yet been taken. The ideological conflict to which I referred between the two Government parties is of concern in this regard. Not enough work has been done by the Government and the NTA in looking at the roll-out of a bus rapid transit, BRT, system as a methodology to improve the public transport service at a time when one does not have the required resources to move to light rail. It is a good system and would be a good interim measure with real potential.

**Deputy Aengus Ó Snodaigh:** It is a pity the Minister for Social Protection, Deputy Joan Burton, could not hang around. Given that this opportunity was provided as a new and innovative way of addressing the Government's programme, it is a pity she could not wait to hear a response to what she had to say. Little of her contribution had to do with social protection. In fact, much of it had to do with issues in her previous brief of finance spokesperson on the Opposition benches. Perhaps there is a reshuffle in the offing. I heard her bluffing earlier. She seemed to forget the much trumpeted promise she had made in the programme for Government to protect the most vulnerable in society and maintain core social welfare rates. When one considers that she has been targeting the sick, I do not know how she can say she has managed to protect the most vulnerable. She first cut illness benefit by taxing it and then by doubling the number of days a sick person was left without payment, from three days to six, which represents a cut of €112.80. Just because one is sick does not mean that one's mortgage payments or other household outgoings disappear or are reduced. If anything, the opposite is the case. One's utility bills often rise owing to the need to heat one's home or go to the doctor to obtain a certificate which can cost up to €70 and that is before one must pay for the additional drugs because one is sick.

The Minister also discontinued many elements of the treatment benefits scheme. She reduced the frequency of hearing tests, from once every two years to one every four years, and the amount of the grant for hearing aids by one third. Like the sleeveen that she is, she quietly closed off the diet supplement scheme.

**Acting Chairman (Deputy Olivia Mitchell):** I have to ask the Deputy not to call the Minister names.

**Deputy Aengus Ó Snodaigh:** I am sorry; I will rephrase. Like somebody who is trying to

hide behind cuts that she makes, the Minister cannot be in the House to listen to criticism. She closed off the diet supplement scheme which had offered social welfare recipients suffering from conditions such as coeliac disease, stroke, throat cancer and motor neuron disease a small contribution towards the additional costs associated with their medically necessary diets.

The Minister has claimed continually that she is protecting the vulnerable in society, but, in reality, she has targeted the elderly who are dependent on social welfare or in receipt of some social welfare payments by cutting the period of the fuel allowance by six weeks, which represents a cut of €120 for some of the poorest households in Ireland at a time when energy costs have rocketed. She also cut the small top-up payment for those living in smokeless fuel areas. She cut the household benefits package which offers a contribution towards heating and energy costs, in particular, for older persons but also for some households in which a person has a disability. She cut the electricity allowance by 25% and the gas allowance by up to 20%. She announced these cuts in the same week that Bord Gáis introduced hikes of up to 30% in the price of electricity and gas and prices have not gone down since, rather they have gone up. She abolished the telephone allowance which resulted in increased fear and isolation among many older people. First she halved the payment and then got rid of it altogether. The Government, in cutting the scheme in two budgets, has actually taken €271 from the annual budgets of those aged over 70 years and many people with a disability.

The Minister raised the age of entitlement to the State pension from 65 years to 68. This effectively amounts to a total cut of 16% which will impact hardest on those with low or modest incomes who have no capacity to save for private pensions that continue to allow their wealthier counterparts to retire early. What the Minister is doing is forcing people onto dole queues.

The Minister has claimed that she is protecting the most vulnerable, but, in reality, she has been targeting those who care for the elderly, the sick and people with disabilities. Just in case she has forgotten, she cut the respite care grant of €325 in budget 2013 which I described at the time as one of the meanest cuts of all. The annual respite care grant is paid to those who are caring for children and others suffering with severe disabilities. That cut was made at a time when respite services were being steadily cut back across the country owing to the Government's imposed cuts on the health service. Respite care services have continued to be cut since. The respite care grant was invaluable in ensuring the financial and mental well-being of family carers and the cut exacerbated their vulnerability to financial and emotional strain.

The Minister should not forget also that she targeted the bereaved by abolishing the bereavement grant last year. The grant - €850 - had been of small assistance to those who had suffered a bereavement towards meeting the crippling cost of funerals for workers with a solid contributions record. In parts of Dublin it can cost up to €10,000 to bury a loved one.

The Minister was not telling the whole truth when she said she was protecting the most vulnerable because, in reality, the cuts were increasing the level of homelessness. She has been responsible for a cut in the rent supplement scheme by hiking the number of minimum contributions required. She has also closed off the mortgage interest supplement scheme and her colleague has failed to provide badly needed social housing across the State but, in particular, in urban areas. Homelessness among families has reached chronic proportions according to the Dublin Region Homeless Executive.

The Minister said she was protecting the most vulnerable when, in reality, she further impoverished the poorest children in the State by cutting the back to school clothing and footwear

allowance. This annual means-tested payment is available only to the poorest children in the State. Its purpose is to assist with the costs of returning to school each September in what is supposed to be a “free education” system. The payment level already fell short of the real costs involved in returning to school, but even with this knowledge, the Labour Party and Fine Gael Government decided to cut the allowance in three budgets in a row. First, it was cut by €50 which was followed by a further cut of €50. It was then eliminated altogether for children between the ages of 18 and 22 years in full-time education.

How can the Minister claim to have protected core social welfare rates when she cut the core jobseeker’s allowance rate for young people further and deeper than even Fianna Fáil had done? She cut the core rate by €44 in the full knowledge that the number of education, training and, most importantly, job opportunities available to young people was grossly insufficient to meet demand. She made the cut in the knowledge that it would force even greater numbers of young people to emigrate from this island. Young people make up the vast majority of the 1,700 people who leave our shores each week. The safety valve for the Government and the social welfare system is that more than 250,000 people have emigrated because of Government policies.

How can the Minister claim to have retained core social welfare rates when, in reality, she has cut the period of jobseeker’s benefit by three months? She has also cut the core maternity benefit payment. First, she taxed it and then cut the payment. The majority of maternity benefit recipients will now see their weekly payment cut by €32, giving a total cut of €832 over the period.

The cut in invalidity pension means 65 year old disabled pensioners are looking at a cut of €36.80 per week or €1,914 annually. Invalidity pension is paid to people with the requisite contributions record who cannot work owing to a long-term illness or disability. Most will have been receiving illness benefit for the previous year.

Child benefit warrants a separate mention.

**Acting Chairman (Deputy Olivia Mitchell):** I ask the Deputy to be brief.

**Deputy Aengus Ó Snodaigh:** Despite pre-election promises, child benefit continues to be cut. In budget 2013 alone the Government took away, in the case of a family with four children, €58 each week. This was despite the earlier acknowledgement that child benefit was what kept many families afloat, that child benefit helped to put food on tables and pay energy bills.

There is a lot more wrong with the Minister and the Government’s approach to social welfare. It is a pity she was not present to take part in this debate.

**Deputy Maureen O’Sullivan:** I sometimes wonder what is the point of the programme for Government, regardless of which political party is behind it and regardless of the title that goes with it. It is bound to be aspirational, wide-ranging, innovative and creative, heralding a new dawn and so on, but the reality of what it leads to is another matter. I accept that there is a need for a principled approach from a new Government, but sometimes principles are lost in the language, especially if it is figurative and colourful because then there is a danger that it will become jargonistic and clichéd. I reread the programme for Government for today’s debate and was struck by the opening statement in terms of a common purpose. The language used includes phrases such as “democratic revolution”, “political whirlwind”, “delivering change”, “begin mending the pieces of a fractured society” and that “the key objective will be to repair

our society over the next five years and get our people back to work”. It goes on to state, “we will ...”. Sometimes I think just one principle, one commitment to social justice and making our society a more equal place might do in that regard. One way of ensuring it has a chance is by committing to the equality proofing of budgets and a social impact analysis before they become a reality. An cheist atá agam ná: Cén fáth an bhfuil muid ag caitheamh trí lá ar an díospóireacht seo? Tá a fhios againn go léir cad atá ag tarlú. Beidh na Teachtaí ar thaobh an Rialtais ag caint faoi na buntáistí agus beidh siad go léir sásta agus beidh muidne ar an taobh seo ag caint faoi na deacrachtaí, na fadhbanna agus na míbhuntáistí.

There is a predictability about this debate and I wonder what is the point behind it. Obviously, the Government wants to talk about what has been achieved and we will look at what has not been achieved. Fortunately, I did not decide to spend my speaking time reacting to the Ministers who were supposed to be present. Instead I decided to look at the issues on which I had been following up in terms of what was included in the programme for Government. I will commence with housing, as others have done.

There is a massive housing crisis. I am aware that there is a crisis in Dublin Central. We have a private rental sector with serious issues involving rogue landlords who do not maintain a high standard of quality in the accommodation provided. There is consistent overcrowding through subletting. I have been quoted various Acts and regulations in place to deal with that issue, but they are not worth the paper on which they are written, unless they are implemented. The proof of this, or lack of it, is that we still have landlords who are not registered with the PRTB and areas in which there are high rates of illegal dumping from private rented accommodation. We have landlords who refuse to take those in receipt of rent allowance and who are increasing rents all the time, thus adding to the crisis. We have a local authority that does not have enough houses to cater for those in need of housing and an increasing number of voids that are not being tackled. We know what the statistics are. Some 89,000 have been waiting since last May. In January this year there was a waiting list of 90,000. We know those who are working with the homeless experience up to 5,000 people homeless at any given time. In Dublin the number of families becoming homeless every month has doubled from eight to 16.

#### *7 o'clock*

Deputy Stephen Donnelly raised during Leaders' Questions recently the issue of distressed mortgages being sold off in bulk to companies such as Lone Star. He asked why the mortgage holders could not have an opportunity to buy their mortgages at the reduced rate. One of the points made by the Government concerned the cost to the Exchequer. However, there will be a further cost to the Exchequer in any case because those people will end up being evicted, thereby adding to the list of homeless.

This morning, Deputy Joan Collins raised the issue of homelessness. The Taoiseach's reply was that she was looking for an immediate response. However, this problem did not arise overnight in that it has been on the cards for quite a number of years. While I accept it is a problem that the Government inherited, it has worsened instead of getting better. Dublin City Council could take the entire €50 million that was allocated and it still would not have enough. Something specific must be done to address voids because every local authority area has them. In the property market, private rental accommodation is experiencing an increase all the time.

There are two points on which not much progress is being made. One concerns environmental crime, including graffiti, illegal dumping and noise pollution. On the use of on-the-spot

finer, the authorities are not getting to those who are guilty. At a Dublin City Council meeting last night, I noted members were discussing the incinerator. It was absolutely appalling to hear the amount of money that has been wasted on it and the additional money that may be spent on it. Despite this, it will still not be usable, regardless of whether one believes it should be.

As I am on the foreign affairs committee, I considered the subject of aid. I accept there has been progress in that there was a review of our foreign aid policy leading to "One World, One Future". Our diplomatic network is doing extremely well and Ireland's response to humanitarian crises is to be noted. I commend the work of Irish Aid. It was disappointing that in spite of the commitment in the programme for Government to meeting the target of spending 0.7% of GNP on overseas development aid by 2015, an announcement was made that we will not achieve this.

I raised in the past the threats to the Good Friday Agreement because of the ignoring of prisoner rights issues in the North. This is still very much on the agenda.

Despite a commitment in the programme for Government to enforce the prohibition on the use of Irish airspace and airports "for purposes not in line with the dictates of international law", we make no effort to honour it. Ms Margaretta D'Arcy, a very ill 79 year old woman who protests about this, is in jail for taking up the point.

There are plans in the programme for Government on flood risk. Some local authorities, including Dublin City Council, have been proactive on this matter. However, there was a lack of progress evident after the recent storms considering that certain areas are flooded repeatedly. Although Dublin City Council has been involved with preventive measures, the insurance industry is not paying a blind bit of notice. The industry continues not to insure houses although flood-prevention measures have been implemented. It will not even insure unaffected homes in areas where there may have been flooding only at one end.

I am particularly interested in education. The Minister for Education and Skills, Deputy Ruairí Quinn, stated DEIS is our primary mechanism for systematically promoting greater equity within the school system, and that we are seeing compelling evidence that DEIS works in primary schools. Even now, there are calls coming in from DEIS schools about the danger of losing teachers because the numbers might be down by one or two on the previous year. The Minister talks about reform of the junior and leaving certificate systems but this has turned into the downgrading of history and geography. No objective examination is envisaged for the whole six years of second level school. There is inadequacy in the training for the reforms in English. With regard to the school certificate, teachers involved have genuine concerns that are not being addressed.

The targets of quality and effectiveness in Irish teaching are well spelled out in the programme for Government but progress has not been made. I acknowledge the Minister is examining second level but we should start at primary level. The teachers are not coming out of the training colleges with the required interest and commitment.

I will probably be the only Deputy who will raise the subject of animal welfare, about which I am concerned. Despite the recent legislation and efforts by some of us really to address animal welfare issues, Ireland is still a cruel country regarding the treatment of animals. We see this with hare coursing because of injuries to both hares and greyhounds. Ireland is one of the very few countries to continue to allow the practice. We have digging out of foxes, which

even foxhunters believe is cruel, and there is serious neglect of horses. Although there is a ban on stag hunting, it is being blatantly ignored. The badger issue, animals in circuses, vivisection and the opening of another fur farm must also be considered. Those who are dedicated to animal welfare and who protest peacefully are being harassed, physically assaulted and threatened when they protest. There is inactivity on the part of the Garda when these issues are raised by protestors.

Consider the commitment on disability and mental health. The Government, when producing budgets, should say people with a disability, physical or mental, are sacrosanct such that they will not have an additional worry in the approach to a budget that something will happen them.

Dáil reform has been discussed. While “Dáil reform” might make a grand title, we do not see any major reform. The Government has committed to not overusing the guillotine; we have seen that. There was a commitment to allowing backbench Deputies to introduce their own Bills. However, the number of Bills that succeeded in getting past First Stage is minimal. There was a commitment to sit four days per week every second week. I agree with the Friday sittings but I am not sure that they have been very successful. The democratic process is certainly not working for those of us who are independent. There seem to be constant inroads made into trying to deny and downgrade our role. This is evident on foot of the recent changes to procedures for priority questions.

While I acknowledge the Government states there have been various increases and that certain trends are in the right direction, unless the progress filters down to those on the ground, it will not have the desired effect. The Minister will probably see this in the results of the local and European elections. People are struggling and suffering, and there are those who are seeing their standard of living decrease.

**Minister for Public Expenditure and Reform (Deputy Brendan Howlin):** Perhaps the finest testament to the progress made by this Government in three years is that the anarchy and chaos that defined the final years of the previous Administration seem like they occurred a long time ago. In three years, the current Government has brought stability in the place of chaos, economic growth in the place of decline, and employment in the place of unemployment. If both Deputy Maureen O’Sullivan and I acknowledged the positive elements in addition to the negative ones and did not get trapped on one side of the argument, there might be more relevant points made in the debates in this House.

Where there was a real and substantial threat to the viability of the State, as was a fact three years ago, there is now hope and progress. Although we were once one of Europe’s failures with a tarnished reputation, we are now the European country with the best long-term growth prospects.

I made the point during one of my budget speeches that, in time, the Irish will look back at this period not only with regret over allowing the Irish economic disaster to occur but also with pride based on how they knuckled down and fought the way back. There has been a lot of responsibility shown and maturity displayed. We have faced a problem together with not inconsiderable courage. We have resolved it collectively. That fact, more than any other, should serve as a warning to us not to return to the beggar-my-neighbour days of the boom. Undoubtedly there is a lot of work to do. Deputies opposite are right to point that out. The Government knows it, as do the Irish people.

We live in a competitive age. Our capacity to provide the living standards we aspire too for our people, and the public services they deserve, are dependent on our ability to earn our way in the world. We are a proud, resourceful and innovative people. We can compete and we are competing.

Economic growth is not an end in itself, however. It is the building block with which we construct the kind of Ireland we aspire to - an Ireland where effort and work are rewarded, where our children are cherished and supported, where the elderly can live in dignity and where our communities represent what is best in ourselves.

This is the debate we now need to have. Resources will remain an issue for some time so vast was the scale of our economic collapse. We have no room for complacency. When the Government took office three years ago, its first challenge was to return the public finances to sanity. We simply could not sustain ourselves while the gap between what we spent and earned was of the scale it was. Unlike a private enterprise, however, this could not mean spending less and doing less. The State's commitments and the impact of the economic collapse on our citizens' lives meant we had to do more with less.

The necessity to align public expenditure policy with our public reform agenda was central to the Government's decision to establish a Department of Public Expenditure and Reform. The goals of this Department on its establishment were to contribute to the achievement of the Government's fiscal targets on the spending side, to deliver fundamental change across the public service and to support the Government's political reform agenda. I believe we have made significant progress on advancing those goals and I am pleased to report to the House on the achievements of the past three years.

Central to the programme for Government was the strategy of the consolidation of tax and spending agreed by the two parties in Government to meet the challenging fiscal targets. Sustainable public finances are a prerequisite for economic stability and growth. We therefore pursued a determined deficit reduction strategy. Since its peak in 2009, gross voted expenditure has been reduced by 13.5%, from €63.1 billion in 2009 to €54.6 billion this year. Estimated voted expenditure for 2014 will be approximately €53 billion, with a targeted general Government deficit of 4.8%. The expenditure measures required for 2014 amount to €1.6 billion out of a total consolidation requirement of €2.5 billion.

We are committed to reaching the 3% of GDP target for the general Government deficit by the target date of end-2015. This is a challenging target and one that is set against a difficult economic background which has required fiscal corrections in the form of significant consolidation of voted expenditure. The consolidation measures introduced by this Government have ensured Ireland's successful exit from the EU-IMF programme of financial support for Ireland. This has been achieved at a time when the demand for public services has increased. For example, the numbers in receipt of jobseeker's payments, full-time enrolments in education and medical card holders have all increased substantially since 2008. Notwithstanding these increased demands, we have maintained service provision while reducing staff numbers in the public service by over 30,000 since 2008. The cost to the Exchequer of public service pay has fallen from €17.5 billion in 2009 to €14.1 billion last year.

A one-off correction in the public finances, important as it is, was not sufficient in itself. Not only was the Government faced with the challenge of cleaning up the mess we inherited, we also had to ensure that this problem never happened again. Hand in hand with our com-

mitments to bring spending to a sustainable level, the programme for Government included a comprehensive suite of reforms to Ireland's budgetary architecture. The new measures have been designed to improve the management of public resources and ensure public funds are used effectively in a transparent manner. A new medium-term expenditure framework, setting out multi-annual ceilings for each Department on a rolling three year basis, has been implemented on a statutory basis following enactment of the Ministers and Secretaries (Amendment) Act 2013. The framework allows for sensible, structural planning and prioritisation within each area of public expenditure, encompassing full public input and parliamentary oversight.

We have greatly enhanced the amount of information we provide in the annual Estimates of public expenditure as part of the implementation of our performance budgeting initiative, so that Members of the Oireachtas, members of the public and decision makers can see, at a glance, the financial and human resource input costs, the key outputs and the impact indicators for each expenditure programme. The performance budgeting initiative is complemented by the expenditure and performance information contained in Ireland Stat, the whole-of-government performance measurement website we have introduced which, following a successful pilot, is being rolled out to all Departments and policy areas.

We have introduced a new public spending code to ensure that both current and capital expenditure are subject to rigorous value for money appraisal in advance of public moneys being spent. We have also established the Irish Government Economic and Evaluation Service to support better policy making across the system through enhanced economic and policy analysis expertise. In addition to this, I have made all areas of public spending subject to regular review and scrutiny. A comprehensive review of expenditure, CRE, will be conducted regularly to examine spending and to inform the next three-year spending cycle. The first CRE took place in 2011, published in December 2011, and informed the expenditure ceilings from 2012 to 2014. The second CRE will be commencing shortly and will inform the expenditure ceilings for 2015 to 2017.

The scale of our economic problem and our exclusion from the markets as a result in 2010 closed off policy responses we might have considered in other times. Deficit sustainability had to take priority. Nevertheless, this Government remained committed, even against the backdrop of the financial crisis, to sustaining the maximum possible capital investment in our economy to support employment and recovery consistent with meeting the increased demand for services. Our current five year capital framework sets out a €17.1 billion investment programme, from publication of the programme to 2017, to maintain and improve the country's infrastructure. In fairness, it sought to build on the considerable progress made in our infrastructure during the boom years.

However, in recognition of the importance of stimulating economic activity, we have sought to augment that programme where possible, consistent with our troika commitments. In July 2013, I announced a €2.25 billion additional infrastructure stimulus package to deliver a new public private partnership, PPP, programme and support further intensive capital projects in areas such as schools, transport and primary care centres. These projects are progressing and 13,000 direct and many more indirect jobs are expected to be created by this programme.

In a similar vein, we sought to maximise the opportunity afforded by the expiry of the national lottery licence to generate funds for investment in support of infrastructure and jobs. As the House is aware, last week I granted the next licence to operate the national lottery to Premier Lotteries Ireland, a consortium comprising Ontario Teachers' Pension Plan, An Post and

An Post pension funds. Half of the €405 million achieved for this transaction will be paid now and will be used for a number of job-rich projects which I listed last week, including the Wild Atlantic Way, the 1916 commemoration and the National Sports Campus. In nine months, the second instalment of €202.5 million will be delivered and will be devoted to constructing the new national children's hospital.

The same thinking also drove our approach to the asset disposal commitments made in the troika programme. I was pleased to negotiate with the troika to allow a greater share of the proceeds from the sale of State assets to be used for investment purposes. Significant progress is being made under the State assets disposal programme in fulfilment of our programme for Government commitment to sell non-strategic assets to generate resources for additional investment in job creation initiatives in the economy. I expect to receive €400 million in special dividends arising from the disposal of non-strategic assets of the ESB in the United Kingdom and in Spain. In addition, the ESB has announced that it is to sell its two peat stations, West Offaly Power and Lough Ree Power. The company will be proposing to prospective buyers an arrangement under which it will continue to operate and maintain these stations with existing staff. Financial advisers have been appointed for the sale process, which is likely to conclude in mid-2014.

With regard to Bord Gáis Éireann, BGE, a consortium comprising Centrica plc., Brookfield Renewable Power Inc. and ICON Infrastructure was selected in December as the preferred bidder for Bord Gáis Energy on the basis of a bid that put an enterprise value of up to €1.12 billion on the business. It would be inappropriate for me to comment in further detail on this transaction, but the terms of the sale will be outlined in due course when the deal has been signed. I do not expect that to be long in the future.

Investment in our recovery is not confined to Exchequer or PPP spending. The Minister for Finance will shortly introduce legislation to provide for the establishment of the Ireland strategic investment fund, ISIF, by reorienting the National Pensions Reserve Fund and making the €6.4 billion in the fund's discretionary portfolio available for commercial investment in Ireland. The Ireland strategic investment fund, ISIF, will develop a clear investment strategy, which will deliver investment in areas of strategic importance to Ireland particularly in areas that support economic growth and job creation in the years ahead. The fund will seek to recycle its capital investments over time to be in a position to make new investments again and again in a growing Irish economy. The fund's investment strategy will be consistent with Government policies. The National Treasury Management Agency, NTMA, will be responsible for the management of the Ireland strategic investment fund and an investment committee will be established that will have discretion to make investment and disposal decisions.

The programme for Government also commits us to examining the viability of establishing a State investment bank to provide additional impetus in the banking sector and I welcome the Minister for Finance's commitment in this regard which was announced in recent days. Similarly, on foot of our programme for Government commitments, in 2011 NewERA was established on an administrative basis within the NTMA to reform the manner in which the Government manages its commercial State companies in the sectors of energy, forestry, water and telecommunications. NewERA now manages the shareholder function in the ESB, Bord Gais, EirGrid, Bord na Mona, and Coillte as well as providing specialist investment and financial advice to Ministers on the corporate governance of these important commercial State companies. NewERA is closely involved in the establishment of Irish Water, which will also come under its remit.

4 March 2014

As I have already indicated, not only was the public sector charged with downsizing in pursuit of fiscal realities, it was challenged with doing so at a time of increased pressure and demand for its services. By necessity, the programme for Government committed us to new approaches and new thinking which would form a constant backdrop to the design and delivery of public services. We knew the Government and the public services had to think and act in new ways if we were to meet our commitment to protect the most vulnerable from the effects of the economic crisis. It is for this reason we embarked on the most comprehensive and far-reaching programme of public service reform ever seen in the State.

Our first public service reform plan was published in November 2011 and I am pleased to say we have made good progress in delivering on its aims of bringing real and substantial change to the public service in terms of how it is managed and organised and how it delivers services. For example, PeoplePoint, the Civil Service-wide human resources and pensions shared services centre, has been operational since March last year and now services more than 24,000 employees in 19 organisations. When fully operational next year, PeoplePoint will provide services to 40 organisations and will save €12.5 million annually. Other shared services projects are progressing well in the Civil Service and other sectors, as I reported to the House last week.

The Office of Government Chief Information Officer has been established in my Department to build on our strong performance on e-Government and to maximise the potential benefits of cloud computing, digitalisation and open data to deliver services and information in efficient and innovative ways. In this regard, the Government services portal, *gov.ie*, now includes links to more than 400 information and transaction services, including those relating to Revenue, social welfare, higher education grants, motor tax and property registration to name but a few. A number of customer-focused online services have also been launched. These include *fixy-ourstreet.ie*, which allows the public to report non-emergency issues to their local authorities, and *intreo.ie*, through which employers and jobseekers can access all existing information and services on support, training and entitlements.

We have issued more than 580,000 public services cards. These cards are used for social welfare payments and the free travel scheme, and we are considering extending the card to cover a greater range of services. We have undertaken a major review of public procurement and are implementing a radical overhaul of our approach, with the new Office of Government Procurement targeting €500 million in savings over the next three years. We are working on measures to address any obstacles to SMEs participating fully in the public procurement process and to improve the capacity of SMEs to tender for and achieve public sector contracts. An action plan setting out a broad range of measures to deliver efficiencies in the State's extensive property portfolio was published last summer and is being implemented. We have commenced a programme of Civil Service renewal to ensure our Civil Service is a strong and capable organisation, equipped to address current and future challenges and bolstered by a workforce which has the skills, capacity and tools to meet the challenges of the future. Many of our commitments in the programme for Government have been met or are far advanced. Further details of what has been achieved can be found in the second progress report on the public service reform plan, which I published in January and circulated to all Members.

Many of the reforms I have referenced have been enabled by the climate of industrial peace the Government has maintained over the past three years. In this context, it is important that we recognise the significant contribution made and commitment shown by public servants in the State to restoring our public finances to sustainable levels and ensuring we deliver on our

international commitments. I have already mentioned the substantial reduction in the public pay bill. In addition, new working arrangements have been introduced, including longer working hours, new rosters and standardised arrangements for annual leave and sick leave. The Government has shown it can work with staff to secure significant cost reductions and deliver necessary reforms and work place changes, initially through the Croke Park agreement and more recently through the Haddington Road agreement.

Despite significant reductions in pay and increased workloads, public servants continue, day in and day out, to deliver a high-quality international public service. In looking closer at the Croke Park agreement, it is clear from the various reports of the implementation body that the agreement delivered on its objectives, through the delivery of €1.8 billion in pay and non-pay savings and through the delivery of the majority of commitments on reform and work place changes. The Haddington Road agreement represents a further major achievement of the Government. It sets out a number of equitable and sustainable measures to deliver a further reduction of €1 billion in the public pay and pensions bill by 2016 and will enable the delivery of the next stage of the Government's ambitious reform agenda. It also provides for a total of 15 million additional working hours across the public service. These additional hours will help to deliver long-term and sustainable increases in productivity, while helping to improve the provision of services to citizens.

I want to pay tribute to the public service. Too often debate in the House centres on what is wrong in public service delivery. This is the job of our committee system, of which I am a long-term supporter and advocate. With this opportunity also comes the responsibility to recognise the enormous contribution made by public servants to our economic survival in recent times. They have fronted up to the challenge and sought to do more with less without grumbling. For too long Fianna Fáil sought to solve problems in the boom years by throwing money at them. Not only was this practice not sustainable when the money ran out, it undermined the real innovation and reform that was absolutely necessary in the public service.

In recognition the Irish financial collapse was not simply economic but also included a collapse in oversight, we have committed to implementing an ambitious and far-reaching suite of reforms to make the Government more open and accountable to the people to rebuild public trust in the State. We have enacted a full suite of changes, but unfortunately I will not have time to lay them out in detail. These are very important political reforms, including many which are before the House such as whistleblowing, the register of lobbyists and enhancing the committee system.

Each and every member of the Government knows our work is not done. The Taoiseach and Tánaiste made this clear this morning. We have come a long way since the dark days of 2010, but undoing the damage of the previous Administration will take a considerable length of time. We are on the right path thanks to the fortitude of the Irish people. They have high expectations of us and they are right to have them. We have come through a once in a lifetime economic experience, which has left a legacy of hurt and disappointment, but we are slowly and surely putting in place the building blocks of a sustainable recovery. It is the defining task of the Government and one to which we will dedicate ourselves in the years to come.

4 March 2014

## **Protection of Residential Mortgage Account Holders Bill 2014: Second Stage [Private Members]**

**Deputy Michael McGrath:** I move: “That the Bill be now read a Second Time.”

**Acting Chairman (Deputy Olivia Mitchell):** The Deputy has 40 minutes, which I understand he is sharing with Deputies Ó Cuív, Browne and Troy.

**Deputy Michael McGrath:** That is correct.

I welcome the opportunity to commence the Second Stage debate of this important legislation, namely, the Protection of Residential Mortgage Account Holders Bill 2014. At its heart, this Bill essentially is about consumer protection. It is about ensuring that all mortgage holders in Ireland have a level playing field and enjoy the same statutory protections irrespective of who or what may hold their mortgage at any point in time. As Members are aware, the IBRC mortgage holders now face an imminent threat. However, other mortgage holders could well find themselves in a similar position were their bank or financial institution to decide in the months or years ahead that they wished to sell off that particular mortgage. There are almost 13,000 IBRC residential mortgage accounts, the majority of which relate to family home mortgages. These people stand to lose the vital protection of the code of conduct on mortgage arrears and, critically, access to the Financial Services Ombudsman. Potentially, they could find themselves in a situation in which they are left exposed and vulnerable, having lost statutory consumer protections. In such a scenario, they now would be at the mercy of a non-regulated, unsympathetic foreign-owned fund that simply was out to make a quick buck on the back of their mortgage. This is a valid and legitimate concern and is the issue Fianna Fáil seeks to address by way of introducing this legislation in the House tonight.

As Members are aware, this issue now has taken on a degree of urgency because the deadline for the submission of final bids in respect of the €1.8 billion IBRC residential mortgage book is 14 March and, consequently, this issue must be dealt with immediately. I welcome the indications from the Government by way of a statement this afternoon that it does not intend to reject the Bill on Second Stage and that it will pass Second Stage tomorrow evening. I sincerely hope, however, this is not merely a cosmetic exercise on the part of the Government and I will revert to that issue in a few moments. I do not for a moment claim this Bill is perfect. It certainly can be improved on Committee Stage, as is the case with any other Bill that is introduced. Moreover, as a member of the Opposition, I do not have access to the vast resources available to the Government in preparing legislation. However, this is an honest effort to tackle a genuine problem that is facing approximately 12,000 mortgage holders in IBRC immediately and which potentially could face many more thousands of mortgage holders in the years ahead.

Last week, on the eve of an appearance before the Oireachtas Joint Committee on Finance, Public Expenditure and Reform, KPMG, the special liquidators to IBRC, issued a statement confirming the liquidators had reached an agreement with the remaining bidders for the loan book whereby the latter now had agreed to comply voluntarily with the code of conduct on mortgage arrears. While this of course is better than nothing, it really is not good enough because it is utterly unenforceable. It has no legal standing whatsoever and this was confirmed by the liquidators when they appeared before the aforementioned committee last Wednesday. It will not be written down on any piece of paper and were any issue or dispute to arise between the mortgage holder and the foreign-owned fund that now will be in possession of the mortgage, the mortgage holder has nowhere to turn. There will be no one there to police or enforce

the implementation of the code of conduct on mortgage arrears in that scenario. Consequently, were a dispute to arise in that regard, it simply would not be resolvable because as a consumer, there is nowhere to go to have the issue dealt with. One suggestion made by the Government in defence of not legislating on this issue is that were an application for repossession to come before a court in Ireland and had the financial institution not complied with the code of conduct on mortgage arrears, the presiding judge would not grant a repossession order in respect of that property. That is cold comfort for the thousands of mortgage holders who potentially will face such a scenario. A lot of harm and distress can be caused to a family short of repossession. Why would Members allow a situation in which people face such a prospect or such a threat in the absence of a code of conduct? The bottom line, from Fianna Fáil's point of view, is that any mortgage loan issued in this State should be subject to the full protection of the code of conduct on mortgage arrears and the mortgage holder in question should have access to the Financial Services Ombudsman.

I acknowledge the current situation facing IBRC mortgage holders is not satisfactory. At present, IBRC in special liquidation is not a regulated entity. It is not subject to the mortgage arrears resolution targets and its mortgage holders have no recourse at present to the Financial Services Ombudsman. It is controlled, however, by a special liquidator appointed by the Minister for Finance under special legislation passed by this House 13 months ago and no one has disputed the fact that IBRC currently is complying with the code of conduct in full. The point is the current IBRC in liquidation inherited some level of infrastructure because it previously had been a regulated entity and had some capacity to comply with the code, which it continues to do.

There are more than 760,000 family home mortgages in Ireland today and consequently, Members must get this issue right both for the 12,000 IBRC mortgage holders and for everyone else as well, because other banks already have made public declarations regarding their exiting from this State and there is a prospect they will sell their residential mortgage book. Moreover, it would be open to any of the banks remaining in Ireland to pursue a similar path. The Government itself has acknowledged there is a problem in this regard. It is planning legislation regarding the sale of loan books to unregulated third parties to deal with this issue but it is not due to be published until 2015. This legislation will come far too late for the IBRC mortgage holders and possibly far too late for many other mortgage holders as well, if their bank decides to sell on their mortgage. Moreover, by delaying this legislation, the Government in a sense is creating an incentive for those banks to sell on the mortgage book in advance of its introduction. It enables avoidance of such legislation, were the financial institutions in question to sell the mortgage book in advance. It is known that unfortunately, many banks are exiting the Irish market at present.

The question to be asked, therefore, is what would a person lose if he or she no longer had access to the code of conduct on mortgage arrears or if it no longer was binding and mandatory? As Members are aware, it is a vital consumer protection code. It provides, for example, that banks must have proper policies and procedures for dealing with a distressed borrower. A foreign-owned fund outside the code would have no such obligation. A bank under the code must have properly-trained staff to deal with customers who are experiencing mortgage arrears. Again, no such requirement would apply to a foreign-owned fund. The code places restrictions on the ability of a lender to impose surcharge interest on a borrower unless that borrower is not co-operating. It requires a financial institution to work through a series of sustainable solution options with a borrower in difficulty with his or her mortgage. Moreover, it provides an eight-

month moratorium on the commencement of legal proceedings from when a person enters into an arrears situation, that is, no legal proceedings can commence for an eight-month period, which is absolutely vital.

The Government has suggested that if one loses the code of conduct, one still has one's mortgage agreement, which will continue to apply to the new financial institution and the mortgage holder. This of course is correct but as I have pointed out, the mortgage agreement is so heavily constituted in favour of the lender that it really is of very little benefit to the consumer. I took the opportunity to look at my own mortgage agreement, as well as examining the Irish Banking Federation's *pro forma* mortgage deed. It states clearly that enforcement action can be taken in respect of the mortgage holder if any of several enforcement events occur. One such event was if the borrower fails to discharge any of the secured liabilities when they ought to be paid or discharged. In that scenario, the lender has the authority immediately to call in the loan in full and that would be deemed to be a formal enforcement event. As Members are aware, in such a situation, the institution can then opt to commence legal action immediately because the eight-month moratorium simply would not apply. This is the harsh, naked truth that mortgage holders face. I hope this would never come to pass for anyone whose mortgage is sold but that is a potential scenario. If the code does not apply, all one is left with is one's original mortgage contract and that is constructed so firmly in favour of the lender that it affords essentially no protection to the borrower. If one misses one repayment, it is technically within its rights, as a financial institution, to call in one's loan and issue a formal letter seeking full repayment of the mortgage. If one cannot comply - of course, nobody would be able to do so - it would again be within its rights, in the absence of the code, to immediately commence legal proceedings. That scenario is completely unacceptable to me and, I expect, to Government and that is why we need to move on this issue.

We know from parliamentary questions that under the relationship framework signed by the Minister and the different banks that AIB, for example, can sell a loan book up to the value of €100 million without even having to consult the Minister. The corresponding figure for Permanent TSB is €50 million. That opens up a potential scenario where the banks can essentially slice up their loan book into smaller parcels and sell those particular parcels without even having to consult Merrion Street. That is unacceptable and the relationship framework needs to be revised in that respect.

The bottom line from our point of view is that retaining the same rights and protections in the code of conduct on mortgage arrears and access to the Financial Services Ombudsman is an absolute must and we insist that takes place. The issue of recourse to the ombudsman has been largely overlooked in this debate but it is a critically important one. It is the statutory body for dealing with complaints from consumers in regard to financial products.

It must also be said that it was open to the Minister for Finance, at any time, to issue a direction order under section 9 of the IBRC Act of last year to the special liquidators requiring them to put in a condition in regard to the sale of the mortgage book which would require the purchasers of the IBRC mortgage book to comply with a code of conduct on mortgage arrears. That should have happened several months ago. What our Bill does is that it ensures it is a condition of the sale of the mortgage book that the code of conduct would be fully honoured, would be legally binding and would be based on statute.

We know the Central Bank is not satisfied with what is happening here and that it has contacted the Department of Finance and has made its views crystal clear. It believes that when a

mortgage book is sold, the code of conduct on mortgage arrears must continue to apply. This voluntary gentleman's agreement is really a no man's land scenario, which is unacceptable.

I read the Department's statement this afternoon in response to our Bill and I welcome the fact that it is not being opposed on Second Stage. However, it is essential this issue is legislated for immediately. We cannot wait until 2015 for the Government to come forward with a Bill. It should accept this Bill on Second Stage and immediately move it to Committee Stage. Let us make the amendments and improvements to the Bill which are necessary so that it can be enacted immediately and in time for the IBRC mortgage holders who face a perilous scenario at this point.

I acknowledge the Bill does not address the situation of 5,500 mortgage holders whose mortgages have already been sold by regulated entities to unregulated third parties. I think Pepper holds some of those mortgages. We know GE sold some mortgages as did Bank of Scotland (Ireland)-Halifax. The advice we received was that this is a far more difficult issue to legislate for. My proposal is that the Minister stops the leak immediately, ensures this condition is stitched into any future sales and that he then examines the options available to deal with the 5,500 mortgage holders whose mortgages are already legally outside the code of conduct on mortgage arrears, even though the owners of those mortgages, as such, are currently in voluntary compliance with the code of conduct. However, as I said, voluntary compliance is simply not an option.

I read at the weekend that the National Consumer Agency raised with the Department of Finance concerns it has. It received approximately 88 separate complaints in respect of loans, albeit not mortgages, which were sold to an unregulated third party. The National Consumer Agency is receiving complaints in respect of the way those loans are currently being handled. That is the scenario that could lie before us in respect of the IBRC mortgages if we do not deal with this issue immediately.

We know from media reports that there are four US giant private equity and investment firms left in the race for the IBRC mortgages, namely, Lone Star Funds, Apollo Global Management, CarVal Investors and Oaktree Capital. They have until 14 March to submit their final bids in respect of the €1.8 billion IBRC loan book. The indications are that there is far greater interest in the non-performing loans, a scenario which is really quite concerning. If one has a mortgage currently in some level of difficulty but one has equity in one's home and if one's mortgage ends up with one of these unregulated third parties, there will be a tremendous incentive for it to move on one immediately. It will be outside the code of conduct and it will be perfectly within its rights to do so. If it buys one's loan at 50 cent in the euro and if one has equity in one's home, it can sell that home and wipe the loan balance immediately and make 50 cent in the euro profit in respect of one's loan.

We are leaving the message loud and clear with Government. We welcome the fact this Bill is being accepted on Second Stage but that is not good enough as it does not go far enough. We want the spirit of this legislation to be implemented immediately, so that the 12,000 or so IBRC mortgage holders will continue to have the same binding and statutory consumer protections as every other mortgage holders in the country. My view is that they deserve nothing more and nothing less than that.

**Deputy Éamon Ó Cuív:** I congratulate Deputy Michael McGrath on bringing forward this legislation. Having heard the response from Government, this is beginning to be like playing

handball against a haystack. In other words, the Government knows it is wrong, so it will not vote this Bill down because it knows that if it was to do that, the public would never forgive it. It hopes that by acquiescing to the principle of the Bill and by doing nothing about it, the issue will go away and that somehow it will be forgiven for not providing the protections afforded in this Bill.

One must ask the following simple question. If this is not important, why is the code of conduct there? If the mortgage agreements people have with mortgage companies were adequate, why did we have to bring in the code of conduct? As the Minister knows, the truth is that the code of conduct is there because, as Deputy McGrath said, if we left it to the agreements most people have with the mortgage companies, all of the cards would be stacked in favour of the mortgage companies and not the person in difficulty, and many people are in difficulty.

People took out loans in good faith which were transferred to a State entity, namely, IBRC, and they are now being sold off to the private sector which is being told it can do as it wants but that the Government would like it to give a verbal commitment to honour the code of conduct. I find that absolutely extraordinary given the Government's Pauline conversion on regulation. It was very critical of the previous Government for having gone with light touch regulation. It said one cannot trust the financial sector with light touch regulation and that what needs to be done must be stitched in in very specific terms but here is the Government saying that in this case, zero regulation will do, word of honour will be enough and that this will protect the customers of the IBRC, originally Irish Nationwide Building Society, and other loan books which will be sold in the future by the covered institutions. The reality is that loan books are being sold by the day. People think they have mortgages with certain banks but what is happening is that the loan books are being sold on. Those who buy the loan books buy them at a discount - at their value today - and are, therefore, in a much better position because there is no write-off involved for them. The write-off has already taken place before the purchase. They are in a much better position because the loans do not impair their balance sheets. They can realise the assets without incurring major losses. As Deputy McGrath pointed out, if they decide to repossess and sell the property, they will not be at a loss because they bought the loan at way beneath its original nominal value. Therefore, there is a much greater chance that repossessions will take place and that people will be exposed.

The Government is neither coming with us nor going against us. It is trying to put this into cyberspace in the hope that it goes away. Obviously the Government cannot oppose this Bill because it knows in its heart and soul that this legislation is a no-brainer. On the other hand, as I understand it, no firm commitment has been given on a date for the enactment of this legislation and for other legislation that would be needed to ensure that everybody who took out a mortgage would be protected in the event of their loans being sold on to third parties that are not regulated at the moment.

This must create enormous worry for those who have borrowed and are now exposed. In terms of trying to measure risk, one must ask why the Government is not legislating and making sure that legislation is in place before the sale actually takes place. The argument that has been put forward is that it would impair the value of the loan book to do so. If the loan book is not as valuable because one of the conditions of sale is that purchasers must adhere to the code of conduct on mortgage arrears, that means the people who are adding to the value of the loan book are the mortgage holders themselves who are being asked, in effect, to stump up, in the form of risk, the difference between the value of the book with the code in place and without the code in place. That is totally unfair. Why should they bear the burden and the risk? If there is

a difference in the price, that must mean that the promise that is given is not worth the same, in financial terms, as one underlined by a statutory obligation to adhere to the code. That shows the lack of cash worth of the promise that has been given to the Government.

This is a totally new situation which follows from the Government's decision to liquidate IBRC. It also relates to what is happening in the market generally, where loan books are being sold on. People are buying them at a discount and hoping, by working them out, to make a profit. There is nothing wrong with that in and of itself as long as the borrower is given protection. In making the decision to liquidate IBRC, the Government has exposed ordinary citizens who have acted in good faith at all times and who expected that their mortgages would get the same protection as all others. When one looks at all of the provisions in the mortgage arrears resolution process, MARP, all of the conditions attached and the processes to be followed, one realises how deficient the previous processes were. Without MARP and the code of conduct on mortgage arrears, banks were not adhering to good practice and were not giving customers a fair chance. They were not working through difficulties in collaboration with their customers in order to avoid the repossession of family homes, if at all possible.

The Minister has taken a small step in the right direction in that he has admitted the principle of the Bill; that is what not opposing Second Stage means in parliamentary parlance. It is quite an achievement for Deputy McGrath to have forced the Government to accept the principle of the Bill. However, it is vital that we now go a step further, having admitted that the Bill is correct in principle and is necessary. Before the loan book is sold and the loans are transferred out of a State entity and into the private sector, the Government should immediately enact this legislation and give protection to borrowers. To be quite blunt, this legislation is as urgent as the legislation to liquidate IBRC, which we sat up all night to pass. I suggest that the Government puts the same effort into protecting the consumer, the ordinary citizen. It must not only accept the principle but must also put the legislative blocks in place to protect our citizens from anything that might go wrong in the future.

**Deputy John Browne:** I am grateful for the opportunity to speak on this Bill and I compliment Deputy McGrath for putting forward legislation which aims to protect mortgage holders because under what is being proposed at present, they will have very little protection. The IBRC wrote to its customers recently outlining their loan position. Regarding the terms of loans, the letter asserts that customers' obligations to IBRC and their payment terms are unaffected by the liquidation of IBRC and will remain the same, regardless of who acquires the loans from the special liquidators. Deputy McGrath has already pointed out that this is not actually the case at all. If the entity that acquires the loans from the liquidators is not regulated, then the mortgage holders will not have the protection of the Central Bank, will not have access to the code of conduct on mortgage arrears and will not have recourse to the offices of the Financial Services Ombudsman. The letter sent to IBRC customers is incorrect.

The aforementioned letter also claims to provide an update to the mortgage holders on the sale of their loans as part of the liquidation of IBRC and to afford them the opportunity to make a written submission on how their loans are to be sold. One of my constituents made a written submission to IBRC on how he felt his loan should be sold. He suggested that it be sold to him at a reduced rate. He put 12 questions to the special liquidators, Mr. Kieran Wallace and Mr. Eamonn Richardson, including in what capacity the special liquidators were authorised to correspond with him and who was the proposed purchaser of the loan. He sent his submission in August 2013 and has not received a reply to date. The liquidators gave the impression that when customers made a submission to them regarding how their loan would be sold, they

4 March 2014

would have an opportunity to purchase it themselves but that is not the case. My constituent has not received a response and has not been informed of how he could go about buying his own loan at a reduced rate. He pointed out to me that Mr. Denis O'Brien and other multimillionaires are being given the opportunity to purchase these loans at a reduced rate but the ordinary mortgage holder who took out the loan in the first instance is not being allowed to purchase it at a discount. This is very unfair. The special liquidators should engage more with single mortgage holders to bring about a resolution of this issue.

*8 o'clock*

The Government has promised legislation in 2015 to deal with the sale of mortgages to unregulated entities. This will be far too late for the mortgage holders in question. This issue has immediate importance for the customers of the former Irish Nationwide Building Society as the special liquidator of IBRC is in the process of selling their loans. Equally, this could apply to other banks. Most of those in contact with me have their mortgages with Irish Nationwide who feel there is an urgency about this matter. Our Bill will address the current gap in the Central Bank Act by placing a legal obligation on the purchaser of loans, including unregulated entities, to abide by the code of conduct on mortgage arrears while borrowers would also continue to have recourse to the Financial Services Ombudsman.

I welcome the fact the Minister has accepted the Bill, a positive development. However, there needs to be more urgent action from the Government in this area. People who have mortgages with Irish Nationwide and other lending institutions feel let down, believing there is no sympathy or desire to help them on the Government's part. It is not good enough for these loans to be sold off and to be left at the mercy of those who purchase the loans. The Government should insist the liquidators allow these mortgage holders to get the same write-down as the fat cats will get. They want to avail of the opportunity to purchase their mortgages at a write-down rate which has not been granted to them yet. The liquidators just want to sell these loan books off as a going concern and to hell with the ordinary mortgage holders. I hope the Government will rethink this to allow the individual mortgage holders' concerns be dealt with and protections for them to be built into the law as soon as possible.

**Deputy Robert Troy:** I welcome the opportunity to speak on this important legislation, the Protection of Residential Mortgage Account Holders Bill 2014. I compliment Deputy Michael McGrath for bringing forward this time-sensitive legislation, given the impending sale by the special liquidators, KPMG, of IBRC's 13,000 mortgages which will result in 13,000 individuals, families and fellow citizens being left vulnerable. Currently mortgage holders, whose loans are with financial institutions regulated by the Central Bank, enjoy the protection of the code of conduct on mortgage arrears and have recourse to the Office of the Financial Services Ombudsman if a dispute arises with their lender. However, if these mortgages in question are sold to an unregulated third party, our fellow citizens will not enjoy the code, meaning they are potentially exposed to higher variable rates, more interest surcharges and a heightened risk of repossession. As Deputy Ó Cuív said earlier, if there were no need for the code, why is it there in the first instance?

While I welcome the Government's acceptance of Deputy Michael McGrath's legislation, why has it taken so long for it to acknowledge that something had to be done? Why has it taken such forceful opposition by my colleague, Deputy Michael McGrath, and public outcry for the Government, as it said in its own press release, to "re-prioritise" this legislation? The Government knew this legislation was needed because it had a similar Bill scheduled in its legislative

programme for 2015. While it is all very well to accept this legislation, will the Government give a clear timeframe for the passage of this Bill? The Government is great at playing optics, accepting legislation on Second Stage. It did not oppose its backbenchers' legislation on wind farms on Second Stage over 18 months ago. That legislation, however, is now gathering dust on a shelf in Government Buildings.

When IBRC was to be liquidated, the House sat all night to ensure the relevant legislation went through. This week we have the farcical situation in the Dáil with Minister after Minister coming into the Chamber to pat themselves on the back for work done over the past three years but no legislation being debated. The 13,000 families who will be thrown to the wolves on 14 March would prefer to see the House debating this legislation, ensuring it goes through all Stages to be enacted before 14 March. Is it correct this legislation cannot be retrospectively enforced, meaning those 13,000 families will be left in a precarious situation if the Bill is not enacted before 14 March? Last week, it was confirmed at the Oireachtas finance committee that the voluntary compliance with the code that the funds bidding for these mortgages said they would observe is not written down, has no legal standing, would not be policed by the Central Bank, is utterly unenforceable, does not include recourse to the Financial Services Ombudsman and would fall entirely if the mortgage were sold on again. It is important for the Minister for Finance to give a clear timeframe for the enactment of this legislation. This would send a strong and positive message to the 13,000 people who will be affected by this sale in the next several weeks that we are not throwing them to the wolves and will accept, albeit with some amendments, this Bill initiated by Deputy Michael McGrath.

The Government is not just letting these people down in not affording them statutory protection but also in not affording them any write-down if they were able to re-finance their loans. They will have to pay the full value of their loan while unsympathetic, unregulated vulture funds can avail of massive write-downs. This is a regrettable development which is effectively the Government giving the two fingers to these people who have worked hard to meet their commitments and pay their mortgages. I am not at all surprised by this, however, because the priority the Government has shown the mortgage crisis since coming into office is nothing short of scandalous. The mortgage arrears statistics are a shocking indictment of the strategy adopted by the Government to deal with the crisis. The number of people in mortgage arrears has doubled since this Government came to power. Behind all these statistics, there are harrowing stories. Like Members on this side, I am sure both Ministers of State will be aware of the serious financial position of many families and of their harrowing stories. There is a vacuum in adequate advice available to help people in financial distress. Reference might be made to MABS but the service does not always have suitably qualified staff at the ready and it is at breaking point. The Minister of State may refer to the debt management advice service authorised by the Central Bank. My understanding is that only six firms nationally have availed of this service.

I recently held an information day in my constituency office. I offered free consultations with financial advisers and personal insolvency practitioners. I was dumbfounded by the uptake but what was more astonishing was that the people who came in were at breaking point. They were embarrassed to come to my office and they asked whether there was somewhere more discreet where they could wait because they did not want to be seen in these circumstances. The problem is they are not getting supports from the State. The Government may well talk about the insolvency legislation and while the insolvency service is up and running within six months of enactment, it is not working. The proof is that in the recent months there have been more bankruptcy cases than insolvency cases. Banks are not engaging with people. I have examples

of cases on which I have worked on behalf of constituents dealing with the banks. I do not have the time to go through them. However, the banks are not subject to a specific timeframe. In one instance, the original contact was made in December 2012 and a resolution came about only last week. There were 214 entries on my system relating to telephone calls and letters on behalf of the client. That shows the banks are not engaging.

I acknowledge I have strayed from the purpose of the Bill, which is the same as that of another Bill my colleague brought forward more than two years ago regarding independent debt settlement offices. That Bill was not opposed either on Second Stage but it has not been enacted and because of that, there is no independent watchdog overseeing the banks to ensure they facilitate and work with people in distress who come forward with credible solutions.

I ask the Government to give this issue the priority it deserves. It should not use this debate as a window dressing exercise by not opposing the Bill on Second Stage. The Minister of State should clearly outline in his reply when this important legislation will be enacted. I have no doubt he has an interest in this issue and I ask him to convey to the Minister for Finance and to the Cabinet that much greater priority needs to be afforded to the many families who are at breaking point because of their financial circumstances.

**Minister of State at the Department of the Environment, Community and Local Government (Deputy Fergus O'Dowd):** I wish to share time with Deputies Maloney and Lawlor.

I welcome the opportunity afforded by this Bill to explore the issues raised by the sale of loans books by regulated entities to entities that are not regulated. I consider this an opportune and timely intervention given the context of the upcoming sale of the IBRC loan book.

I am fully aware of the concern among mortgage account holders that they could lose the protection of the Central Bank's code of conduct on mortgage arrears. The sale of loan books to unregulated third parties Bill, which is listed in section C of the Government legislative programme, will address concerns surrounding the continued applicability of the Central Bank's code of conduct after loan books are sold to unregulated entities. In preparation for this legislation, Department of Finance officials are already examining the complexities of this issue with their colleagues in the Central Bank and in the Attorney General's office. The Minister for Finance fully intends to bring forward this legislation from 2015 to protect mortgage account holders.

The Government accepts the principle of the Bill, as put forward by Deputy, but unfortunately, the Bill, as proposed, is flawed and, therefore, will require significant additional work to achieve the objectives sought. Considerable protections apply to people who are in mortgage difficulties. The Government is firmly of the view that the last resort should be people losing their family home. In that regard, the Government has put in place measures to ensure this does not happen. The Central Bank's code of conduct on mortgage arrears provides an integrated and cohesive package of consumer protection measures for borrowers either facing or in mortgage arrears. The code provides that mortgage lenders should allow for a flexible approach in the handling of arrears and pre-arrears cases and that they should aim at assisting the borrower who is in genuine difficulty as far as possible, having regard to the specific circumstances.

The code reflects the current mortgage arrears situation and seeks to deliver on the following principles: to ensure appropriate resolution of each borrower's arrears situation; to ensure lenders deal with borrowers in a fair and transparent manner; to support and facilitate mean-

ingful engagement between lenders and borrowers; and to ensure borrower awareness of the benefits of co-operating with their lender, and the consequences of not co-operating. The code places particular requirements on lenders when communicating with customers to ensure the level of communication is proportionate and not excessive; communications are not aggressive, intimidating or harassing; borrowers are given sufficient time to complete an action they have committed to before follow-up communication is attempted; and steps are taken to agree future communication with borrowers. A lender must also produce and implement a board approved policy regarding communications with borrowers to ensure these requirements are met. If a borrower is not satisfied with a lender's compliance with the requirements of the code or with the lender's treatment of the borrower's case, then any complaint by the customer must be dealt with in accordance with the complaints provisioning set out in the Central Bank's consumer protection code.

I refer to the protections afforded by the provisions of the Land and Conveyancing Act 2013 which, *inter alia*, provides that a court has the discretion in any proceedings brought by a mortgagee for possession of a principal private residence to adjourn such proceedings to enable the mortgagor or another relevant person to consult a personal insolvency practitioner and where appropriate to instruct a personal insolvency practitioner to make a proposal for a personal insolvency arrangement, PIA. These provisions will apply in respect of all primary home mortgage repossession cases, irrespective of whether the mortgage is also subject to the code of conduct on mortgage arrears. The Minister for Finance has previously said that the matter of extending the protections in the code of conduct to unregulated financial institutions is complex and requires careful examination.

The proposed Bill illustrates some aspects of that complexity. Section 4(1) purports to impose an obligation on purchasers of loan books from regulated entities to agree to be bound by existing Central Bank codes. This issue was discussed by the Oireachtas Joint Committee on Finance, Public Expenditure and Reform last week. The special liquidator confirmed that the remaining bidders for the IBRC loan books had made such an agreement with the liquidators. However, it also emerged that there are likely to be difficulties enforcing that agreement. The Minister for Finance has been advised that a contract is not generally enforceable by a person who is not party to it and, therefore, the proposed Bill would create an unenforceable obligation on the purchaser. This could potentially lead to further stress for the borrower. The question also arises as to what would happen if an entity not regulated by the Central Bank were to breach the Central Bank's code of conduct. With regard to a regulated entity, the Central Bank has a range of sanctions available to it, ranging from cautions or reprimands to the imposition of significant financial penalties. However, the Central Bank does not have the power to impose such penalties on entities which are not regulated by it. Therefore the proposed Bill would lack the power to impose sanctions on institutions which breached the terms of the code.

A similar issue arises in the case of the Financial Services Ombudsman. The Financial Services Ombudsman is a statutory officer who deals independently with unresolved complaints from consumers about their individual dealings with regulated financial service providers. The limitation of the role of the Ombudsman to regulated financial service providers is contained in primary legislation establishing the Office of the Financial Services Ombudsman. Any extension to the work of the Ombudsman would require primary legislation. This is not included in the proposed Bill.

It is worthwhile returning to the origin of this issue. The Central Bank Act 1997 was amended by the Markets in Financial Instruments and Miscellaneous Provisions Act 2007. The main

purpose of this amendment was to bring non-deposit taking lenders under the remit of the Central Bank. “Retail credit firm” was defined as meaning “a person prescribed for the purpose of paragraph (g) of the definition of ‘credit institution’ in section 3 of the Consumer Credit Act 1995, or any other person who holds itself out as carrying on a business of, and whose business consists wholly or partly of, providing credit directly to relevant persons.” A number of exclusions were contained in the section and the significant one in this context was “in relation to credit that was originally provided by another person, a person to whom all or any part of that other person’s interest in the credit is directly or indirectly assigned or otherwise disposed of.”

I fully appreciate that what I have just said is not easy to take in at first hearing but it illustrates how complex the issue is. This provision had the effect of excluding special purpose vehicles, SPVs, to which interest in credit was sold or otherwise assigned. As we have now discovered, it also covers funds which may purchase mortgage loan books from regulated entities. Such transactions would not have been expected in 2007 but, like a lot of other things, they have come to pass. A simple solution to ensure that mortgage holders whose mortgages are currently with regulated entities continue to have the protections of the codes would be to remove that exemption. However, this would mean that SPVs would also be subject to regulation, which was not the intention in 2007 and does not seem to be a good idea. The original thinking was to ensure that consumer protection would apply to retail consumers but that it was not needed when a large corporate was selling a securitised bond to another large and financially astute corporate.

Securitisation by use of SPVs is not uncommon in the Irish financial sector and banks use it as a means of raising funds. A bond would be secured against a book of mortgages and the bank would usually get the funds at a lower price than it would pay for unsecured funds. Both the bank and the buyer of the bond know what they are doing and the individual mortgage holder whose mortgage is part of the deal is never aware of or affected by the transaction. I am quite clear of the outcome that the Government and I want. We want to ensure that existing mortgage holders who have the protections of the code of conduct on mortgage arrears now will continue to have these protections if their loans are sold to an unregulated entity. If this can be achieved by the voluntary application of the codes by the purchasing entity, well and good, but we will work to explore how this can be achieved without unintentional effects on other entities.

The current regulatory regime in Ireland is based on whether or not an entity is regulated by the Central Bank. The Central Bank has informed me that firms that are already authorised or registered with the Central Bank for other regulated activities do not require a separate authorisation to provide retail credit. The consumer protection codes, including the code of conduct on mortgage arrears, apply to the regulated activities undertaken by regulated entities and the Central Bank supervises lenders’ compliance with those provisions and financial services legislation generally. Similarly the remit of the Financial Services Ombudsman is confined to regulated entities.

As the House will recall, the introduction of a regulatory regime for debt management firms was achieved by making debt management firms regulated businesses which require Central Bank authorisation. One of the options that needs further consideration is whether we should make holding mortgage books - to put it in non-legal language - a regulated activity. If we take this option, we also have to consider how this could be implemented if the holder is based overseas and how sanctions could be applied in these circumstances. Another option is whether we could regulate how the holders of mortgage books service them. The holder may not have a presence in Ireland but someone has to make contact with the borrower and collect the repay-

ments. Such activity may be outsourced to a firm based in Ireland and regulation of the activity rather than the entity which holds the loans may be a viable option.

Depending on the approach taken, we may have to consider whether the purchasers of loan books would be required to pay fees or levies to either the Central Bank or the Financial Services Ombudsman or both. The Ombudsman collects levies from institutions it covers to fund its activity and additional institutions could also be required to make a contribution towards its operating costs if their customers have a right of appeal. All of the focus at the moment is on the application or otherwise of the code of conduct on mortgage arrears in the event of the sale of a mortgage loan book to an unregulated entity. The protections provided by the code of conduct on business lending to SMEs and the consumer protection code also apply to certain existing loan books with regulated entities which could be disposed of by their current owners. There may also be other options which would provide the solution required which have yet to come to the notice of the officials examining the issue so I do not present this as an exhaustive list. I think it is clear that there will not be a quick solution to this issue but I do not want this fact to cause undue concern to existing mortgage holders whose mortgages may be sold shortly.

As the Minister for Finance has already said, it is in the interests of the purchasers of existing mortgage books that they treat their new customers in accordance with the code because their failure to do so may be held against them. This commercial reality is illustrated by the behaviour of Apollo Global Management which purchased the Bank of Scotland Ireland loan book. Apollo met the Central Bank and the Department of Finance and indicated clearly that it intended voluntarily to adopt the code of conduct on mortgage arrears to manage the acquired loans. Apollo Global Management believes that following the code is in the best interests of both and forms part of its core strategy. As the House will be aware following the meeting of the Oireachtas Joint Committee on Finance and Public Expenditure and Reform last week, the remaining bidders for the IBRC loan books have committed to abiding by the Central Bank code of conduct on mortgage arrears on a voluntary basis. I look forward to further debate on this issue of importance.

**Deputy Anthony Lawlor:** I compliment Deputy Michael McGrath on bringing forward this legislation. In the context of the debate in the last couple of weeks on the loan books of the former IBRC, a good strong debate on this is welcome. As the Minister said earlier, little did we realise that when banks were issuing bonds to generate capital so they could lend on further, these bonds were secured on mortgages. One often wonders, had we been forced to burn those senior bond holders, as we were asked to do, what the consequences would have been for the holders of the mortgages against which those bonds were secured. It would have been interesting to have found that out.

It was interesting that Deputy Troy mentioned that there will be no regulation on these loan books that have been sold on. Had there been proper regulation by the Fianna Fáil-led Government at the height of the Celtic tiger we might not be dealing with this issue now. That is a sad reflection on what was happening at the time. Regulators were in place who were not regulating. We are having a debate now regarding a situation where there is no regulator in place, yet according to the Minister, there is adequate cover for those mortgage holders who are concerned about their loans which are being passed on to an entity with which they are not familiar.

This brings me to the main issue, namely trust. The problem is that because the banking system has been so impaired, the public and mortgage holders have a complete lack of trust in the banks, regulation within the Central Bank and the Government. The sad thing is that this

stems from previous Administrations. It is taking us a long time to try to rebuild that trust, so that the public and mortgage holders can feel safe in trusting that what we tell them is the truth.

I understand the legislation is on the legislative programme for 2015, but if something happens in the meantime and we find out that one of the agencies that has purchased some of the loan books is not complying with the Central Bank's code of conduct, will it be possible to bring forward the legislation speedily so that we can ensure those mortgage holders have security? Another concern relates to an issue people have contacted me about. They are concerned there may be an increase in the interest rates for these mortgage holders. The entities that have purchased the loan books have done so in order to make money. They may have bought them at a discount price and some of the loans may never be repaid, but that is part of the risk they take. The concern is that individuals with mortgages will see an increase in the interest rate they pay. It would be good to get some clarification in this debate on the strength of the code of conduct put in place by the Central Bank on this. I welcome the fact that all of the purchasers of the loan books have agreed to this, but we must remain vigilant in that regard.

I welcome this debate and support the thrust of the legislation introduced by Deputy McGrath, but we need to strengthen it further. The Bill makes no provision for the imposition of penalties if there is a failure to comply with the code of conduct or with the Financial Regulator. It needs strengthening. I look forward to the legislation to be brought forward by the Minister in 2015.

**Deputy Pearse Doherty:** Cuirim fáilte roimh an mBille atá curtha i láthair na Dála anocht ag an Teachta Michael McGrath. Níl dabht ar bith go bhfuil an Bille seo iontach tábhachtach ag an am seo mar go bhfuil an spriocdháta 14 Márta ag bualadh linn go gasta. Is é sin an lá a mbeidh go leor daoine amuigh ansin ag crith, mar beidh a fhios againn ansin cé a bheidh ag ceannach na morgáistí seo, na 13,000 morgáistí atá in IBRC. Nuair a bheidh siad díolta, caillfear na protections atá acu cheana féin. Níl againn ach cosaint iontach lag ó thaobh an code of conduct agus ó thaobh an Financial Ombudsman, Fear an Phobail. Ach, tá siad ansin agus tá daoine ag brath orthu agus ag iarraidh iad a choinneáil.

I welcome Deputy McGrath's Bill. It was very interesting to hear Deputy Lawlor and the Minister of State, Deputy O'Dowd, find fault with this legislation. I acknowledge the fact the Government does not intend to oppose the legislation, but if this was a genuine Second Stage debate and it was intended to move to Committee Stage next week to deal with the issue, we would agree we should look at the areas where the Bill needs to be strengthened. Then we should look at the issues in terms of the special purpose vehicles, SPVs, the fact that penalties cannot be imposed or that, as Deputy McGrath acknowledged, it does not deal with those mortgages that have already been passed on to unregulated entities.

However, this is not the type of debate we are having here. This debate is about parking the issue. It is about allowing Second Stage to take place and for the Bill to be sent on for Committee Stage. The Government has no option but to do this, because it declared in its legislative programme at the start of this session that it is introducing a Bill that will have the same type of effect as that intended in this Bill. The only difference is that the Government wants to do it when all of these mortgages are sold to unregulated entities. The Department of Finance claims that this will be able to be done retrospectively, but I am not sure it will. I accept the adviser's word that it can be done retrospectively, as presented by Ann Nolan at the Oireachtas Joint Committee on Finance, Public Expenditure and Reform.

The real question here is not about penalties or unintended consequences, but whether there is the political will to deal with the issue. I cannot understand, and I am sure the 13,000 mortgage holders with IBRC and those fearful their mortgage books will be sold from other banks to unregulated institutions cannot understand why the Government will not deal with the issue here and now. The Government has told all of us, through its legislative programme, that it intends to introduce this legislation, but not until 2015. A number of months ago when the legislative programme was introduced, I questioned the Taoiseach on the Order of Business. I asked whether it was a misprint that this legislation was to be published in 2015. I told him at the time that the books were being sold and the words “horse”, “stable”, “door” and “bolted” sprang to mind.

The Taoiseach stood up here at that time and gave an explanation as to why the legislation was not being brought forward in this session. He acknowledged in his contribution that the books were being sold in the here and now. The explanation he gave for it not being introduced in this session was that there were 61 bids for legislation in this session. He went on to explain there are no longer three sessions in a Dáil year, but only two. He said there were 61 bids and because of pressure of time, only 43 could be dealt with. Therefore, he basically told the House that the 13,000 mortgage holders just did not come out of the pot at the right time and that only so much could be squeezed into a session.

I wonder what people at home or what anyone with an IBRC mortgage would think of this. On the day the Taoiseach made the explanation, it sounded quite reasonable, or at least plausible, but look at what is happening now. What legislation did we deal with today? None. We are having a love-in. The Government is having its three-year love-in. It is a clappy happy week, with no legislation to be dealt with and nothing to be prioritised. When the Taoiseach was telling us that the IBRC legislation could not be dealt with in this session because of the lack of time, did he know there was going to be a whole week of backslapping on having survived three years and that he was going to provide for these debates so that every Minister could tell the House how good he or she is, forgetting about legislation that affects people and which might allow them to continue with the protection they already enjoy? No, these are not priority issues for the Government.

I challenge whichever Minister comes to the Chamber to speak on this later to explain to the 13,000 mortgage holders why this legislation came down to a lottery. We are told it just did not come out of the hat. There were 61 applications for legislation, but not enough time. However, the Cabinet found enough time to have not one or two, but three, days of debate, without legislation, on the record of the Government. This is unbelievable, but it is a trademark and hallmark of the Government. It is about spin, not about substance.

If the Government is genuine about providing protection for these mortgage holders, we can deal with the legislation right now. I am not saying the legislation can be brought in overnight, but Deputy McGrath’s Bill is definitely the basis for moving forward. There are areas that need to be improved and strengthened, which we can do on Committee Stage, if there is a real political will and desire to deal with the issue. The Government has said it wants to do that. When I questioned a senior official from the Department of Finance at a meeting of the Oireachtas Joint Committee on Finance, Public Expenditure and Reform she said it was the Government’s intention that those IBRC mortgage holders would be protected and could therefore rely on the code of conduct and the Financial Services Ombudsman.

The Minister for Finance can issue a directional order to the special liquidators of IBRC.

This is not some magic power of the Minister for Finance. He has used this power three times. He can do this. He has done it. At the stroke of a pen he can issue a directional order, in the context of the Bill, not to proceed with the sale of the IBRC loans. It is not a major issue to delay the sale further because these loans were due to be sold before Christmas. It could be done now but the Government lacks the will. If that were done it would knock heads together to draft the best and strongest legislation to protect consumers and taxpayers. It would achieve the Government's intention of providing the protection of the code of conduct and the Financial Services Ombudsman to mortgage holders with IBRC and other financial institutions. I challenge the Government to explain why a directional order, which is allowed under the Act, will not be issued. Why does the Government not accept my offer to work with it, even if that means for extra days or over weekends, in committee to come up with the best legislation to provide the protections that everyone in this Chamber says we want? The Government needs to decide whether it really wants it right now. Why does it not accept that challenge?

This concerns the vulture funds that want to bid on the assets. We saw the story in the media today about Wilbur Ross and his turnover. People are applauding him and saying it was the best investment he ever made, but it was a terrible investment for this State. It gave it a boost at the time but it was not a good investment. Selling the taxpayer short in the middle of March is not good for the State in the long run. That will happen if the Government does not put in protection. The Government might think it will satisfy the vulture funds and tell its colleagues in Europe, particularly the Commission, which has restructuring documents for other financial institutions on its table, that there is an appetite for Irish mortgages, but it will be bad in the long term. We need to start to stand up for the interests of ordinary Irish taxpayers.

Deputy Lawlor asked, in what I presume was a slighting tone, what would happen to the mortgages if we burnt the bondholders and their unguaranteed bonds. We can all make mistakes, but people should do their research. We are provided with researchers in this House. Deputy Lawlor should also know there are different types of bond - guaranteed, unguaranteed, secured and unsecured. I remind him, even though he is not here, and the Minister of State, as the Government celebrates its third anniversary, that on 25 January 2012 the Government allowed Anglo Irish Bank, now IBRC, pay out €1.25 billion to an unguaranteed, unsecured bondholder. That shows Deputy Lawlor that those bonds were not secured against mortgages. He should not try to muddy the issue. The Government paid out in full and the bondholder received a huge bonanza. In the same way, the vulture funds that are about to pounce on the 13,000 mortgage holders will likely get a bonanza because the Government refuses to put in place the legislation necessary to give statutory effect to the code of conduct and recourse to the Financial Services Ombudsman because it would be a disadvantage to those bidders. All the smoke and mirrors around voluntarily accepting the code has been exposed as nonsense. There is no formal written agreement between the Central Bank, the Department of Finance and the potential buyer of these mortgages. It has no legal standing. The restructuring arrangements can be torn up as part of the review when it comes up within a year, as most do. The Government is pandering to the vulture funds, as it did to the bondholders. This Government is bloody damn well consistent, because the next time it stands up for ordinary taxpayers will be the first time. There was a time, when it entered government, that it talked tough, and there was also the belief that it was going to walk tough, but it does not even talk tough any more. It does not even pretend to stand up for ordinary taxpayers. While I welcome the fact that this legislation will go to Committee Stage, that will mean nothing unless it is done before the mortgage book is sold. The Minister for Finance should issue the directional order to stop the sale of the 13,000 mortgages to the vulture funds and sit down with the Joint Committee on Finance, Public Ex-

penditure and Reform to allow us to improve this legislation, or let the Minister present his own legislation and pass it. Only then should the Government allow the sale of IBRC's mortgage book to proceed.

**Deputy Stephen S. Donnelly:** I congratulate Deputy Michael McGrath on his introduction of this Bill. It is important and timely legislation. While I acknowledge that the Government will accept the Bill tomorrow night, I listened carefully to the speech of the Minister of State in my office and, with respect, I have no idea what the Government will do. It will accept the Bill tomorrow night but I do not know if it will go to Committee Stage soon. I do not feel it will be in place before the sales process. That reflects the Government's quite extraordinary position on this issue throughout. That position has been that it will not legislate but will wait to see who buys the loans of these 13,000 families and then phone them up and say "What's the story?", to quote the Minister for Finance, Deputy Noonan.

The Government says it will legislate if necessary. Of course it is necessary. These 13,000 families deserve equal protection under law. We do not say it is illegal to burgle one set of houses but not illegal to burgle a particular set of 13,000 houses. What the Minister is saying is that we would prefer if nobody burgled those houses, but if too many people do, he will legislate. That is a completely unacceptable position. When in this country did we start treating people differently under the law? Surely we are moving to a better place than that.

The notion of a voluntary agreement, which the Minister of State mentioned, is complete nonsense. It is not written down. There is no oversight by the Minister, the Financial Services Ombudsman, the Central Bank or the Department of Finance. Nobody will ask the bidder whether it has spent the €1 million required to bring the IT system into compliance with the CCMA. Nobody will see the IT system. These American hedge funds will not be asked whether they have hired 40 compliance officers. The CCMA is a complicated and unwieldy document which offers limited protection, despite the amount work it requires to be done. Nobody will walk into the company's office in Dallas or Chicago and demand to meet the compliance officers or investigate the IT systems and audit trail. That is not going to happen.

The liquidator told the Joint Committee on Finance and Public Expenditure and Reform that, in his professional opinion, if the bidders were asked to sign a binding agreement, they would reduce their bid price. The liquidator said he believed the bidders would comply, but at the same time he expressed the opinion that they would lower their bid if they were forced to comply. That means that they are putting a cash value on the ability to walk away from their agreement. It is preposterous for the liquidator and the Government to maintain these two positions at the same time.

Even if the families in question are given some protection under the legislation - I hope they will - they will not be allowed to bid for their own mortgages. I previously outlined the example of a family who were going to be evicted from their house because they were unable to pay their arrears. According to the latest information I have received, the mortgage will be sold for 30 cent in the euro. The mortgage is valued at €220,000 and the Government will sell it for approximately €60,000 to someone from America who will knock on the family's door to tell them to get out. If they do not get out, he or she will not only pursue them for the residual amount but will also add €10,000 in legal fees for the eviction.

I have raised this issue repeatedly during Leaders' Questions and we spent four hours discussing it with the liquidator. I have tried to understand the Government's position. I have told

4 March 2014

the Taoiseach and the Tánaiste that a process could be designed to return to the State the same amount of money, while also allowing the families in question to bid for their mortgages. I urged the Government to pause the sale to allow such a process to be designed, but the answer was “No.” I have been asking myself why it will not help 13,000 families at the same time as returning the same amount of money to the State. It has only occurred to me in the past few days that it does not want to do so. It does not want these families to bid for their own mortgages because it may result in an inconvenient headline from some begrudger complaining that a family got a mortgage write-down of 50% and from a bunch of other people asking, “What about me?” This reflects a pathetic and damaging lack of political leadership. I commend Deputy Michael McGrath for introducing the Bill. The Government’s position is appalling. It is feeding 13,000 families to the wolves.

Debate adjourned.

*Written Answers follow Adjournment.*

The Dáil adjourned at 8.55 p.m. until 9.30 a.m. on Wednesday, 5 March 2014.