



DÍOSPÓIREACHTAÍ PARLAIMINTE  
PARLIAMENTARY DEBATES

**DÁIL ÉIREANN**

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

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# DÁIL ÉIREANN

*Dé Máirt, 30 Eanáir 2018*

*Tuesday, 30 January 2018*

Chuaigh an Ceann Comhairle i gceannas ar 2 p.m.

***Paidir.***

***Prayer.***

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## **Leaders' Questions**

**Deputy Micheál Martin:** Last week I asked the Taoiseach some basic questions about the HSE's or the health service budget, but he did not answer the questions I asked. He went on a general tour of spending generally and within the context of health services. My fundamental point last week and this week is that we are essentially being misled by the Government and the HSE on the budget for the health service in 2018. The service plan was published, but the very fact that it was published in December after the budget was a problem in terms of transparency and honesty about the figures. I asked a very basic question as to why it had taken a freedom of information request to reveal that the bulk of approximately €346 million in savings identified in the service plan would not be realisable and that the CEO of the HSE was saying this was extremely challenging. That is not to mention the deficit of €172 million. There is no real understanding of how it will be provided for. I refer to what the HSE is stating about existing levels of service and the funding required.

The budget represents an increase of €413 million on the final figure, the outturn, for 2017, which is the crucial figure. It represents an increase of approximately 2.9%. Pay accounts for approximately €278 million of this sum and is part of public service pay agreements. Demographic costs constitute the big issue facing us all in terms of spending. In the light of these costs, the amount allocated is hardly adequate, but it is a significant factor. Basic health inflation, the incremental cost of developments in 2017 and so on must also be borne in mind. There is a figure of approximately €196 million for new service developments. One then has to factor in savings of €346 million. When one goes through the figures - it can be confusing to the public at large - one notes that, in essence, the HSE will find it extremely difficult to deliver services at the level they were provided last year, never mind expand services. That explains why those working in the health service cannot work out all of the general talk about global figures and increases when hospitals such as St. Finbarr's are being asked to accept a cut of up to 21 whole-time equivalent positions, when ten beds lie unoccupied in Bandon, despite the fact that there are now considerable issues about elderly people finding placements in long-term care settings and when revenue funding was refused in Letterkenny, despite record levels of overcrowding. It explains the disconnect. There is a massive fudge in the presentation of the health figures.

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Will the Taoiseach release all of the correspondence between the HSE and Minister leading up to the Estimates and the budgetary process? It is absolutely unacceptable that we must rely on freedom of information requests to find out the real story about the concerns of the chief executive officer of the HSE about this year's Estimate. Will the Taoiseach facilitate meetings between HSE directors and leaders and spokespersons of the various political parties in order that there can be a fully transparent assessment of the implications in 2018 and for the health budget in general? Does he accept that there is a fundamental credibility problem with the figures, as presented, for the health service Estimate for 2018?

**The Taoiseach:** The HSE service plan is credible, provided it is adhered to. It is always a struggle for the Health Service Executive, most public bodies and Government agencies to remain within budget every year. The funding they would like to have to do what they want to do will always be lower than what can be provided by the Government through the taxpayer. As is always the case every year the HSE will have to work very hard to stay within budget but the HSE service plan, which the Government approved and which was signed off on before we approved it, is credible if what is in it is adhered to. What is in it is that we will have - at the very least - the existing level of services we had last year plus a number of specific improvements that are funded. The funding is being held in the Department of Health to make sure those improvements actually happen and will be given to the HSE as they happen. That is what we expect to be done, but it will be a struggle. There will be plenty of engagement and over and back involving the HSE, the Department of Health and the Department of Public Expenditure and Reform as the year goes on, as we sort this out, but the overriding objective is one that results in, at the very least, the existing level of service and on top of that the additional €200 million or so that is being provided for new services being spent on those new services and not being sucked into other costs.

As Deputy Martin said, it is an increase of €413 million on the outturn last year. That is a real increase and that is on top of a very high base. Let us not forget that our health budget is now the highest ever since the foundation of the State. On a *per capita* basis we now spend more on health than almost any other country. We are in the top five. Even during the recession our health spending was above average *per capita*. The fundamental problem in the health service - there are problems - is not solely one of resources. It is about how resources are deployed, and they are not deployed as they should be. When one looks at something that has got a budget of €15,000 million and we are talking about €450 million, €500 million or €800 million, we are talking about a variance of 6% or 7%. We are talking about the effect of 6% or 7% of the health budget. Why not look at how the 100% is spent? Let us imagine if the €15,000 million was spent well and efficiently what kind of health service we could have. Instead, we only ever talk about the increment - the 1%, 2%, 4% or 5%. That is what is wrong. Fundamentally, what we have is a health service where all problems get monetised and then they get passed on. That is not working. It will not work as a system and it must change.

To answer Deputy Micheál Martin's specific questions, the service plan for the health service must be done after the budget. It cannot be done until the HSE knows what its budget is and that is in the health Act. I think Deputy Martin might have been the person who brought the health Act through the Oireachtas so that is where it comes from but it might have been the Minister who took over from him, Mary Harney.

In terms of the correspondence, the Minister for Health has advised me that it has all been FOI'd so it has all been released already. The HSE goes before the Oireachtas committee on a quarterly basis to account fully for its actions. Any Oireachtas Member, including those who

are not members of the committee, is free to attend such meetings.

**Deputy Micheál Martin:** The starting point is honesty and full transparency in terms of the health budget and we did not get that this year either in the preparation and lead in to the budget or in the service plan. We only got elements of it following the release of freedom of information requests to a journalist in *The Irish Times*. If the Taoiseach reads *The Sunday Business Post* there was a very good article again last week highlighting a fundamental problem - a lack of honesty and a massive fudge going on in terms of the presentation of the budget.

It is interesting to note, for example, a project for renal services in Tallaght hospital. The tender was originally issued in December with the intention of awarding a contract in March. Now the HSE has extended the tender process until October. Why? It is so that the spending will not happen until perhaps January or February of the following year. That type of behaviour is becoming endemic because of the lack of honesty around the budget. The Taoiseach mentioned €200 million. A total of €48 million of that is for pensions - demand-led schemes. There is also increased funding for drugs.

The Taoiseach knows all of that so there is no point in trying to pretend. One of the more important admissions today is that the Taoiseach is now admitting that at the very least we will get existing levels of service. If that is all we are going to get in 2018 it will be a very rough ride for everybody working in the health service and more particularly those who avail of the health services, especially elderly people and those with dementia where there is clearly not enough provision to cover the challenges that will undoubtedly come our way in 2018.

**The Taoiseach:** The sum of just under €200 million is for new service developments. It is not for pensions. That is separate funding. We are ring-fencing the money specially and holding it back in the Department of Health to make sure the money is spent on what it is intended for and not lost in some deficit elsewhere. I refer to things like, for example, the extra €10 million for respite funding, the additional 190 beds in acute hospitals that have already been opened this winter and also the additional €750 million for home care. Of course we should set aside funding for new drugs and that is a service improvement.

There is one thing on which I will agree with Deputy Martin. I would like to see more transparency around the health budget. Deputy Martin mentioned in his question that the increase in our health funding is going to be €413 million ahead of the outturn last year. Even now, that is only a projection. We actually do not know how much the health service spent last year. We will not know until April how much the HSE spent last year. Even when a person is looking for transparency and that person is sitting where I or the Minister for Health, Deputy Harris, is sitting, the financial systems are so outdated and badly organised in our health service that it is April before the person knows how much was spent last year. We are going to need a major investment, first in information technology to have a proper financial system, and second in capacity to have people who are able to manage and follow budgets. That is something that is going to change.

**An Ceann Comhairle:** Time is up.

**The Taoiseach:** If Deputy Martin submitted a freedom of information request on the correspondence between Ministers and Departments for every public body in the State, I guarantee him that every Department and agency asked for more money than they got. That is how the budgetary process works.

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**Deputy Micheál Martin:** That is not the point about freedom of information requests. The Taoiseach is saying the €347 million figure is not credible. He knows this.

**The Taoiseach:** If we take all Departments and Government agencies together, they sought additional increases in spending of €12 billion last year.

**Deputy Louise O'Reilly:** When the Taoiseach spoke at last night's press conference, he showed leadership and spoke for all of us who want to see the eighth amendment repealed. I thank the Taoiseach most sincerely for that.

Today is a momentous day for Irish women and Irish society. The insertion of the eighth amendment into the Constitution was a grave wrong perpetrated on Irish women. My colleague, Deputy McDonald, said it best when she said the eighth amendment was in effect a constitutional coup and the reactionary codification of the suppression of women.

There are those who have never stopped campaigning against the eighth amendment. They have been campaigning since 1983. Some, like my parents and people in this Chamber, were campaigning beforehand to ensure it did not get in there in the first place. They have been joined by many young people and the protests have not gone away. Indeed, the Taoiseach will be aware that the protests have intensified, from the blog posts and articles to the lobby e-mails, meetings at constituency clinics, tweets, online campaigns, the difficult conversations and the easy ones, right up to the marches and protests. We would never have arrived at this point without their courage and activism. In many ways, today is their day.

I must also offer thanks again to the work of the Citizens' Assembly and my Oireachtas colleagues on the Joint Committee on the Eighth Amendment of the Constitution. The findings, as expressed by them, left no option but to proceed to call a referendum on the issue. It now falls to those of us who want to see that change and see the eighth amendment banished as a relic of the past to join together, stay strong and campaign as one to see the eighth amendment gone.

I welcome the confirmation that the Taoiseach and the Minister for Health will campaign for repeal. Likewise, I and Sinn Féin will be on that campaign trail. It behoves those of us politicians who believe in repeal to campaign for the change we really want to see. That is what politics is about. It is about real political leadership. We repealers must be prepared to debate, campaign, canvass and be respectful, even when that respect is not always evident. We must use the facts and speak to the people, who I firmly believe are ready for this change. Those of us who support repeal must come together and be unified in our campaign. Perhaps to demonstrate that, I am offering to pop over to Dublin West, where the Taoiseach and I, along with Deputy Coppinger, Deputy Burton and councillors from all parties, can come together and knock on a few doors. Perhaps the Taoiseach might join me in Fingal to do the same.

I would like to ask the Taoiseach to commit to publishing in full the advice of the Attorney General. The decision to repeal and have an enabling clause in the Constitution for the Oireachtas to legislate was not endorsed by the Joint Committee on the Eighth Amendment of the Constitution. I believe it is necessary for all politicians and the public to be fully informed on this matter. Will the Taoiseach state his commitment to holding that referendum before the end of May to facilitate students and young people being allowed to vote?

**The Taoiseach:** I thank Deputy O'Reilly for her opening remarks, which were very generous. I echo the sentiments she expressed concerning the important work of the Citizens' Assembly of just under 100 randomly selected citizens who studied this topic weekend in and

weekend out and came to the conclusions they did, as well as the work of the all-party committee and all its members who studied the recommendations of the Citizens' Assembly and made further recommendations to Government. I agree with the Deputy that for those who agitated for reform going back over the past 20 or 30 years, if not before that, this is their day.

This is now a matter for the Irish people. It is in their hands and it is right that they should be asked this question. When it was last asked, I was under four years old. Nobody aged under 52 years has had a vote on the issue of Article 40.3.3° of the Constitution and it is appropriate that people be allowed to have this vote. I appeal to Members, even those who do not agree with repealing the eighth amendment, to vote for the referendum Bill and at least allow other citizens to make a decision for themselves.

I will say only two things about the campaign and debate we will have in the next few months. It should be respectful of all sides and it should never be personalised. I agree with the Deputy that even when people are not respectful towards us or personalise the debate, we should not respond.

To answer the Deputy's question, the Minister for Health will today publish what is called a précis paper. This is a summary of the Attorney General's legal advice and an explanation of the rationale behind his advice. This is somewhat unprecedented, although something similar was done in 1983. As the Deputy is aware, legal advice is privileged for very good reasons. However, we are happy to make an exception on this occasion and publish the précis paper. The Minister for Health will also hold a briefing for Opposition leaders and spokespersons at 4 p.m.

I affirm my commitment to holding the referendum before the end of May to maximise participation. I must add a caveat, however, by stating the obvious fact that I do not command a majority in this House and we no longer use the guillotine except by agreement of the Business Committee. With the co-operation of the House, we can certainly have this done by the end of May. We are already making preliminary moves to establish a referendum commission in order that it is in place on time.

**Deputy Louise O'Reilly:** I assure the Taoiseach that Sinn Féin will co-operate fully with the Department of Health to ensure the legislation is processed as soon as possible. I reiterate my call to publish the full advice of the Attorney General. I do so because this is one of the recommendations that the Joint Committee on the Eighth Amendment of the Constitution did not endorse. The committee received its own legal advice which seems to be at odds with the advice available to the Government. All the information should be placed in the public domain. Deputies have called for a fact-based campaign and we have all stated we will rely on the facts. It is essential for transparency that Deputies have the advice of the Attorney General in full. It will enable us, when knocking on doors either separately, together or however it happens, to have the full facts and to explain to people who know they are about to make a momentous decision and want to be informed of all the facts.

**The Taoiseach:** As the Deputy knows, legal advice and the advice of the Attorney General to the Government are privileged and it is not the norm - it is in fact somewhat unprecedented - to produce legal advice. Legal advice inevitably argues from a position of "on the one hand, on the other hand" and gives different sets of opinions. The advice we will publish today is a summary of the advice of the Attorney General. It sets out his conclusions in a detailed paper that explains exactly why we are proposing that an enabling provision be added to the Constitution. To put the matter simply, if we only repeal the eighth amendment or Article 40.3.3°, we

go back to where we were in 1982 when it was argued that there were unenumerated rights of the unborn and there may have been a pre-existing right to life of the unborn. There is also a possibility that courts could find in future that the foetus or unborn child is a child, in which case children's rights would apply, or is a citizen or has a right to be a citizen, in which case citizens' rights would apply. We do not want to be in a situation where the majority of the people vote to repeal the eighth amendment only to find out that it has no effect, and that there is still a ban on abortion in our Constitution. That is why it is proposed to insert a very simple enabling provision clarifying that the Oireachtas may legislate for the regulation of the termination of pregnancies. That, however, does not mean that there is any barrier on recourse to the courts or judicial review.

**Deputy Mick Wallace:** I am sure the Taoiseach is familiar with Accenture, the IT management company. It has positioned itself as one of the top earners of external contracts from Government Departments and State agencies. Various Departments are availing of its services, but its number one contract in 2016 was with An Garda Síochána, which paid Accenture €26.5 million, and as astonishingly high as that figure is, it gets worse.

An audit by the Garda internal audit section into Garda information and communications technology, ICT, payments for 2016 and completed in August 2017, which RTÉ's John Burke got following a freedom of information request, found serious problems with the Garda contract with Accenture. The aim of the audit was to examine the payments process in ICT, specifically the authorisation of payments and the contractual position with vendors, and to obtain assurances that projects are monitored. The audit also sought to obtain assurances that control over expenditure on ICT is sufficiently robust to satisfy the European Commission. The audit found no assurances that public procurement requirements were being complied with, and this represented a high risk. The Garda contract with Accenture, which was provided to the audit, is dated August 2009. The audit stated that as this contract was not renewed since 2009, it was not satisfied that An Garda Síochána complied with procurement obligations. The audit notes that Accenture staff are the only external IT contractors who do not record their attendance and hours on an electronic clocking system. The audit also found that controls over payments are generally effective, but not in the case of Accenture. Not only are there problems with the contract and the staff, the audit also found that An Garda Síochána had been paying Accenture in advance, before the work is done, and that this was highly unusual in An Garda Síochána and, as the Taoiseach will know, it is pretty unusual in most businesses.

Neither did any of the new arrangements which had been made with Accenture since 2009 go out to tender. Accenture is the very same firm which developed the now infamous PULSE system, which the head of the Garda Inspectorate, Robert Olsen, said was not fit for purpose, was 1990s technology and was time to be retired. That was more than two years ago.

Who in An Garda Síochána has the authority to make these payment decisions? Does pre-paying a multinational company millions of euro on a contract nine years out of date with staff who do not even clock in properly sound like value for money? Someone needs to be held to account for this. How much does the Department of Justice and Equality know about what is going on? I put in a parliamentary question on 1 June 2017 about all Garda contracts with Accenture. I got the information in a reply on 19 December, more than six months later. Is the Department in the dark about what is going on? Is this the norm for Accenture? It has contracts with numerous Departments and agencies. Is this happening in other areas as well?

**The Taoiseach:** I am familiar with Accenture. I think it is a very good firm. It does a lot

of important work in the private sector and has a lot of Government contracts as well. I think it had a contract in my former Department, the Department of Employment Affairs and Social Protection, which I assume was tendered in the normal way. Public bodies should always follow public procurement rules, full stop. If it is the case that An Garda Síochána did not follow proper public procurement procedures, that is not acceptable to the Government. The reason we have public procurement rules is to ensure that companies can bid and get a fair crack of the whip when it comes to applying for public contracts. It is also how we ensure that taxpayers get the best value for money and how we ensure citizens get the best outcomes. I discussed the matter with the Minister for Justice and Equality, Deputy Charles Flanagan, and we have sought a report from the Garda Commissioner into this issue.

**Deputy Mick Wallace:** There is no “if” about whether they followed proper procedure. The Garda internal audit has established that they did not. This is not something that happened overnight. The 2015 accounts for An Garda Síochána state 73 contracts breached public procurement guidelines. This issue was raised at the Committee of Public Accounts by Deputy Catherine Connolly in July 2017 and the director of finance for the Garda, Mr. Michael Culhane, replied: “I accept that the 73 number is high, but we are actively addressing all of those issues and working with the Office of Government Procurement.” Let us fast forward to the 2016 Garda accounts which were released in September 2017, according to which 94 contracts breached public procurement guidelines. Things had got worse, not better. What is going on? What is the Office of Government Procurement doing when the director of finance for the Garda says the force is working with that office? What does that mean? These are questions that need to be answered. How can one company be treated so differently? Who has benefited and who was pulling the strings? Does the Government have the appetite to hold the decision makers to account?

Raising issues about the dysfunctional nature of An Garda Síochána has become a little like shooting fish a barrel. There was a time when it was sacrosanct here not to challenge it and we were ridiculed for doing so. Now it has become a popular sport. Will the Taoiseach tell us when will all of this change? There are so many aspects of An Garda Síochána that remain dysfunctional. Will he change things? How and when will the Government do so?

**The Taoiseach:** I acknowledge that there have been irregularities in Garda finances. We saw it very evidently in the financial affairs of the training college in Templemore and we have seen it on a number of occasions in the non-collection of fees and fines. We see it in irregularities in how contracts are tendered for and awarded. We are in the process of implementing a significant programme of Garda reform. It involves, for example, the establishment of the Policing Authority which holds the Garda to account in public. It also involves greater civilianisation of the organisation by bringing people into it who are experts in human resources, finance and all corporate governance functions. It involves the Commission on the Future of Policing which is now doing its work.

**Deputy Mick Wallace:** The Taoiseach is avoiding the questions asked.

**The Taoiseach:** We await its report. We will have the recruitment of a new Garda Commissioner and I intend that he or she should be able to come into and be a broom in the force and also bring people with him or her to change the organisation from the top. That is the only way it can be changed.

**Deputy Michael Harty:** I wish to question the Taoiseach on the issue of the dysfunctional

health service, particularly where it fails to deliver timely care to patients. I will approach it differently from Deputy Micheál Martin who addressed budgets. I would like to question the Taoiseach about reforming the health service and would like him to look at doing so through a different lens. I ask him to look at it latterly rather than just in the context of budgetary measures. He should not look at hospital care as being the default method of supplying care to the population; rather community care services should be the default provider to keep people out of hospital and keep hospitals for those who need complex or emergency care. This does not in any way negate the need for increased hospital capacity, diagnostics or staffing.

The second way the Taoiseach should look at the health service is to look at anticipatory planning and reform rather than reactive planning and reform, which is what we have. The ten-year Sláintecare plan has been lying idle for the past eight months.

Third, integrated structural and cultural reform rather than emergency planning is needed in the health service. That will be key to demanding accountability and responsibility in the health service. It costs a lot of unnecessary money to run a disconnected and fragmented service and expanding an inefficient service will not make it more efficient. How we spend our money is more important than how much we spend. Where are the political will and determination to reform the health service? We know that reform will be extremely difficult, but that does not mean that it should be seen as impossible. Proper structural reform should not frighten the Department of Health, the HSE, staff or patients as proper reform of the health service would benefit everybody. It is an abuse of staff to expect them to work in unsafe conditions, as they do. The circumstances to which patients are subjected in hospitals when trying to access timely care infringe on their human rights. It also leads to the recruitment difficulties which present a serious problem in the health service. Rationing health services because the Government is not willing to reform the health service is no longer acceptable. The trolley crisis is but the tip of the iceberg of the dysfunctionality. It grabs the headlines, but it tends to distract from and hide the fundamental structural deficiencies of the health service. Even if we were to eliminate the trolley crisis, we would still have not resolved the dysfunctionality issue. Is the Taoiseach satisfied to lead a Government which allows an inefficient Department of Health and HSE to continue working in the manner in which they have been? Will he outline the actions he will take to reform the health service?

**The Taoiseach:** When we talk about the health service, it is important to acknowledge the many difficulties we face, particularly in access. They include people waiting for outpatient appointments or surgery or waiting to be given a proper hospital bed. We have real problems in access to the health service, but we should not ignore the many good things which happen in it every day. Life expectancy in Ireland is among the highest in the western world and improving because of good personal health and the health service. When Irish people are asked to rate their own health, they rate it higher than people from any other country. More than 80% of patients who are asked about their experience of the health service say they have had a good experience. One would not think it, but when people are actually asked what they think about the health service, more than 80% say they have had a good experience. Notwithstanding the real problems in emergency departments, two thirds of patients are either seen and sent home or in a hospital bed within nine hours. As a country, our patient outcomes are average to good. That is reflected in increasing cancer survival rates, fewer deaths from stroke and cardiovascular disease and other things. Even in recent years there has been a big uptake of vaccinations and a big reduction in the number of patients who contract MRSA. The Deputy will remember what a big issue it was in the past.

As the Deputy knows, there are two parts to the issue of waiting lists: outpatient waiting lists for those waiting for a clinic appointment and lists for patients awaiting surgery or a procedure, for example, hip, knee or cataract operations. In recent months we have really focused on inpatient day case surgical waiting lists, that is to say, for those awaiting procedures. In four of the last five months the number waiting for a procedure has decreased and we expect the figure to continue to fall. That is one of the areas in which we are making real progress. There are fewer people waiting for such operations. I accept that we have not made any progress on outpatient lists yet, but that will come.

To pick up on the Deputy's question on anticipatory reform, he will have seen the capacity review which was published only last week. It is very much an example of anticipatory reform. We are setting out the capacity increases we will need between now and 2031. We are not waiting until 2031 to do it. For example, 190 additional hospital beds have already been put into the system this year and there are now almost 10,000 doctors working in the public health service, the highest figure ever. We will continue to do this in the coming years.

On structural reform, the position of executive director for Sláintecare has been advertised. The Minister for Health has permission to establish a HSE board to improve the accountability of the HSE. I accept that that is a reversal of a previous policy, but bringing back a HSE board to bring about some accountability is the right thing to do. The boards of the hospital groups will be appointed quite soon and we are working on the GP contract. It will be difficult to do, but we are very keen to have a new contract. Cultural reform will be more difficult because in the health service it means taking on vested and local interests. Everybody wants to do it until they actually start to do it. We will need to see more tangible progress in other areas before we really get stuck into it.

**Deputy Michael Harty:** I thank the Taoiseach. As I stated, the fundamental question is one of reform. There is a languid response to health reform from the Government as well as a lack of ambition and courage. There is also an amazing lack of curiosity concerning why we have an above average spend and a below average outcome in our health service. It is this lack of interest and ambition that concerns me.

Engaging in wrong policies with greater intensity will not bring about better patient care. The failure to have implemented any change eight months after the publication of Sláintecare means that it is too late to avert next winter's trolley crisis. When the HSE says that meeting its targets is challenging, it means virtually impossible. It is Holy Mary-type planning, where someone who knows that no miracle will appear is still hoping for one.

How could the Taoiseach go to Davos and say that our economic recovery is complete when there is a legacy of dysfunctionality in our health service, a housing crisis and pension and pay inequality and we at home know that our recovery is not complete and there are significant deficiencies in our public services? Where is the political will to reform our health service?

**The Taoiseach:** I think what I said in Davos, and the Minister, Deputy Donohoe, said it as well, was that our economic recovery was complete and that we were now expanding again as an economy, but that is not to say that our society has healed. We know the consequences of the lost decade - ten years in which virtually no houses were built, and ten years in which there was inadequate investment in the capital side of health care if not the current side. We are still trying to heal the society that was so damaged by that ten-year crisis, which was not caused by anyone on this side of the House.

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I agree with Deputy Harty's fundamental comment. Fundamentally, the question is about reform. If we keep adding staff and adding resources, we will keep getting the same results, which are not good results. I do not agree that there is a lack of ambition or a lack of interest, but I accept that we are only going to be able to prove the Deputy wrong through results. I do not expect anyone to believe us until we start producing some real results.

On Sláintecare, I think we need to be realistic. It is an all-party committee report. It is a very good report. On the Deputy's advice, I have read it three or four times. It sets out what I think is a common vision that everyone shares in this House, for example, a commitment to public health, moving more of our health service into primary and community care, and separating or at least examining the separation of public and private practice. However, it is not true to say it is a comprehensive reform action plan or implementation plan for our health service. It is not that. The costings are evidently not correct and we need to get them done again. The report is silent on where the money should come from. It lists a million different options-----

**An Ceann Comhairle:** I thank the Taoiseach.

**The Taoiseach:** -----including anything one can imagine. It does not deal with a lot of the issues like those the Deputy just mentioned. It does not address at all the whole issue of performance, efficiency and where the money goes. It proposes more and more money, but it does not ask the fundamental question as to why we do not get a good return from the €15 billion that we are spending already. It does not deal with very thorny issues like reconfiguring and reorganising our hospital service, for example.

**An Ceann Comhairle:** Thank you, Taoiseach.

**The Taoiseach:** It is a really good report. It is the basis of a common vision as to where our health service should go that I think we can all sign up to, but to represent it as a comprehensive implementation plan to transform our health service just is not honest.

**Deputy Micheál Martin:** That means it is on the back burner.

**An Ceann Comhairle:** That concludes Leaders' Questions. We have shown complete disregard for the allocation of time. I appeal to Members that, in future, they should please adhere to the times that the House has set down.

### **Order of Business**

**Deputy Seán Canney:** Today's business shall be No. 11, motion re amendment to the Montreal Protocol on substances that deplete the ozone layer, referral to committee, and No. 32, Planning and Development (Amendment) Bill 2016 - Report Stage (resumed) and Final Stage. Private Members' business shall be No. 171, motion re affordable housing, selected by Sinn Féin.

Wednesday's business shall be No. 32, Planning and Development (Amendment) Bill 2016 - Report Stage (resumed) and Final Stage, and No. 4, Childcare Support Bill 2017 - Order for Second Stage and Second Stage. Private Members' Business shall be No. 49, Harassment, Harmful Communications and Related Offences Bill 2017 - Second Stage, selected by the Labour Party.

Thursday's business shall be No. 4, Childcare Support Bill 2017 - Order for Second Stage and Second Stage. Second Stage of No. 50, Island Fisheries (Heritage Licence) Bill 2017, will be taken in the evening slot.

I refer to the report of the Business Committee dated 25 January 2018 on today's business. It is proposed that the motion of referral of the amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer shall be taken without debate. In relation to Wednesday's business, it is proposed that Second Stage of the Harassment, Harmful Communications and Related Offences Bill 2017 shall be brought to a conclusion, if not previously concluded, after two hours.

**An Ceann Comhairle:** There are two proposals to be put to the House. Is the proposal for dealing with today's business agreed to? Agreed. Is the proposal for dealing with Wednesday's business agreed to? Agreed.

**Deputy Micheál Martin:** What I am about to ask again cuts to the heart of honesty in the framing of the health Estimate. I refer to section 39 organisations. What happened was fundamentally dishonest. When the public service pay determination was agreed to and new agreements were made, everybody assumed that those who worked in disability organisations and hospices would have their pay restored in line with that of HSE employees, as had always been the case. It was the case when the financial emergency measures in the public interest, FEMPI, legislation cuts were administered, as a paper trail demonstrated and proved. The Workplace Relations Commission endorsed the link between HSE employees and employees in section 39 organisations. The HSE, the Minister for Health and the Taoiseach tried to bluff in parliamentary replies and said that as those concerned were not public servants, therefore, there could not be pay restoration. That has changed and I welcome it in so far as it is acknowledged that something has to be investigated. For the past two months we have been told that there is an issue with expenditure in the area of health. It is terrible that SIPTU and-----

**An Ceann Comhairle:** Excuse me, but the one minute is up.

**Deputy Micheál Martin:** I will conclude. Others get an opportunity every now and again. Will the Taoiseach, please, make a determination and will the Government, please, do the right thing by the people who work in these services by including them in the pay determination for HSE employees?

**An Ceann Comhairle:** The Taoiseach has one minute to give a response.

**The Taoiseach:** I will do my best to reply within one minute. To clarify, there are over 2,000 section 39 bodies which range from non-governmental organisations, NGOs, to companies and charities. Their staff are not Government employees or public servants. Therefore, the position has not changed. They are funded by a block grant which part funds their operations and it may range from €10,000 for a small local body to millions of euro for a large hospice.

**Deputy Micheál Martin:** The Taoiseach is fudging again.

**The Taoiseach:** They are the facts and I am sorry if the Deputy has a difficulty with them. We have looked into this matter.

**Deputy Micheál Martin:** We discussed hospices.

**The Taoiseach:** Some section 39 bodies comply with public pay policy and some do not.

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We have seen how some of them have paid extraordinary salaries to the top brass, bonuses and other things like them-----

**Deputy Micheál Martin:** We are not talking about that but about nurses, paramedics and therapists.

**An Ceann Comhairle:** The Taoiseach's time is up.

**The Taoiseach:** Some cut pay during the recession.

**Deputy Micheál Martin:** What is going on is outrageous.

**The Taoiseach:** Some did not cut pay during the recession.

**An Ceann Comhairle:** The Taoiseach's time is up.

**Deputy Micheál Martin:** It is outrageous. The dishonesty-----

**An Ceann Comhairle:** Please, Deputy. The time the Deputy takes is not available to the other Deputies who will come after him.

**Deputy Micheál Martin:** This is an issue I have raised time and again.

**An Ceann Comhairle:** I know that it is, but other Deputies are entitled to answers.

**Deputy Micheál Martin:** We have been very facilitative of other Deputies in the House for a long time.

**Deputy Louise O'Reilly:** According to media reports, the Minister for Transport, Tourism and Sport, Deputy Shane Ross, brought a memorandum to the Cabinet meeting today proposing primary legislation to replace existing laws on noise restrictions with less restrictive EU regulations dating from 2014. This is a major issue for those who live in the environs of Dublin Airport and are anxious to have noise restrictions retained as per the planning permission granted in 2007. Will the Taoiseach confirm that it is the intention of the Government to disregard these noise restrictions? Will he advise us when we will see the legislation spoken about in the media today?

**The Taoiseach:** The Minister for Transport, Tourism and Sport, Deputy Shane Ross, will make a more detailed statement on this issue later. It was agreed at the Cabinet meeting today to offer Government support to the Dublin Airport Authority, DAA, to commence construction of a new north runway. It is very important for the economy, tourism and business that we increase capacity at the airport. We want construction to start within the next couple of months and today gave our support. There is a new European noise directive which supersedes previous laws. The Minister will, through primary legislation, turn the new European directive into Irish law. That is what is required. Fingal County Council will be given the role of noise regulator for the airport.

**Deputy Brendan Howlin:** The Minister of State at the Department of Health with special responsibility for disability issues has announced that the Cabinet has decided to ratify the United Nations Convention on the Rights of Persons with Disabilities and he stated that the Government will bring a resolution to this effect before the Dáil. The Disabilities (Miscellaneous Provisions) Bill 2016 passed Second Stage in this House last February and has been on Committee Stage since and we have now been waiting a year for the amendments from the

Minister. A road map to drive the ratification process has been in place since October 2015 and the delay seems to have arisen from the fact that the Minister cannot get his act together to bring forward the amendments to enable us to enact the Bill.

It has always been our position that we ratify UN conventions after the legal provisions have been passed. This is a unique situation where the Minister cannot get the law enacted so he is going to ratify it in advance. Can the Taoiseach confirm when we will see the amendments and the enactment of the Bill? When will we have a formal resolution to ratify the convention before the House?

**Minister for Justice and Equality (Deputy Charles Flanagan):** As the Deputy and Members will be aware, it is ten years this year since we signed the UN declaration and it is important that we now proceed to ratify it, with a view to having all matters fully completed by the end of this year. It involves a number of Departments and I assure Deputy Howlin that, following the decision at Cabinet today, there will now be an accelerated process with engagement between the Department of Justice and Equality and the Department of Health. I expect the resolutions will come before the House for debate within the next few weeks and that the Department of Health will now proceed towards completing the work on the appropriate amendments so that we can proceed step by step in the course of this year to complete the ratification process.

**Deputy Gino Kenny:** This time last year the Minister for Health, Deputy Simon Harris, commissioned a report, Cannabis for Medicinal Use - A Scientific Review. Not only has nothing happened in that time, the Government has stalled the Bill to legislate for medicinal use because of a money matter. The Taoiseach said yesterday that we exported our problems and imported our solutions but, at this moment, families and individuals are leaving this country for Spain and Holland because they cannot get access to medicinal cannabis. As the leader of this country the Taoiseach has to show leadership to Deputy Simon Harris, so that he lifts the money matter. There are four people who have licences for medicinal cannabis and they have to pay €11,000 per year for medication but they cannot get it. I ask that we bring in legislation for this immediately.

**The Taoiseach:** As the Deputy correctly points out, it is possible to obtain cannabis on a medicinal basis in Ireland by licence, though one needs an appropriately qualified doctor to prescribe it and a licence from the Minister for Health. The Minister for Health has never actually denied a licence and when applications come through, with a consultant or an appropriate specialist to back them up, they are granted.

I will have to check on the progress of the legislation. I have not refused a money message so it has not come to my desk.

**Deputy Gino Kenny:** The Taoiseach has to show leadership on this.

**Deputy Mattie McGrath:** The programme for Government is strong in its commitment to protect citizens in their homes. Electronic tagging should be a condition of bail for repeat offenders. In 2016, 13% of offenders were repeat offenders who were out on bail, an increase of 2% on the year before. Horrific attacks have been perpetrated on my constituents and in Offaly and all over the country. I am told the legislation is already there so why would we not enact it? Can the Minister for Justice and Equality say why there is a reluctance in An Garda Síochána, for example, to have tagging for repeat offenders? We must protect our citizens and this debate must be about victims rather than criminals who want to continue their thuggish behaviour by

terrorising people in their own homes.

**Deputy Charles Flanagan:** As the Deputy is aware, there is provision in law for the type of tagging referred to by the Deputy. I assure the House that this matter is receiving important attention. An expert working group is sitting to consider the various legal aspects and the practice that would be involved to ensure the monitoring is in accordance with best international standards. I expect that working group to report to me this spring whereupon I would be anxious to proceed with the commencement order at the earliest opportunity.

**Deputy Mattie McGrath:** Too slow.

**Deputy Róisín Shortall:** I want to ask the Taoiseach about the Education (Admission to Schools) Bill. It went to committee last June. The Minister for Education and Skills indicated his intention to amend that legislation to abolish the baptism barrier. He promised to do that and have the Bill completed by Christmas but no progress has been made on it since. I think we all think it is important to ensure that we do not have yet another year where young children are discriminated against on the basis of the belief system of their parents so can the Taoiseach give an undertaking that the necessary amendments will be dealt with well in advance of the new school year later on in September?

**The Taoiseach:** The Minister is working on those amendments and I know it is priority legislation for him. Those amendments will be completed as soon as possible in order to bring the Bill back to the House.

**Deputy Danny Healy-Rae:** One of the Minister of Transport, Tourism and Sport's proposals in the Road Traffic (Amendment) Bill is that cars will be taken off unaccompanied drivers with a provisional licence and that those who own the cars will be jailed. It takes 22 weeks for a driver with a provisional licence to get a driving test in Killarney. This period is seriously too long. Why does the Government not do something positive to help a young person who wants to get on the road legally and give them a chance because I believe every young person, boy or girl, should get one chance to get on the road in this world? Twenty-two weeks is too long. The Government should give over with regard to the nonsense of jailing people and taking cars off them. They are draconian measures that should never be entertained.

**The Taoiseach:** The Bill is on Committee Stage and will be before committee on 9 February.

**Deputy Michael Healy-Rae:** With regard to the issue of retained firefighters having to retire at 58, there is a wish to extend that age to 60 years. The response of the management at the WRC meetings has not been negative but it has flagged possible difficulties with retrospection and legislation relating to pensions. The Government is in the process of passing legislation that will, hopefully, resolve the pension issue. At what stage is that legislation because we are losing valuable and experienced fire-fighters every day who should be on for another number of years? It is great to keep experienced people in a job.

**Minister of State at the Department of Housing, Planning and Local Government (Deputy Damien English):** The pensions Bill is being drafted currently but with regard to retirement age for firefighters, it is international best practice. A working group looks at this every couple of years. This group came together about six years ago to look at this and compare it to international developments. It was agreed that the timeline should be increased slightly but no more than that so 58 is still the norm to retain firefighters. I am prepared to meet people to discuss

this again and we can review it. We do so every couple of years but it is not recommended internationally that we do that just yet. However, I am prepared to meet a group on behalf of the Deputy if he wishes.

**Deputy Michael Collins:** Page 121 of the programme for Government relates to trade negotiations. I, along with other rural Deputies, have raised serious concerns about a potential Mercosur trade deal, which could have serious negative effects on the beef producers and public health due to the lack of proper standards and traceability of this beef coming into the EU. Negotiations are ongoing this week regarding this matter. What reassurances has the Government received from the EU Commissioner, Phil Hogan, that Europe will not sell out and allow South American beef into the EU in return for car exports in South America?

**The Taoiseach:** As the Deputy will be aware, negotiations are now underway. Having a trade deal between the EU and Mercosur involving those countries in South America would be beneficial to our economy in the round, as it would be for their economies, but we have a particular sensitivity around the beef sector. As I said at the IFA AGM, without its beef sector, Ireland would not be Ireland and we are very keen to protect that sector from unfair competition from South America.

*3 o'clock*

I have met Commissioner Hogan. We meet regularly as the Deputy knows. I also met Commissioner Katainen, who is dealing with this. In Davos I met Commissioner Vestager and President Macri, the President of Argentina. I stated to them in no uncertain terms that we do not agree with any proposal by the European Commission to increase the quota for beef that is being suggested.

**Deputy James Lawless:** The programme for Government makes multiple references to public transport and the need to better serve the greater Dublin area. I represent the commuter belt constituency of Kildare North, which is heavily dependent on rail links into the capital and yet the stations can no longer accommodate the demand. The car parks are creaking at the seams. The Sallins and Naas station in my constituency is now averaging 165% to 175% occupancy and Maynooth would be very similar. That means that an additional two thirds of the number of cars that can safely be accommodated are squeezing into the car park every morning. Somebody arriving from 7.30 a.m. onwards has no chance of a space and must drive on in the car to Dublin.

Irish Rail has advised me that it would gladly extend the car parks and examine all the options if the Minister for Transport, Tourism and Sport would only open the purse strings. Will the Taoiseach ask the Minister to examine this very serious issue and provide park-and-ride facilities across Kildare North and the wider commuter belt?

**The Taoiseach:** I am very familiar with the issue, as the Deputy can imagine, because people may start their train journey in Maynooth and Leixlip, but shortly after that the train arrives full in my constituency in Clonsilla, Coolmine, Castleknock, Navan Road Parkway and Hansfield. Passenger numbers on those train lines have now exceeded where they were before the financial crisis began, which is good on one level because it shows that people are working again, but obviously we are now facing the kinds of traffic problems we saw before the crisis with congestion on our train lines. This matter will be considered as part of the ten-year investment plan which we intend to publish in the next couple of weeks with a view to upgrading

those train lines significantly through additional carriages, electrification and car parks. As is the case with all these things, it is not possible to do them quickly. We would have done them four or five years ago had we not been broke, but unfortunately we were.

**Deputy Eugene Murphy:** The programme for Government made a strong commitment to deal with flood relief and flood defences. As the Fianna Fáil spokesperson for matters relating to the Office of Public Works, OPW, including flood relief, I am getting an increased number of calls from around the country from people who are extremely distressed because farms and businesses are being destroyed. People cannot get insurance. Many families have been turned down for the relocation policy. This is a major crisis.

Most disappointing of all, from 2011 to 2017 there has been a €53 million underspend on flood defences. Will the Taoiseach assure me that this issue will get proper focus in the national development plan, because having read it I am not happy with what is in it? Will the Taoiseach assure me that that €53 million will be used as quickly as possible where flood defences are needed? My county, Roscommon, has had no money spent on a major flood defence despite incredible damage caused in 2015 and 2016.

**The Taoiseach:** I do not have the details those budgetary allocations in front of me. However, I know that the Minister of State, Deputy Moran, is an extremely active and very effective Minister of State. Almost every Friday he is in some part of the country announcing a new scheme. I imagine if it is possible to spend the money, he will ensure that happens.

**Deputy Thomas Byrne:** I wish to raise an issue that has become of concern to people around the country, mainly British people but also other foreign nationals who have been living in this country for a considerable period of time. When applying for citizenship, the law stipulates that they need at least one year's continuous residence. In the case of a constituent of mine, Stephanie McCorkell from Ashbourne who has lived in Ashbourne for 40 years, it turns out that a new rule has been brought in which is not in the law or in any statutory instrument that a break of six weeks breaks the link completely.

There are retired people who may go for a camping holiday for six weeks in the summer or go to visit friends or relations in other countries and who are not breaking their continuous residence in the place where they live. My constituent has been denied citizenship because she was absent from the country for a six-week period last year. A straight and plain reading of the law makes it clear that the Department of Justice and Equality is not entitled to deny her and others citizenship on this basis. An article in *The Irish Times* over the weekend indicates that clearly there are other cases because many immigration solicitors have raised the issue. Some of them have contacted me after I tabled a parliamentary question on this case a number of weeks ago. Has the Minister changed the law without coming through the Oireachtas?

**Deputy Charles Flanagan:** There is no change in the law. The Ceann Comhairle will appreciate that there is a certain reluctance on my part to discuss individual cases on the floor of the House. However, I acknowledge a matter that Deputy Byrne has brought to my attention. I have asked that the matter be reviewed and sought a report on it. I do not have it to hand but I would be happy to engage further with Deputy Byrne on what, on the face of it, appears to be an important issue.

**Deputy Donnchadh Ó Laoghaire:** Mar an gcéanna leis an Teachta O'Reilly, tréaslaím leis an Taoiseach as an méid a dúirt sé inné. My question relates to the independent review

mechanism set up by Government to look into a number of Garda misconduct cases and other forms of Garda failures. In the cases reviewed, 315 cases were returned stating “no further action required”. This was all the information that complainants and families received. Many of these cases were quite sensitive, for example, the tragic death of Shane O’Farrell. Providing full information to the families can offer some closure to those affected, and some additional clarity. Would the Minister and Taoiseach agree that people should receive the rationale and reasons that the independent review mechanism concluded that no further action was required?

**Deputy Charles Flanagan:** I would be keen to ensure that as much information as possible would be given to people who have made complaints or who have grievances. On the specific case referred to by the Deputy, he will be aware the issue is the subject of an investigation by the Garda Síochána Ombudsman Commission, GSOC. It would, therefore, be unwise for me to make a comment at this stage but I acknowledge that there are issues and look forward to receiving the GSOC report at the earliest opportunity.

**Deputy Peter Fitzpatrick:** I want to ask the Taoiseach about the family courts Bill. The Department of Justice and Equality states that the purpose of the family courts Bill is to establish a dedicated family court in order to improve levels of judicial expertise and training in family law matters and streamline family law proceedings, thereby making them more user-friendly and less costly. As the Taoiseach knows, family court law operates in every small town and city in Ireland. The courts deal with personal and sensitive matters, including divorces, custodies, children in State care, child maintenance and domestic violence. Proceedings in these courts are very stressful. In a typical family court session, fathers and mothers fight over the possibility of having their children removed from their custody. While it was originally anticipated that a referendum to amend Article 34 of the Constitution would be required to remove any constitutional obstacle to the establishment of a separate family code, recent examination of these issues indicates that it would be possible to proceed with the establishment of a court in a manner which does not require such a referendum by establishing the court as a separate division within the existing court structure. What is keeping the family courts Bill from coming to the House?

**Deputy Charles Flanagan:** The Ceann Comhairle might give consideration to supplanting Taoiseach’s questions with questions to the Minister for Justice and Equality. Deputy Fitzpatrick raises an important point. During the course of my tenure as Minister for Justice and Equality, I intend to ensure a separate family law division within our courts system. I refer to the family courts Bill, the heads of which are undergoing preparation. I expect that will be completed in the course of the spring and summer, following which the matter will go to committee for pre-legislative scrutiny. It is important and I look forward to presenting the matter to the House, perhaps later this year.

**Deputy Pat Buckley:** In the programme for Government, under the heading, Working to Make Our Older Years Better Years, it states: “We will review legislation relating to elder abuse.” Has the Government any plans to introduce legislation to tackle the issue of social charges in private nursing homes? In recent months, I have been approached by a number of my constituents who are concerned about the very high costs. In some cases, the individual does not even retain the 20% portion of his or her State pension. Surely something has to be done? Some of these extra charges could be described as financial abuse of our elderly.

**The Taoiseach:** There is no specific legislation proposed on that matter but I know the Minister of State, Deputy Jim Daly, is examining it to ensure there is at least proper transparency about charges and that people are not double-charged.

**Deputy Aindrias Moynihan:** The programme for Government commits to enhancing primary care services in the community, including access to X-ray and ultrasound services locally. Chiropractors are concerned that impending secondary legislation will interfere with their access to X-ray services. Accurate diagnosis and safe treatment delivery often require access to and the use of imagery such as X-rays. Will chiropractors be facilitated in the secondary legislation in the same way as chiropractors are in parts of the European Union? The secondary legislation is EU regulations on standards of protection against dangers arising from medical exposure to ionising radiation.

**The Taoiseach:** I will ask the Minister for Health to provide the Deputy with a detailed note on the matter. On the face of it, we should bear in mind what an X-ray is. It exposes patients and others to radiation, which nobody does without good reason. X-rays should only be ordered by doctors and specialist nurses qualified to do so. Chiropractors are practitioners of a form of alternative medicine and I would have concerns about them being able to prescribe exposure of patients to radiation.

**Deputy John Brassil:** Page 125 of the programme for Government outlines support for an LNG project in Ballylongford, County Kerry. The owner of the land bank, Shannon Properties, sought expressions of interest in April last year and the sale was to have been completed by August. I understand a number of companies have made a bid, but we are approaching the end of January and still have no indication as to whether there has been a successful bid or the timeline for progression of this key infrastructural development for north Kerry-west Limerick and in meeting the energy interests of the State.

**The Taoiseach:** I am familiar with the project and have met the promoters, but I do not have any information on the land sale.

**Deputy John Brassil:** Perhaps the Taoiseach might get some.

**The Taoiseach:** Who owns the land?

**Deputy John Brassil:** Shannon Properties. It is State land.

**The Taoiseach:** The Deputy should telephone or write to it. I can make inquiries for him, but I do not have information on Shannon Properties.

**Deputy Brian Stanley:** I, too, would like to raise the issue of chiropractors being able to access X-ray services. The statutory instrument concerned which is due to come into force on 6 February will impose restrictions on chiropractors. The Taoiseach stated that his preference would be for X-rays to be ordered by doctors. Chiropractors go through a certification and qualifications process, operate to a high standard and are overseen by a regulatory body. In fairness, they are qualified practitioners providing a service. Chiropractors in England, Scotland and Wales and Northern Ireland will continue to be able to provide this service. I am sure the Medical Council in Britain or Northern Ireland did not brush away such concerns. Will the Taoiseach request his colleague, the Minister for Health, Deputy Simon Harris, to correspond directly with me and Deputy Aindrias Moynihan on the matter? As I said, the statutory instrument will come into force on 6 February.

**The Taoiseach:** I am not properly informed on the matter. For my own education, I will ask for a note on it from the Minister for Health and ensure it is passed on to the Deputies.

**An Ceann Comhairle:** Some individual cases were referred to during the course of Leaders' Questions. The convention is that personal cases are raised through the parliamentary questions system, using the details supplied mechanism. I ask Deputies to adhere to this convention and not to raise individual cases during Leaders' Questions on the floor of the House.

**Petroleum and Other Minerals Development (Climate Emergency Measures) Bill 2017:  
Leave to Withdraw [Private Members]**

**Deputy Bríd Smith:** I move:

That, notwithstanding anything in Standing Orders, leave be granted to withdraw the Petroleum and Other Minerals Development (Climate Emergency Measures) Bill 2017.

Question put and agreed to.

**Petroleum and Other Minerals Development (Amendment) (Climate Emergency Measures) Bill 2018: First Stage**

**Deputy Bríd Smith:** I move:

That leave be granted to introduce a Bill entitled an Act to provide for the amendment of the Petroleum and Other Minerals Development Act 1960, to ensure regard is had to national and global environmental considerations including the annual average global temperature, the monthly mean level of carbon dioxide in the atmosphere and other matters, when issuing licences, undertakings and leases under the Petroleum and Other Minerals Development Act 1960 and to provide for related matters.

Similar to the Bill I have just withdrawn, this Bill seeks to stop the issuing by the State of licences for further exploration of fossil fuels in this country. However, it is a little more robust and the language has been altered in that it takes account of the Government's policies on climate change. As stated this morning by Professor John Sweeney of Maynooth University at a briefing in the AV Room, the Bill is fully in line with Government policy. When speaking recently about Ireland's performance on climate change, the Taoiseach described Ireland as the laggard in Europe, something with which I agree. The Bill attempts to address that issue and in so doing takes into account the Government's national transition objectives, the national mitigation plan and all national adaptation frameworks on climate change.

Second Stage will be taken next Wednesday and I appeal to all Deputies to take the Bill seriously. This is one of the most crucial issues facing not only Ireland but also the planet. We have done a great deal of work on the Bill and would like Deputies to take on board what we are trying to do and take it seriously because we do not have a lot of time to act. The issue is urgent. In the past five years the Opposition introduced Bills to remove the eighth amendment, but they were rejected time and again. Five years on, they are being adopted by the Government. However, we do not have five years to wait to deal with the question of climate change. We need to catch up on performance so as not be the laggard of Europe. I look forward to debating the Bill next Wednesday.

**An Ceann Comhairle:** Is the Bill being opposed?

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**Minister of State at the Department of the Taoiseach (Deputy Joe McHugh):** No.

Question put and agreed to.

**An Ceann Comhairle:** Since this is a Private Members' Bill, Second Stage must, under Standing Orders, be taken in Private Members' time.

**Deputy Bríd Smith:** I move: "That the Bill be taken in Private Members' time."

Question put and agreed to.

### **Kigali Amendment to the Montreal Protocol: Referral to Select Committee**

**Minister of State at the Department of the Taoiseach (Deputy Joe McHugh):** I move:

That the proposal that Dáil Éireann approve the terms of the Kigali Amendment to the Montreal Protocol on substances that deplete the ozone layer, done at Kigali on the 15th day of October 2016, a copy of which was laid before Dáil Éireann on 16th November 2017, be referred to the Select Committee on Communications, Climate Action and Environment, in accordance with Standing Order 84A(3)(b), which, not later than 13th February 2018, shall send a message to the Dáil in the manner prescribed in Standing Order 90, and Standing Order 89(2) shall accordingly apply.

Question put and agreed to.

## **Ceisteanna - Questions**

### **Taoiseach's Meetings and Engagements**

1. **Deputy Brendan Howlin** asked the Taoiseach if he will report on his visit to Lebanon and his engagements there. [54821/17]

2. **Deputy Gerry Adams** asked the Taoiseach if he will report on his recent visit to Lebanon. [1285/18]

3. **Deputy Micheál Martin** asked the Taoiseach if he will report on his recent trip to Lebanon; the meetings that were held; and the detail of his discussions with the Defence Force while there. [1383/18]

4. **Deputy Michael Moynihan** asked the Taoiseach if he will report on his recent trip to Lebanon. [1398/18]

5. **Deputy Richard Boyd Barrett** asked the Taoiseach if he will report on his visit to the Irish troops in Lebanon. [1833/18]

6. **Deputy Joan Burton** asked the Taoiseach if he will report on his recent trip to Lebanon. [3004/18]

**The Taoiseach:** I propose to take Questions Nos. 1 to 6, inclusive, together.

On 21 December last I travelled to Lebanon to visit members of the Defence Forces serving with the United Nations Interim Force in Lebanon, UNIFIL. The purpose of my visit was to demonstrate Government support for the UNIFIL mission and the Defence Forces serving overseas and also for me to gain a better understanding of the work they do. I was accompanied by the Minister of State with responsibility for defence, Deputy Paul Kehoe, and the Chief of Staff of the Defence Forces, Vice Admiral Mark Mellett.

Ireland has contributed strongly to UNIFIL since the force's establishment in 1978. Today it represents Ireland's largest overseas deployment, with some 380 members of the Defence Forces deployed. These women and men work alongside Finnish and Estonian troops and serve in a joint battalion. The current UNIFIL force commander is Major General Michael Beary of the Defence Forces. The visit provided an opportunity to see at first-hand the security challenges faced by UNIFIL in southern Lebanon. At mission headquarters Major General Beary briefed me on operations and I laid a wreath at the memorial to deceased UNIFIL troops. I toured the blue line between Lebanon and Israel and observed operations and capacity demonstrations, including with members of the Lebanese armed forces who are being trained by our armed forces. I had the opportunity to meet the Irish troops serving with the 111th Battalion under Lieutenant Colonel Neil Nolan, most of whom come from the Cork area. At the Tibnin monument to Irish troops who died while serving in Lebanon, I laid a wreath and met representatives of local communities in south Lebanon.

During my meetings with the Irish troops I thanked them on behalf of the Government and the people for their service, especially in being away from their families and friends at Christmas. I also emphasised Ireland's strong commitment to the peacekeeping work of the United Nations and paid tribute to the contribution of the Defence Forces and the vital work they were doing, not only in southern Lebanon but in all missions with which our troops have served and continue to serve with distinction and courage.

**Deputy Brendan Howlin:** The Taoiseach's trip to Lebanon to visit the 343 Irish troops serving with the UN-mandated UNIFIL mission was important and I commend him for it. I also welcome his decision to lay a wreath in memory of the 47 Irish soldiers who had lost their lives in the pursuit of peace in the region since 1978. Will he indicate whether he had any political meeting during his trip? If so, whom did he meet?

Speaking in Lebanon, did the Taoiseach at any point raise the Government's concerns about the move of the United States embassy to Jerusalem? Did he have an opportunity to reiterate the Irish and EU stance on the importance of the maintenance of the position on Jerusalem until such time as there was a comprehensive peace agreement? Will he indicate when the Government will formally recognise the state of Palestine? Was he asked about the matter when in the region and did he make observations on it?

On the Taoiseach's discussions with the senior military personnel who accompanied him or were stationed in Lebanon, did he have discussions on the evolving role of this country in respect of PESCO? In which of the 17 projects outlined in PESCO will Ireland participate?

**Deputy Louise O'Reilly:** I join the Taoiseach in commending the Irish peacekeeping troops based in Lebanon who are contributing to UN efforts to maintain peace in that dangerous region. I acknowledge his concern about the decision made in December by the US President, Mr. Trump, to recognise Jerusalem as the capital of Israel. The decision is in contravention of established international understandings and UN resolutions and has significantly heightened

tensions in the Middle East. President Trump has substantially cut US funding for the United Nations Relief and Works Agency, UNRWA, for Palestinian refugees in the Near East. At Davos he threatened to cut all aid to Palestine and close the Palestinian office in Washington. He is ignoring the rights of the Palestinian people in his support for Israel.

Currently, 350 children are held in Israeli prisons. Among them is 16-year-old Ahed Tamimi who faces up to ten years in prison for slapping an Israeli soldier. Tomorrow will be her 17th birthday which she will celebrate in an Israeli military court. Will the Taoiseach join me in calling for her and all imprisoned Palestinian children to be released? Will he consider committing to increasing our funding for UNRWA, as Belgium has done, to make up some of the shortfall as a result of President Trump's dangerous decision? Will the Government support Senator Francis Black's Occupied Territories Bill which would ban trade in goods produced by Israel in the illegal settlements? Will the Taoiseach agree to implement the Oireachtas decision of three years ago to recognise the state of Palestine and upgrade the Palestinian mission in Dublin to the status of a full embassy?

**Deputy Micheál Martin:** I too have had the privilege of visiting our troops serving overseas in the cause of peace, including in the Middle East. They are a source of immense pride for the country and always have been. One is always struck by the warmth with which they are received by host populations and the acceptance of their bona fides in making a contribution and their objectivity in peacekeeping and peace enforcement. The work of the men and women of Óglaigh na hÉireann in Lebanon and elsewhere is one of our most important contributions to the world.

Considering that I have raised this issue with the Taoiseach here on a number of occasions, he is fully aware of what I describe as the appalling treatment many of our soldiers and their families are receiving at the hands of the State. The simple fact is that many of them are living at little more than subsistence level. This has been well documented by the spouses of many working in the Army. Therefore, there is a significant divergence between the laudatory rhetoric in which the State engages and in which we engage when we celebrate the contribution of our troops overseas and the accounts of the quality of the conditions in which the troops work, the lack of investment and any significant paradigm shift in the recruitment and retention of those who work in the Defence Forces generally. I do not know whether this issue was raised with the Taoiseach in Lebanon in any shape or form or whether he made any attempt to address the legitimate concerns of the Army and Defence Forces personnel generally.

The security position in the region gives cause for real concern. The instability of Lebanon's government, the role of Hezbollah, the circumstances in Syria and the increasingly assertive policy of Mr. Netanyahu and his government all add up to being very combustible.

Has there been any communication between the Taoiseach and the US Government on the threatened cuts to the funding for UNRWA? Palestinians will be in a perilous state if the cuts proceed. The recognition of Jerusalem by the United States as the capital of Israel is posing immense challenges to all those genuinely interested in peace in the region.

**Deputy Richard Boyd Barrett:** Obviously, it was positive to visit our troops. There is no doubt about their bravery and the importance of the work they do, but we really have to up the ante in our political criticism and questioning of what Israel is doing. As mentioned, there are many child prisoners, including Ahed Tamimi, while illegal settlement continues. Also to be considered is the strangulation of Gaza and the appalling humanitarian circumstances there.

Specifically regarding our troops, I presume the Taoiseach is aware that there have been some worrying signs of what Israel is talking about regarding Lebanon. This month Brigadier General Manelis, the Israeli defence forces spokesperson, warned of a possible war, another war, between Israel and Lebanon. In the summer of last year which was, interestingly, the same time Irish troops were forced to go to ground in the buffer zone in Syria having been fired upon by certain rebel groups that are reputedly co-operating with the Israelis Israel was talking about the UN presence in southern Lebanon as being unnecessary, implying cover was being given to Hezbollah. Israel was making all sorts of excuse to criticise the UN presence in the region. This is the sort of stuff that preceded previous Israeli attacks in Lebanon where thousands of people have been killed, including UN peacekeepers on a number of occasions. Therefore, we need to be robust in our criticism of Israel's warmongering in this regard.

**Deputy Joan Burton:** It is welcome that the Taoiseach visited Óglaigh na hÉireann on its mission abroad. It is very important that the Irish Army receive recognition from the highest level of the Government. In Irish troops' various peacekeeping missions around the world - their mission in Lebanon has been one of their longest - they are recognised as being peacemakers and able to defuse circumstances that would otherwise be very tense and difficult, often at great personal risk, and which have resulted in death and injury in a number of cases. We really should pay tribute to them for their professionalism, commitment and peacemaking. That is a tribute to the peacemaking mandate of the United Nations, with which it is important that we continue.

What is the position of the Taoiseach on the conflict between Israel and the people of Palestine? Traditionally, the role of Ireland, as a small country - these are two small countries - has been to act as a peacemaker. That role should continue. A lot of people who have been involved at different times in Middle East peace processes were deeply disappointed at the move by President Trump on the location of the American Embassy. I think that possibly has more to do with internal politics. Could the Taoiseach confirm that Ireland remains committed to a two-state solution, namely, that we recognise the state of Israel but that, as a Dáil, we will move to recognise Palestine?

**The Taoiseach:** I wish to restate what a privilege it was to visit our troops in Lebanon. Next year will be the 40th anniversary of Irish participation in Lebanon, with a small gap. A total of 32,000 Irish people have served in Lebanon, which is a huge number. Almost everyone knows somebody who has served in "the Leb" at some stage. What they have managed to do in south Lebanon is to allow people living in that part of the country to have a normal life. A lot of the troops who have come back to see south Lebanon, having been there 20 years or 30 years ago, say they cannot get over how stable it is, and how much economic development is now happening, in particular as the Lebanese diaspora bring their money back into the country. That would not be possible were it not for the UN mission in that region, essentially providing a buffer zone between Lebanon and Israel.

It is also a very important part of our foreign policy that we show our commitment to multilateralism by making our troops available to serve on those missions. There are other missions of great importance under way, such as in Mali, for example.

I did not have any political meetings. I met with some of the local council leaders, but they were courtesy calls. There were no meetings with politicians, as such. Inquiries were made about meeting with Prime Minister Hariri but it just was not possible to do it given the short timeframe in which the visit happened.

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While I was there, an increase in tensions was reported as a result of the decision of the US administration to recognise Jerusalem as the capital of Israel. There was a march on the blue line but thankfully no life was lost. Ireland's position is that our embassy in Israel remains in Tel Aviv and until there is a peace settlement between Israel and the Palestinians we will not recognise Jerusalem as the capital of Israel. We disagree with the US administration's decision to do so and we voted accordingly in the United Nations and recorded our protest with the US Embassy. We believe that by taking the decision to recognise Jerusalem as Israel's capital the United States has made it much harder for it to be seen as an honest broker in terms of a future peace settlement.

It is the Government's position that we are committed to a two-state solution - the establishment of a Palestinian state living side by side and at peace with Israel - and not threatening its security. In terms of recognition, what the programme for Government says is that we recognise the state of Palestine in the context of a peace agreement. There is no peace agreement as yet. We would have to think long and hard as a Government about recognising a state that does not exist. It does not exist because it is under occupation and we would have to consider the consequences of that. We know that when Sweden recognised the state of Palestine the response from the Israeli Government was to then lock it out of any engagement on the issue.

We are very engaged in the region. As the Tánaiste and Minister for Foreign Affairs and Trade, Deputy Coveney, will explain in his speech in the Seanad tonight, we are involved in a significant number of projects in the Palestinian territories, including a solar farm that we are going to help build in the buffer area between the Gaza wall and Israel which will allow Palestinians to have power for more than four hours a day. If we recognise the state of Palestine, while I have no doubt that would have an effect in terms of solidarity, we would then be cut out of doing all the good things we are currently doing to assist Palestinian people on a practical basis every day. It is one of those decisions one has to make as to whether one wants to stand up for people all the time or whether one wants to do practical things to help them. Generally, I fall on the side of helping people rather than shouting for them.

On PESCO, we have not decided yet which programmes we are going to opt in to but they will most likely be around counterterrorism, marine security and harbour protection, but that is not decided yet. We will be increasing our funding to organisations that help Palestinians. The Tánaiste and Minister for Foreign Affairs and Trade, Deputy Coveney, will make a statement about that in due course. We very much regret and disagree with the policy decision of the United States to cut its funding to UNWRA.

In terms of our Defence Forces more generally, pay restoration is now under way. As part of the public service agreement with public servants, pay will rise between 6.2% and 7.4% over the lifetime of the agreement, fully reversing all pay cuts applied to people earning up to €70,000 and also reversing the 5% cut in allowances.

### **Cabinet Committee Meetings**

7. **Deputy Gerry Adams** asked the Taoiseach when Cabinet committee D, infrastructure, last met; and when it is scheduled to meet again. [1286/18]

8. **Deputy Michael Moynihan** asked the Taoiseach if he will report on Cabinet committee D, infrastructure. [1400/18]

9. **Deputy Richard Boyd Barrett** asked the Taoiseach when Cabinet committee D, infrastructure, will next meet. [1832/18]

10. **Deputy Joan Burton** asked the Taoiseach when Cabinet committee D, infrastructure, last met; and when it plans to next meet. [3005/18]

11. **Deputy Brendan Howlin** asked the Taoiseach when Cabinet committee D, infrastructure, last met; and when it plans to meet next. [3377/18]

**The Taoiseach:** I propose to take Questions Nos. 7 to 11, inclusive, together.

Cabinet committee D has met twice, on 12 September 2017 and 23 November 2017. It is scheduled to meet again on 1 February 2018. As I previously indicated, Cabinet committee D was established to cover the areas of housing, climate action, infrastructure investment and delivery, the national planning framework and the ten-year capital plan.

In regard to housing, the Government has announced a number of additional measures following a review of Rebuilding Ireland. A second housing summit was held on Monday, 22 January and a range of new affordability schemes were announced including the Rebuilding Ireland home loan, the affordable purchase scheme, and the affordable rent scheme.

Additional actions previously announced include measures contained in the budget to increase expenditure, taxation changes, and the establishment of Home Building Finance Ireland to provide additional finance to developers. The Minister for Housing, Planning and Local Government has also announced further actions in relation to the rental market, and published updated draft guidelines for planning authorities on apartment development, to ensure that the right stock of homes is being built, in the right locations.

Rebuilding Ireland is working but it will take time. In 2017 a total of 25,892 new households had their housing needs met under Rebuilding Ireland, an increase of 36% compared to 2016. That is 100 individuals and families being housed by the State every working day. The latest available housing market data show that residential construction activity is now picking up.

On climate change, Ireland is committed to concerted multilateral action through the Paris Agreement. While the Minister for Communications, Climate Action and Environment, Deputy Naughten, and his Department have responsibility for climate change, Ireland's response to climate change is about broad cross-cutting issues that requires a whole-of-Government response, in addition to engagement with our EU partners.

Ireland's first national mitigation plan, published in July 2017, sets out the Government's collective approach to reducing Ireland's own greenhouse gas emissions. It represents the first in a series of roadmaps across all sectors to make progress towards Ireland's national transition objective. In addition to the national mitigation plan, Ireland's first statutory national adaptation framework was published by the Minister, Deputy Naughten, on 19 January. It specifies the national strategy for the application of adaptation measures in different sectors and by local authorities in order to reduce Ireland's vulnerability to the negative effects of climate change. Climate Action will also be one of the main themes of the forthcoming ten-year infrastructure plan.

Cabinet committee D is contributing to the development of the national planning framework

and new ten-year capital plan. This long-term approach will provide clarity, coherence and certainty in relation to planning and capital expenditure. The ten-year plan will be finalised in tandem with the national planning framework in the coming weeks.

**Deputy Louise O'Reilly:** Will the Taoiseach comment on reports that the Dublin Region Homeless Executive, DRHE, proposed restrictions on the right of charities dealing with homeless citizens to speak to the media? Can the Taoiseach state whether Cabinet committee D at any time discussed this proposal and if the Minister for Housing, Planning and Local Government, or his officials, had any act or part in this action by the DRHE?

Second, the Oireachtas housing committee published a report authored by my colleague, Teachta Ó Broin, last week entitled, *Safe as Houses*, which received cross-party support. It makes 26 recommendations to ensure better compliance with building standards and to strengthen consumer protection for homeowners and council tenants. Given the ongoing efforts to encourage building it is imperative that the building control system in place is robust and consumers are protected. Has the Taoiseach had an opportunity to read this report? Will Cabinet committee D discuss it? Does the Taoiseach accept that greater accountability and protections are needed in the construction of homes and will the Government seriously examine implementing the recommendations?

Finally, President Trump last week at Davos again denied the existence of climate change and global warming. Last November Professor John FitzGerald of the Climate Change Advisory Council warned that this State is going to miss its 2020 greenhouse gas emission targets. That could cost the State hundreds of millions of euro in fines. When published, the national mitigation plan was widely criticised for its lack of ambition. The national adaptation framework was published earlier this month. Its headline grabbing measure was the establishment of regional climate change offices and the requirement for Ministers to produce sectoral adaptation plans. Will the Taoiseach indicate when these offices will be established and how long it will be before Ministers will produce specific sectoral plans?

**Deputy Micheál Martin:** In recent months, the Taoiseach's refusal to answer simple factual questions has been a feature of this series of exchanges. Several times I have asked for basic information about decisions on infrastructure and investment. What tends to happen is that the Taoiseach goes on talking about other issues that have not been asked about but not about the specific questions asked.

The infrastructure plan will soon be published. It was first drafted well over a year ago. The main figures in it were used by the Taoiseach when he was campaigning for the Fine Gael leadership. It has been repeatedly delayed to prepare for the new propaganda campaign that will get under way once it is published.

Will the Taoiseach tell us how many of the projects in the new ten-year plan have already been announced in the current five-year plan? Will he give us guarantees that detailed costings have been sought for the projects that will be announced? Will the Taoiseach give us an assurance that the role of independent agencies will have been respected in deciding on the location and nature of projects? As I have said, I have come across evidence of where Ministers are ringing people to tell them to get their applications in fast without the due diligence or needs assessment that should have informed such presentations.

I put it to the Taoiseach that all this glossy stuff and all the propaganda will follow. When

we look at the example of Tallaght, as I gave it to the Taoiseach earlier, it puts all of this in context. A tender was issued in December with the intention of awarding the contract in March. The HSE has now extended the tender process to October with the contract due for early 2019. It is for a renal unit. Therein lies the codology and the three-card trick nature of what is going on.

**Deputy Richard Boyd Barrett:** Of the many pressing infrastructure needs the country has, the most pressing is being able to put an affordable roof over the heads of our citizens. This is vital from a social and economic point of view. Given that in the budget the Taoiseach committed, between the local infrastructure housing activation fund, LIHAF, and Home Building Finance Ireland, approximately €1 billion in supports for private developers to deliver housing, what, if anything, is the Government doing to ensure that we are going to get an appropriate return in terms of affordable housing? It amounts to public investment being given to private developers.

When the LIHAF proposal was first introduced, for example, the Government announced that 40% of any development supported by LIHAF was going to be affordable. Within a month, that was gone. Now, there is no guaranteed percentage and no definition of affordability. All this money is going out but nothing is guaranteed. The same applies with Home Building Finance Ireland, the Ireland Strategic Investment Fund and NAMA land. There are no guarantees that for anything built, in some cases in particularly large developments, any significant or guaranteed proportion will actually be affordable.

I wish to remind the Taoiseach that prior to the crash we were building 90,000 houses per year. They were unaffordable. That is part of the reason we had a crash. We can up the supply but if the prices being charged by private developers are unaffordable, it is not sustainable. What commitments are we getting on affordability?

**Deputy Joan Burton:** I am sorry to tell the Taoiseach about this although he may have some personal experience of it. It has been happening every morning since the new Luas to Broombridge opened. It is a fine development that I strongly supported in government and I am delighted to see it open. However, the centre of Dublin, our capital city, is completely gridlocked every morning. Thousands of people are between half an hour to an hour late for work every day. I see Deputy Haughey nodding in agreement, I think. It affects anyone who is a user of public transport in this city. It is simply desperate. The bad news is that we seek the Minister for Transport, Tourism and Sport here and there but he does not seem to be anywhere.

**Deputy Micheál Martin:** Deputy Burton will find him in Stepside.

**Deputy Joan Burton:** Nothing will change unless the Minister for Transport, Tourism and Sport intervenes at the Taoiseach's request. Most of the big trams are not arriving – they are late. They are not coming until March. At that point, the whole of the central area will close down. I imagine the Minister for Finance and Public Expenditure and Reform, Deputy Donohoe, is familiar with this as well.

I regularly go on the bus simply to see if there is any improvement. The drivers are beyond their wits' end. There is chaos on the main streets of our capital. The queues on the quays are backed up to Prussia Street and Aughrim Street and all along the quays. All of the northside is the same and, I am told, it is the same for people coming in from the southside.

The Taoiseach represents a Dublin constituency. The Luas is a great achievement. The

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Taoiseach uses phrases like “inter-connected-whole-of-government”. Will he find the Minister for Transport, Tourism and Sport and put him on a tram or bus or get him to walk? I do not care which option he chooses. Will he get the Minister on a bus to allow him to see and feel the frustration of the staff and especially of the passengers?

**An Ceann Comhairle:** It seems we are as bad as the trains and buses at keeping time – some of us, anyway.

**Deputy Brendan Howlin:** The Ceann Comhairle knows that I am very disciplined on these matters.

**An Ceann Comhairle:** You are.

**Deputy Brendan Howlin:** I want to deal with the capital plan as well. I am glad the Minister for Finance and Public, Expenditure and Reform is present. When will the capital plan be published? Earlier, in a different debate, the Taoiseach told us that it would be in the coming weeks. I do not believe for a moment that the Government propaganda unit, with its €5 million to spend, has not already got detailed plans, colour documents, logos and websites planned. Specifically, when will the capital plan be published?

My next question is specifically about public private partnerships. The Minister for Public Expenditure and Reform, Deputy Donohoe, will recall that when in government I restricted PPPs to 10% of the total capital spend. We could not get as much money as we needed. In the worst of times people did not lend us money. We could not spend it because of the restrictions on spending in any event, and thus PPPs were an option. After the experience with Carillion, I hope that the 10% ceiling will not be breached. I listened with care to the arguments to the contrary from Fianna Fáil at the end of last year when the party demanded significant expansion of PPPs.

Will the Taoiseach provide an update on where we are with Carillion? My understanding is that it now falls to the PPP company, which is now the Dutch infrastructure company, to re-award the construction contract to either the subcontractor, Sammon Construction, or to some other entity to ensure the unfinished schools can be completed. As I understand it, there are two completed schools now. Loreto secondary school in Wexford, the project I am most familiar with, is ready to be occupied and was to be occupied last week. Will the Taoiseach give an update on when those schools can be occupied?

**The Taoiseach:** Deputy O'Reilly asked about Cabinet committee D. We did not discuss any proposed gagging clause for service providers. That matter did not go before the committee. Certainly, it is not something I would agree with. At the same time, though, I expect public money to be spent on services and not on other things.

The Department of Housing, Planning and Local Government, in line with Government spending rules, is now carrying out an audit of the different charities and NGOs that operate in the housing and homelessness sectors because the funding for them has exceeded the €100 million threshold. The figure will be €113 million or €120 million this year.

**Deputy Brendan Howlin:** That is amazing.

**The Taoiseach:** It is appropriate, in line with Government rules, to carry out an audit of how the money was spent to ensure the money is spent on providing services for people and not

duplicating other activities.

I have not had a chance to read the Oireachtas committee report yet but the Government will examine the report and provide a reasoned response. All of us, through our constituency work, will be familiar with people who live in houses or apartments that were not built up to standard. These people will now be stuck with those consequences for the rest of their lives, or if not for the rest of their lives, for a long time at least.

On climate change, as we all know, the 2020 targets will be difficult to meet. We had a lost decade, a recessionary period during which we could not make the types of capital investments we would have liked to make. In addition, when the targets were set they did not fully comprehend the fact that Ireland's economy does not have much heavy industry. Many countries are meeting their targets by closing down dirty heavy industries that we did not have in the first place. These are the two reasons it will be difficult for Ireland to meet the 2020 targets. However, the 2030 targets are probably more achievable and we must ensure we meet them.

On the ten-year investment plan, as it is still in draft form, I am not yet able to indicate how many projects it contains and what proportion of them are existing projects. However, it would be fair to conclude that many of these projects are in progress. It is a ten-year plan running from 2018 until 2027 and some of the projects in it are not new. Metro north, for example, which is due to start in 2021, will obviously be restated in the plan, as will projects such as the national children's hospital, which are only starting now. Sites at which construction has commenced include St. James's, Blanchardstown and Tallaght hospitals. While I accept that a renal unit is not yet under construction in Tallaght hospital, the paediatric unit is under construction and it is great to see cranes beside the hospitals again.

**Deputy Micheál Martin:** What does the Taoiseach make of the shifting sands?

**The Taoiseach:** We have not yet set a date for the publication of the capital plan and no decision has been made on the public private partnerships, PPP, rule.

**Deputy Brendan Howlin:** What is the position regarding Carillion?

**The Taoiseach:** I do not have an update on Carillion, except to note that the National Development Finance Agency and the Department of Education and Skills are working to resolve the matter as quickly as possible. I heard a radio report this morning on children and teachers who are very keen to get into their new school and we are keen to make that happen as soon as possible.

On Home Building Finance Ireland, HBFI, the Government made a decision today to prepare legislation for the HBFI. It is important to make a distinction between loans and grants. HBFI will provide loans to developers who will use the money to build houses and apartments - homes for people - and then repay it with interest. I have read some poor commentary comparing the amount of money we are providing for social housing with the amount we are providing to HBFI. There is a difference between grants and loans. With the latter, one gets all the money back plus interest.

**Deputy Richard Boyd Barrett:** We also get all our money back with social housing.

**The Taoiseach:** This vehicle will not cost us anything. We will make a profit out of it because the developers will have to repay the full loans with interest, which is much different

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from grants. In the meantime, the developers will use the money to build houses and homes and increase the supply of all forms of housing at all different price levels, which is what we should be doing.

LIHAF, the local infrastructure housing activation fund, is different because it is the State doing what it should do, namely, building infrastructure to make lands accessible. It provides funding for housing infrastructure such as roads and water.

I very much agree with Deputy Burton on traffic in Dublin. It was particularly bad this morning.

**Deputy Joan Burton:** The position is desperate.

**The Taoiseach:** It took me 75 minutes to travel into the city. It was not as bad last week.

**Deputy Joan Burton:** It was just as bad last week.

**The Taoiseach:** I am not sure the problem has been caused by the Luas. As Deputy Burton stated, additional Luas carriages will come on stream in March. Much of the reason for the increase in traffic is that the economy has bounced back. It is recovering and expanding and there are more and more people working, which will require much more investment in public transport, particularly in the city of Dublin. We intend to do exactly that.

**An Ceann Comhairle:** We have less than ten minutes remaining for the next group of questions.

**The Taoiseach:** I thought I was finished.

**An Ceann Comhairle:** That is a case of wishful thinking.

### **Taoiseach's Meetings and Engagements**

12. **Deputy Gerry Adams** asked the Taoiseach if he will report on his engagement with the Prime Minister of Hungary, Mr. Viktor Orbán, on 4 January 2018. [1287/18]

13. **Deputy Brendan Howlin** asked the Taoiseach if he will report on his visit to the Hungarian Prime Minister, Mr. Viktor Orbán, on 4 January 2018. [1288/18]

14. **Deputy Micheál Martin** asked the Taoiseach if he will report on his visit to Hungary; the meetings that were held; and the issues that were discussed with Mr. Viktor Orbán. [1382/18]

15. **Deputy Seán Haughey** asked the Taoiseach if the issue of European immigration was raised when he met Mr. Viktor Orbán while in Hungary. [1447/18]

16. **Deputy Richard Boyd Barrett** asked the Taoiseach if he will report on his visit to Hungary and his meeting with Prime Minister Viktor Orbán. [1680/18]

17. **Deputy Ruth Coppinger** asked the Taoiseach if he will report on his meeting with the Prime Minister of Hungary. [1789/18]

18. **Deputy Gerry Adams** asked the Taoiseach if he will report on his engagement with the Prime Minister of Bulgaria, Mr. Boyko Borisov, on 5 January 2018. [1830/18]

19. **Deputy Joan Burton** asked the Taoiseach if he will report on his meeting with the Hungarian Prime Minister, Mr. Viktor Orbán, on 4 January 2018. [1834/18]

20. **Deputy Joan Burton** asked the Taoiseach the contact he has had with the Bulgarian Prime Minister, Mr. Boyko Borisov, since Bulgaria assumed the Presidency of EU on 1 January 2018. [1835/18]

21. **Deputy Eamon Ryan** asked the Taoiseach if he will report on his visits to Hungary and Bulgaria. [3094/18]

**The Taoiseach:** I propose to take Questions Nos. 12 to 21, inclusive, together.

I travelled to Budapest on 4 January for a bilateral meeting with Prime Minister Viktor Orbán and onwards to Sofia on 5 January to meet Prime Minister Boyko Borisov. I was accompanied on both visits by the Minister of State with responsibility for European affairs, Deputy Helen McEntee. The meeting with Prime Minister Borisov was an opportunity, in particular, to have detailed discussions about plans and priorities for the incoming Bulgarian Presidency of the Council over the next six months. The visits were also part of the Government's ongoing programme of political engagement with EU partners in the context of discussions on the future of Europe and the Brexit negotiations.

Agendas for both meetings included Brexit; enlargement of the European Union, particularly into the western Balkans; the need to ensure the EU remains economically competitive; the post-2020 European budget; and bilateral relations. I thanked both Prime Ministers for their support and understanding on the specific Irish concerns arising from Brexit. This was especially important in facilitating the agreement reached at the European Council in December, allowing negotiations to proceed to the second phase. In reply, both Prime Ministers expressed their continuing support for ensuring the commitments entered into are delivered in full, including in the legal text. While Brexit does not affect countries in central and eastern Europe in the way it affects Ireland, I am reassured that Bulgaria and Hungary are 100% behind Ireland's position.

In addition, we agreed on the need to provide certainty to our citizens and businesses on the nature of a period of transition and to begin to shape the framework for the United Kingdom's future relationship with the European Union. Both Prime Ministers agreed that this future relationship should be as close as possible. I will continue to work closely with them and our other EU partners as this work advances in 2018.

Regarding the western Balkans and their perspective for EU accession, this issue is of strategic importance to both Hungary and Bulgaria owing to their geographic proximity to the western Balkans. It is also one of the Bulgarian Presidency's key priorities. I reaffirmed Ireland's support for the eventual accession of the western Balkan states to the European Union once the necessary conditions have been met. The EU has been a driver of peace and prosperity and the forging of closer links with this region will be of benefit to the countries of the western Balkans in bringing growth and stability. In this regard, I pointed to the important role of the UK's and Ireland's shared membership of the EU in securing peace on this island. I am, therefore, reassured that the countries of central and eastern Europe view Brexit as we do and that we view the western Balkans as they do.

On EU competitiveness, I emphasised the importance of unlocking the full potential of the digital single market. Both Hungary and Bulgaria are fully supportive and agree that this is

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crucial to supporting the growth and jobs of tomorrow.

On the EU budget, I had very constructive exchanges with both Prime Ministers on the need to ensure Europe is equipped with a budget to meet the challenges of the future. This is a debate that will get fully under way in 2018, including at next month's informal European Council meeting on 23 February.

Both Prime Ministers expressed their concern to ensure adequate Cohesion Funding and both agreed the need for continued support for the Common Agricultural Policy.

During the meeting with Prime Minister Orbán, I raised the issue of rule of law in Hungary and the concerns raised by the European Commission and others regarding freedoms of the press and judiciary, which I share. I also raised the Hungarian law on non-governmental organisations and its law on higher education which threatens the Central European University in Budapest and for which Hungary has been referred to the European Court of Justice. I also discussed with the Prime Minister our differing views on Europe's approach to managing migration. This matter has been difficult and divisive in recent years, including the question of quotas. As always, ensuring progress depends on dialogue and seeking to forge a genuine consensus which will allow the European Union to respond effectively.

In my meeting with Prime Minister Borisov, I congratulated him on the ambitious programme set for the Bulgarian Presidency and assured him of Ireland's commitment to working with him and his team in making the Presidency a success. Its slogan, United We Stand Strong, and the key themes of consensus, competitiveness and cohesion capture very well the essential needs of the European Union at this time.

Prime Minister Borisov briefed me on Bulgaria's relations with its neighbours, Turkey and Russia, and geopolitical implications, including for energy supply. He expressed the hope that Bulgaria would join the euro as soon as possible and I expressed my full support for the country doing so.

Ongoing political engagement with our EU and international partners will remain crucial, particularly as the Brexit negotiations proceed. I will continue to meet my counterparts and use every opportunity to advance Ireland's interests.

I have been asked why I did not make explicit reference to these visits when informing the House of my travel plans on 13 December 2017. As Deputies will be aware, it is not customary to announce a visit until the host is ready to do so, which was not the case at the time. Plans and arrangements were still being advanced. However, I stated at the time that other arrangements, including meetings with European partners, were being prepared. This reflected the position at the time. I can confirm that the Prime Minister of Estonia, Mr. Jüri Ratas, will visit Dublin this week.

**Deputy Pearse Doherty:** I make no criticism of the Taoiseach's decision to meet the Hungarian Prime Minister. Dialogue is important if differences are to be resolved between parties. However, the Government of Prime Minister Orbán is one of the most regressive governments in the European Union, especially in respect of its anti-Muslim and anti-immigrant policies. Did the Taoiseach raise concerns about the Hungarian Government's approach to human rights with Prime Minister Orbán? Did he discuss with the Prime Minister the European Union's approach to the issue of migrants?

*4 o'clock*

We know that an Amnesty International report in December accused EU leaders of knowingly being complicity in the torture and exploitation of thousands of migrants held in the detention camps in Libya run by the Libyan coast guard. Has the Government investigated these complaints? Has it raised any concerns in relation to these complaints with its EU partners? Is the Taoiseach satisfied that the EU programme is functioning properly?

The Taoiseach discussed the issue of Brexit with both the Hungarian and Bulgarian Prime Ministers. Last week in Davos, the Taoiseach called for a Norway-plus deal for Britain. Is this the approach supported by Michel Barnier? The Taoiseach acknowledged that his proposal would have to be a specific agreement, as there is no precedent for this type of relationship. That being the case, why does the Taoiseach not also argue for the North to have designated status within the EU? We are constantly told that there is no precedent for this, but if he is prepared to propose a Norway-plus model without precedent, then why not also propose a designated special status model for the North? Has the Taoiseach or any of his officials actually spoken to the British Government about proposing such a Norway-plus model? I think it is important that the House would be informed.

Finally, Government Departments have been advised to provide contingency plans, including emergency legislation, in the event that the EU and Britain do not arrive at a deal on Brexit. This is especially important in the context of today's leaked documents on the analysis carried out by the British Government on the economic impact, which showed that the North would be one of the worst hit areas. Will the Government publish these contingency plans, and will the Opposition be briefed on the content of these contingency plans?

**An Ceann Comhairle:** We have fewer than two minutes remaining. Would Members agree to carrying the questions over until tomorrow?

*(Interruptions).*

**An Ceann Comhairle:** We will go to the Taoiseach for an answer.

**Deputy Brendan Howlin:** I would like to ask a question.

**An Ceann Comhairle:** You cannot because we are 20 minutes late.

**Deputy Brendan Howlin:** I formally suggest that we accept the Ceann Comhairle's proposal, and we roll over the balance of this until tomorrow.

**An Ceann Comhairle:** Do you want to raise your question now, Deputy Howlin?

**Deputy Brendan Howlin:** In one minute?

**An Ceann Comhairle:** Yes.

**Deputy Brendan Howlin:** Can I get a little bit more time tomorrow?

In truth, I was surprised that the Taoiseach added a visit to Budapest to meet Prime Minister Viktor Orbán to the schedule. When I specifically asked him on 13 December to list meetings, it was not listed. It is surprising. I have some experience in government, although obviously not at the Taoiseach's level, and I understand that meeting Prime Ministers is not done overnight. There is normally a very long lead-in in arranging diaries of this sort, so I was surprised

that we were not advised in advance.

In regard to the discussion with Prime Minister Orbán, the Taoiseach indicated that he raised a number of human rights issues. My concern is this that there is a debate now on the future of Europe and on whether it will continue to be the liberal Europe we joined and had an aspiration for, based on fundamental rights and on the European Convention on Human Rights that is the legal basis for the developments in our Union. Did the Taoiseach put those points to the Prime Minister, and what did he say to in response? Did the Taoiseach receive any specific requests from any Hungarian non-governmental organisations, NGOs, to meet with him? Did he meet with any NGOs, human rights groups or opposition parties when he was in Budapest?

**An Ceann Comhairle:** That concludes the questions. We will carry over the remainder of the questions until tomorrow. We must now move to questions to the Minister for Finance.

## Priority Questions

### Motor Insurance Claims

68. **Deputy Michael McGrath** asked the Minister for Finance his plans to intervene to ensure that 100% of the cost of all outstanding claims arising from the collapse of a company (details supplied) are fully met and that former policyholders of the company are not held personally liable for claims; and if he will make a statement on the matter. [4525/18]

**Deputy Michael McGrath:** This question relates to Setanta Insurance, and ensuring that 100% of the costs of outstanding claims are met. I welcome today's announcement by Government. It has taken far longer than it should, but I think that those who are caught up in the nightmare will now want to know when 100% of the costs of the outstanding claims will be settled, because that is the key issue. This has been a debacle running over four years now, and I hope it does not continue for much longer.

**Minister of State at the Department of Finance (Deputy Michael D'Arcy):** Setanta Insurance was placed into liquidation by the Malta Financial Services Authority on 30 April 2014. As it was a Maltese incorporated company, the liquidation is being carried out under Maltese law.

As the Deputy is aware, the Supreme Court delivered its judgment on 25 May 2017 and overturned the previous decisions of the High Court and the Court of Appeal that the Motor Insurers' Bureau of Ireland, MIBI, was liable in respect of third-party motor insurance claims made against the policyholders of Setanta Insurance. The consequence of this is that the Insurance Compensation Fund, ICF, has been deemed responsible for the payment of such third-party claims subject to a limit of 65% or €825,000, whichever is the lesser, due to relevant claimants.

As the Minister for Finance, Deputy Paschal Donohoe, has previously indicated, there was a legal concern that any Government intervention to compensate third-party claimants over and above the 65% limit and then "step into the shoes" of these claimants to recover directly any balance due from the Setanta liquidation could result in the State having a lower status in the creditor hierarchy, and thus significantly reduce the amount it could recoup from the liquidator.

As indicated in recent parliamentary questions on this matter, the Department of Finance sought and received advice on this matter from a Maltese law firm which the Attorney General subsequently reviewed. This advice confirmed our original concern that the State would have a lower status in the creditor hierarchy and therefore could jeopardise its ability to recover any payments it made to third-party claimants. However, on the basis that the Department has established from the liquidators that the third-party claimants make up by far the largest percentage of creditors, the impact on the State's ability to recover what would otherwise have been paid to these claimants is significantly less than anticipated.

As the Deputy is aware, the Government has decided to address the uncertainty this case has highlighted around compensation arrangements for third-party motor claimants in the event of any future insolvency of a motor insurer. In this regard, it has been decided that coverage of the ICF should be increased from 65% to 100% for personal injuries, and to €1,225,000 per claim for property, in order to bring it into line with the compensation levels paid out by the MIBI.

*Additional information not given on the floor of the House*

The increased coverage of the ICF will be funded by a direct contribution to the ICF from the motor insurance industry via the MIBI to the value of 35% of the third-party motor insurance claims. The Department is currently working with the Office of the Parliamentary Counsel, OPC, and other relevant stakeholders to progress the drafting of the Insurance (Amendment) Bill 2017 to implement these changes.

As a result of his consideration of this matter, the Minister for Finance has made a decision in principle that the State should step in to pay the balance of 35% to Setanta third-party claimants. This will most likely be done through the Insurance Compensation Fund. However, the Deputy should note that while the Department is of the view that there are no legal or competitive issues associated with this decision, it is currently exploring the matter with the Office of the Attorney General. Depending on the outcome of those discussions, legislation may be required to facilitate this payment. This is likely to be done through the Insurance (Amendment) Bill 2017.

Finally, while the Government hopes that this will bring the matter to a close, it is important to note that before the State can step in to pay the 35% balance of any individual case, the claim itself has first to be settled between the liquidator and the claimant. As I hope the Deputy will appreciate, this is a matter completely outside the Government's control.

**Deputy Michael McGrath:** I welcome today's announcement, and I acknowledge the work that the Minister of State has put into it. As he will know, it is an issue that my party and I have been raising for the last number of years. Those who are caught up in the Setanta mess will want to know when they will get the final payments and when 100% of the cost of claims will be met. I know that under existing legislation, the Insurance Compensation Fund can only go to the High Court every six months. I understand that the next tranche is likely to be brought next month, so any payment that is not included there is not going to happen until August. The courts probably do not sit in August. The question is, when does the Minister of State expect that all the claimants will have their claims fully met? The wider point is that while we welcome the heads of a Bill, all motor insurance policyholders in the country are still facing the prospect of there being another Setanta. If there is a collapse, there is still no statutory basis for 100% of their claims to be covered.

30 January 2018

**Deputy Michael D’Arcy:** I will take the last point first. As Deputy McGrath knows, the Insurance (Amendment Bill) 2017 is awaiting pre-legislative scrutiny. It is incumbent on all of us to try to get that legislation through both Houses as quickly as possible to ensure that people do not find themselves in a similar position to Setanta’s claimants. The Minister for Finance, Deputy Pashcal Donohoe, required the actuarial figure from the analysis to be done in July. Those calculations were concluded and presented in November or December. The Department had been dealing with the liquidator. To put it into context, we are looking at sums between €25 million and €40 million. The State will step up to try to conclude these matters as quickly as possible.

It is also important that people come to a conclusion; that they come to a settlement themselves. They will now be paid 100% of their claim, and the sooner people agree a figure, the sooner we can get as many of these dealt with as possible. I make that point because they do not all have to go to the High Court. It is important to note that the quicker people conclude the matter, the better. It is also important that people come to a settlement themselves. They will now be paid 100% of the amount and the sooner they agree a figure, the sooner we can get as many of these finished as possible. I make that point because they do not all have to go to the High Court and the quicker people conclude the matter, the better.

**Deputy Michael McGrath:** With regard to the numbers, assuming that the higher claims estimate of €112.9 million is more accurate and that the 22% liquidator’s estimate of what he can cover is accurate, the net additional cost will be of the order of €15 million rather than €40 million, provided that the liquidation delivers what is expected based on the actuarial report.

I refer to the issue I raised a while ago, which is the six-month cycle currently in place for the Insurance Compensation Fund to go to the High Court for approval to issue payments. People in some cases have been waiting three and a half years to have their claims settled, and they deserve to know now whether they will all be completely done and dusted and fully paid in 2018.

**Deputy Michael D’Arcy:** I cannot give an undertaking. When we had this conversation previously in the Chamber, I gave undertakings that I would do everything I could to try to conclude the matter as quickly as I could. My officials have done a good job to try to bring this to a conclusion and I am hopeful this can be concluded as quickly as possible. Unfortunately, I cannot do anything about the six months for the claims that are required to go to the High Court. Perhaps we will have an opportunity to reduce that to a shorter period in the next Bill. I gave an undertaking that I would conclude this as quickly as is practicable.

## **Tax Compliance**

69. **Deputy Pearse Doherty** asked the Minister for Finance if his attention has been drawn to concerns that have been raised regarding tax arrangements of multinationals in the State post-2014 whereby companies (details supplied) may have availed of intangible asset write-downs in the billions of euro which they may not be entitled to due to section 291A(7)(c) of the Taxes Consolidation Act; and if he will make a statement on the matter. [4535/18]

**Deputy Pearse Doherty:** The economist, Seamus Coffey, has brought to light an interesting opinion that, if accurate, could mean that the potential amount due from Apple will be significantly higher than €13 billion plus interest. I am sure the Minister read his blog post or

least his newspaper article last weekend. Does the Minister accept the view that the State could potentially be in receipt of more than €13 billion with an additional €2.5 billion to €3 billion coming into its coffers?

**Minister for Finance (Deputy Paschal Donohoe):** As the Deputy will be aware, I am not at liberty, nor is it appropriate for me, to discuss the tax affairs of individual companies.

With regard to the tax provision mentioned, section 291A of the Taxes Consolidation Act 1997 was introduced in 2009 to provide relief in the form of capital allowances against trading income on the capital expenditure incurred by companies on the provision of intangible assets for the purposes of a trade.

Prior to the introduction of this scheme, the tax system provided allowances for a limited range of intangibles such as patent rights or computer software but there was not a broad-based scheme for intangible assets generally. By introducing a specific scheme for intangible assets, Ireland has followed the international norm in this regard and has taken a similar approach to the UK and USA.

On foot of the recommendations in the Coffey report, I introduced an 80% cap on the relevant income against which capital allowances for intangible assets may be deducted in a tax year. We debated this provision at length during the passage of the Finance Act 2017. On a number of occasions, I noted that this cap will not affect the overall capital allowances for intangible assets available to use against the relevant trading income but will affect the timing of these allowances.

A number of safeguards are in place to ensure the scheme operates as intended. They ensure relief is only available where a company is carrying on bona fide trading activities in managing, developing or exploiting intangible assets and allowances are ring-fenced. The arm's length rule applies, ensuring relief is not available in respect of any expenditure incurred as part of a tax avoidance arrangement.

The Office of the Revenue Commissioners is statutorily independent in the exercise of its functions and any matter relating to compliance is pursued by them.

**Deputy Pearse Doherty:** The European Commission has ruled that Apple owes €13 billion in corporate tax to Ireland on profits earned between 2004 and 2014. However, as pointed out by Seamus Coffey, that might not be the end of the story. When the state aid decision is finally handed down by the courts, they may decide that Apple owes the State more than €13 billion plus interest and penalties and that it could owe between €2.5 billion and €3 billion for each year since 2015. This is due to the fact that in light of the Paradise Papers last year, Commissioner Vestager said that she was gathering information about Apple's 2015 restructure. The Minister is familiar with this issue because I have questioned him on it on many occasions. What happened was Apple moved its intellectual property to an Irish resident company, conveniently coinciding with the intangible asset write-downs cap being increased from 80% to 100%. This allowed the company to write down billions of euro in profits in 2015. However, there is a major snag in the restructure since 2015 as outlined by Mr. Coffey. Section 291A(7) (c) of the tax code specifically states that these deductions are not allowable if the expenditure was incurred as part of a scheme or arrangement in which the main purpose was to avoid tax. This is what will be brought into sharp focus by the Commission given its determination that Apple had a tax liability in 2015. Apple representatives said in response to media queries that

the restructure in 2015 was for the main purpose in respect of tax.

**Deputy Paschal Donohoe:** It would not be appropriate to comment on what the court may do in respect of adjudication on this matter. We have made it clear that we disagree with the Commission's assessment but while we disagree with its assessment and will defend ourselves in court, we will collect the money that the Commission says is due. We are in the final stages of a procurement process in respect of who will manage the escrow account relating to that money and I expect that the money the Commission believes should be due to Ireland will begin to flow into that account in the second quarter of this year. I will not comment on what the European court may say in adjudicating our claim. We disagree fundamentally with the Commission's assessment and, obviously, we will contest this in a court of European law.

**Deputy Pearse Doherty:** That is another deadline missed as the Minister promised that the escrow account would be in place in the first quarter and, indeed, he previously said it would be in place before the end of last year but that is not the issue. The issue is our tax code and the restructure in 2015 after Apple was caught out by the Commission. It is clear that there cannot be a restructure for the main purpose of avoiding tax. Apple said that the new restructure in 2015 was for the primary purpose of tax arrangements. That is not allowed in the Irish tax code. The Commission identified that there was a €2.5 billion profit in 2014 but that profit evaporated in 2015. The Government and the Revenue Commissioners are facilitating Apple once again in avoiding the payment of a tax liability of between €2.5 billion and €3 billion each year since 2015. Unless the Minister gets his house in order, he will continue to be attacked by people in Davos and elsewhere regarding our tax sovereignty because he is allowing this to happen on his watch. He needs to investigate this and establish whether this provision in our tax code was applied to Apple's restructure in 2015.

**Deputy Paschal Donohoe:** The Deputy is conveniently ignoring the fact that I have changed the allowances in respect of how intellectual property assets should be accounted for. I made the change on budget day and it has been legislated for through the Finance Act. I categorically reject any suggestion that the Revenue Commissioners or I are engaged in the kind of activity the Deputy is alleging and if there are concerns regarding compliance with Irish tax law, they are fundamentally a matter for the Revenue to pursue. I will not comment on any company in this regard but the Revenue pursues all matters relating to compliance with the tax code diligently.

## Banking Sector

70. **Deputy Michael McGrath** asked the Minister for Finance his plans for the future of a bank (details supplied) in view of the fact that he is the majority stakeholder; and if he will make a statement on the matter. [4526/18]

**Deputy Michael McGrath:** The question relates to Permanent TSB, in which the Minister is the majority shareholder, owning 75% of the bank. The purpose of the question is to establish what is his policy in respect of the future of the bank. It is an important retail bank in our country but it is facing significant challenges. However, I believe there are opportunities as well to which I will refer shortly. I am seeking to ascertain Government policy on the future of the bank.

**Deputy Paschal Donohoe:** Permanent TSB is playing an important role in providing much

needed finance to our housing market. While the management and board of the bank have further work to do in addressing legacy issues, the bank is making good progress and has a strong franchise that can prosper in a growing economy.

The good progress made is demonstrated by the bank's trading performance in 2017 with key highlights including a recorded profit in the first half of the year, the first since the onset of the financial crisis. In addition, the market expects the bank to record a profit for the full year of 2017. In its third quarter trading statement, the bank reported continued momentum in new lending which increased by 64% year-on-year. This has translated into an increase in the bank's residential mortgage share to 11.9% at the end of September. This is up from a market share of just over 9% across the full year of 2016. Other key highlights in the bank's third quarter trading statement included the opening of over 30,000 current accounts, an increase of 16% year-on-year; and an increase in capital ratios with a fully loaded common equity tier 1, CET1, ratio of 15.3% compared to 14.9% at the end of 2016.

The Deputy is aware that the Government does not see itself as a long-term investor in the banking sector. Accordingly, the Government's policy is to return fully each of the banks in which the State has a shareholding to private ownership. Officials in my Department monitor the performance of Permanent TSB, its share price and equity markets more generally on an ongoing basis to determine the next sensible opportunity to realise value from this investment.

It is important to point out that exiting our investment in Permanent TSB in a sensible measured way which will optimise value for our citizens could take a number of years. I do not propose to set out a rigid timeline for disposal.

**Deputy Michael McGrath:** I thank the Minister for his reply. Permanent TSB has high levels of capital. I too have read the financial results and trading statement. Residential lending is its core business. It has a market share of 11.9% in respect of mortgage drawdown. It must also be said, however, that it has a very high level of non-performing loans at 28%. There is considerable pressure from the European Central Bank to reduce that to single digit figures. The most likely way to achieve that is through a sell-off of Permanent TSB's loan portfolio. I have been critical of how the bank treats some existing customers, particularly with regard to mortgage pricing. For example, some of those who have now been offered a fixed rate are not offered the same rate as new customers. I put it to the Minister that he should be open to proposals or offers from major international players that might look to the Irish market and see Permanent TSB as a potential entry point and platform. The Minister should be open to at least considering such approaches and, indeed, he should actively seek them out.

**Deputy Paschal Donohoe:** As I said a moment ago it is not my objective to be the long-term owner of Permanent TSB on behalf of the Irish taxpayer. In the first instance, it is a matter for the board to adjudicate on whether any potential purchaser is in the best long-term interests of the company. The objective I want to pursue from a banking policy point of view is the strengthening of competition within the market. Permanent TSB is already making very strong progress with regard to competition, lending and investment, as indicated by the third quarter trading statement. I will continue to support it in its work, as appropriate.

**Deputy Michael McGrath:** I respect what the Minister is saying. It is of course important that the bank be supported. The State and our economy have a direct financial interest in Permanent TSB and its performance. However, I argue, as I have done before, about how certain customers are treated. If one takes the bank's managed variable mortgage rate for example,

customers are only allowed to revise their rate once, even if their loan-to-value ratios have fallen very significantly. That is out of line with other banks. Similarly, Permanent TSB discriminates between existing customers and new customers in respect of its fixed rate offerings. In my view, that is not acceptable and should not be allowed. The bank also has a very high level of non-performing loans. I certainly want to see a long-term viable future for Permanent TSB, but the bank has significant challenges. It does not currently appear to be offering much competition in the marketplace. If the right approach was made with a view to Permanent TSB being acquired and used as a platform to introduce significant new competition to the Irish market, that approach should be considered.

**Deputy Paschal Donohoe:** I agree with the Deputy. I also want a long-term viable future for Permanent TSB. I believe it is on the path to achieving such a future. Its recent trading performance indicates that very clearly. As the Minister who represents the shareholding the Irish taxpayer has in the bank, which as I said a moment ago is still valued at €800 million, it is not appropriate for me to give an indication regarding whether another company or investor should seek to acquire that share. My objective over time is to realise the best return possible for the Irish taxpayer and to put in place the right kinds of supports within Permanent TSB to ensure that it has a successful and viable future ahead of it. This is a matter which is well understood by the chief executive and the board. We support them in their work.

### **Pension Provisions**

71. **Deputy Joan Burton** asked the Minister for Finance his policy on pensions; his responsibilities in respect of pensions as Minister for Finance; and if he will make a statement on the matter. [4349/18]

**Deputy Joan Burton:** Is the Minister aware that only 40% of private sector workers make any provision for their retirement pensions and that many in the private sector will rely entirely on the State pension to meet their income needs when they are in retirement? Whatever happened to the proposal of the previous Government to have a supplementary pension scheme into which people would be automatically enrolled? It appears effectively to have been completely shelved.

**Deputy Paschal Donohoe:** Perhaps I will answer the two specific questions which the Deputy put to me as part of my supplementary replies. In respect of the broad question which the Deputy tabled, she will be aware that a number of State bodies have a role in the broad area of pension policy. The Minister for Employment Affairs and Social Protection is responsible for State pension policy. As Minister for Public Expenditure and Reform, my responsibilities primarily relate to public service pensions. As Minister for Finance, my Department has a role in relation to pension policy and this role has primarily related to the use of tax policy to incentivise savings. In addition, I have responsibility for overall macroeconomic policy and fiscal sustainability. In this context I am committed, along with my colleagues in government, to reforming the area of pension provision and pension savings in Ireland.

My colleague, the Minister for Employment Affairs and Social Protection, has previously announced in this House that it is her intention soon to bring forward a comprehensive five-year pensions reform programme. Officials from both of my Departments are engaged with this programme. It is very significant as it has material implications for many stakeholders. Along with proposed reforms to the existing pensions system, it is proposed to introduce a policy of

automatic enrolment to increase pension coverage and to address the issue of income adequacy in retirement for those currently without supplementary pensions. The Minister, Deputy Regina Doherty, has stated that, following Government approval and publication of the reform plan, it is intended that a detailed evidence building and consultation process will be undertaken to deliver an auto-enrolment system.

The direct answers to the two questions the Deputy has put to me are, first, that I am starkly aware of the challenges that are approaching in respect of the number of our citizens who have adequate pension coverage for the future.

Regarding the proposal on auto-enrolment, the Minister, Deputy Regina Doherty, will be advancing this matter through the roadmap for overall pension reform.

**Deputy Joan Burton:** I thank the Minister for his answer. I am glad that he has acknowledged, as the chief financial officer of the State, that he is the lead person on pension policy. During my time as Minister for Social Protection a vast amount of work and consultation, the results of all of which are available to him, was carried out by my Department, with the active support and interest of his own. However, the process has stalled and we seem to be about to undergo another consultation process which could delay everything by a further five years. Irish society has a changing demographic. Unless we have something like a supplementary pension option for workers to save for their retirement, many will end up on the State pension alone which will almost certainly result in their being at risk of poverty. What are the time dimensions of the proposed further consultations?

**Deputy Paschal Donohoe:** I agree with much of the Deputy's analysis. The levels of private pension coverage are not what we want them to be because many citizens face the prospect of only having the State non-contributory pension on which to depend in the future. The other major difference between them and previous generations is that an increasing number of individuals will be renting. Therefore, unlike their predecessors, they will not own financial assets like a home. This has the potential to significantly affect the income streams to which they will be able to access in later life.

With respect, I am not the lead Minister on pension policy. It is the Minister for Employment Affairs and Social Protection, Deputy Regina Doherty. For the reasons outlined, however, I fully support her in putting in place a framework to address this issue which I expect to be presented in a number of weeks' time when the Deputy will see that it will try to move the issue forward from the work done in the Department while she was leading it.

**Deputy Joan Burton:** While I was in the Department in 2012, I commissioned Ireland's first ever study of pension charges and costs. The supplementary pension will have to be a State system because the charges, both visible and hidden, levied by private institutions have increased since the survey which I requested was conducted. People in their 30s are, we hope, moving to purchase their first home. Much of their savings will be concentrated on it. It is possible to utilise USC and, although the Minister might not agree with my recommendation, return to social partnership. In the wage and salary discussions that must take place if we are to improve workers' living standards, Government funding could be allocated to contribute to pension funds. We need to prevent a recurrence of what happened to the National Pensions Reserve Fund which basically was given to the banks.

**Deputy Paschal Donohoe:** The Deputy makes two fair points. First, if we are to set up a

structure to incentivise citizens to leave more aside for the future, we must avoid a situation where the funds they will leave aside will be eroded by the fees and charges levied by those who will manage the funds. I am aware of that matter. If we are to ask people to set aside what could be a noticeable amount of their after-tax income, we will need to give them the confidence that that income will be used in the future to generate other income.

On the Deputy's second point about the potential role of the taxpayer in supporting such contributions, there could be that need. The Minister, Deputy Regina Doherty, is finalising the roadmap which she will publish soon and I am working with her on the matter. We need to reach a point at which we will not just be looking at a single contribution from a worker but also considering what contribution the employer can make and role the State might have. I am alive to that issue.

### **Corporation Tax Regime**

72. **Deputy Michael McGrath** asked the Minister for Finance his views on the proposals by certain EU member states on changes to the way in which digital or high tech multinational companies are taxed; and if he will make a statement on the matter. [4527/18]

**Deputy Michael McGrath:** I refer to the emerging EU proposals on the taxation of digital revenues. We have a particular interest in this issue, given that this is a country in which some of the world's largest Internet-based companies are located. I am aware of Revenue's guidance to the Minister which has been released through a freedom of information request. What is the Government's position on the proposals made?

**Deputy Paschal Donohoe:** A number of EU member states are seeking new approaches to taxing large digital businesses that operate across borders. Concerns focus on the ability of a company to have many users or customers in a country without being liable to corporation tax in that country.

Leaders at the European Council recognised the importance of a global approach to the issue of digital taxation. Finance Ministers have also agreed Council conclusions building on the direction given by leaders and their work will continue with a view to reaching a global consensus.

The European Council conclusions reflect Ireland's key priorities. There is no commitment to separate action at EU level and the primary objective remains achieving alignment with OECD work in this area. The conclusions also recognise that there is no agreement on whether temporary action is needed, pending the completion of global work.

The OECD is carrying out important research into taxing digital business. We expect that work to conclude in April. It will provide a vital input into this policy area. The Commission's proposal is also expected to be published before the end of March.

Aggressive tax planning by multinational companies is a global problem that requires a global solution. Ireland has played a full part in implementing international tax reforms and we are holding a consultation process on how we will implement the remaining OECD base erosion and profit shifting, BEPS, reforms. US tax reforms will also play a crucial role in preventing aggressive tax planning by US companies from achieving low global effective tax rates.

Applying different rules within the European Union to what is being applied globally is likely to result in double taxation and greater uncertainty. We should not rush into short-term solutions without a comprehensive evaluation of the potential risks. It is important, therefore, that we not pre-empt this work by attempting to reach answers without properly considering the questions. At a basic level, we must be careful about segregating companies or businesses as being either digital or not digital businesses.

**Deputy Michael McGrath:** Is it the intention that the OECD and EU proposals will be aligned, that is, there will be no unilateral action at EU level? Is it the Government's position that this issue needs to be dealt with on a multilateral basis that extends beyond the European Union? Will the Minister confirm that he has received a briefing document from Revenue on the emerging digital revenue proposals from some of the larger EU member states, including France and Germany? It has been reported that Revenue has made it clear that it is likely Ireland would be the worst hit eurozone state by the proposals. Is the Minister against the proposals emerging from the European Union or which have been articulated by some of the larger member states? Will he stick to the position that there should be no unilateral action at EU level?

**Deputy Paschal Donohoe:** It is very much my intention and objective that the work of the OECD and the European Union should be aligned. This was reflected in the conclusions of the European Council and the recent conclusions on the matter of the Eurogroup and ECOFIN. On whether there will be unilateral action by other member states, that is an issue on which I cannot give the Deputy a commitment. As he will be aware, Italy has indicated that it may look to bring forward such a tax. There is already a form of taxation of digital activity in the United Kingdom. Member states may decide to pursue their own policy in the area. It is my objective that any action the European Union takes will be aligned with the direction of travel of the OECD.

**Deputy Michael McGrath:** I thank the Minister. Will he confirm receipt of a briefing paper from the Revenue Commissioner which, it is reported, states the proposals would result in a significant fall off in corporation and payroll tax receipts for Ireland, as well as impacting negatively on the ability of the State to attract inward investment in the future? The point is also made in the briefing document that the proposals would likely lead to greater taxing rights in larger countries. This is part of an overall attack on Ireland's corporation tax system. We already have the common consolidated corporate tax base proposals. We know that when profits are attributed based on sales and the location of assets and employees, Ireland will undoubtedly be a very significant loser if the proposals are implemented. I welcome the clarification given by the Minister. I take it from him that it is the position of the Government that the EU action should very much be aligned with that of the OECD in this respect.

**Deputy Paschal Donohoe:** On the Deputy's question about the common consolidated corporate tax base policy, I will continue to oppose such a policy move and will oppose any change in the decision-making process in that policy area. My objective overall is, as I said, to ensure the work of the European Union and the OECD is aligned. I say this because I believe the best way to avoid trading difficulties or tax competition is for all of this to take place on a global and co-ordinated level. As I said in response to the Deputy's earlier question, it is entirely possible within the legal framework available to member states for them to pursue unilateral action in accordance with their tax sovereignty. We have seen a number of countries begin to consider this. I have outlined my approach to the matter.

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## Other Questions

### Tax Agreements

73. **Deputy Maureen O’Sullivan** asked the Minister for Finance the reason Ireland will not support an international tax body under the auspices of the United Nations which has been identified as the better procedure in the interests of tax justice. [4140/18]

**Deputy Maureen O’Sullivan:** My question relates to the reason the Government will not support an international tax body under the auspices of the United Nations which has been identified as the better procedure in the interests of tax justice.

**Deputy Paschal Donohoe:** Ireland is a strong supporter of international tax reform. In recent years the OECD has played the leading role in developing new, globally accepted international tax standards. To ensure all countries participate on an equal footing, the BEPS inclusive framework was established to lead global tax reform efforts. The framework has over 110 members from all over the world, including developing and developed countries. We expect the number to grow and it is a true global tax body. We are an active participant in its work.

As a result of the inclusive framework, the establishment of a new or replacement international tax body under the auspices of the United Nations is not necessary. While I note that there have been calls from civil society for a UN tax body, I believe such a body would take a significant amount of time to begin operations and lose the benefit of the huge experience and expertise of the OECD secretariat which facilitates the inclusive framework. It is unclear what benefit would be added by the replacement of the inclusive framework which has been remarkably successful with an entirely new body with identical aims and membership.

Separately, the platform for collaboration on tax has been established as a joint effort between the United Nations, the OECD, the IMF and the World Bank to provide an opportunity to build on progress made to date and further enhance co-operation between countries on tax matters. The platform has a particular focus on developing countries and taxation.

The United Nations does play a role in tax, both in these international bodies and developing its version of OECD standards which may be more suitable for developing countries in some circumstances. One example is the UN model tax convention. When negotiating with developing countries on tax treaties, Ireland is always willing to include elements from the UN model that are requested by a treaty partner country.

**Deputy Maureen O’Sullivan:** I thank the Minister. This question follows on from my contribution during Leaders’ Questions last week which the Minister attended on the issue of tax justice. I asked about the way in which tax injustice was contributing to inequality in our society and other countries. The Minister was at Davos at the summit which was about the fractured world in which we were living. Central to the process is getting the tax justice piece right. Does the Minister take on board what some of the reputable organisations such as Oxfam, Christian Aid and Trocaire have stated in their reports about Ireland and its role as part of Tax Justice Network Ireland. Following the OECD model, it appears that the voices of developing countries are not given the same credence and credibility as those of developed countries because the bias certainly appears to be in favour of developed countries, whereas the UN model gives them a much more equal and credible role to play. Will the Minister consider the

exchange of information treaties rather than what we have seen?

**Deputy Paschal Donohoe:** I do not accept the analysis put forward by some organisations which described Ireland as a tax haven. Ireland does not meet any of the criteria as laid down by the OECD to be described as a haven. I have said I will meet Christian Aid to have a discussion with it because while I disagree with it, I am in favour of debate and dialogue. I intend to meet it in the coming week.

On the second question on the exchange of information, we have signed up to the legal framework for the exchange of information between tax authorities on who is paying what in tax and where and a new multilateral body through the auspices of the United Nations. As I said, I do not support it being set up. In the current geopolitical environment trying to set up a new multilateral body or develop the role of the United Nations in this area could prove very challenging. The OECD, with over 110 members, offers the best way of addressing the issue to which the Deputy referred.

**Deputy Maureen O’Sullivan:** It is very good to be open to discussion with organisations. I imagine they will want to continue on the work from the spillover analysis because, as I said last week, there is evidence that international tax advisers are advising their clients on opportunities to use Ireland as a conduit in precisely the ways in which the spillover analysis of two years ago stated could not possibly be used. It is linked with the point on fairness. Our reputation is considerable when it comes to our relationship with developing countries. We are very much respected. Unless we get the position on tax right, we will undermine that reputation. The national plan for human rights and business has finally arrived and it is all about policy coherence. It is welcome that the Minister is to meet Christian Aid to have a frank discussion on these matters.

**Deputy Paschal Donohoe:** As I said, I disagree with the assessment the organisations have offered, but I still think it is a good idea to meet to have a discussion and I intend to do so some time in February. I have outlined the reasons I think the chances of the United Nations expanding its power in this area are low. I certainly do not think we should put our efforts into setting up a new multilateral body on a global basis to deal with taxation, given that it could take years to do so and that we have the OECD in place. My final point concerns the balancing act I have to perform. I have to deliver tax reform in areas where it is needed, but if I were to put forward any change in corporate tax policy which undermined the predictability of corporate tax, then, given the contribution it makes to the retention of jobs in this country, I would be castigated.

## **Mortgage Debt**

74. **Deputy Bernard J. Durkan** asked the Minister for Finance if his attention has been drawn to the increasing aggressive policies being pursued by third parties that have purchased distressed debt from the main banks (details supplied); if he has consulted the Governor of the Central Bank on the issue; and if he will make a statement on the matter. [4302/18]

**Deputy Bernard J. Durkan:** This question relates to the extreme pressure being brought upon borrowers whose distressed debt was purchased by third party, unregulated entities which are now squeezing every single cent they can get from the borrowers, using all kinds of measures to intimidate them to extract the maximum moneys.

**(Deputy Paschal Donohoe):** Most loan agreements include a clause that allows the original lender to sell the loan on to another firm. Under the Consumer Protection (Regulation of Credit Servicing Firms) Act 2015, if a firm who bought loans from an original lender is unregulated, then the loans must be serviced by a credit servicing firm which is authorised and regulated by the Central Bank. The legislation ensures that relevant borrowers whose loans are sold to unregulated third parties maintain the regulatory protections they had prior to the sale. Credit servicing firms must comply with all relevant requirements of financial services legislation, including the regulatory requirements set out in the Central Bank's statutory codes of conduct and regulations, including the consumer protection code 2012, the code of conduct on mortgage arrears 2013, the Central Bank (Supervision and Enforcement) Act 2013, the minimum competency code 2017 and other important legislation.

Provision 3.11 of the Central Bank's consumer protection code 2012 requires that, where a regulated lender intends to transfer all or part of its regulated activities to another regulated entity, it must provide advance notification to both the Central Bank and affected consumers. Specifically, a lender must provide a consumer with at least two months' notice before transferring all or part of its loan book covered by the code to another person, including where the transferee is an unregulated entity. Where the transferee is an unregulated entity, the code requires that the regulated lender also notify the consumer of the regulated entity that will be servicing the loan for the unregulated entity. In the event that there is a change in the credit servicing firm, the existing credit servicing firm must also notify the Central Bank and the consumer in advance, in accordance with the timelines set out under provision 3.11 of the code.

**Deputy Bernard J. Durkan:** I appreciate the position as outlined by the Minister. Unfortunately, things have taken on a life of their own and even where borrowers entered into commitments during the bad times and are making payments in line with what was advised to them, thereby doing their utmost to discharge their debts, this is being dismissed by the new operators. Borrowers are now being asked how much they can pay up front and for amounts that represent a sizeable part of their debt. This is an attempt by these firms to make their profit before they start, notwithstanding the fact that they bought the debt for a fraction of what it was.

People who are already under financial pressure are being subjected to continued mental pressure as a result of the activities of these operators, which is worrying. What action can be taken to interrupt the momentum of these companies?

**Acting Chairman (Deputy Catherine Connolly):** Two Deputies have indicated on this issue. I ask them to be brief.

**Deputy Joan Burton:** Would the Minister consider revising the mortgage arrears resolution process, MARP? If an individual or couple have completed one year of the process, a number of banks come knocking on their door and they are back to square one. If people successfully complete their commitments in year one, can the MARP be extended for another two or three years? That would take a lot of people out of the eviction range and would de-stress their lives enormously as they would otherwise face a repeat of what they had already gone through.

**Deputy Michael McGrath:** I am not sure if the Minister is aware that unregulated loan owners, so-called vulture funds, have refused to engage with the Oireachtas Committee on Finance, Public Expenditure and Reform, and Taoiseach. The committee will write to the Minister shortly and we will put a motion before the House on the matter. Is the Minister satisfied with the situation where the loan owners remain beyond regulatory reach? They are the parties

which make all the key decisions around loans, such as on the interest rate or whether to take legal proceedings, enforcement action or appoint a receiver. It is not the credit servicing agency that does this as that is just a call centre. It is the loan owner which makes all the big calls but they are beyond the reach of the regulator and, it would seem, the Oireachtas too.

**Deputy Paschal Donohoe:** I am not in a position to give Deputy Burton an answer to her question on the MARP but I will look into the matter. It is overseen by both my Department and the Department of Justice and Equality and I will write to the Deputy with an answer in the coming days.

Deputies Durkan and McGrath asked about the roles of the different entities. If companies are active in Ireland, they should answer questions the Oireachtas puts to them. I am in a different committee every week and I do not see why financial entities should not be able to answer questions the Oireachtas wants answered. Deputy McGrath asked about the entities in question being outside regulatory reach and I am looking at the code we have in place at the moment. The code was successful in averting some of the darker predictions made at different points in our recent history, and if we need to make further changes to ensure the objectives of the code are delivered on, I will make those changes.

**Deputy Bernard J. Durkan:** I am glad the Minister referred to the code because that is one of the keys. These institutions are ignoring all the codes and imposing their own. A typical reaction they have to a submission by a borrower to discharge his or her debt is to say something does not comply with their code of conduct but it is their own code and they are the arbiters of it. Nobody else has any say in the matter and they are bringing a huge amount of pressure to bear on householders and small businesses at the moment. If this is allowed to go unchecked, it will have disastrous consequences.

**Deputy Paschal Donohoe:** As I said in my reply to the Deputy, a code of conduct is in place and there is a very clear set of laws which I expect to be complied with. I believe the code of practice has made a contribution to dealing with the great pressure people have been under in recent years. I have asked my Department to give me an assessment as to whether the code will continue to have the effect I want it to have. Discussions that take place between lenders and borrowers on high and potentially unsustainable debts are always very difficult and that is why we need to have a code of practice in place. It will make sure the discussions happen in the most appropriate way and I will continue to monitor the matter.

## **Property Tax**

75. **Deputy Richard Boyd Barrett** asked the Minister for Finance his plans to review the impact of the local property tax on the funding of local authorities in the course of the review of the local property tax; when the report on this review will be brought to Dáil Éireann; and if he will make a statement on the matter. [4286/18]

80. **Deputy Thomas P. Broughan** asked the Minister for Finance his plans with regard to a proposed revaluation of the local property tax; and if he will make a statement on the matter. [3945/18]

**Deputy Richard Boyd Barrett:** To paraphrase Marx, a spectre is haunting Fine Gael - the spectre of the unfair property tax.

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**An Ceann Comhairle:** Is that Karl or Groucho?

**Deputy Richard Boyd Barrett:** Karl. The spectre I refer to is the unfair property tax and the dramatic hikes because of property prices increasing by 71%.

*5 o'clock*

The Minister has acknowledged the folly of this unfair property tax by deferring the initial revaluation and is now talking about a cross-departmental review. Does he not think it is time to acknowledge that there is no way of tweaking the property tax that will make it fair because by its nature, it is regressive and will hit low and middle-income families?

**Deputy Paschal Donohoe:** Of course, I am aware of the status of the local property tax, LPT, the proposed changes and the debate that is ensuing regarding it. This is why I recently announced a review of the LPT which will look in particular at the impact on LPT liabilities of property price developments. It will include an examination of the outstanding recommendations of the 2015 Thornhill review of the LPT. It is expected that the review will be completed at the end of August and that the review report will provide a number of policy choices for consideration. The review will be informed by the desirability of achieving relative stability, both over the short and longer terms, in LPT payments of liable persons. It will also include a consultation process to enable all interested parties and individuals to submit their views on the future of the LPT.

My Department will advance work on this matter in conjunction with the Departments of Housing, Planning and Local Government and Public Expenditure and Reform and the Revenue Commissioners. The purpose of the review will be to inform me with regard to any actions I may recommend to Government concerning the overall yield from LPT and its contribution to total tax revenue. This will enable me to revert to Government with proposals for change to the LPT in a timely way. Any such change would need to be legislated for in the first quarter of 2019 so that the Revenue Commissioners can be in a position to have the necessary administrative and technical arrangements in place in time in respect of the 2020 LPT year.

Distribution of LPT revenues to local authorities is the responsibility of the Minister for Housing, Planning and Local Government. LPT is an important source of funding to local authorities accounting for approximately one-tenth of their revenue income. LPT supplements local authority income from commercial rates, from the provision of goods and services and from other Government grants. The LPT was introduced to provide an alternative, stable and sustainable funding base for the local government sector providing greater levels of connection between local revenue raising and associated expenditure decisions. Local retention of LPT has helped to strengthen financial autonomy at local authority level. I expect that the current review will look at ways to ensure this continues.

I have not deferred any revaluation. What I have done is reminded the House of the timetable as currently laid out in the legislation passed by this House, which is a revaluation in 2019 to affect bills after that.

**Deputy Thomas P. Broughan:** It must be said that this Fine Gael tax is grossly fair. I am looking at figures from the statistics and economics research branch of the Revenue Commissioners which lists the percentages of homes with a valuation of over €300,000 based on returns five or six years ago. Dublin city comes in at 22%, Dún Laoghaire comes in at nearly 60%, Fingal comes in at 21%, south Dublin comes in at 19% while Wicklow and Kildare are also in the

teens. In most other counties, it is down 0.1% or 0.2% so it is a grossly unfair tax. Its attachment to Revenue and social protection payments made it impossible for people to challenge it in the way they challenged the water tax. Many people would feel that local government should be properly funded but it should be funded on a fair basis across the whole country, which was one of Don Thornhill's four recommendations. At the moment, it is grossly unfair. The Minister is being very unfair to his city and constituents and it is time he did something about it.

**Deputy Richard Boyd Barrett:** In our area, people are already being crucified in many cases but they will be absolutely nailed to the wall if anything even approaching the increase in property values is translated into an increase in property tax. The point about this tax is that it does not take into account ability to pay. Even with the existing tax, there are 46,000 people who have been forced to defer because their income is not sufficient to pay the tax. That will jump through the roof. Already, there is a cohort of people who just cannot pay. Why is the Minister imposing a tax on people who just cannot pay? The pension, social welfare payment or low income of someone on social welfare or a pensioner who happens to own their house in an area like Dún Laoghaire or south Dublin will not be any greater because they live in an area with high property values. What is the Minister going to do to recognise that fundamental injustice?

**Deputy Paschal Donohoe:** The Deputy opened up by quoting Karl Marx. I think it was Marx who said that history repeats itself first as tragedy and then as farce. It is a relevant point in the debate we are having here regarding tax policy. In the last Dáil, many of the inquiries that were put in place to look at how we ended up in a place of multiple economic crises - all at the same time - pointed to the fact that previous Governments had narrowed the tax base again and again while increasing expenditure exponentially across that period. Every country against which we look to compare ourselves has a form of property taxation. It is vital in the coming years that our tax base includes a local property tax. I have heard what the Deputy has said about people's fear about the future of the LPT, which I well understand given that the bills for everyone would have come in over the past number of weeks. That is why I will take the opportunity to say now what I have said before, which is that my intention is that any future changes in the LPT will be moderate, fair and predictable. I am confident that the process I have outlined, which is well in advance of any change in the revaluation metric, will be able to deal with it.

**Deputy Richard Boyd Barrett:** Let me remind the Minister that at the time the property tax was brought in, the Minister justified it by saying there would be more money available for local services. Actually there has not been a cent more. The 25% cut in local government funding that preceded it was never replaced. We then had a property tax that reduced central Government funding on a euro-for-euro basis. We got no extra services for this but what we did get was an unfair tax. The Minister has simply not addressed the issue of unaffordability and the regressive nature of the tax.

My proposal to the Minister is what we proposed in our pre-budget submission that the local property tax should be abolished for principal private dwellings and replaced with a landlord's tax. In other words, we should tax second, third, fourth or fifth properties and people who own property that is simply wealth and not the roof over their head. The Government could replace one with the other. That would be a genuine wealth tax which would not hit people on low incomes.

**Deputy Thomas P. Broughan:** People are very nervous about this as we approach 2019

and 2020 to see what the review will hold. Will the review not be published until August? When will we have it? Could the Minister give us his view on the propositions put forward by the Parliamentary Budget Office, which looked at various ways where we could reach a stable and fair local government tax across the country? There has effectively been a 5% increase in the tax in Fingal and people living in very modest houses might be paying €500, €600, €700 or €800 early next month. This extra 5% is significant. The county manager said that he will do such and such with that money but at the same time, while local government needs to be funded, as Deputy Boyd Barrett said, we have had no additional funding for it and the Minister has not achieved the fundamental constitutional basis of a fair tax. This tax is not one of those.

**Deputy Paschal Donohoe:** Deputy Boyd Barrett proposes that we introduce some form of landlord's tax. Let us play that out. Let us play out what would happen if we were to increase taxation on landlords to find the additional revenue to offset the elimination of the local property tax, as Deputy Boyd Barrett proposes. In order to do that we would need to find an additional €500 million of tax revenue from the landlord sector. How many landlords does the Deputy think would stay in that business?

**Deputy Richard Boyd Barrett:** It is a good idea.

**Deputy Paschal Donohoe:** I am glad the Deputy thinks it is a good idea. However, he has failed to acknowledge that his definition of wealth is somebody else's roof under which they are sleeping at the moment. I will not put in place any kind of tax measure as the Deputy is proposing that has the risk of incentivising further landlords to leave the rental sector and exacerbating the kinds of difficulties to which the Deputy regularly and correctly points.

**Deputy Richard Boyd Barrett:** They are making a fortune.

**Deputy Paschal Donohoe:** That risk would be there if we took such action.

In response to Deputy Broughan, I am aware of the work of the parliamentary body on the future of LPT. I am also aware of the debate in the Committee on Budgetary Oversight afterwards where it proved very difficult to find consensus on what the new tax model should be. Some members of the committee said we should move to floor-area basis where the tax yield is determined by the size of the property; other members disagreed. Some members said we should continue to have it based on value and other members of the committee disagreed with that. A debate is under way in the committee on that very point.

## National Debt Servicing

76. **Deputy Michael McGrath** asked the Minister for Finance if progress has been made with the European Commission in securing some flexibility on the way in which one-off proceeds such as a NAMA surplus and the sale of bank shares may be used; and if he will make a statement on the matter. [4283/18]

**Deputy Michael McGrath:** This question relates to the application of the fiscal rules to one-off receipts, whether it be the sale of a stake in banks that the State might hold or a NAMA surplus which will materialise in the coming years. Has the Minister for Finance raised or made any progress with the Commission on getting additional flexibility on how such proceeds can be used as opposed to being bound by the rules, certainly when it comes to a financial transaction,

that the Government must use the proceeds to pay down debt?

**Deputy Paschal Donohoe:** NAMA was established in December 2009 and its debts of nearly €32 billion represented a substantial contingent liability to the State.

The State recapitalised the domestic banking system at a gross cost of €64 billion, adding around 40% of national income to national debt. As a result of this, as well as the mismanagement of the public finances, total Government debt now stands at over €200 billion, which is the equivalent of €40,000 for every man, woman and child in the State.

My priority, therefore, has been to use one-off revenue gains to reduce the debt incurred by public support for the banking system.

Moreover, I am also very conscious that the economy is approaching full employment and it is important that it reflects this at this stage of budgetary policy. I do not want to put in place pro-cyclical policies that could endanger our recovery.

NAMA's role in the funding of residential development is a key priority for Government. In this regard, NAMA is expected to fund the completion of 20,000 units over the period from 2016 to 2020.

**Deputy Michael McGrath:** I have said on the record a number of times that there is nothing wrong with paying down debt. Many of our citizens, who could afford to do so, did it throughout the economic crisis. Many businesses have also taken the opportunity to deleverage. This issue came up last year when the State sold a stake in AIB. The Minister for Finance should at least have some flexibility such that the government of the day could decide that a better use of the proceeds, or some of the proceeds, would be to put them towards investment in the economy. A new ten-year investment plan will be published shortly. If a government were to make that decision and wished to use at least some of the proceeds, would it have the discretion and flexibility to do so without being in breach of the fiscal rules? That is my central question. I am looking to establish whether the Government has opened up any channel with the European Commission on how one-off proceeds may be used without breaching the fiscal rules.

**Deputy Paschal Donohoe:** We are in constant engagement with the European Commission on how we define a structural reform. To date it has been my view that such gains should be used to reduce our debt. However, if we look at where we are in the economic cycle, our national debt is now far higher than it was before we entered into the last crisis, which means that were we to find ourselves facing similar difficulties again - God forbid - we would be approaching that crisis point with a far higher level of debt than we had in the past.

The Deputy asked about the definition of the structural reform. We are engaging with the European Commission on that. Up to this point a structural reform has been defined as what would happen within a market or, indeed, a labour reform. We are looking at what is under way, for example, in Latvia where a structural reform now potentially could form a part of how it would respond back to a country-specific recommendation on health-care reform.

**Deputy Michael McGrath:** I acknowledge the level of the national debt. I also acknowledge the most important measure is its size relative to the size of the economy. Thankfully the national debt is falling relative to the size of the economy. I also acknowledge that we are at a time of very low interest rates which certainly will not continue indefinitely. Therefore the cost of servicing the national debt could well rise over time.

When it comes to how we measure capital investment relative to the fiscal rules, the smoothing effect under the European Union rules, spreading it out over four years, is not adequate. Companies that make investments do not account for it just over a four-year period. If we make an investment in infrastructure we derive the benefits from that investment over a longer period of time. The Government should raise that issue with the European Commission to account more properly for capital investment and to match how we account for it with how the economy benefits from that investment.

**An Ceann Comhairle:** I call Deputy Pearse Doherty on the same issue.

**Deputy Pearse Doherty:** The issue of the treatment of one-off proceeds is crucial, particularly with the decision to wind down NAMA. As the Government in recent years has scrambled for off-balance vehicles, NAMA can create some of the solutions. A social clause was built into the NAMA legislation but never really utilised. The idea that any NAMA surplus would be used to pay down debt at a time of severe crisis, particularly in housing, is just not acceptable. There are other imaginative ways. Instead of looking at a cash surplus, we should be looking at a housing stock surplus. There should be a bit of imagination within the Department of Finance to look at using the expected surplus from NAMA and ensure it delivers a social benefit to the people. I ask the Minister to come with proposed solutions to ensure that the expected surplus can be used in that form.

**Deputy Paschal Donohoe:** There is ample imagination in the Department of Finance when it comes to dealing with these kinds of matters. That is why this morning the Cabinet agreed to move forward with the concept of House Building Finance Ireland, which will have personnel from NAMA but will not be of NAMA because we have to avoid any potential conflicts of interest. We will fund that through money that is currently residing in ISIF. We will look to ways in which we can provide good loans in good investments to underpin in turn the release of more homes in the country.

Deputy McGrath asked about the smoothing effect. We will make full use of that smoothing effect in the capital plan. I want to see us increase capital expenditure to deal with the issues we are facing. To put into context what we are doing, last year we increased capital expenditure by 9%, which is a really significant increase compared with the previous year. Over the coming years, I plan to continue with strong rates of increase to deal with all the pressures we have in our homes, schools and universities and to do that in an affordable way and without setting off a further reaction of price levels within the economy.

### **Common Consolidated Corporate Tax Base Proposals**

77. **Deputy Pearse Doherty** asked the Minister for Finance the way in which he is defending Irish interests in matters of taxation in view of the move by some in the EU to harmonise and federalise tax policies; and if he will make a statement on the matter. [4313/18]

**Deputy Pearse Doherty:** Last week the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach heard two MEPs discuss the proposed CCTB and CCCTB. Given what they said and given what we know the European Commission is proposing which goes beyond the CCCTB, it seems the Government is failing miserably to have any positive impact or influence on the EU or any other party to protect Ireland's interests. Do the Government and Minister believe that the Apple case and other instances which have been amplified in the me-

dia, both domestically and internationally, have blackened our name and reduced our chances of getting a fair hearing about tax sovereignty?

**Deputy Paschal Donohoe:** No. The Deputy points to miserable failure. I point to the fact that, over recent years, we have been successful in protecting our corporate tax policy. As the Deputy will know, the level of corporation tax receipts that we collect has moved from €4 billion to €8 billion which does not meet any definition of miserable failure. More broadly, any tax directive at EU level leads to convergence of some aspect of tax.

Ireland has supported the EU anti-tax avoidance directives which standardise anti-avoidance measures across the EU in line with the OECD base erosion and profit shifting, BEPS, recommendations. However, taxation remains within the competence of individual member states. Unanimity is needed before any tax changes can be agreed at EU level. Proposals for tax harmonisation at EU level are not new. The common consolidated corporate tax base, CCCTB, has been discussed for years and was first formally proposed in 2011. Ireland's position has always been clear. We do not support tax harmonisation that undermines a member state's ability to set its own tax rate and to determine its own tax base. We have shown, however, that we are willing to engage with and agree EU tax directives that seek to implement agreed international best practice in a consistent manner across the EU. This remains Ireland's position.

As always, in line with A Programme for a Partnership Government, Ireland is constructively engaging in the debate on the CCCTB proposal while critically analysing the extent to which the proposal impacts Ireland's interests. We are by no means alone in having such concerns. These views are shared by many other member states across the EU.

**Deputy Pearse Doherty:** As much as the two MEPs who came before the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach did not want to acknowledge it, they had to acknowledge that Ireland has a veto on this issue. Even if President Juncker got his way and tried to implement qualified majority voting, we would still have a veto on the decision about whether we move to that point. Will the Minister confirm to the Dáil this evening that he will use the veto on the issue of CCCTB if necessary if a proposal is tabled? We also have a French-led proposal on digital taxation which is coming down the road in the future. It all points to a concentrated campaign that we need to mount. There is no doubt, whatever the Minister wants to say, that he has left himself wide open with the way that he treats multinationals. The issue he introduced in the Finance Act about not dealing with intangible assets that have been onshored and that will be claimed in future years is another example of that. People are not stupid anymore. As I told the Minister, the winds of change are blowing hard. The Minister has left Ireland in a vulnerable position. We also hear that officials in the Department have been instructed by the Taoiseach to say nothing at the meetings. These are the meetings where much of the horse-trading and wheeling and dealing takes place. Is it the case that this is the direction the Minister, his Department or indeed the Taoiseach has given to the officials representing our countries at those meetings?

**Deputy Paschal Donohoe:** The only instruction I give to our officials is to participate fully in all discussions about issues that affect Ireland and to represent our national interest, which they do. I will not agree to any proposals that undermine our decision-making rights on the future of taxation in Ireland or undermine the legitimate use of corporate tax policy to retain and attract jobs to our country.

**Deputy Pearse Doherty:** We are on the same page as the Minister on the issue of tax sov-

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ereignty. I fundamentally disagree with the way he and his predecessor provide loophole after loophole to allow multinationals to avoid paying their appropriate tax rate, which is 12.5%. We agree with the Minister on the issue of tax sovereignty. We need to have a concentrated campaign. We had two rapporteurs, people in senior positions in the European Parliament, before the committee. Neither knew that Ireland had three corporation tax rates. There was complete ignorance. They have written reports without knowing it. We are not informing the people who are in the middle of making decisions. I understand that the Minister of State, Deputy D'Arcy, met them. If I am misinformed, maybe the Minister of State can correct the record. They put on the record of the committee that the Minister of State told their members that the instruction given to the officials was not to engage. They have never requested the floor of the meeting. It is important to clear that up. We are on the same hymn sheet on this issue and we now have to have a proper campaign. The Minister needs to clean up his backyard for us to mount that campaign properly.

**Deputy Michael D'Arcy:** I thank the Ceann Comhairle for the opportunity to correct the record. I was told that the two MEPs went to the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach and said that I said something. I want to be clear that what was said by the MEP was advice that he offered to me for the Taoiseach to take, which is a very different thing. I said to the MEP that that was not a matter for me to decide but for other people to decide. I thanked him for his advice. I, under no circumstances, said any such thing that he put on the record of the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach. I want to clarify that for the committee and thank the Ceann Comhairle for the opportunity to do so.

### Credit Unions

78. **Deputy Willie Penrose** asked the Minister for Finance if his attention has been drawn to a report (details supplied); his plans to address the problems highlighted in the report; his further plans to ensure the sustainability of future growth of the credit union movement here; and if he will make a statement on the matter. [4301/18]

**Deputy Joan Burton:** I ask the Minister if he has read the recent report by the Centre for Community Finance Europe regarding the fitness for purpose of the Irish credit union model reported in the *Irish Independent* and many other newspapers and how upset many credit union volunteers and managers are about the nature of the report and what they see as its unfairness to them and to credit unions as institutions.

**Deputy Paschal Donohoe:** I can advise the Deputy that my Department is aware of the paper from the Centre for Community Finance Europe Limited, CFCFE, on Irish credit union business models which was commissioned by the credit unions that helped found the CFCFE, including a number of Irish credit unions. The paper argues that the traditional, simple business model of credit unions in Ireland needs to change if they wish to succeed into the future. It is fair to say that there is significant diversity in many aspects of the business model for credit unions which can be large or small, rural or urban, industrial or regional, and can have business models adapted to their particular membership base. The Government understands the challenges this raises and that flexibility and proportionality is required both in policy and regulation.

Credit unions have a unique role as a grassroots, not-for-profit, volunteer-based movement

in our communities. They have a key role to play in providing access to credit and other important services in local communities. Indeed, the CFCFE paper acknowledges the strength of the credit union brand in Ireland. The paper's findings build on previous reports for Government by the Commission on Credit Unions in 2012 and the Credit Union Advisory Committee, CUAC, in 2016 and a recent report from the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach.

Business model development is one of the key issues that the implementation group which was set up to oversee the implementation of the CUAC's recommendations is looking at and work is ongoing. The CUAC will also focus on this issue in 2018 and recently invited the CFCFE to meet it to discuss its paper. My Department continues to support credit union initiatives to develop services. In certain circumstances, the provision of new services must be approved, prior to their introduction, by the registrar of credit unions at the Central Bank, which acts as the independent regulator for credit unions.

The Government's priorities remain the protection of members' savings and the financial stability of credit unions and the sector overall, and I am determined to continue to support a strengthened and growing credit union movement into the future.

**Deputy Joan Burton:** Can a coalition of willing credit unions establish a body or work collectively to provide mortgages or significant loans relating to, for example, refurbishing houses and making them fit in the context of climate change challenges and lack of insulation? Could a coalition of willing credit unions provide small and medium enterprise, SME, finance? Approximately just 26% of credit union members' funds are loaned out productively. This is a financial scandal at a time when local financial institutions, bank branches and so on are closing. The report raises some important questions about the services offered by Irish credit unions and structures to underpin them. We need to rejuvenate credit unions and provide diversified financial services in Ireland. As referenced by the Minister, the Central Bank seems to be able to regulate but not able to engender activity.

**An Ceann Comhairle:** I will allow a brief supplementary question from Deputies Michael McGrath and Pearse Doherty.

**Deputy Michael McGrath:** I am glad to hear that the credit union advisory committee, CUAC, will focus on business model development for credit unions in 2018, which the Minister will be aware is a clause of the confidence and supply agreement which we have not seen thus far. We need this to happen. There is no tiered regulation. One of the central recommendations of the commission in 2012 was tiered regulation. Instead, we have a one size fits all approach to regulation. The lending restrictions need to be reviewed, particularly around long-term lending. There are serious issues with communications between the registrar and the credit union sector. In regard to levies, the Minister's predecessor said in the Seanad in October 2011 that the cost of bailing out credit unions could reach €1 billion but there has been no net contribution by the State to rescue the credit union sector thus far because it paid for it itself through levies and that needs to be reviewed.

**Deputy Pearse Doherty:** I am record in regard to the lack of understanding on the part of the Department of Finance and, in particular, the Central Bank, in regard to the potential role of credit unions. Deputy McGrath spoke about the core issues, about which we have been talking for a number of years, including tiered regulation, fees and the credit union sector's desire to get involved in delivering the solution to the social housing crisis. The finance committee

produced a report, which I assume the Minister has read. Does the Minister intend to respond to that report, in which his Department is tasked with carrying out certain actions, including to provide a roadmap for the future of credit unions in this State; the introduction of the necessary legislation; and oversight of various issues that have been identified. The Department is also tasked with interacting with the Central Bank because there are serious challenges identified in that report in relation to the Central Bank. Does the Minister, on behalf of the Government, intend to respond to the report and does he intend to carry out any of the actions of that report or is it just another credit union report that will gather dust on the shelves?

**Deputy Paschal Donohoe:** As I said in my initial response to the question, the credit union advisory committee, CUAC, will focus on this issue in 2018. I believe that is the appropriate way in which this happens. In regard to the various points put to me, it is not the role of the Central Bank to engender activity. Rather, it is the role of the Central Bank to regulate.

**Deputy Pearse Doherty:** And to enable.

**Deputy Paschal Donohoe:** I want to see a credit union movement in Ireland that is sustainable, vibrant and meets the level of social and economic need that I know exists within this country. I have met the representative bodies of the credit union movement and I emphasised that point to them. While I am not a decision maker in regard to communication between the Central Bank and the credit union movement I am aware of what is going on because I am notified of contact between them. I am eager to work with everybody on how we can create the foundations for the credit union movement in Ireland to be even more successful in the future.

*Written Answers are published on the Oireachtas website.*

### Topical Issue Matters

**An Ceann Comhairle:** I wish to advise the House of the following matters in respect of which notice has been given under Standing Order 29A and the name of the Member in each case: (1) Deputy Declan Breathnach - to discuss the issue of locals only rules and permission to build one-off housing; (2) Deputy James Browne - the need for special education facilities at schools in Wexford town and Enniscorthy; (3) Deputies Thomas Byrne, Kathleen Funchion, Richard Boyd Barrett, Pat Casey, Thomas P. Broughan, Gino Kenny, Mick Wallace, Bernard Durkan, Pat Buckley and Stephen Donnelly - the possible widespread implications here of the collapse of the UK company, Carillion plc; (4) Deputy Michael McGrath - the commuter concerns with Bus Éireann services in Cork city and county; (5) Deputy Peter Burke - the provision of consultant orthodontic services for children in Longford and Westmeath; (6) Deputy John McGuinness - to discuss infrastructural issues at Tinnahinch, Graiguenamanagh, County Kilkenny; (7) Deputies Mary Butler and Frank O'Rourke - to discuss the recent inclusion of a diabetes management device for children with type 1 diabetes only; (8) Deputy Danny Healy-Rae - to discuss the new hen harrier compensation scheme for farmers in Kerry and Cork; (9) Deputy Jim O'Callaghan - to discuss the anomalies arising from the Garda pay deal; (10) Deputy Brendan Ryan - to review the administration of the Jobpath scheme and other social protection schemes; (11) Deputy Margaret Murphy O'Mahony - the timeframe for the opening of the extension to Bandon Community Hospital; (12) Deputy Jackie Cahill - to discuss the price changes for skimmed milk powder; (13) Deputy Joan Burton - to discuss the traffic congestion in Dublin city centre; (14) Deputy Eamon Scanlon - the closure of the Alzheimer's unit at St. John's Community Hospital, Sligo; (15) Deputy Brian Stanley - the future of Abbeyleix Dis-

trict Hospital, County Laois; (16) Deputy Paul Murphy - the future of the JobPath scheme; (17) Deputy Mick Barry - reported exodus of naval personnel from the Naval Service; (18) Deputy Mattie McGrath - the need to fund the rural roads network; (19) Deputy Noel Rock - to discuss the extension of the Luas to Finglas; and (20) Deputy Donnchadh Ó Laoghaire - to discuss the staffing levels at St. Finbarr's Hospital, Cork.

The matters raised by Deputy Declan Breathnach and Deputies Thomas Byrne, Kathleen Funchion, Richard Boyd Barrett, Pat Casey, Thomas P. Broughan, Gino Kenny, Mick Wallace, Bernard Durkan, Pat Buckley and Stephen Donnelly has been selected for discussion.

## **Topical Issue Debate**

### **Planning Guidelines**

**Deputy Declan Breathnach:** I welcome the opportunity to debate the need for a relaxation of the “locals only” planning laws which allow people born and raised in an area and wishing to build a one-off house in that area permission to do so and the need for discussion of the EU ruling of last year that the “locals only” planning rule introduced in 2005 breaches articles of the EU treaty which guarantees the free movement of capital and of people.

Prior to my election to this House, I spent 25 years in local government and I know that the matter of rural one-off houses has been the singular issue that has preoccupied councillors, planners and officials at local government level. In raising this issue I want to make it clear that I am not a supporter of bungalow blitz and I understand the concerns of environmentalists in relation to the proliferation of septic tanks and the dangers to the water courses and sources and the need for legislation framing county development plans. However, if we continue to put obstacles in the way of people who want to build in rural Ireland, we face the death of rural communities schools and rural living.

I would like to outline these planning practices to the House. It all started with people living in large towns being told they could not build in the countryside, which is somewhat understandable, followed by people in the countryside being told that unless they are sons or daughters of farmers and so on they must live where water and sewerage is available. Those who want to live in smaller areas are directed to centres where there has been no investment in roads, footpaths, lighting, making it almost impossible to find houses or sites to build on. The latest strategy is such that even if a person is lucky enough to identify a possible site, the planning authorities do their level best to nobble the application based on site line distances, soil type, the 400 m area requirement in relation to land between one house and the next. People are being told they cannot build on a mountain, near the sea, close to a motorway, a national primary route, a secondary route, a flood plain, which is understandable, or close to an infill site. Also, there must be a 400 m gap between a group of three houses. In my own county, if a person lives in a village that has water and sewerage he or she will never have the opportunity to purchase a site there. All in all, we are closing off opportunities for those traditionally and generationally entitled to remain in their local areas. In not allowing them the opportunity to aspire to live in the area of their choice we are in contravention of the European Court of Justice ruling in the Flemish decree case.

In May 2017, planning authorities were advised by the Minister of State, Deputy English, that they should not amend rural housing policies in their development plans until the guidelines have been revised. This is not good enough. People are champing at the bit to get permission to live in their local areas. It is my contention that within reason houses can be built in most areas with proper infrastructural and environmental guidelines.

**Minister of State at the Department of Housing, Planning and Local Government (Deputy Damien English):** I thank Deputy Breathnach for raising this matter, which is an important issue for many people living in rural Ireland. I also thank him for the opportunity to provide an update on the review of the 2005 planning guidelines for sustainable rural housing, issued under section 28 of the Planning and Development Act 2000, as amended. Like Deputy Breathnach, as a former councillor and a Deputy, I have represented people on planning issues, including in regard to one-off house building. I agree with the Deputy that it is important to many parts of our counties and certain rural areas that we allow one-off housing and we continue to do that under certain conditions. The impression is often given that no one-off house building is being permitted but the majority of housing built in the last number of years has been one-off housing, with an average of 6,000 one-off houses per year in rural areas over recent years. In many of the counties I have been visiting they comprise the majority. What we are trying to do under Rebuilding Ireland is bring back some scale to housing construction. I am thankful that in the past 18 months, since we launched the action plan for housing, there have been many more larger housing developments, with one-off rural houses, which are important also. We need both if we are to deal with the housing supply issue. I acknowledge that for the Deputy this is about the people who want to build in their local area. The Government wants to achieve what he outlined and we allow for it in all of our action plans for housing and rural action plans.

Like all statutory planning guidelines issued under section 28, the rural housing guidelines are intended to be applied on a consistent and uniform basis by all planning authorities. Under the 2005 guidelines, planning authorities are required to frame the rural housing planning policies in their development plans in a balanced and measured way. The aim is to ensure the housing needs of rural communities can be met, while simultaneously taking account of the principle of sustainable development and avoiding excessive urban-generated housing and haphazard development, particularly in those areas near cities and towns that are under pressure from urban-generated development. The guidelines further aim to ensure sites being developed for housing in all rural areas are suitable with regard to vehicular access and wastewater disposal and also from landscape and design perspectives. In addition, the guidelines outline a number of criteria to be taken into account in local authority development plans for the purpose of assessing whether planning applications for rural housing are intended to meet a rural-generated housing need. These local needs criteria primarily relate to planning applicants having familial or occupational ties to the rural area in question.

In 2007 the European Commission issued an infringement notice against Ireland in regard to the 2005 rural housing guidelines. It was subsequently deferred pending the outcome of a related European Court of Justice case against Belgium, generally known as the Flemish decree case. In that regard, the Flemish decree linked the sale or transfer of property in certain Flemish communes with the condition that there should be a sufficient connection between the prospective property buyer and the relevant commune. This had the practical effect of precluding non-locals from purchasing property in the Flemish communes in question. The European Court of Justice eventually gave its judgment in the case in 2013 and ruled that the Flemish decree con-

stituted an unjustified restriction on fundamental freedoms under the Treaty on the Functioning of the European Union, in particular that it breached Article 43 of the treaty on the freedom of movement of citizens. Further to this judgment, the European Commission re-engaged with my Department on the 2005 rural housing guidelines. Arising from this and further subsequent engagement between my Department and the European Commission, a working group comprising senior representatives from my Department and planning authorities was established in May 2017 to review and, where necessary, recommend changes to the 2005 guidelines with a view to ensuring rural housing policies and objectives contained in county development plans complied with the relevant provisions of the EU treaty. The working group concluded its deliberations in September 2017 and my Department is now consulting the European Commission on the matter, with a view to issuing new guidelines to planning authorities as soon as possible after the finalised national planning framework is adopted and published in the weeks ahead.

When the revisions to the guidelines are finalised and issued to planning authorities under section 28 of the planning Act, planning authorities and, where appropriate, An Bord Pleanála, will be required to apply the revised guidelines in the performance of their statutory planning functions under the planning Act, specifically in the assessment and determination of planning applications and appeals in respect of rural housing proposals. Pending the issuing of the proposed new revised guidelines, planning authorities were advised by way of circular letter issued by my Department in May 2017 that the existing 2005 guidelines remained in place and that they should not amend the rural housing local needs policies in their development plans until the revised guidelines had issued. This has resulted in thousands of people receiving planning permission to build houses in rural areas. It does reflect the need for local ties.

**Deputy Declan Breathnach:** I thank the Minister of State for his response. He said he would revise the 2005 guidelines speedily. When will the working group which was established in 2017 and comprises senior representatives from the Department produce the report? When will we see the recommendations and changes required? Will the Minister of State update me on his plan to issue the revised guidelines, giving dates and times? We need speedy action on this issue which is of major concern not only in my county but also across the country. It should be remembered that anybody who is seeking planning permission in a rural area would be contributing to the community through the local school or football club, by becoming involved in the locality or by bringing business to local shops. Therefore, planning departments need to be more positive towards new families who will add value to an area.

The latest debarring in my county is such that if an applicant lives in a village that is connected to the water mains and has sewerage, he or she cannot aspire to moving to the country area, of which he or she is part. I understand the difficulty with the proliferation of houses, but there are possible solutions. If a family can show lineage or a connection to a local village and its hinterland, through legal documentation, birth certificates or school attendance records which were sometimes used in the past, they should be allowed to seek to live there and not be debarred from realising their dream, that is, to have a house in what they consider to be the countryside.

I ask the Minister of State to tell us the timeframes involved. There are numerous people affected. I have assisted people who live in villages and bought sites to make a planning application. They now have a site that is valueless because they are being debarred from having the opportunity to build. We need action.

**Deputy Damien English:** I understand the Deputy's concerns. The Department is consult-

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ing the European Commission on proposed revisions to the statutory housing guidelines. The working group completed its work last September and we have been in negotiations with the European Commission since. I hope that in the months ahead we will be able to bring clarity to this issue. Through the national planning framework, we hope to outline the direction we will take. Through the discussion at the various committees here and with councillors all over the country, we will agree to change the wording to allow for economic and social ties in the case of one-off housing.

From my review of the planning guidelines for rural houses and the application of the guidelines in my county, I believe once the site criteria pertaining to transport, vehicular access and drainage are satisfied and there are local ties, to the school or football club, as the Deputy said, generally planning permission is granted. I accept that when somebody is moving from an urban area such as a town or village to a rural area, it is complicated. All of us want to make sure, however, that people from a rural area can live beside their family and from what I can see, that generally does happen. We are trying to respect that trend and continue it.

The national planning framework will set out the direction we will take. We will receive clarity from the European Commission in the months ahead and be able to provide an updated position for the Deputy. I will keep him abreast of developments as time progresses. I acknowledge that his concern is genuine. We do try to recognise people's social ties to an area, in addition to their economic ties. It is not the case that there is a block on housing. I have seen a figure of 6,000 one-off rural houses per year. This was quite a high number during recessionary times, when nobody was involved in construction. It is probably wrong to say no one-off houses are being sanctioned, but I understand the case the Deputy is trying to raise and hope we can deal with it.

Through the national planning framework, we are trying to target villages that have experienced decline in recent years and make it possible and affordable for people to build in them. In the past, even buying a site in a village area cost a lot of money and it was not practical to build a house there. We want to make it practical and try to strengthen the system to give people a chance to live in a rural village or other rural area.

### **Company Closures**

**Deputy Thomas Byrne:** I thank the office of the Ceann Comhairle for giving all of the Deputies present the opportunity to debate this matter. I called for this debate last week and I am glad that it is happening as it is necessary.

When Carillion finally went bust - it should be noted that many financial investors were shortening the company for quite some time, so worried were they about its financial performance - I issued a statement almost immediately asking the Minister for Education and Skills to clarify the position on the schools involved. The schools are St. Philomena's in Bray, Coláiste Ráithín in Bray, the Carlow Institute of Further Education and Tyndall College in Carlow, Loreto College in Wexford and Eureka secondary school in Kells in my constituency. The Minister of State, Deputy Damien English, has many constituents who attend the latter school. He was certainly involved with all of us in working towards its development.

Two weeks ago, when I made my statement, the Minister said he was confident that the schools would not be affected by the collapse of Carillion. A very simplistic answer was given

to a question that others and I had raised about what was a complex set of circumstances. When the Minister said he was confident that the matter would be sorted, I took it in good faith and accepted it. It turns out that he can no longer be confident because the schools are idle and empty and, in general, being guarded by security guards. In some cases, subcontractors and suppliers are taking goods out of them. That is the case all around the country.

There are subcontractors throughout the country who have been very badly affected by the collapse and not been paid. One company in Kells, which I am sure the Minister of State, Deputy English, knows, is currently owed €62,000. It is a small company depending on such business and it thought this project would be a good thing but it has not been. Will the Minister meet the suppliers as well as making every effort to ensure the situation is resolved as soon as possible? We have two minutes each and that is sufficient because there are so many of us. I am grateful to you, a Cheann Comhairle.

**Deputy Kathleen Funchion:** I am pleased to have the opportunity to discuss this issue. The ability of the collapse of a private company in another jurisdiction two weeks ago to have such an impact on the completion of school buildings in Ireland is, unfortunately, the direct result of public private partnerships. Our schools or other public buildings cannot be at the mercy of public private partnerships going wrong. The schools in question, which Deputy Thomas Byrne named, include two in my constituency, Tyndall college in Carlow and the Carlow Institute of Further Education, need clarification from the Department. The email that was sent to schools from the Department was vague, with no detail, and did nothing to ease any concerns parents, principals, teachers and most important, students, have.

The schools in question are badly in need of new buildings, with some waiting years, decades even, in very poor conditions and they need assurances that they can relocate to their new buildings as soon as was promised. Initial reports indicated that work has been postponed indefinitely on at least two sites and that there are doubts over the status of others. The fact is that there are no longer contractors working at the site in Carlow since last week and all work has halted on that development which was 90% complete and is to cater for 3,000 students.

The situation has an impact on the workers who have been left without wages and without certainty. When the news initially broke reassurances were given that there would be no impact on the building work at the schools and last week the NDFA released a statement placing responsibility on shareholders and funders to ensure the buildings are completed. How long will that take and have the discussions even started? At what stage are the talks now? I am very conscious of time. Students need to know where they stand. We cannot ask them to study for exams in inadequate buildings where they do not even have proper facilities. I ask the Minister to please clarify the situation today.

**Deputy Richard Boyd Barrett:** People Before Profit has always opposed public private partnerships as a means to build schools, housing or other vital infrastructure. What has happened with Carillion and has now affected Coláiste Ráithín, St. Philomena's, the Eureka secondary school, Tyndall college and the Carlow Institute for Further Education confirms what we predicted when the Government and the main Opposition party embraced the notion of public private partnerships. What happened with McNamara and the housing developments in this city has happened now with Carillion, and several other PPP projects, in that when the private for-profit entity goes bust or walks away, whatever it might be, we are left holding the can. It is not the private sector which takes the risk it is the school students who have been existing in poor school conditions for years, hoping to get into a new school building and then fall victim

to private interests who are in the business not of delivering schools but of making profits and if they are not making profits they walk away or go out of business. That is the fundamental problem with PPPs.

First, we need emergency legislation to get hold of those schools and ensure that the children can go into those building. The situation should not be allowed delay people going in and using those schools. We should recognise that we have to get those schools back into full public ownership so they are not controlled or dependent in any way on private for-profit interests. The Committee on Budgetary Oversight, the Committee of Public Accounts and any other relevant committees should now examine in detail what happened in the public private partnership in which Carillion was involved but also the public private partnership model must be investigated and examined to see whether, as I believe is the case, it is something that should be abandoned for the provision of schools and other vital infrastructure.

**Deputy Pat Casey:** Two schools in Bray are completely unsure as to when their school buildings will open and what their future maintenance services will be due to the collapse of Carillion. Coláiste Ráithín and St. Philomena's in Bray are awaiting the completion and opening of the long-awaited essential buildings. When the news broke I immediately contacted the Department by means of a parliamentary question demanding clarity on the issue and I am very disappointed with the answers supplied.

When we in Fianna Fáil raised the issue we were assured by the Minister for Education and Skills, Deputy Bruton, who was confident that the five Irish schools would not be affected by the collapse. However, responses to parliamentary questions received by my office last week reveal a hands-off and careless attitude to this very serious issue for both school communities. I can confirm that the school community in Bray is very concerned, and rightly so. It has organised public meetings to inform parents and many students and staff have expressed deep concern about their new school at a time when we should be celebrating the new future of Coláiste Ráithín and St. Philomena's.

For the Government to have such a hands-off approach also raises question marks about the funding model being used to build the schools. Schools are essential public buildings which the community in Bray rightly expect the Government to control not to evade responsibility behind the NDFA. In short, could I ask the Minister when the schools will open and when all maintenance contracts will be fully honoured to the satisfaction of the school board of management?

**Deputy Thomas P. Broughan:** I share the sentiments of Deputy Boyd Barrett. Since 2008 or 2009 in particular Fianna Fáil and Fine Gael Governments have decimated the public capital programme and resorted to this PPP approach. Recently, a colleague of the Minister's, Andrew McDowell, previously his party's main economic adviser, told the Committee on Budgetary Oversight why we should use PPPs and try to keep projects off-balance sheet. At the end of the day, the people, the State and especially the communities affected by the building projects at Coláiste Ráithín, St. Philomena's, Tyndall college, the Eureka secondary school and Loreto college are having to pick up the pieces for a failed and short-sighted Government policy.

One of the key issues that arises is the tendering process. People will ask how the Dutch investment company and Carillion got through a tendering process in the section of the NDFA which examines PPPs. How did that happen? In terms of oversight, what was the Minister and his colleagues aware of in regard to the development of the contracts?

Many of us in this House have bad memories of aspects of PPPs in regard to some of the previous school bundles, in particular in regard to the treatment of workers and tradesmen who worked on the schemes and who often found they were working for out-of-state contractors and whose PRSI payments, pension payments and tax affairs were not sorted in a way which was beneficial to them. Grave questions arise in terms of what has happened. The Ministers are responsible and they must tell us what the position was in terms of tendering. They have failed us with the level of oversight that was provided.

**Deputy Mick Wallace:** Carillion and other such companies engage in so-called business process outsourcing, add nothing of value to the economy and are simply middle men. They have access to contracts and nothing else. What kind of research is done on such firms before contracts are awarded? In the past ten years Carillion's profits have continuously declined while its debt levels have skyrocketed. According to a parliamentary paper published in Britain this week it ran up debts and sold assets worth £217 million to continue paying dividends to shareholders between 2012 and 2016. The group paid out dividends of £376 million over the five-year period but it generated just £159 million of net cash from operations. The report shows the group's dividend continued rising even as the cashflow to support it evaporated. When dividends are paid on the basis of expected profits the company is effectively borrowing money to pay its shareholders.

Could the Minister indicate who decided to give those people the contracts? It was well flagged that those people were not coming with a great report card. What research was done? PPPs are lauded on the basis that risk is transferred to the private sector but when something goes wrong the risk comes back to the State and it certainly will not be the private sector which bails us out. The nature of competition for Government contracts needs to be looked at. In the area of PPPs there are just a few sellers in the market so there is very little competition. Instead of giving contracts to multinationals which hire someone else to do the work, why does the Government not seek to engage directly with the people who do the work? The current system only makes executives and shareholders rich.

*6 o'clock*

It is nonsense. It is little wonder that public private partnerships are costing 15% plus.

**Deputy Bernard J. Durkan:** My main concern in this whole situation is the extent to which it might affect the customer, that is, the Department of Education and Skills as well as the parents and children who are awaiting completed school projects. I am not so concerned about the public private partnership model. If it has worked before and it can work again. If it provides schools methodically, quickly, effectively and efficiently, then there is no problem.

There is another issue, however. It is the extent to which the sub-contractors are exposed in this situation. I realise discussions have taken place between the Minister and the Department and some of the people concerned. It is necessary now to reassure the sub-contractors in case they suffer a domino effect or find themselves left out in the cold while the debate takes place with the receivers and the grabbing of assets, etc., that usually takes place in such situations.

I call on the Minister to reassure the contractors in respect of what might be in their best interests, with particular reference to schools that are already finished, ready for occupation and that have been the subject matter of conciliation, which is the snagging that takes place in the normal course of events. I hope it is possible to expedite the process in so far as they are

concerned with a view to ensuring that resources come their way. They have other projects that they wish to continue. If the whole system is held up for any appreciable amount of time, ultimately, the customer, that is, the Department of Education and Skills, will be affected in its attempt to provide the facilities for children in schools throughout the country.

**Deputy John Brady:** The collapse of Carillion did not come as much of a surprise to me and many others who saw this coming down the tracks. It has directly impacted on two schools in my constituency, namely, St. Philomena's primary school, Ravenswell and Coláiste Raithín. I am delighted that so many parents, teachers and pupils from Coláiste Raithín have travelled from Bray in Wicklow to be in the Gallery. They hope to hear positive responses from the Minister and news on when they can move in.

The school building in which Coláiste Raithín is currently operating is totally unsuitable. Hence, a new building is being built. This will bring to an end to a 23-year battle, under way since 1995, to get the new school. The current location of the school is totally unsuitable. The school is operating from three different locations within Bray. Pupils have to travel from one building to another in different parts of the town.

In September, the school took on board a full extra class of first year pupils in the knowledge, and hope, that a new school was forthcoming. This is adding to the existing over-crowding. It is totally unsustainable. The school also added two additional subjects to the curriculum and took on two new teachers. The school does not have the facilities now to teach those subjects. It was hoping, and had been promised, that Coláiste Raithín would be in the new school building that would be fully complete in October, November, December and 22 January, which was the latest date given. All dates have come and gone.

When I asked the Minister about this initially he said there would be no delays. Now, we are saying we simply do not know. I do not give a damn about what discussions, negotiations or legalities are going on and I imagine the teachers, pupils and their parents do not care either. What we want from the Minister today is a specific date for when the keys will be handed over to Coláiste Raithín and St. Philomena's primary school to bring an end to the 23-year battle they have been engaged in. I hope the Minister will be able to provide assurances that those responsible will get the keys sooner rather than later.

**Deputy Stephen S. Donnelly:** There are clearly some serious questions that need asking about large international firms underbidding and winning contracts based on unsustainably low prices, which has led to these sort of liquidations as well as pricing Irish firms out of the market. However, that is for another day.

I wish to specifically draw the attention of the Minister to the two schools in Bray in Wicklow, namely, St. Philomena's primary school and Coláiste Raithín. I attended a meeting last night in the school. To say that the students, parents and teachers are angry, frustrated and exasperated is an understatement. They were meant to move in back in September. The school increased the student numbers, hired new staff and increased the subjects. Then they were told it would be ready in October, November and December. The principal relayed to the meeting last night that he was given a guarantee that he and his team would be in by the end of January. Now we have what happened.

The current school is not fit for purpose. I wish to put on record what one of the students said last night. She said that the students are sick of sitting in cold rooms getting chest infec-

tions and seeing mould on the wall. That is what they want to move out of.

I have spoken to commercial insolvency experts on this matter. They gave me their view based on the assumption that the school has been built properly. We know it is finished, ready and that it simply needs certification. Their view was that it should be no more than six weeks from the liquidation event of Carillion to the matter being wrapped up and students and staff being in the school. We are two weeks into that process.

What I would like to hear from the Minister tonight is that this is under control; that the contracts were written in such a way that foresaw these types of events; and that the Minister is working with the main contractor and the sub-contractors, if necessary, to get certification as well as with Carillion and the liquidator. The parents, teachers and students want to know that by the end of February they will be in their school. When can the Minister tell the students, staff and parents of St. Philomena's primary school and Coláiste Raithín that they will be in their new schools?

**Minister for Education and Skills (Deputy Richard Bruton):** I thank all the Deputies who contributed and many more as well for their views. The Minister of State, Deputy Doyle, the Minister, Deputy Harris, Deputy Deering, the Minister of State, Deputy D'Arcy, the Minister of State, Deputy Kehoe, and many others have raised this with me. I do not in any way undervalue the concern.

I welcome those associated with the schools to the Gallery. Every one of these schools is important to its local communities. The reason they are being rebuilt in this way is because they are in serious need of it. I am pleased to get the chance to come to the House to clarify the position.

The compulsory liquidation of Carillion, announced on 15 January, is regrettable. Inspired-spaces, which is a joint venture between Carillion and the Dutch Infrastructure Fund, DIF, was awarded the contract for the schools bundle 5 public private partnership programme in 2016. Inspiredspaces is the PPP company responsible for the construction, finance, operation and maintenance of the five schools and one further education college included in the programme. Those buildings are approximately 90% complete, with two almost ready for occupation.

I wish to reassure Deputy Donnelly and others that there is best international practice in the way this bundle has been put together. The contract includes detailed provisions that apply in the event of liquidation of a consortium member, or an entity under the contract, to ensure that the project proceeds to completion. This means that, following the liquidation of Carillion, DIF is now required to intervene, with the approval of the project funders, to ensure that the project is completed to the satisfaction of the State. DIF has confirmed that resolution of the situation is its top priority. It is currently working to put in place a rectification plan to ensure that the schools are completed as soon as possible.

The National Development Finance Agency, which is part of the National Treasury Management Agency, is responsible for management of these projects on behalf of the Department of Education and Skills. The NDFA is working to ensure that the taxpayers' interests are protected and that the schools are delivered as quickly as possible through the implementation of the contract provisions. I assure Deputies that this issue is being treated with the utmost urgency by my Department and the NDFA. Officials in my Department are in constant contact with those in the NDFA, who are, in turn, liaising closely with DIF.

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I have met with officials from NDFA and I am satisfied that everything possible is being done at this time to ensure that the schools can be delivered in as timely a manner as possible. I wish to acknowledge the very understandable concern of the school communities and all connected with the projects in respect of the current lack of certainty around dates for completion of the schools.

The outcome of the ongoing process will provide greater clarity on likely completion dates. While it had been initially hoped that an interim solution would be agreed - genuine efforts were made to achieve that - it has not been possible to date. Now, a more detailed rectification plan is being finalised by DIF in consultation with its lenders. This comprehensive rectification plan will address, among other things, the completion of the construction and the provision of services over the lifetime of the PPP contract. Importantly, this rectification plan does not place any financial obligations on the State and its implementation is a matter for the private sector parties. While I cannot be definitive on the timelines for the agreement and implementation of the rectification plan, it is a feature of this PPP contract, and PPP contracts more generally, that there are legal, contractual and financial imperatives for the PPP company and the funders to deliver the buildings within the shortest possible timeframe.

Apart from site costs, no money has been expended on the six schools in the bundle, which has an estimated value of €100 million. Construction, which is 90% complete, has been funded entirely by the parties involved. They will not secure a licence agreement providing for the payment of a universal charge each year for the next 25 years unless the schools are handed over and can be occupied and used by pupils. The State is, therefore, in a strong position.

A key advantage of the public private partnership model is that the construction and funding risk is transferred to the private partner. For this reason, DIF, rather than the State, is now responsible for ensuring completion of the schools. It is also the reason we have six buildings close to completion and in State ownership, for which no payments have been made, other than for off-site works.

**Deputy Thomas Byrne:** I welcome the statement that officials of the Department will meet the principals and chairpersons of the boards of management of the schools concerned. However, Deputies in the relevant constituencies, who include the two main Opposition spokespersons on education, should receive a similar briefing. I will certainly make myself available for a briefing should the Minister consider it appropriate.

I am concerned by some aspects of the Minister's response. His statement was utterly different from his initial reaction to the collapse of Carillion. This is disappointing but at least we are now coming close to the truth of the matter.

The Minister omitted to mention a number of issues. He indicated that DIF is required to intervene "with the approval of the project funders" to ensure the project is completed to the satisfaction of the State. The project funder is the Bank of Tokyo Mitsubishi, the largest bank in Japan. Is it the case that the project cannot be completed until a bank official in Tokyo gives his or her approval? The Minister must clarify this as the issue is becoming more complicated by the minute and we need clarity on when students will move into the schools.

The Minister did not respond to my invitation to him to meet subcontractors. It is important he meets them because they need to have confidence that they will be able to work on school projects in future.

**Deputy Kathleen Funchion:** With the greatest respect, the Minister's reply contained little that will allay fears among the schools in question. The issue of public private partnerships is a debate for a different day as it would not help the schools in question to discuss it now. The projects are at different stages, with some ready to go and staff waiting to be given the keys to the new buildings. These projects need to be prioritised. A one-off meeting will not be sufficient. The needs of each individual school must be examined.

I hope Deputy Thomas Byrne, the Fianna Fáil Party spokesperson on education, will support Sinn Féin's request to have the Joint Committee on Education and Skills discuss this issue with the relevant stakeholders as a matter of urgency.

The Minister's statement did not contain any comfort for the schools in question because they do not know when they will be given the keys to the new buildings or when construction will continue. This issue will probably not be resolved before students studying for the leaving certificate sit their examinations. The issue must be addressed. The Minister must provide a much better timeline for keeping Deputies updated.

**Deputy Richard Boyd Barrett:** There is a fundamental problem with the Minister's response. His statement that the private partner is taking the risk is clearly not correct. The risk is being taken by the students, teachers, schools and communities who cannot access the buildings they badly need and the building workers who do not know whether they will be paid. This case illustrates the fundamental folly of public private partnerships. The Minister put his hands up and said it was up to the private partner to sort out the problem as the State cannot do so. Is that supposed to serve as helpful assurance?

The problem is that the State has signed away responsibility for delivering schools that communities and students badly need to entities that can walk away and stand to make a substantial profit. According to some reports, the consortium involved stood to make €150 million out of a deal involving an investment of €9 million. Deputies cannot find out the details of public private partnerships because they are subject to commercial secrecy. I repeat my call to have the Committee on Budgetary Oversight or Committee of Public Accounts investigate the details of this and other public private partnerships.

**Deputy Pat Casey:** I thank the Minister for his reply, although I note it appears to be identical to the reply I received when I submitted a parliamentary question last week. That is not good enough. The Minister for Education and Skills should not be content with observing from the sidelines as the dreams and aspirations of the school community in Bray are dashed. As a result of Government incompetence, staff, students and parents are looking at their new school buildings, which were paid for with taxpayers' money, and do not know when they will be able to take control over them. This is a disgrace and a shocking indictment of the Government. The Minister must take full control of this matter. I ask him to meet representatives of the wider community of Coláiste Ráithín and St. Philomena's school this week.

**Deputy Thomas P. Broughan:** I understand the Comptroller and Auditor General published an article on public private partnerships in his annual report. Would the Minister welcome a decision by the Committee of Public Accounts to carry out an urgent investigation of the collapse of Carillion and its impact on school communities here? The Minister for Public Expenditure and Reform, Deputy Paschal Donohoe, informed us of an interdepartmental working group on public private partnerships. I understand the working group was due to report by the end of 2017. Will we receive this report?

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The recommendations of the International Monetary Fund's public investment management assessment or PIMA generated considerable interest. Would the PPP school bundle we are discussing have passed the PIMA?

The Minister referred to universal payments, which will amount to hundreds of millions of euro per annum. Listening to the Minister, one could easily conclude that the State got these schools for nothing. We will make annual payments for them until 2053 or 2054. Will the State be able to claw back any of the payment for this PPP bundle?

**Deputy Mick Wallace:** While I accept the Minister did not provide a timeframe, the Taoiseach informed the House last week that it would take a couple of weeks to sort out this issue. If that is the case, it will be a first. I intend telling the affected pupils and teachers in counties Wexford, Carlow, Wicklow and Meath not to hold their breath. The liquidator, Mr. David Chapman, who is a civil servant working for the Insolvency Service of Ireland, has been appointed and is being advised by six special managers from the accountancy firm, PricewaterhouseCoopers. There will be wrangling on this issue until the cows come home because such liquidations are never sorted out quickly. I ask the Minister to give an honest indication of how long it will take.

Last week, the Taoiseach indicated the State owned the school buildings in question. I do not understand how that could be the case. While it may own part of them, how could the State own them if they were built by another entity that is owed a substantial amount of money?

**Deputy Bernard J. Durkan:** It is important to reassure the Irish subcontractors that their liabilities are covered or they will not be ultimately liable for something that went wrong in another jurisdiction. If possible, will the Minister make contact with the subcontractors with a view to alleviating their worries. If the matter drags on indefinitely, the concern is that they will be placed under unnecessary financial pressure. They can deliver the goods as matters stand. A long drawn-out argument in the courts or elsewhere would not benefit the Department, the parents, the children hoping to attend the schools or the Irish subcontractors. Will the Minister ask his officials to indicate to the subcontractors what will be the likely outcome of this process and to expedite the process of completing the projects and making payments?

**Deputy John Brady:** This matter will end up in a protracted legal case. Liquidations do not end well and this liquidation will not be any different. Not only are the teachers, pupils and parents involved at the mercy of a potential legal case, they are also at the mercy of banks in Tokyo and Germany.

The Minister will be well aware that in the case of a public private partnership lasting for 25 years, the State will not take control of the asset until the end of the 25-year period. I ask him to clarify the position in this regard.

We cannot afford to wait. I want answers to a number of specific questions. What contingency arrangements will the Minister put in place? Will he consider introducing emergency legislation to ensure pupils and teachers are given immediate access to the schools in question? Given that Coláiste Ráithín only requires certification, will the Minister ensure the certification process is fast-tracked in order that staff and students can move into the new building? Will the Minister ensure the certification process is fast-tracked to ensure Coláiste Ráithín can move in? Will he look at putting in a caretaker maintenance arrangement for Coláiste Ráithín and the other schools that are complete to ensure that they can move in? I have one final and very

important point. Coláiste Ráithín is fully equipped, with tables, chairs, whiteboards and the lot. There are fears that the suppliers of those materials have not been paid and that they will go into the school, as they have in others, to withdraw those materials. Will the Minister ensure that the suppliers are fully paid and that the materials will not be stripped from the schools, adding to the delays they will face?

**Deputy Stephen S. Donnelly:** I have no doubt that the Minister wants to get these schools open. However, I do not think anyone who wants to get into these schools will take a lot of comfort from his statement. He stated that he is satisfied that everything possible is being done. My understanding is that the subcontractors have not been engaged with. It was stated a few minutes ago that subcontractors are beginning to remove equipment. Have subcontractors been engaged with? If they have not, will the Minister please commit to engaging with them this week? We cannot have a situation where worried subcontractors are removing equipment from the schools.

The Minister also said he would keep the House updated as details of the rectification plan are confirmed. At this point, it is disappointing that he does not have specific dates, so can he give us indicative dates, and can he tell us when he will have the rectification plan in place?

Finally, if the Minister comes back to the House, hopefully later this week or next week at the latest, with the proposed dates for when these schools will be accessible to the students and the parents and that will take more than a few weeks, will he commit to immediately putting in place a contingency plan, that is, a bridging legal agreement that gets the students into these schools?

**Deputy Richard Bruton:** I must clarify a few points. I wish to reassure Deputy Byrne that the Dutch Infrastructure Fund, DIF, has been mandated by the funders to put together the rectification plan. It is being put together as quickly as possible, so there is no question of funders anywhere not being interested in this. To answer the question of whether we are at the mercy of funders, that is not the case. Funders will not get their money unless they complete and hand over the building and get the licence agreement. They have paid the money, not the State. As such, the only way in which they will get their money back is by handing over the buildings and completing them. That is why there is such urgency on the part of DIF and the funders to get this rectification plan in place.

I must clarify a misunderstanding. Subcontractors do not have a contract with the State. They have a contract with the provider. The State is not stepping in to underwrite the obligations of the provider because under the public private partnership, PPP, contract, it is DIF that holds the responsibility, which is set out in the contract, to complete these schools. DIF will not be paid until it completes them.

In regard to PPP reviews, in our situation, 17% of school completions have been done by PPP. Any state will have a mixture of projects. I am always open to looking at the merits of cases, and the Department of Public Expenditure and Reform is undertaking a review of PPPs as is the Comptroller and Auditor General, and we are open to that. In regard to this issue, however, the concentration must be on getting the contract to work and getting to completion, as is the legal obligation. The funders will only get their money if they can hand over the schools, completed to the proper standard. Then they will get their licence agreement. Without completing that, they do not get their licence agreement and the State will not be paying them or anyone involved any money. That is really the important thing. We must use the power of

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the contract, which protects people, to ensure that those who took on the legal responsibility complete their work.

I can assure the Deputy that the National Development Finance Agency, NDFA, will be vigorously pursuing that. It is in everyone's interest, most of all those who have funded and built this project, that they do get to that completion point as quickly as possible. To be fair, that is what they have indicated they are seeking to do. I can assure the Deputy that I will keep a very close eye on this. I understand the concerns, and I will work with the NDFA to secure this outcome as quickly as possible.

### **Planning and Development (Amendment) Bill 2016: Report Stage (Resumed)**

**An Ceann Comhairle:** Caithfidimid dul ar ais go dtí an Bille um Pleanáil agus Forbairt (Leasú) 2016, An Tuarascáil agus an Chéim Dheiridh. Bhíomar ag Leasú Uimh. 5. We are on amendment No. 5 in the name of Deputy Eoin Ó Broin. Amendment No. 5 arises out of committee proceedings. Amendment No. 5 and amendments Nos. 8 to 14, inclusive, are related and may be discussed together.

**Deputy Eoin Ó Broin:** I move amendment No. 5:

In page 7, line 40, after “assess” to insert “and make legally binding determinations on”.

It is such a long time since we last dealt with this Bill that it is worthwhile to remind ourselves of the core issues dealt with by the Bill, and particularly this group of amendments. As Members will know, this legislation arises out of the Mahon tribunal recommendations, specifically with respect to reforming our planning system. This has been a matter of some debate in this Dáil, the last Dáil and the Dáil previous to that.

In support of these amendments, I want to remind the House of what the Mahon tribunal said with respect to the need for an independent planning regulator. In the relevant section of the tribunal findings under planning, Mahon stated:

Finally, with regard to enforcement, the Tribunal is concerned that recent changes in the planning system have resulted in an over-centralisation of power in the hands of the Minister for the Environment which is not subject to sufficient checks and balances. Consequently, the Tribunal is recommending that the Minister for the Environment's ability to give directions to Regional Authorities and Local Planning Authorities should be entrusted to a Planning Regulator. However, the Minister for the Environment should continue to play a key role in adopting the NSS [National Spatial Strategy] and NDP [National Development Plan].

Mahon went on to state:

While the Planning Regulator should assume some of the Minister for the Environment's existing role in relation to enforcement, the Tribunal considers that his or her role should not be confined to this. In particular, the Tribunal is recommending that the Regulator should also be entrusted with the power to investigate possible systemic problems in the planning system, including those raising corruption risks, with the aim of making recommendations to address those problems.

At the heart of the Mahon tribunal recommendations was not simply a call for an office of the planning regulator but for that regulator not only to be fully independent but to have real teeth, and for powers to be transferred from the Department, now the Department of Housing, Planning and Local Government, and the Minister with responsibility to this regulator.

On Committee Stage we had lengthy debates about how that is not what this legislation contains. While it creates a regulator and it has an office, it is not independent, it does not have teeth and it does not involve transferring powers from the Department or the Minister to its offices. As such, it is not faithful to the core recommendation of Mahon with respect to planning.

Everybody in this House knows, as does the public, the consequences of not having such a regulator. It allows, in certain sets of circumstances, for the possibility of the kind of abuses of planning processes and failure of political oversight that took place in the past to happen again. That is not the intention of the hard-working civil servants who drafted the legislation, it is not the intention of the previous Minister or the current one but it is a fact that will arise if this legislation goes through unamended. To anybody who says that was in the past and it will not happen again, I would say that there has been a legal report on allegations of planning impropriety and corruption in Donegal sitting on the Minister's desk since June or July of last year. None of us knows what is in it, none of us has been able to get access to it, and we are not aware of any imminent action with respect to it. That report did not come out of nowhere. That report relates to allegations by a former planning official in Donegal County Council which were raised directly with the Department over a decade ago and has been subject to court proceedings and other matters of significant public interest. The Government is asking us in the Bill to trust the Minister of the day, as it does not want to concede too many powers to an independent body. It wants to let the body to conduct its investigations and inquiries and make recommendations to the Minister but trust him or her to then act. My difficulty is that not only did Ministers not act decades ago, but I am also not convinced that on the issue in front of the Minister - allegations of planning corruption and impropriety in County Donegal - he is acting and assisting. That is why the amendments seek to strengthen the power of the regulator not only to conduct investigations but also to make legally binding determinations. I absolutely accept that in drafting the amendments I do not have the expertise of departmental officials. I have no difficulty with the Minister of State in telling me that he can do a better job than this, but when I raised this issue with the former Minister, Deputy Simon Coveney, on Committee Stage, he objected to the principle of the amendments, not the wording. He said: "A judgment call is required here in what we are trying to do as regards where the buck should stop on decisions to intervene to correct an inappropriate decision or to respond to corruption, although if it is a breach of law, it should involve the Garda." He was saying clearly that the intention in this legislation was for that responsibility to lie with the Minister. That is not what the Mahon report stated, which is why I propose the amendments.

As somebody who would desperately like to see an independent planning regulator and be on the side of the Government on the Bill, if that function of the new office is not strengthened, there is no point in us passing the legislation and setting up the office because, ultimately, issues will come back to the Minister, as has happened in the case of the planning corruption allegations in County Donegal. The likelihood is issues could end up sitting on the desk of respective Ministers with no action, public oversight or accountability and we would be no better off than we were when the legislation was introduced. It is on that basis that I propose the group of amendments tabled. I urge Opposition Members and, crucially, the Minister to reconsider his opposition to them.

**Minister of State at the Department of Housing, Planning and Local Government (Deputy Damien English):** I oppose the amendments which primarily propose the making of legally binding determinations on development plans and regional strategies by the office of the planning regulator, OPR. The primary role of the regulator is to evaluate and assess development plans and regional strategies and make statutory observations and recommendations on them. It is not necessary or appropriate to amend the Bill to give the OPR the power to make legally binding determinations on development plans and regional strategies. The Bill provides that the regulator will be independent in carrying out its functions and, as drafted, provides the OPR with sufficient powers to make observations and recommendations to planning authorities and regional assemblies on their draft development plans and regional strategies and for them to have sufficient weight and to be appropriately taken into account. The OPR can submit observations and recommendations to the relevant planning authority or regional assembly on draft plans and strategies. A planning authority or regional assembly is then required to notify the OPR and state the reasons its plan has not been made in a manner consistent with the observations and recommendations. If the regulator is subsequently of the opinion that the development plan or regional strategy as made by the relevant planning authority or regional assembly does not set out an overall strategy for the proper planning and sustainable development of an area or region, the OPR shall recommend the use of a ministerial direction to ensure the plan will set out an overall strategy for proper planning and sustainable development and shall submit a draft direction to the Minister to issue to the planning authority concerned.

The Bill further provides that where the Minister agrees with the recommendation of the OPR in respect of a plan or strategy, he or she will issue a direction to the relevant local authority or regional assembly. If the Minister does not agree, the Bill provides, in the interest of transparency, that he or she will be required to explain his or her reasons for the disagreement and must lay the reasons before the Houses of the Oireachtas and publish them on the Department's website. This is much different from the current scenario in which the Minister makes that decision. Therefore, the OPR will have to bring the case to the Minister in the first instance. There is power to instigate that procedure.

These provisions incorporate appropriate checks and balances to ensure the observations and recommendations of the OPR will be given due weight in the preparation of development plans and regional strategies, that the plans and strategies will address and take account of all relevant legislative and policy requirements and that the development plans and regional strategies eventually adopted will be enhanced by the checking procedures requiring the evaluation and assessment of such plans and strategies by the OPR and further consideration by the Minister, where necessary. I, therefore, do not accept the amendments. They are not needed, but I understand the reason the Deputy has tabled them. We are dealing with the thrust of the Mahon report in the legislation and the provisions will result in much more scrutiny of the procedures than is currently provided for.

I do not propose to accept amendment No. 14 either, as there must be clear lines of demarcation between the role of the OPR and other responsible bodies, particularly in the area of corruption and planning decision-making. Where there is evidence of potential planning corruption, impropriety or breaches of the law, these matters are strictly for investigation by An Garda Síochána.

In respect of decision-making on individual applications, the planning Acts provide for a clear hierarchy of decision-making review from the local authority to appeal to An Bord Pleanála and, thereafter, for matters to be brought before the courts. The Bill has sufficient pro-

visions regarding the investigation of complaints by the OPR and ensures the complaints, where warranted, can be referred to a more appropriate State authority. Furthermore, it provides that the OPR may, at its own behest, at the request of the Minister or on foot of a complaint received, carry out reviews and examinations of the systems and procedures operated by planning authorities in the performance of their functions under the planning Acts.

The Bill allows the regulator to form its own opinion and make recommendations, as appropriate, to the planning authorities and the Minister, including recommendations on the need to put in place revised organisational structures or systems and procedures to ensure the assessment of planning applications and the drawing up of development plans are carried out in an appropriate and robust manner in accordance with the highest administrative standards. The Bill also provides that in respect of complaints made by any person to the regulator on a planning matter, the OPR can, where warranted and it detects potential corruption, impropriety or malpractice in a planning authority relating to the conduct of its functions, refer the matter and any related document to one or more of the Ombudsman, the Standards in Public Office Commission, An Garda Síochána or any other State authority as may be prescribed in further legislation. I consider that the provisions relating to the examination and investigation of complaints received by the OPR are sufficiently and comprehensively addressed in sections 31AU and 31AX and, therefore, do not see the need for the amendment. Accordingly, I oppose it.

I accept the Deputy's concern about timelines. I will not go into the Donegal issue. I will receive a full briefing on it and discuss it with him. Perhaps we might do something at a later stage about timelines which would mean such a report could not sit there for an excessive time. We could be prepared to look at that issue, but there are sufficient powers in the Bill to address the Deputy's concerns. I am happy to consider timelines and putting something into the Bill to reassure the Deputy, if possible.

**Deputy Eoin Ó Broin:** It would be more up-front if the Minister of State said the Government was not accepting the core recommendation of the Mahon tribunal report. I refer to the quote I read. Judge Mahon talked about an over-centralisation of power in the hands of the Minister and the Department. Perhaps I do not understand this well. Will the Minister of State outline where in the legislation there is an attempt to reverse that over-centralisation? If there is no attempt to do so, the Minister of State is not being consistent with the letter or spirit of the Mahon tribunal report. The judge referred to the ability to give direction to planning authorities and regional assemblies to be entrusted with the OPR. It is not that an opinion could be given; the power to give direction was a central recommendation. Again, this is not provided for in the Bill, unless I am misreading it and I am happy to be corrected if I have it wrong. If the OPR is not being allowed to give that direction, the Minister of State is not being consistent with this key recommendation.

I acknowledge that this is a technical Bill and that it has, unfortunately, through no fault of any Member, had a sporadic history as it has passed through the House, but the corruption at the heart of the Mahon tribunal had huge consequences for individual communities, the economy and our society overall. It brought our planning and political systems into enormous disrepute. For example, in my constituency it led to the shift of the town centre between Lucan and Clondalkin from Clonburriss to an edge of town retail shopping complex which was not in the interests of, or needed by, the local community. That continues to have significant consequences for people to this day. The Minister of State cannot, on the one hand, say this is consistent with the Mahon tribunal report recommendation and, on the other, that the OPR will not be given powers, particularly powers to direct.

I also do not accept that allowing a Minister to explain through written or oral replies to parliamentary questions why he or she is not acting on recommendations is sufficient, nor did Mr. Justice Mahon, which is why he did not recommend it. The Minister of State is correct that if a matter is criminal in nature, it should be investigated by the Garda. However, a regulator would have a level of planning expertise that would allow it to undertake investigations and then, if there is a matter to be furthered by criminal investigation, the regulator can hand that over to the Garda for it to conduct, as is very often the case in many other statutory agencies. I do not accept the Minister of State's defence of the Bill. I was not expecting him to support my amendments but it is important that people listening to this debate understand this is not what the Mahon report recommended. This is not an independent planning regulator and this will not improve our planning system sufficiently so that people can have confidence that such planning irregularities and corruption will be less likely to occur in the future.

**Deputy Damien English:** I suppose I will work backwards. In our view the Bill does give the power to the planning regulator to do that. The Deputy calls it an investigation, we call it a review and examination of the systems and procedures, but it is the same thing. The power is there. Who deals with it afterwards? It is brought to the relevant authorities. That would happen in any system of justice. That would have to be done. It is a job for An Garda Síochána, the Ombudsmen or the other bodies. The planning regulator, however, would instigate that process. It could take on a case on foot of a complaint or its own opinion and could decide to investigate it, review it and assess all the checks and balances. It would then bring any outcome of that review forward to be dealt with by somebody else. That is appropriate and, in my view, it should give people reassurance in the system. If the Deputy thinks differently we can tease this out again, but the power for the regulator to do that is in the Bill. It will not need the direction of myself or the Minister of the day. The planning regulator can do so off its own bat.

The Mahon recommendations seek to bring many more checks and balances to the system. That is the thrust of the recommendations. That is what is happening in this Bill. The planning regulator would bring forward any suggested directions. It would go through all the channels, independently of the Minister of the day, and then if a local authority does not heed its advice it could recommend that the Minister make a direction. Currently we have approximately 300 cases ahead of us in respect of local area plans and so on. We make directions quite often. They are, however, made after going through a long chain of command and a long process which tries to give local authorities a chance to come with us, which is exactly what the planning regulator will do. It will lead that process. Only at the end will a case come to the Minister for intervention.

There has to be a balance between a regulator's powers and the powers of this House and democracy. It is important to have that balance. However, I think it is there. Any Minister who would not heed the regulator would have to come in here and explain why, which is what the Mahon report would want. In the past that did not happen. Decisions would be hidden away and made away from any public scrutiny. There is very clear public scrutiny built into this Bill. There will be no hiding for any Minister who would abuse his or her position in respect of planning powers. That is what we are trying to do in this legislation. In my view that is what the Mahon recommendations wanted us to do.

**Deputy Eoin Ó Broin:** The balance between this House and the regulator is that it is for this House to set legislation, policy and guidelines, while the purpose of the regulator is to ensure that, where another public body - a planning authority or regional authority - breaches those guidelines, action will be taken. That is what the clear distinction should be.

**Deputy Damien English:** That is in here.

**Deputy Eoin Ó Broin:** The problem that the Mahon report rightly acknowledged is that there was not a proper balance or separation of powers. What the Mahon report proposed was not that there should be the power to investigate. That is in the Minister of State's Bill. That is not in dispute. It proposed the ability to give directions to regional authorities and planning bodies. It is that ability to give direction that is not in this Bill. That is why these amendments are here.

**Deputy Damien English:** Again, I understand what the Deputy is saying but-----

**An Leas-Cheann Comhairle:** I am sorry. The Minister of State does not have any right to come in.

**Deputy Damien English:** Okay, I will just pop in then.

**An Leas-Cheann Comhairle:** Those are the regulations.

**Deputy Damien English:** I might have to ask-----

**An Leas-Cheann Comhairle:** If there is nobody else-----

**Deputy Damien English:** I will just make one quick comment. The regulator will have the ability to make a direction through the Minister. The regulator will bring it to the Minister. That process is in the Bill. It is not there at the moment, but will be after this Bill is enacted. That is what we are trying to do here.

Amendment put:

<i>The Dáil divided: Tá, 24; Níl, 77; Staon, 0.</i>		
<i>Tá</i>	<i>Níl</i>	<i>Stاون</i>
<i>Boyd Barrett, Richard.</i>	<i>Aylward, Bobby.</i>	
<i>Brady, John.</i>	<i>Bailey, Maria.</i>	
<i>Broughan, Thomas P.</i>	<i>Barrett, Seán.</i>	
<i>Buckley, Pat.</i>	<i>Brassil, John.</i>	
<i>Connolly, Catherine.</i>	<i>Breathnach, Declan.</i>	
<i>Crowe, Seán.</i>	<i>Breen, Pat.</i>	
<i>Cullinane, David.</i>	<i>Brophy, Colm.</i>	
<i>Doherty, Pearse.</i>	<i>Bruton, Richard.</i>	
<i>Ferris, Martin.</i>	<i>Burke, Peter.</i>	
<i>Healy, Seamus.</i>	<i>Byrne, Catherine.</i>	
<i>Kenny, Martin.</i>	<i>Byrne, Thomas.</i>	
<i>Mitchell, Denise.</i>	<i>Cahill, Jackie.</i>	
<i>Munster, Imelda.</i>	<i>Calleary, Dara.</i>	
<i>Murphy, Catherine.</i>	<i>Canney, Seán.</i>	
<i>Nolan, Carol.</i>	<i>Cannon, Ciarán.</i>	
<i>O'Brien, Jonathan.</i>	<i>Carey, Joe.</i>	
<i>O'Reilly, Louise.</i>	<i>Casey, Pat.</i>	
<i>Ó Broin, Eoin.</i>	<i>Collins, Michael.</i>	

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<i>Ó Caoláin, Caoimhghín.</i>	<i>Collins, Niall.</i>	
<i>Ó Laoghaire, Donnchadh.</i>	<i>Corcoran Kennedy, Marcella.</i>	
<i>Pringle, Thomas.</i>	<i>Cowen, Barry.</i>	
<i>Quinlivan, Maurice.</i>	<i>Creed, Michael.</i>	
<i>Smith, Bríd.</i>	<i>Deasy, John.</i>	
<i>Stanley, Brian.</i>	<i>Deering, Pat.</i>	
	<i>Doherty, Regina.</i>	
	<i>Donnelly, Stephen S.</i>	
	<i>Donohoe, Paschal.</i>	
	<i>Dooley, Timmy.</i>	
	<i>Doyle, Andrew.</i>	
	<i>Durkan, Bernard J.</i>	
	<i>English, Damien.</i>	
	<i>Farrell, Alan.</i>	
	<i>Fitzpatrick, Peter.</i>	
	<i>Flanagan, Charles.</i>	
	<i>Griffin, Brendan.</i>	
	<i>Harris, Simon.</i>	
	<i>Harty, Michael.</i>	
	<i>Haughey, Seán.</i>	
	<i>Healy-Rae, Danny.</i>	
	<i>Heydon, Martin.</i>	
	<i>Humphreys, Heather.</i>	
	<i>Kehoe, Paul.</i>	
	<i>Kelleher, Billy.</i>	
	<i>Kelly, Alan.</i>	
	<i>Kyne, Seán.</i>	
	<i>Lahart, John.</i>	
	<i>Lowry, Michael.</i>	
	<i>MacSharry, Marc.</i>	
	<i>McConalogue, Charlie.</i>	
	<i>McGrath, Finian.</i>	
	<i>McGrath, Mattie.</i>	
	<i>McGrath, Michael.</i>	
	<i>McGuinness, John.</i>	
	<i>McLoughlin, Tony.</i>	
	<i>Mitchell O'Connor, Mary.</i>	
	<i>Moynihan, Aindrias.</i>	
	<i>Moynihan, Michael.</i>	
	<i>Murphy O'Mahony, Margaret.</i>	
	<i>Murphy, Eoghan.</i>	

	<i>Naughton, Hildegard.</i>	
	<i>Neville, Tom.</i>	
	<i>O'Callaghan, Jim.</i>	
	<i>O'Connell, Kate.</i>	
	<i>O'Donovan, Patrick.</i>	
	<i>O'Dowd, Fergus.</i>	
	<i>O'Loughlin, Fiona.</i>	
	<i>O'Sullivan, Jan.</i>	
	<i>Ó Cuív, Éamon.</i>	
	<i>Penrose, Willie.</i>	
	<i>Phelan, John Paul.</i>	
	<i>Rabbitte, Anne.</i>	
	<i>Ring, Michael.</i>	
	<i>Ross, Shane.</i>	
	<i>Scanlon, Eamon.</i>	
	<i>Smith, Brendan.</i>	
	<i>Stanton, David.</i>	
	<i>Zappone, Katherine.</i>	

Tellers: Tá, Deputies Eoin Ó Broin and Catherine Murphy; Níl, Deputies Paul Kehoe and Tony McLoughlin.

Amendment declared lost.

**An Leas-Cheann Comhairle:** Amendment No. 6 has already been discussed with amendment No. 4. How stands the amendment?

**Deputy Pat Casey:** I do not wish to discuss it. I just want confirmation from the Government that it will prepare related amendments and table them in the Seanad.

*7 o'clock*

**Deputy Damien English:** Yes.

Amendments Nos. 6 and 7 not moved.

**Deputy Eoin Ó Broin:** I move amendment No. 8:

In page 8, line 7, to delete “observations and” and substitute “observations,”.

Amendment put and declared lost.

**Deputy Eoin Ó Broin:** I move amendment No. 9:

In page 8, line 8, after “recommendations” to insert “or legally binding determinations”.

Amendment put and declared lost.

**Deputy Eoin Ó Broin:** I move amendment No. 10:

In page 8, line 8, to delete “authorities and” and substitute “authorities,”.

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Amendment put and declared lost.

**Deputy Eoin Ó Broin:** I move amendment No. 11:

In page 8, line 8, to delete “assemblies,” and substitute “assemblies or the Minister”.

Amendment put and declared lost.

**Deputy Eoin Ó Broin:** I move amendment No. 12:

In page 8, line 12, to delete “and”.

Amendment put and declared lost.

**Deputy Eoin Ó Broin:** I move amendment No. 13:

In page 8, line 13, to delete “recommendations,” and substitute “recommendations or legally binding determinations”.

Amendment put and declared lost.

**Deputy Eoin Ó Broin:** I move amendment No. 14:

In page 8, between lines 15 and 16, to insert the following:

“(c) to conduct investigations into allegations of planning corruption, impropriety or negligence so as to make findings of fact which can used by the relevant authorities to prosecute breaches of law. The Office shall have the legal power to secure any documentation and to call any witnesses which it deems relevant to the conduct of any such investigation,”.

Amendment put and declared lost.

Amendments Nos. 15 and 16 not moved.

**An Leas-Cheann Comhairle:** Amendments Nos. 17 to 20, inclusive, 28 to 32, inclusive, 44 to 48, inclusive, 69 to 71, inclusive, and 76 are related and may be discussed together.

Amendments Nos. 17 to 27, inclusive, not moved.

**Deputy Damien English:** I move amendment No. 28:

In page 23, line 11, after “section 10” to insert “and, in particular, subsection (2)(n) of that section in relation to climate change”.

I want to address amendments Nos. 28 to 32, inclusive, and 44 to 48, inclusive. I will add in general conversation some comments on amendments Nos. 17 to 20, inclusive.

I will deal, first, with Government amendments Nos. 28 and 44. Further to amendments tabled by Deputy Eamon Ryan on Committee Stage, I undertook to examine the feasibility of including in the Bill a reference to climate action and low carbon development and, if appropriate, bringing forward a suitable amendment on Report Stage. Having examined the matter, I propose to make two amendments to sections 31AM and 31AQ of the Bill to make sure in evaluating and assessing the matters relating to development plans and regional spatial economic

strategies the OPR will also address legislative and policy matters relating to climate change and place appropriate emphasis on this issue in its assessment of such plans and strategies. Section 10 of the Planning and Development Act 2000, as amended, already provides clarity on the content of development plans and provides that local authorities must take account of the policies and objectives of the Government when preparing their plans, including the conservation and protection of the environment with clever references to climate change. Section 23 of the Act has similar provisions with regard to regional spatial and economic strategies.

I recognise that Deputy Eamon Ryan looked for specific references to the Climate Action and Local Carbon Development Act 2015 to be included in the Bill. However, having examined the matter, I consider it more appropriate to make an overall general reference to climate change, emphasising its importance in the context of the OPR's evaluation and assessment of development plans and regional strategies, rather than mention specific legislation which could become outdated in time. I fully recognise and support the broader objectives of tackling climate change which are very important and they need to be referenced in the Bill, but the amendments I am proposing to sections 31AM and 31AQ will ensure the regulator will have sufficient powers to take matters related to climate change into account when evaluating the development plans and regional strategies of local authorities.

I do not propose to accept Opposition amendments Nos. 17, 20, 29, 32 and 45 to 48, inclusive, as tabled by Deputy Eamon Ryan. Amendments Nos. 28 and 44 will better address the inclusion of a reference in the Bill to climate action and low carbon development. In that context, the Bill, as drafted, makes specific reference to the regulator being required to have regard in the performance of its functions to a number of specific EU directives, namely, the environmental impact assessment directive, the strategic environmental assessment directive, the habitats directive and the birds directive. It is on this basis that planning authorities have been designated as competent authorities for the directives. However, I do not consider it to be appropriate to include a reference to the other EU directives on water, air quality and flooding, as referred to by Deputy Eamon Ryan in his amendments. Although these directives are relevant to planning authorities, they are not the sole competent authorities for the directives in question. It is considered that the directives are already covered by the general requirement on the regulator to have regard to the requirements of relevant Acts of the European Union in the performance of its functions, as provided for in section 31S of the Bill.

I will hold back on commenting on amendments Nos. 69 to 71, inclusive.

Amendment agreed to.

Amendments Nos. 29 to 43, inclusive, not moved.

**Deputy Damien English:** I move amendment No. 44:

In page 32, line 36, after "section 23" to insert "and, in particular, subsection (2)(c)(viii) of that section in relation to climate change".

Amendment agreed to.

Amendments Nos. 45 to 55, inclusive, not moved.

**Deputy Pat Casey:** I will not move amendment No. 56 on the basis that the Government confirms it will be brought forward as an amendment in the Seanad.

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Amendment No. 56 not moved.

Amendments Nos. 57 to 59, inclusive, not moved.

**An Leas-Cheann Comhairle:** Amendments Nos. 60 to 65, inclusive, are related and may be discussed together.

**Deputy Damien English:** I move amendment No. 60:

In page 38, between lines 39 and 40, to insert the following:

“(c) may not be exercising its enforcement functions under Part VIII appropriately to ensure compliance in its administrative area with the *Planning and Development Acts 2000 to 2017*, including enforcement consequent on the issue to it of any policy directive under section 29 for the purpose of such compliance.”.

I undertook on Committee Stage to examine Deputy Ryan’s proposed amendment regarding planning enforcement with a view to bringing forward an appropriately worded amendment to allow the Minister to ask the office of the planning regulator to conduct a review of a planning authority where there may be issues around the exercise of its enforcement functions. One of the key functions of the regulator is to undertake reviews of systems and procedures of planning authorities and An Bord Pleanála in relation to the performance of their functions under the planning Acts.

Under existing planning legislation the enforcement of planning control is a matter for the relevant authority which can take action under the extensive enforcement provisions provided for under Part VIII of the Act if a development does not have the required permission or where the terms of the permission have not been met. Under section 29 of the Act the Minister can issue policy directives regarding a number of issues, including enforcement. The most recent ministerial policy directive regarding enforcement was issued in May 2013. Having examined the matter in detail, I consider that it would be prudent to have a specific provision in the Bill regarding enforcement.

Government amendment No. 60 provides that the Minister can request the office of the planning regulator to conduct a review of a planning authority where he or she has formed the opinion that the planning authority may not be exercising its enforcement functions under Part VII in a manner to ensure compliance with planning law in its area, including compliance with ministerial directives on the issue. Government amendments Nos. 62 to 65, inclusive, are minor technical amendments which are consequential on amendment No. 61. I do not propose to accept amendment No. 61 as drafted by Deputy Ryan as I believe the proposed amendments to which I have just referred will better address the issue of enforcement by allowing the Minister to ask the regulator to conduct a review of a planning authority where there may be issues around the exercise of its planning enforcement functions. I hope Deputy Ryan and his colleagues can accept my amendments to address issues with planning enforcement and will withdraw amendment No. 61.

Amendment agreed to.

Amendment No. 61 not moved.

**Deputy Damien English:** I move amendment No. 62:

In page 38, line 40, to delete “(c) may” and substitute “(d) may”.

Amendment agreed to.

**Deputy Damien English:** I move amendment No. 63:

In page 39, line 1, to delete “(d) may” and substitute “(e) may”.

Amendment agreed to.

**Deputy Damien English:** I move amendment No. 64:

In page 39, line 3, to delete “(e) may” and substitute “(f) may”.

Amendment agreed to.

**Deputy Damien English:** I move amendment No. 65:

In page 39, line 5, to delete “(f) may” and substitute “(g) may”.

Amendment agreed to.

Amendments Nos. 66 to 73, inclusive, not moved.

**An Leas-Cheann Comhairle:** Amendments Nos. 74 and 80 are related and may be taken together.

**Deputy Pat Casey:** I move amendment No. 74:

In page 47, between lines 4 and 5, to insert the following:

“(b) by inserting the following new paragraph after paragraph (i):

“(ia) requiring planning authorities to ensure that any interventions made by elected members in respect of specific planning applications are noted on the planning application file and that the file is made available for public inspection on the planning authority’s website;”.

This amendment seeks to implement key recommendations of transparency in relation to the Mahon tribunal. One of the key recommendations was that when elected members make representations on a planning file, it would be noted. We want to put it on a statutory footing though it is happening in a number of local authorities at the moment where, if a person makes a representation, it is noted on the website. On some occasions it is noted in the file but there is no clarity around these matters. In some local authorities, a person makes a representation digitally but when a member of the public opens up the actual file, the record is not there. It would bring clarity to the process and is what the Mahon tribunal was looking for.

**Deputy Richard Boyd Barrett:** I will speak to amendment No. 80 as it is grouped with amendment No. 74. My amendment gets to the heart of what the Mahon tribunal was all about. It was about corrupt payments to politicians for land rezonings and planning. It was a key issue that angered and scandalised people. Senior figures in Fianna Fáil and Fine Gael were accused of taking payments of one sort or another to influence decisions around planning, and these were confirmed in some cases. One of the key recommendations of the tribunal has not been included in legislation which was supposed to implement the recommendations of the Mahon

tribunal which centred on corruption of senior people in the two biggest political parties in the State. It involved the brown envelope brigade, as they were known, and payments made in Conway's pub at the end of O'Connell Street to senior figures in political parties for planning permission and rezonings. These actions made a lot of money for a lot of people but the people of this country paid a bitter price for it.

Among his many recommendations, Mahon proposed that relevant political donations to public representatives who have a role in decision-making or who influence decisions around planning and rezoning be made public, but this is not included in the legislation. In the Bills digest summarising the responses to the various recommendations, it is suggested that the reason it was not done was that the implications and practicalities would have to be carefully worked through. I do not know why they have to be carefully worked through. We need to know if developers or other people with a stake in planning decisions or development are making donations to political parties. In my own short time as a public representative, I have experienced an instance of somebody with a development proposal offering to pay election expenses to one of our councillors if the councillor supported a particular development plan. It is outrageous but this is still going on. We need to know who is getting donations from developers and how this may relate to how they vote in development plans or how they make observations or otherwise exercise influence around planning because councillors do not have direct influence any more, though their observations can certainly have an influence.

This amendment requires that there be disclosure of any donation of any amount in monetary terms or other form to any political party or individual representative in any county council or to a Member of Dáil Éireann that was made prior to the planning application, and this information shall be made publicly available by the authority. I do not see why we would not include this amendment, given that it was recommended by Mahon. I would be interested to hear what the Minister and other Deputies have to say about it.

**Deputy Catherine Murphy:** I would not disagree with some of the points that have been made. Regarding amendment No. 74, perhaps the Minister of State might clarify the arrangements because there is no doubt that it is very hit and miss. In most cases, if someone wants to put in an objection, they pay €20 and are treated in exactly the same way as anyone else who wants to do that. My understanding was that, in the main, people were precluded from making those observations if they did not go through that process. Perhaps the Minister of State might clarify that point with regard to planning applications, particularly amendment No. 74. I will leave it at that. I may come back briefly.

**Deputy Damien English:** I will address amendments Nos. 74 and 80. Amendment No. 74 in the names of Deputies Cowen and Casey proposes that the planning authority be required to ensure that any interventions by elected members in respect of specific planning applications are noted on the relevant planning file and are made available for public inspection on the planning authority's website. In this regard and in the interests of transparency, the current position is that all observations or submissions made to a planning authority in respect of individual planning applications, as provided for under section 38 of the 2000 Act, be they from the public, prescribed bodies or elected members, are already required to be attached to the relevant planning file which is available for public inspection. I would be concerned by what is meant by the word "interventions" with regard to this amendment as it could be interpreted broadly to include verbal contact, phone calls by the elected member to the planning section regarding a particular planning application, or comments made by an elected member on a planning application at local municipal district meeting as well as a number of other scenarios. My concern

about this amendment is not really about the principle of it but about the wording. Perhaps we could look at that and how it is drafted. I agree that we need some clarity here and, at the very least, we need some guidance to planning authorities so that the same standard is applied across the board. Things should not be different with regard to different applications in different local authorities, so we can deal with that, perhaps, if the Deputies agree to look at changed wording or some other way. I accept the principle, just not the wording, if that is okay.

Amendment No. 80 in the names of Deputies Richard Boyd Barrett, Bríd Smith and Gino Kenny relates to the disclosure of political donations made by planning applicants in monetary terms or other form to elected representatives or political parties and making such information publicly available. I acknowledge that this amendment is based on one of the planning related recommendations of the final report of the Mahon Tribunal and I see the merit of the proposal. However, it would be my view that issues relating to political donations generally are probably most appropriately addressed in Standards in Public Office legislation or in the Electoral (Amendment) (Political Funding) Act 2012 which was enacted on 28 July 2012 and which significantly enhanced the openness and transparency of political funding in Ireland, thereby addressing many of the issues that were central to the recommendations made on political finance in the final report of the Mahon tribunal, rather than having specific provision made in the planning code. Accordingly, I am also not in a position to accept this amendment. The Department is of the view that the recommendations are not all to be dealt with by this Bill. There are other ways of doing it and that legislation is the most appropriate place to do that and it makes very public who got donations, so that is there. We think it is dealt with sufficiently there. If the Deputies want to discuss it again, I can talk to them before we complete the passage of this Bill, but we think it is best dealt with in the legislation that is already dealt with.

**Deputy Pat Casey:** I thank the Minister of State for his reply. We did not mean any intervention at any stage. We are specifically talking about an intervention on a planning file. We accept that there are inconsistencies throughout the country in how that is recorded. Given the Minister of State's commitment to bringing forward the appropriate wording for this amendment in the Seanad, we will withdraw the amendment.

**Deputy Richard Boyd Barrett:** I do not accept that SIPO's regulations around political donations and funding are sufficient, as good as the work of SIPO might be. This is specifically about planning corruption. This was at the heart of some of the worst corrupt practices in the political system - how it corrupted planning and rezoning decisions to make fortunes for people, where local communities suffered the consequences and where major political parties were deeply implicated. To ensure this does not happen, the people in every local authority area need to be able to access easily all information pertaining to who has a stake, who has tried to exercise influence regarding rezoning and planning decisions, or where money has exchanged hands with politicians that may have influenced their planning decisions. People need to know that information. Otherwise they are not getting the whole picture. During my short experience as a councillor before being elected to the Dáil, I had reason to believe that money was at play with regard to one development plan with which I was involved, that developers were trying to influence councillors and that they were making donations to certain councillors who were supporting certain decisions. I believe the public has a right to know. No doubt, some of those councillors will defend their position and say it is legitimate, and we can argue that point, but I think the public has a right to know. I urge the Minister of State to accept the proposal from the Mahon tribunal. This is not a proposal from the radical left. It is the left in the Dáil inserting as an amendment what the Mahon tribunal proposed.

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**Deputy Damien English:** I did say earlier that I would be willing to talk this through and discuss it with the Deputy. I know what he is trying to do and I accept the principle and the link is there. In my view and that of the Department, it is very clearly dealt with in other legislation and there is a public record of donations. I see what the Deputy is saying. He wants to strengthen the link, make it very clear and make it easier for people to see that. I accept what he is trying to say. Originally, we would have felt that it was dealt fairly well in legislation, but I am prepared to discuss it with the Deputy before we complete the legislation. I would not be in a position to accept the amendment on the floor of this House but I have no problem discussing it with the Deputy and my officials before we finalise this because I know what he is trying to do and I agree with the principle of it. We just felt originally that it was dealt with sufficiently in legislation but I would be prepared to go through it again with the Deputy if need be. However, I will not accept the amendment on the floor of the House.

**Deputy Richard Boyd Barrett:** I appreciate the Minister of State's response but I will press the amendment.

**An Leas-Cheann Comhairle:** Is amendment No. 74 being pressed?

**Deputy Pat Casey:** No.

Amendment, by leave, withdrawn.

**An Leas-Cheann Comhairle:** Amendments Nos. 75 and 81 are related and may be discussed together.

**Deputy Damien English:** I move amendment No. 75:

In page 47, between lines 22 and 23, to insert the following:

“(2) Section 34 of the Principal Act is amended in subsection (3) by substituting “the applicant, and” for “the applicant.” in paragraph (b) and by inserting the following after paragraph (b):

“(c) where an application for permission relates to a residential development comprising 10 or more houses—

(i) any information available to the planning authority, or furnished to it by the applicant, concerning implementation by the applicant of any housing development in the previous 5 years, and

(ii) an assessment by the planning authority of the likelihood of the proposed development being implemented within the appropriate period sought, being the appropriate period within the meaning provided for by section 40(3).””.

Amendments Nos. 75, 81 and 97 should be viewed together as an anti-land hoarding package.

**An Leas-Cheann Comhairle:** Amendments Nos. 75 and 81.

**Deputy Damien English:** Amendments Nos. 75, 81 and 97.

**An Leas-Cheann Comhairle:** Amendment No. 97 may be discussed with amendment No. 93. Amendments Nos. 75 and 81 may be discussed together.

**Deputy Damien English:** Amendments Nos. 75 and 81, and later on, amendment No. 97, which we will address again, should be viewed together as an anti-land hoarding package, although part of the text of amendment No. 97 is no longer needed after the enactment last July of the Planning and Development (Amendment) Act 2017. As signalled on Committee Stage of this Bill, I gave a commitment to bring forward provisions along these lines on Report Stage. These provisions are intended to send out a strong signal to both developers and planning authorities alike that land hoarding, namely, the holding on to and extending the life of planning permissions without commencing substantial development, should not be encouraged or facilitated, particularly in the context of the housing supply shortage situation we face.

I propose, therefore, to address these proposed Government amendments together. Amendment No. 75 will amend section 34 of the principal Act which relates to certain information or submissions that the planning authority shall have regard to in considering an application for planning permission. The amendment adds to this requirement so that where an application for permission relates to a residential development comprising ten or more houses, a planning authority shall be required in addition to consider, first, any information available to the planning authority or furnished to it by the applicant concerning the implementation by the applicant of any housing development in the previous five years and, second, an assessment by the planning authority of the likelihood of the proposed development being implemented within the life of the planning permission. In other words, as part of its assessment of a planning application for ten or more houses, the planning authority shall now be obliged to consider the past performance of an applicant relating to the implementation of previous housing permissions for the purpose of determining the likelihood of the proposed development being implemented.

With regard to amendment No. 81, section 40 of the Planning and Development Act 2000 provides that the default period for the duration of a planning permission is five years, unless specified otherwise. Section 41 of the 2000 Act allows that five-year period to be extended by the planning authority for a further five-year period. However, the Act does not specify that the default period of five years can be reduced to a period of less than five years by way of condition attached to the permission where that might be more appropriate. In the case of a planning application in respect of a residential development comprising ten or more houses, amendment No. 81 will further allow the planning authority, when considering whether to specify a period other than the default period of five years, to consider information available to it or furnished to it by the applicant concerning implementation by the applicant of any housing development in the previous five years. Additionally, amendment No. 81 will allow the planning authority to assess the likelihood of the proposed development being implemented within the planning permission period being sought by the developer. This amendment will encourage and facilitate planning authorities to interrogate the planning application proposal fully to establish the likely build-out time of the development and to consider imposing permission durations of less than five years if it is considered that the development can reasonably be completed in less than that timeframe. This proposal will consequently allow realistic build-out periods to be incorporated into planning permissions while also taking account of the past performance of the applicant, where relevant.

It should be noted however that, in the event that developers cannot complete the development in the time allocated to it by way of condition attached to the planning permission, be it five years or less, they can avail of the extension of duration provisions in section 42. That is something we discussed on previous Stages. It was not the intention to allow for potential land hoarding so we are ensuring that is dealt with. Relevant history is important when making these

decisions.

**Deputy Eoin Ó Broin:** I thank the Minister of State. I do not oppose the amendment. Although it is modest, I welcome it. I have two questions. When we were dealing with the emergency legislation granting a second period of extension, this was one of the issues some of us raised at the time. We did not want to stop the granting of a second period of extension if it allowed a development, but we felt that a planning authority should have more scrutiny as to why the extension was being sought. If it was being sought for legitimate reasons, it should be granted. However, if, for example, as this amendment seems to suggest, there might be something in the behaviour or lack of activity of that developer in another development, the extension might not be granted.

Subsection (c)(i) refers to “any information”. Clearly the drafters of the section had a notion of what kind of information they were referring to. I ask the Minister of State to expand on that.

**Deputy Damien English:** The main point was at the end. My comments might have been a bit long-winded. It is to do with the track record of the builder or the owner of the land in question and local knowledge as well. The planning authority will have the scope to take on board information it believes is relevant. We are not detailing exactly what that will be. Naturally, in making planning decisions, it is hoped that planners take on board all information, but it is important that they have the opportunity to do that with a condition for a timeframe of less than five years.

It is possible to judge, based on the history of a certain developer or landowner, if he or she fully intends to use this or if he or she is applying for an additional five years for another reason. This will give that local decision-making power to the planning authority on that. If need be if the Deputy wants, we can give them guidance, but we expect most planners will take on board also any information on voids that is provided to them by people.

Amendment agreed to.

Amendment No. 76 not moved.

**Deputy Damien English:** I move amendment No. 77:

In page 47, between lines 24 and 25, to insert the following:

“(3) Section 34 of the Principal Act is amended by substituting the following for subsection (5):

“(5) The conditions under subsection (1) may provide that points of detail relating to a grant of permission be agreed between the planning authority and the person carrying out the development and, accordingly—

(a) where for that purpose that person has submitted to the planning authority concerned such points of detail, then that authority shall, within 8 weeks of those points being so submitted, or such longer period as may be agreed between them in writing, either—

(i) reach agreement with that person on those points, or

(ii) where that authority and that person cannot so agree on those points, that

authority may—

(I) advise that person accordingly in writing, or

(II) refer the matter to the Board for its determination,

and, where clause (I) applies, that person may, within 4 weeks of being so advised, refer the matter to the Board for its determination,

or

(b) where none of the events referred to in subparagraph (i) or in clause (I) or (II) of subparagraph (ii) occur within those 8 weeks or such longer period as may have been so agreed, then that authority shall be deemed to have agreed to the points of detail as so submitted.””.

Amendment No. 77 relates to compliance conditions associated with planning permissions. It provides that, in addition to the complete decision of the planning authority on a planning application and details of any conditions imposed and the date of the decision being noted on the planning register relating to a planning decision, as is the case at present, further supplementary points of detail, referred to as compliance conditions, as are agreed or deemed to have been agreed under section 34(5) of the Act between the planning authority and the person carrying out the development subsequent to the granting of the planning permission should also be noted on the planning register. The purpose of this amendment is to enhance transparency generally on planning permissions and on points of detail or compliance conditions attached to such permissions so that there is wider and more comprehensive public information available on planning permissions. These compliance conditions or points of detail are deemed to be of such minor insignificance in the overall context - colours of roof tiles, landscaping etc. - to warrant the involvement of the public after the granting of the permission.

Amendment No. 77 supplements the previous Committee Stage amendment to require planning authorities to conclude agreement on supplementary points of detail or compliance conditions with persons undertaking development within a specified period of eight weeks. Where agreement is not reached within that eight-week period, the planning authority will be deemed to have agreed with the points of detail submitted by the developer by default. This will speed up and streamline the process of planning authorities and developers reaching agreement on specific points of detail relating to development works so that developers can proceed with the necessary works in reasonable time and without undue delay, thereby providing greater certainty on the progression of development works which have already been permitted instead of being delayed on minor points of detail.

There is often a sense of frustration and we often get feedback that developments are delayed because of minor discussions that just do not happen due to time. We need to ensure that the planning authority has the resources to do them in the timeframe. I think eight weeks is enough time to agree some of these minor details.

**Deputy Catherine Murphy:** I ask the Minister of State to clarify. Strategic plans are lodged with An Bord Pleanála directly and not with the local authority. If it is appealed, the local authority will be dealing with the modifications. I presume this provision applies to that as well as when it is dealing with the planning applications directly.

**Deputy Damien English:** As in all planning cases, it is a matter for the local authority. The board would not make the decision on that. That detail is dealt with by the local authority and would be in those cases as well, as suggested.

Amendment agreed to.

Amendment No. 78 not moved.

**An Leas-Cheann Comhairle:** Amendments Nos. 79 and 92 are related and may be discussed together.

**Deputy Damien English:** I move Amendment No. 79:

In page 48, between lines 5 and 6, to insert the following:

**“Amendment of section 35 (refusal of planning permission for past failures to comply) of Principal Act**

**12.** Section 35 of the Principal Act is amended in subsection (7) by inserting the following after paragraph (b):

“(ba) a registered society under the Industrial and Provident Societies Acts 1893 to 2014 that—

- (i) carried out a development pursuant to a previous permission,
- (ii) carried out a substantial unauthorised development, or
- (iii) has been convicted of an offence under this Act,

or, during any period to which subparagraph (i) or (ii) relates or to which any conviction under subparagraph (iii) relates, the registered society was, during that period, controlled by the applicant—

(I) where, pursuant to section 15 of the Friendly Societies and Industrial and Provident Societies (Miscellaneous Provisions) Act 2014, ‘control’ has the same meaning as in section 220(5) of the Companies Act 2014, or

(II) as a shadow director within the meaning of section 2(1) of the Companies Act 2014.”.”.

The purpose of these amendments is to address the past performance of developers in the consideration of planning applications. I commenced my addressing of this issue with my Committee Stage amendment No. 69 which proposed the amendment of section 34 of the principal Act to require that planning authorities shall, in the assessment and determination of planning applications, have regard to previous developments by the applicant which have not been satisfactorily completed and previous convictions against the applicant for non-compliance with the Planning and Development Act, the Building Control Act 2007 or the Fire Services Act 1981.

Amendment No. 79 elaborates on this and addresses section 35 of the principal Act relating to the actual refusal of applications for planning permission for past failures to comply. Specifically, amendment No. 79 proposes that where a person has previously operated under a particular company name which has left estates unfinished and who subsequently applies for

planning permission for a new development under a different company name, this may be taken into account by the planning authority as the basis for refusing the planning application under the second company name.

For completeness, I am supplementing this amendment with amendment No. 92. That amendment is intended to ensure that refusals of planning permission under this provision will be excluded as grounds for compensation that might be claimed by planning applicants where planning authorities make use of this provision. Again this addresses a concern that members of the public have raised with all of us over the years. They feel extremely frustrated when they cannot link company names even though the same people are involved in them. That is what we are trying to address here. Most people would agree with it.

Amendment agreed to.

**Deputy Richard Boyd Barrett:** I move amendment No. 80:

In page 48, between lines 15 and 16, to insert the following:

“(2) Section 38 of the Principal Act is amended by inserting the following new subsection after subsection (1A), inserted by the Planning and Development (Amendment) Act 2010:

“(1B) Prior to the planning authority giving its decision in respect of a planning application, the applicant shall disclose any donation of any amount in monetary terms or other form to any political party or individual representative in any county council or to a member of Dáil Éireann that was made prior to the planning application and this information shall be made publicly available by the authority.”.”.

Amendment put:

<i>The Dáil divided: Tá, 25; Níl, 68; Staon, 0.</i>		
<i>Tá</i>	<i>Níl</i>	<i>Staon</i>
<i>Barry, Mick.</i>	<i>Aylward, Bobby.</i>	
<i>Boyd Barrett, Richard.</i>	<i>Bailey, Maria.</i>	
<i>Brady, John.</i>	<i>Barrett, Seán.</i>	
<i>Broughan, Thomas P.</i>	<i>Brassil, John.</i>	
<i>Buckley, Pat.</i>	<i>Breathnach, Declan.</i>	
<i>Connolly, Catherine.</i>	<i>Breen, Pat.</i>	
<i>Crowe, Seán.</i>	<i>Brophy, Colm.</i>	
<i>Cullinane, David.</i>	<i>Bruton, Richard.</i>	
<i>Ferris, Martin.</i>	<i>Burke, Peter.</i>	
<i>Funchion, Kathleen.</i>	<i>Butler, Mary.</i>	
<i>Healy, Seamus.</i>	<i>Byrne, Catherine.</i>	
<i>Kenny, Martin.</i>	<i>Cahill, Jackie.</i>	
<i>Mitchell, Denise.</i>	<i>Calleary, Dara.</i>	
<i>Munster, Imelda.</i>	<i>Canney, Seán.</i>	
<i>Murphy, Catherine.</i>	<i>Carey, Joe.</i>	
<i>Nolan, Carol.</i>	<i>Casey, Pat.</i>	

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<i>O'Brien, Jonathan.</i>	<i>Collins, Michael.</i>	
<i>O'Reilly, Louise.</i>	<i>Collins, Niall.</i>	
<i>O'Sullivan, Jan.</i>	<i>Corcoran Kennedy, Marcella.</i>	
<i>Ó Broin, Eoin.</i>	<i>Cowen, Barry.</i>	
<i>Ó Caoláin, Caoimhghín.</i>	<i>Creed, Michael.</i>	
<i>Ó Laoghaire, Donnchadh.</i>	<i>Deasy, John.</i>	
<i>Pringle, Thomas.</i>	<i>Donnelly, Stephen S.</i>	
<i>Quinlivan, Maurice.</i>	<i>Donohoe, Paschal.</i>	
<i>Stanley, Brian.</i>	<i>Doyle, Andrew.</i>	
	<i>Durkan, Bernard J.</i>	
	<i>English, Damien.</i>	
	<i>Farrell, Alan.</i>	
	<i>Fitzpatrick, Peter.</i>	
	<i>Flanagan, Charles.</i>	
	<i>Grealish, Noel.</i>	
	<i>Griffin, Brendan.</i>	
	<i>Harris, Simon.</i>	
	<i>Harty, Michael.</i>	
	<i>Haughey, Seán.</i>	
	<i>Healy-Rae, Danny.</i>	
	<i>Heydon, Martin.</i>	
	<i>Humphreys, Heather.</i>	
	<i>Kehoe, Paul.</i>	
	<i>Kyne, Seán.</i>	
	<i>Lahart, John.</i>	
	<i>Lowry, Michael.</i>	
	<i>MacSharry, Marc.</i>	
	<i>Martin, Micheál.</i>	
	<i>McGrath, Finian.</i>	
	<i>McHugh, Joe.</i>	
	<i>McLoughlin, Tony.</i>	
	<i>Moynihan, Aindrias.</i>	
	<i>Moynihan, Michael.</i>	
	<i>Murphy O'Mahony, Margaret.</i>	
	<i>Murphy, Eoghan.</i>	
	<i>Naughten, Denis.</i>	
	<i>Naughton, Hildegarde.</i>	
	<i>Neville, Tom.</i>	
	<i>O'Callaghan, Jim.</i>	
	<i>O'Connell, Kate.</i>	
	<i>O'Donovan, Patrick.</i>	

	<i>O'Dowd, Fergus.</i>	
	<i>O'Loughlin, Fiona.</i>	
	<i>Ó Cuív, Éamon.</i>	
	<i>Phelan, John Paul.</i>	
	<i>Rabbitte, Anne.</i>	
	<i>Ring, Michael.</i>	
	<i>Ross, Shane.</i>	
	<i>Scanlon, Eamon.</i>	
	<i>Smith, Brendan.</i>	
	<i>Stanton, David.</i>	
	<i>Zappone, Katherine.</i>	

Tellers: Tá, Deputies Richard Boyd Barrett and Eoin Ó Broin; Níl, Deputies Paul Kehoe and Tony McLoughlin.

Amendment declared lost.

**Deputy Damien English:** I move amendment No. 81:

In page 48, between lines 15 and 16, to insert the following:

**“Power to vary appropriate period, etc.**

**13.** (1) The Principal Act is amended by substituting the following for section 41:

**“Power to vary appropriate period**

**41.** (1) Without prejudice to the powers conferred on them by this Part to grant a permission to develop land for a limited period only, in deciding to grant a permission under section 34, 37, 37G or 37N, a planning authority or the Board, as may be appropriate, may, having regard to the nature and extent of the relevant development and any other material consideration, specify the period during which the permission is to have effect, being a period—

(a) in the case of all development requiring permission, of not less than 2 years, and

(b) in the case of residential development requiring permission, of not more than 10 years,

and where the planning authority or the Board exercises, or refuses to exercise, the power conferred on it by this section, the exercise or refusal shall be regarded as forming part of the relevant decision of the authority or the Board under section 34, 37, 37G or 37N.

(2) Where an application for permission relates to a residential development comprising 10 or more houses—

(a) material considerations in subsection (1) may include any information available to the planning authority or furnished to it by the applicant concerning implementation by the applicant of any housing development in the previous 5

years, and

(b) an assessment by the planning authority of the likelihood of the proposed development being implemented within the appropriate period sought, being the appropriate period within the meaning provided for by section 40(3).”.

(2) Section 42A of the Principal Act is repealed.”.

Amendment agreed to.

Amendment No. 82 not moved.

**Deputy Damien English:** I move amendment No. 83:

In page 49, between lines 15 and 16, to insert the following:

**“Amendment of section 176A (application for screening for environmental impact assessment) of Principal Act**

16. Section 176A of the Principal Act is amended in subsection (7)(a) by deleting “together with any fee received from the applicant.”.

Amendment agreed to.

**Deputy Damien English:** I move amendment No. 84:

In page 49, between lines 15 and 16, to insert the following:

**“Amendment of section 176C (review of screening determination for environmental impact assessment and referral of application for screening for environmental impact assessment) of Principal Act**

17. Section 176C of the Principal Act is amended—

(a) by inserting the following subsection after subsection (9):

“(9A) Following the notification by the Board under subsection (8), the Board shall publish its determination and the main reasons and considerations on which its determination was based, along with a notice referred to in subsection (9), on its website.”,

and

(b) in subsection (10) by substituting the following for paragraph (c):

(c) make the record, and the main reasons and considerations on which its determination was based, available on its website and available for purchase and inspection during office hours.”.

Amendment agreed to.

Amendments Nos. 85 and 86 not moved.

**An Leas-Cheann Comhairle:** Amendments Nos. 87 to 90, inclusive, are related and may be taken together by agreement.

**Deputy Damien English:** I move amendment No. 87:

In page 49, to delete lines 27 and 28 and substitute the following:

“(a) in subsection (1)—

(i) by substituting “Subject to subsection (7), where a development” for “Where a development”, and

(ii) by substituting “not later than 6 months after being so requested” for “as soon as may be”.”.

These amendments amend section 18 as it stands following Committee Stage, which in turn amends section 180 of the Planning and Development Act 2000 dealing with the taking in charge of housing estates by planning authorities. The amendments seek to ensure that planning law in regard to taking in charge will also apply to housing estates provided on foot of planning permissions for strategic housing developments of more than 100 units granted permission on foot of the provisions of the Planning and Development (Housing) and Residential Tenancies Act 2016. Currently, section 180 of the 2000 Act applies only to housing estates provided on foot of planning permissions granted under section 34 of the 2000 Act, namely, standard planning permissions. These amendments extend the provisions of section 180 to cover the taking in charge by planning authorities of relevant strategic housing developments or the relevant parts of such developments. In this regard, it should be noted that strategic housing developments may comprise or include student accommodation units or apartment blocks or both, neither of which is really appropriate for taking in charge by planning authorities.

Amendment agreed to.

**Deputy Damien English:** I move amendment No. 88:

In page 49, between lines 29 and 30, to insert the following:

“(c) in subsection (2)(b) to insert “, or a condition attached to a permission under section 9(4) of the Planning and Development (Housing) and Residential Tenancies Act 2016” after “section 34(4)(g)”.”.

Amendment agreed to.

**Deputy Damien English:** I move amendment No. 89:

In page 49, between lines 30 and 31, to insert the following:

“(d) in subsection (2A)(b) to insert “, or a condition attached to a permission under section 9(4) of the Planning and Development (Housing) and Residential Tenancies Act 2016” after “section 34(4)(g)”.”.

Amendment agreed to.

**Deputy Damien English:** I move amendment No. 90:

In page 50, line 2, to delete “authority.”.” and substitute the following:

“authority.”,

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(e) by inserting the following after subsection (6):

“(7) This section applies to that part of a development for which permission is granted under section 9 of the Planning and Development (Housing) and Residential Tenancies Act 2016 that relates to the construction of houses and the provision of—

(a) new roads, open spaces or car parks, or

(b) sewers, water mains or service connections, within the meaning of the Water Services Act 2007,

relating to such houses and references to ‘development’ in other provisions of this section shall be read accordingly.”.

Amendment agreed to.

Amendments Nos. 91 and 92 not moved.

**An Leas-Cheann Comhairle:** Amendments Nos. 93 to 97, inclusive, are related and may be taken together by agreement.

**Deputy Damien English:** I move amendment No. 93:

In page 52, between lines 28 and 29, to insert the following:

**“Construction of Fifth Schedule (conditions which may be imposed, on the granting of permission to develop land, without compensation) to Principal Act**

**25.** (1) The Act of 2016 is amended by inserting the following section after section 25:

**“Construction of Fifth Schedule (conditions which may be imposed, on the granting of permission to develop land, without compensation) to Act of 2000 during specified period**

**25A.** The Fifth Schedule to the Act of 2000 has effect during the specified period as if in paragraph 1 ‘or section 9(4) of the Planning and Development (Housing) and Residential Tenancies Act 2016’ were inserted after ‘section 34(4)(g)’.

(2) Section 1(3) of the Act of 2016 (which relates to commencement of provisions of that Act) applies to the commencement of the amendment provided for by subsection (1).

This block of amendments all relate to provisions of the Planning and Development (Housing) and Residential Tenancies Act 2016, the 2016 Act, regarding strategic housing development and have accordingly been grouped together for discussion. Amendment No. 93 inserts a new section in the Planning and Development (Housing) and Residential Tenancies Act 2016 providing that compensation shall not be payable in respect of the inclusion of a condition in a planning permission for a strategic housing development requiring the giving of security for the satisfactory completion of the proposed development. A similar provision is already in place under the Planning and Development Act 2000 in respect of such a condition included in a standard non-strategic housing development planning permission. The amendment will only apply for the duration of the provisions relating to strategic housing developments, namely,

until 2021.

I am opposing amendment No. 94 which proposes to delete the provision in subsection 7(3) of the 2016 Act which states that a person shall not question the validity of a determination by or an opinion of the board under that section by reason only that the procedures set out in subsection (2) were not completed within the timeframe referred to in the subsection. This subsection is similar to existing provisions in other sections of the 2016 Act relating to strategic housing development, namely, section 5(4), section 6(12), section 8(7) and section 9(15) and 9(16). The strategic housing development provisions in the 2016 Act provide for a streamlined application process for large-scale housing developments of more than 100 units and this is underpinned by a constituent number of timelines throughout the decision-making process. In this context, I recognise that, despite the best endeavours of all parties, from the pre-consultation to the final decision stage, there is the potential and possibility for some slippage in the component deadlines to be met in progressing applications. To this end, I wish to ensure that the overall strategic housing development process should not be derailed and that the validity of any steps or decisions taken by the board that are outside the stated timelines will not prevent strategic housing developments applications from proceeding. Therefore, I oppose this amendment which would delete this provision for large-scale housing developments.

Government amendment No. 95 amends section 27 of the Bill as it stands, which in turn amends section 8 of the Planning (Housing) and Residential Tenancies Act 2016 dealing with requirements relating to applications for strategic housing development. In cases where an applicant is required to notify a trans-boundary state of an application in respect of a strategic housing development that may significantly affect the environment of that state, amendment No. 95 removes the requirement that the authorities to be notified must be prescribed in regulations. As the identity of the appropriate authority in other states to be notified in relevant cases changes frequently, it is preferable to have the flexibility of updating the appropriate authorities in other states on an administrative basis rather than having to amend the regulations regularly. The procedure in appropriate cases will be that An Bord Pleanála will inform the applicant which authority in another state should be notified of the making of the strategic housing development application with a view to giving that authority the opportunity to make a submission or observations to the board on the matter.

In regard to amendment No. 96, section 10 of the 2006 Act currently requires An Bord Pleanála to inform the public of its decision on an application for permission in respect of a proposed strategic housing development by way of a notice in one or more newspapers circulating in the area concerned. This amendment proposes to request the board instead to publish its decision on its website. This manner of publishing a decision is considered to be proportionate, having regard to the nature of the project and the earlier publication of a notice inviting submissions or observations on the proposed development when the application was being made to the board.

Debate adjourned.

*8 o'clock*

### **Affordable Housing: Motion [Private Members]**

**Deputy Eoin Ó Broin:** I move:

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That Dáil Éireann notes that:

— since taking office in 2011, Fine Gael have not delivered a single affordable rental or purchase home through any Government scheme;

— the Rebuilding Ireland Action Plan for Housing and Homelessness contains no targets and no clear funding stream for the delivery of affordable housing;

— the Fine Gael-Fianna Fáil Confidence and Supply Arrangement for a Fine Gael-led Minority Government has no targets or proposals for the delivery of affordable housing;

— Fianna Fáil have facilitated two Fine Gael budgets despite neither containing any credible proposals for delivering affordable housing;

— Fianna Fáil's Budget 2018 proposals contain no targets or proposals for the delivery of affordable housing;

— the €90 million Help to Buy Scheme is driving up house prices;

— the €200 million Local Infrastructure Housing Activation Fund is unlikely to deliver a significant number of genuinely affordable housing and may deliver no affordable homes in Dublin;

— the €25 million affordable housing fund announced in Budget 2018 will only deliver 650 affordable homes;

— the revised local authority first time buyers mortgage will be of limited value if genuinely affordable homes are not available to purchase;

— the introduction of Rent Pressure Zones has not constrained rents by 4 per cent, particularly with respect to new tenancies;

— no progress has been made by Government in developing an affordable rental (cost rental) model of housing despite commitments dating back to 2014; and

— no affordable rental or purchase homes will be delivered by any Government scheme in 2018; and

calls on the Government to:

— immediately introduce ambitious affordable rental and purchase housing schemes led by local authorities, and where appropriate, approved housing bodies and housing cooperatives with clear annual targets for all local authorities;

— deliver 4,500 affordable homes in year one and 9,000 affordable homes in year two with an appropriate mixture of rental and purchase homes determined by local housing needs;

— deliver the affordable homes as part of mixed tenure and mixed income estates on public land;

— fund the delivery of the affordable housing schemes through a combination of the Ireland Strategic Investment Fund/Home Building Finance Ireland (HBFI), Housing Fi-

nance Agency and exchequer funding as appropriate, and provide local authorities with multi annual funding commitments to facilitate forward planning;

— design the HBFi fund to prioritise loan finance to small and medium sized builders participating in council led affordable housing schemes;

— commit appropriate public funding to all council led mixed tenure and mixed income developments for projects currently underway in O’Devaney Gardens, Oscar Traynor Park and St Michael’s Estate in Dublin City, The Grange/Kilcarberry in South Dublin and Shangannagh Park in Dún Laoghaire;

— identify public sites in Cork, Waterford and Galway cities for similar large scale council led mixed income and mixed tenure developments;

— commit appropriate public funding to deliver 550 affordable homes in the Poolbeg Strategic Development Zone (SDZ) and 2,109 affordable homes in the Clonburris

— amend Part V of the Planning and Development Act, 2000, to provide for 10 per cent affordable housing in addition to the existing 10 per cent social housing requirement;

and

— introduce real rent certainty by amending the Residential Tenancies Act 2004, to link rent reviews to an index such as the Consumer Price Index.

Thousands, if not tens of thousands, of people are caught in an affordability trap. Their income is above the thresholds under which it must be to obtain social housing or social housing support, yet they are struggling to rent or buy. They are living in overpriced rental accommodation. In many instances, they are living with parents while saving for a deposit or struggling to raise the finance.

This is not just affecting first-time buyers although, rightly, much of the public debate has been focusing on those trying to get on the property ladder or renting for the first time. It also affects people in their 30s and 40s who are trapped in a property in negative equity that is too small for their expanding family. They are unable to trade up to a home appropriate to meet the needs of the families they now have. It is also affecting many older couples, particularly those coming to the end of their working lives or, perhaps, people in new relationship formations, who are just about able to manage rent but who are looking nervously to pension age. Even with a modest occupational pension, they are unable to ensure they will have secure and affordable accommodation after they retire.

One of the points that is not made often in this debate is that we face a potential pensions time bomb. The affordability of rental or purchased accommodation, either for people who have rented for their entire lives or people facing the difficulties I have outlined, is a very serious issue. We see dramatic increases in the cost of property, particularly in Dublin, where, increasingly, first-time buyers’ homes can be in the region of €350,000 to €400,000, or even €450,000. Rents right across the country, in rent pressure zones or outside them, continue to rise. This does not just have an enormous impact on families and those struggling with the rising cost of rent or of home purchasing; there is also a real cost to the economy. Money is being taken out of the pockets of working people. It is money that cannot be spent in local shops and

businesses. It is increasing the pressure of wage demands as families struggle with the increasing cost of living.

Fine Gael has been in government for over six years. During that entire time, not a single affordable property, to rent or to buy, has been delivered directly as a result of any central government scheme. We are now into the second year of the period covered by Rebuilding Ireland but, again, not a single affordable rental or purchasable property has been delivered as a result of any measure included in that programme. In fact, Rebuilding Ireland does not contain a single dedicated funding stream or target specifically to ensure affordable rental accommodation or affordable purchasable accommodation.

Last week I questioned the Minister on this and asked him whether he could confirm whether any affordable units would be delivered this year through Government schemes. He was not able to answer with the information he had in front of him at the time. I speculate that there will not be any units delivered through cost rental or affordable purchase initiatives by the end of this year.

I note with interest the increasing demands from Fianna Fáil since Christmas for the Government to deliver more on housing. I welcome this. Fianna Fáil's record in recent years on this issue has not given much hope to struggling families, however. The confidence and supply agreement, while having a very vague reference to housing, does not propose any scheme or include any actual targets or funding commitments to deliver affordable rental or purchasable housing. In fact, Fianna Fáil has facilitated, through abstention, two Government budgets that have failed to put anything significant into this area. The last pre-budget submission by Fianna Fáil in the run-up to budget 2018 had no specific proposals on affordable housing, no commitments on funding, and no demands regarding targets. Therefore, while I welcome the increase in demand from Fianna Fáil for the Government to do more, it seems "hares and hounds" is probably a more appropriate description of the current state of play in this matter.

With regard to what the Government itself is doing, let us look at the record. I have no doubt the Minister will talk about the help-to-buy scheme introduced by his predecessors in the Departments responsible for finance and housing. There is growing evidence, however, that the scheme is actually contributing to rising house price inflation for first-time buyers. It is certainly not making homes more affordable for modest-income families. The local infrastructure housing activation fund is worth over €200 million and there is to be another round but, despite repeated requests from me and other Deputies for clear indications as to the levels of affordability this public investment will deliver, no evidence has been forthcoming. I know from a number of projects whose contractual details I have seen that there will be nothing within an affordable range for a family earning between €45,000 and €75,000 in Dublin. If the Minister would like to answer some of these questions, which he has evaded so far in responses to parliamentary questions, I would be more than happy to hear him.

I welcomed the €25 million affordability fund announced in the budget. It is far too small, however. According to the Minister here in December, it will deliver, at best, 650 units over two years. I doubt that any of these will be delivered this year. We need thousands of such units, not hundreds.

We have witnessed the continued failure of the Government to act on a commitment first made in 2014 in the plan of former Minister, Deputy Alan Kelly, and then in the plan of the current Minister's predecessor, Deputy Simon Coveney, and in Rebuilding Ireland for a genuinely

affordable rental or cost rental model. Last week, the current Minister announced what we have already known for many months, namely, that there is to be a pilot scheme in this regard. So far, however, there has been no progress.

The problem is that the Government's focus is all wrong. Driving private supply does not, in and of itself, automatically guarantee affordability. I am not opposed to supply. It is good but unless there are specific measures designed to ensure real affordability, one does not automatically follow the other. Helping people to buy overpriced homes — through increased access to credit, for example — is not helping people in the long run, certainly not those unable to obtain affordable homes. The Government's focus has to be on reducing the cost of the units at the purchase point through a range of measures. While some actions can be taken, the best way to achieve this is for the State to invest directly in the building and sale of homes on public land at affordable prices. This means that, for the family earning between €45,000 and €75,000 per year, houses must be available for sale between €170,000 and, at the very top end in Dublin, €260,000. If that can be achieved at the low interest rate provided by the Minister in his revised local authority mortgage scheme, all the better. This means local authorities need to have sites, targets and funding, not through the cumbersome land initiative scheme that is currently operating and over which there are many question marks.

Sinn Féin proposed in its alternative budget last year a number of funding mechanisms for affordable rental, building and sale that would, if implemented, deliver 4,500 units in the first year and potentially 9,000 in the second. Funding could come through from the Housing Finance Agency and Ireland Strategic Investment Fund. I urge the Minister to consider targeting the Home Building Finance Ireland fund and the funds that will come through it specifically for small and medium-sized builders working with local authorities on council land to create affordable housing within the price range I have mentioned. I also urge the Minister to stop insisting that the private sector can do this better and to empower local authorities to develop good quality, mixed-income, mixed-tenure estates on local authority land. I know the Minister is currently looking at that with respect to St. Michael's Estate and the Shanganagh project in Dún Laoghaire. I would welcome more progress in that regard, but many of us have increasing concerns about the projects in O'Devaney Gardens, Oscar Traynor Road and the Grange in my constituency in Clondalkin due to the way the models are structured, and that because of the involvement of the private sector there will be a low number or no genuinely affordable homes to rent or purchase. If that is the case, then the very guarded willingness Sinn Féin has had up to this point while waiting to see where the process goes will very quickly evaporate and we will not be able to support those plans.

The strategic development zones hold significant opportunities. I acknowledge the work the Minister and his Department did on the Poolbeg SDZ to ensure there was a higher level of affordable units involved in it. This week South Dublin County Council is finalising the Clonburris SDZ involving more than 8,000 homes with proper infrastructure and amenities if the plan is right but, crucially, we could have 2,000 social homes and 2,000 genuinely affordable homes within that SDZ if the Minister were to make the right kind of commitments.

With respect to rent, not only do we need to see the affordable rent model, which could equally be done through the local authorities and approved housing bodies on the scale that I have outlined, but we need real rent certainty. The rent pressure zones have not worked. They will not work in the future and we need to return to a real debate about linking rent reviews to an index such as the CPI.

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I welcome the Labour Party amendment which is friendly and in the spirit of our motion and we will support it. However, I am not willing to accept what are essentially alternative motions from others, although I must say there is a huge degree of consistency between the Sinn Féin motion and the Solidarity-People Before Profit amendment. Taking aside a few targets there is not really much difference between them.

Unless the Minister starts to set real targets, invest real funds and have local authorities lead the delivery of a significant stream of social and affordable housing, the housing crisis will continue to get worse and those struggling, working families that desperately need affordable rental or purchase accommodation will once again be left out in the cold.

**An Leas-Cheann Comhairle:** I call Deputy Pat Buckley. I remind Sinn Féin Members that Deputy Buckley, Deputy Funchion, Deputy Stanley and Deputy Quinlivan are sharing time and they should observe the clock.

**Deputy Pat Buckley:** This is not just about bricks and mortar it is about families and individuals having a home. In ten years' time we could possibly see more mental health issues arising from the ashes of this housing crisis. Many families might never have a place to call home if we continue with the current Government policy. They may never have a neighbour to call on as hotels do not do neighbours, only customers. Children might never have a pet or a garden to play in. Children's sleepovers will be just a story from the past.

The current housing crisis is having a detrimental effect on individuals and families. I deal with housing issues every single day and to be honest the situation, as we all know, is getting worse. Mothers cry on the phone telling me they are at breaking point and they cannot cope. Fathers feel totally inadequate as they cannot provide a proper place for their family to call a home. Others are couch surfing while others still wake up every day wondering if the bank will be after them next. What do we say to those people? What answers can we give?

In times of crisis or emergency all appropriate resources are made available to address the situation so that we can come out at the other end with the best possible results. It is called planning. The Fine Gael-Fianna Fáil confidence and supply arrangement never had a plan. We need to invest in people and invest locally. We need to introduce affordable rent and house purchase schemes which would be led by local authorities, housing bodies and housing co-operatives which would have the support of the Government. I commend my comrade, Deputy Ó Broin, for bringing the motion forward tonight. He has set out clear and achievable targets. I appeal to all Members of the House to support the motion.

**Deputy Kathleen Funchion:** I am pleased to have an opportunity to speak on this motion as housing is probably one of the biggest issues I deal with in the constituency of Carlow-Kilkenny. Today in Carlow there are 30 properties available to rent in the entire county and 32 properties are available in Kilkenny. How is anybody supposed to be able to afford to even rent a home let alone buy one? Purchasing a home is going further and further out of people's reach.

I wish to focus on the people that are trying desperately to stay out of emergency accommodation. They are staying on sitting room floors, spare bedrooms and living in completely unsuitable, overcrowded and stressful situations because they do not want to have to bring their children into a hotel. We really need to do something for those people. We have come in to talk about the housing crisis on so many occasions and I think we have become a little desensitised to it. It is nearly normal now for people to be in emergency accommodation. It is normal for

children to grow up in hotel rooms. That is not the kind of society we should strive to achieve. We need to provide mortgages for affordable housing to give people an opportunity to own their home and to give them something to work for. We also need to see affordable rent because part of the problem, which is putting pressure on local authority housing lists, is that people either have to leave properties because their rent is increasing and they cannot afford it or they have received a notice to quit.

We have a serious crisis on our hands and part of the solution is contained in the proposals outlined in Deputy Ó Broin's motion. I urge the Government to take them on board and to look at them because we cannot just keep talking about the crisis. More and more families face homelessness and very difficult situations. We need to deliver affordable rent options and affordable homes so they have the opportunity to own their own home one day.

**Deputy Brian Stanley:** I welcome the opportunity to speak on this motion. We have a crisis right across the country. Sinn Féin recognised that we have a housing crisis more than two years ago. I hope that is now accepted. It is all too apparent and clear to see. In counties such as Laois one can see it every day. There is an absence of affordable housing and people are being pushed from the market with ever-rising prices and denied the opportunity to buy their own home or avail of social housing.

Plans for local authority housing in County Laois amount to 36 houses in Portlaoise, ten in Ballyroan, six in Mountrath, ten in Mountmellick and 20 in Portarlinton. That is a total of 87 council houses. To put the situation in context, the council waiting list is 1,800 households so at the current rate of building it would take up to 23 years to address the list.

That brings me to affordability. The maximum income threshold for entitlement to social housing is too low at €25,000. For a family of four in County Laois it is €26,750. A person earning that amount cannot afford to buy a house. Those who are over the limit need an affordable home. Sinn Féin supports the right of people to be able to buy an affordable house in a properly mixed area. We need a plentiful supply of housing. I heard the Minister and other Ministers say that if one had a great supply of housing the prices would go down but a plentiful supply does not guarantee lower prices. In 2006 more than 90,000 units were built and prices skyrocketed. I remember it. One could not buy a house. Prices were rising by the week. We need to moderate house prices and have a plentiful supply of social housing and affordable housing and rent controls will help the Minister to achieve that.

We also need to amend Part V of the Planning and Development Act to provide 10% of new developments for affordable housing. The affordable housing must be properly dispersed in an estate. Developers should not be allowed to lump social and affordable housing into one corner. I can point the Minister to terrible examples. We must disperse housing. The estate I live in has affordable and social housing that is dispersed around the estate. That works well and one cannot tell the difference between housing types or whether a house is a council house, an affordable house or a private house as they all look the same.

Investment is also required. I accept that will cost money. Irish pension funds are being invested abroad and could be used to finance social and affordable housing. My colleague has made suggestions. The credit union movement reckons that it has more than €8 billion to invest. Progress is at a snail's pace. We need the housing programme to be accelerated dramatically.

**Deputy Maurice Quinlivan:** In Limerick house prices have risen by 7.4% in the past 12

months. Rents in my constituency rose by 19.1% in the past 12 months and the Government stands idly by and does not do much in that regard. Thousands of people are working hard across the State trying to earn enough to pay for the cost of living to afford ridiculous rent prices. How on earth can they also strive to earn enough to buy their own homes? The Taoiseach stood in this Chamber last week and said some people could get a loan from their parents for a deposit or go abroad to work to earn some extra money. First of all, most people, certainly most people I know, cannot get a loan from their parents. Why on earth should we accept that Irish people have to travel abroad or emigrate to earn good money? Why can citizens not earn good money here? The economy is supposedly flowing, but wages are so low that Irish people still need to emigrate. This is an incredible viewpoint from An Taoiseach. I was gobsmacked by the Taoiseach's comments at the time. It is, therefore, no surprise to me that the Government has no real interest in addressing this problem.

The most frustrating thing is that it need not be this way. Sinn Féin has put forward solutions to these problems but those in the Government are intent on ignoring everyone apart from themselves regardless of the damage this is causing. The motion from Deputy Eoin Ó Broin and Sinn Féin rightly calls on the Government to commit to immediately introduce ambitious affordable rental and house purchase schemes led by local authorities. The aim is to deliver 4,500 affordable homes in year 1 and 9,000 affordable homes in year 2 with an appropriate mix of rental or purchase homes determined by local authority needs. Moreover, the aim is to deliver affordable homes as part of mixed tenure and mixed income estates on public land.

Yesterday, the Minister was in my constituency in Limerick and he was most welcome. He opened the new Lord Edward Street housing development. He described the development as an excellent model for tackling the housing crisis. He referred to taking old buildings in important parts of the community and giving new purpose to them and bringing new life into that part of the community. I could not agree more with the Minister but the problem is the Government is not doing enough of this. We need more developments like the Lord Edward Street development in addition to new and comprehensive initiatives aimed at delivering affordable houses as well. The Minister needs to accept ideas and proposals from Opposition parties. Fine Gael has been in government for seven years and Fine Gael solutions are clearly not working.

**Minister for Housing, Planning and Local Government (Deputy Eoghan Murphy):** I move amendment No. 4:

To delete all words after “Dáil Éireann” and substitute the following:

“— notes that the Government, through its Rebuilding Ireland Action Plan for Housing and Homelessness, has prioritised measures to stimulate housing supply at more affordable prices and rents;

— acknowledges that the initial primary focus has been on delivering homes for households in the lowest income brackets, through the commitment of over €6 billion to deliver 50,000 new social housing homes by 2021, with a further 88,000 qualifying households being supported under other programmes, primarily the Housing Assistance Payment scheme;

— welcomes the progress made in 2017, when almost 26,000 households had their social housing needs met, nearly 5,000 ahead of target;

— notes that the Government has also implemented a suite of measures to reactivate residential construction activity more generally and support its capacity to deliver more af-

fordable homes, through, *inter alia*:

- fast-track planning reforms and more flexible planning guidelines;
- over €200 million investment in the Local Infrastructure Housing Activation Fund (LIHAF), supporting infrastructure to open up housing lands, with proportionate affordability dividends for house purchasers;
- bringing forward large-scale mixed-tenure housing projects, with social, affordable and private housing, on publicly-owned lands;
- the Help to Buy Scheme scheme to assist first-time buyers to meet their deposit requirements; and
- that all relevant activity indicators show significant upward trends in activity;
- acknowledges the initiatives in Budget 2018 to remove obstacles to building more homes more quickly, by:
  - investing more in direct house-building by the State;
  - removing the Capital Gains Tax incentive to hold on to residential land;
  - escalating penalties for land hoarding; and
  - providing a new, more affordable finance vehicle for builders through House Building Finance Ireland (HBFI);
- welcomes the introduction of targeted and time-bound measures to limit excessive rent increases through Rent Pressure Zones, and to provide further protections and effective support services to both tenants and landlords; and
- commends the Government on the further range of housing affordability measures now being introduced including:
  - a new Rebuilding Ireland Home Loan, which will provide long-term, fixed-rate mortgages for first-time buyers;
  - a new Affordable Purchase Scheme, which will see affordable homes built initially on State land, in co-operation with local authorities;
  - the €25 million Serviced Sites Fund which will provide funding for local authorities to make low-cost serviced sites available for the delivery of affordable housing;
  - the plans being developed by local authorities to deliver significant numbers of affordable homes through the publicly-owned land bank, with potential for more than 3,000 new affordable homes projected from existing sites as the first step towards the Government's ambition for at least 10,000 affordable homes over the years ahead;
  - the ambition to make cost rental a major part of the Irish housing system, learning from the pilot cost rental project currently being progressed in Dublin;
  - a second LIHAF infrastructural investment fund which will be launched in the first half of 2018, to facilitate the opening up of more lands for early development and

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deliver additional homes at more affordable prices; and

— the finalisation of new ‘Build to Rent’ and ‘co-living’ planning guidelines to encourage development and investment in new forms of rental accommodation at more affordable rents.”

I thank Sinn Féin for putting down this motion and for the opportunity to discuss housing affordability. When I came to this office as Minister, I said clearly that housing affordability would be a key issue for me and for the Government. Much of the work in my Department is focused rightly on the provision of social housing for those in most pressing need. The Government is determined to increase the stock of social housing by 50,000 homes by 2021. Under Rebuilding Ireland - Action Plan for Housing and Homelessness some €6 billion in funding is securely ring-fenced to do this. Thus, when parties in the House claim that we are not investing in social housing, they are wrong. After our first 18 months of work we are ahead of target. However, Rebuilding Ireland - Action Plan for Housing and Homelessness is a five-year plan to fix our broken housing sector to bring us back to a steady state. Of course the progress we have made does not diminish the need for people struggling in our communities who are above the social housing thresholds but who cannot afford to rent or buy their own home to be supported by the State.

With tens of thousands of new homes planned to be built throughout the country in the coming years, we must ensure that they are affordable. There is a clear plan of action to achieve this. We have worked to remove costs and obstacles for builders to make projects viable in order that they can deliver more affordable homes. To achieve this, we have taken action by streamlining planning with a new fast-track process for large developments. There will be 10,000 homes under pre-consultation under that new process. A total of 5,000 are still under consideration and there have been decisions on 3,000 of these homes within the timelines agreed.

We have initiated a dedicated €200 million infrastructure fund under the local infrastructure housing activation fund, which is essentially paying the development levies upfront to get new land banks open more quickly and at more affordable prices. We have also developed new apartment guidelines to remove unnecessary costs. Such costs are significant for the building of apartments. As we announced earlier today, we have agreed the terms by which we will establish home building finance Ireland, a new State-funded bank to provide competitive loans for builders.

These actions and others have helped to resuscitate the residential construction industry and they are facilitating the construction of thousands of new homes at more affordable prices. By taking these steps to address underlying structural problems for the construction industry, the Government is also doing more on housing affordability. Specifically, as announced on 22 January, we are doing this in three ways: the Rebuilding Ireland home loan; and affordable purchase scheme; and an affordable rental scheme. The measures are targeted at households with low to moderate income with a maximum of €50,000 for a single applicant or €75,000 for joint applicants. With the new Rebuilding Ireland home loan, a person or couple can purchase a home while ensuring they can still keep their monthly repayments to one third of their net disposable income. The fixed rate is between 2% and 2.25% interest for 25 to 30 years. Thus, people will have absolute certainty of repayments over the lifetime of the loan. There is no risk of the mortgage rate rising and so no threat to their ability to afford repayments, giving them affordability and certainty as well as security.

In the greater Dublin area, Cork and Galway the maximum market value is €320,000. In the rest of the country it is €250,000. Up to the end of October of last year, two thirds, or over 5,300 homes, of the overall number of houses purchased by first-time buyers in the greater Dublin area, Cork and Galway were purchased for less than €320,000. Throughout the rest of the country, a little over 90%, or 3,380 homes, of the overall number of houses purchased by first-time buyers were purchased for less than €250,000.

Eligibility criteria apply for the Rebuilding Ireland home loan. An applicant must demonstrate that he or she is able to afford the loan repayments. There is already an extraordinary response to the new loan offering and the call centre has had to double its staff to deal with inquiries. While a mortgage and deposit are obviously crucial and the Government has made them far more accessible, they are no good to buyers if they cannot find a new home or cannot afford to buy. Therefore, the Government is also introducing new affordable purchase scheme. Under the new scheme, local authorities will oversee the delivery of affordable homes from their land bank. Importantly, the new scheme is based on the relevant provisions of the Housing (Miscellaneous Provisions) Act 2009, which will be commenced shortly. The 2009 Act emanated from a review of affordable housing schemes by the Affordable Homes Partnership in 2007. Once the legislative provisions are commenced, I will develop detailed regulations covering the operation of the scheme, including the full eligibility criteria. Elected members of each local authority will then have a key role in determining the order of priority for the sale of affordable homes to eligible households. The income limits are consistent with the new loan at €50,000 and €75,000. The maximum discount permissible under the Act is 40%. The eventual sales price will vary from site to site depending on costs, the discount given and other relevant factors. One key change to the new scheme will see local authorities taking a fully repayable equity share to the value of the discount given in all homes sold. The funds repaid will be recycled into the provision of more affordable housing in order that many more people can be assisted under the scheme.

In Dublin a three-bedroom home that is currently out of reach for many at €320,000 could be sold for €250,000 or less under the scheme depending on the site. The potential of the scheme to help is significant.

We have signalled our intent for some time and local authorities are supportive of the new scheme. Following the housing summit last week local authorities are now examining the potential for their respective affordable housing programmes. There is particular emphasis on Dublin, Galway and Cork where the greatest affordability gap arises. The overall scale of delivery and timescales will be informed by these responses.

I am keen to see our ambitious targets realised but we need to be pragmatic about the pace of delivery across local authorities. The review of the affordable scheme in 2007 found that previous Administrations set unrealistic targets based on the potential from land. The targets did not take a realistic account of the lead-in time that would be required to translate the identification of sites into new homes.

Sinn Féin started with a target of 3,000 or 4,000 homes under the Government's affordable purchase scheme. I announced land and funding for an initial 3,000 homes with ambition for 10,000 homes under the scheme. I am hopeful that local authorities will be able to exceed this. To provide for areas and sites that need it, I am also allocating funding of €25 million during 2018 and 2019 for this targeted programme. This was announced in the budget for 2018 although other parties claimed nothing was announced in the budget for affordability. We also

announced an increase in the second round of local infrastructure housing activation fund of €50 million to again provide affordable purchase scheme homes and affordable homes. Again, parties claim that nothing was done for affordability in the last budget when that is clearly not the case.

Local authorities will make low-cost serviced sites available to approved housing bodies or co-operative housing associations in specific areas. This approach has worked well in Ballymun and I am keen to see it delivered on a greater scale in other areas. This concept is not new to local authorities. My Department, working with Dublin City Council, has facilitated this approach for the affordable 20% of the O'Devaney Gardens development, which is advancing through procurement. Let us allow local authorities to do their work and we can set realistic targets with them rather than for them.

Reference was made to increasing the Part V requirement to 20%. I believe this would be premature. For one thing, Part V failed in the past when it failed to deliver social housing homes in new mixed tenure housing estates. The regime was changed in 2015 and planning authorities are prioritising the acquisition of social houses on sites when making Part V agreements. For now, delivering social housing under Part V will continue to be the focus. Furthermore, to impose such a condition on new sites and schemes at the time we are trying to remove additional costs and see more houses built could undermine these schemes resulting in no new housing and, crucially, no new social housing. We can do it another way with our own land and we will under the affordable purchase scheme.

Reference was made to Poolbeg strategic development zone. Of the 3,500 homes planned to be delivered on these lands, it is intended that 350 units, or 10%, will be delivered as social units under Part V. In addition, a further 550 units, or over 15%, would be delivered under a commercial agreement with the majority earmarked for affordable homes but with potential for additional social housing, particularly designed for older people. That is welcome. While the progression of the planning scheme is ultimately a matter for Dublin City Council, I am committed to working with the council to deliver these mixed tenure units in what is a key site for the sustainable development of Dublin city.

Against the background of the affordability pressures that exist in the rental market in Dublin and elsewhere, the Government is determined to make affordable or cost rental a major part of the Irish housing system. A pilot project is currently being progressed by Dún Laoghaire-Rathdown County Council in conjunction with the Housing Agency and an approved housing body. I expect this pilot to go to the market later in the year in order to secure a development partner and the best value for the State and prospective renters. Building on the experience of the pilot, my Department will lead an expert group to provide advice on the most appropriate way forward in delivering a more sustainable sector. I am considering the terms of reference, formation and composition of the group with a view to establishing it in the coming weeks.

In parallel, discussions are ongoing with the European Investment Bank regarding its experience in developing and supporting cost rental and other affordable models that could also work in Ireland. In other parts of Europe, cost rental is a significant part of the rental market. We need to make it a significant part of our rental market but this cannot be achieved overnight.

The delivery of affordable housing will rely on the State developing the full potential of its significant residential landbank. The residential land management and development group will play a key role in driving delivery as speedily as possible. The group will work with local au-

thorities in the development of the existing State residential landbank of 2,000 ha. It will also assess the requirements for local authorities to secure additional land for social and affordable housing.

The issue of land is also being considered in the context of the new national planning framework, NPF. The Government is considering the establishment of a new public development and renewal agency under the NPF to work with local authorities. It will need to have the power and capacity to either use public lands or buy lands in the right locations for future public and private housing provision that will be affordable for housing providers to develop and for people to buy or rent. As part of this broader consideration, the regime available to local authorities to secure new residential land is also being examined, taking account of the recent past when local authorities bought a significant amount of land for housing on which they incurred substantial debt. In this context, compulsory purchase orders are being considered as part of the Law Reform Commission's examination of compulsory purchase order legislation. The Kenny report will also be reviewed.

The residential construction sector is recovering and thousands of new homes are being built every year. In 2017, more than 17,500 new homes commenced construction, which is three times as many as in 2016. Significant efforts and resources are being invested in the construction of new social homes to help those who need our help most. Recognising the need to do more for those who are struggling with housing costs, the Government is bringing forward a set of measures that will make buying and renting a house much more affordable. These initiatives are important additional steps in building capacity and ambition in the housing system to create a more affordable and sustainable housing sector and ease the financial burden and uncertainty on many people.

**Deputy Barry Cowen:** I move amendment No. 1:

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

"recognises:

- that the housing crisis is a national economic, social and moral challenge; and
- the need for affordable housing to dampen down unsustainable property price rises and ensure ordinary families can secure home ownership;

criticises:

- the Fine Gael decision to abolish the affordable housing scheme in 2012;
- the failure to adequately invest in social and affordable housing from 2011; and
- the Department of Housing, Planning and Local Government decision not to spend the €10 million allocated to an affordable rental model in budget 2016; and

calls on the Government to:

- launch a new off-balance sheet housing delivery agency to lead in delivering social and affordable housing;
- compulsory purchase and develop State and State agency land in key areas of demand;

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- reduce construction costs and expand finance to ensure construction is viable;
- initiate a new tenant purchase scheme to enable local authority tenants to avail of home ownership at an affordable level; and
- restore Part V to 20% of social and affordable housing.”

I commend Sinn Féin on introducing the motion and thank Sinn Féin Deputies for their support and commendation for my party’s recent pronouncements and proposals in this area. I will briefly outline the contents of the Fianna Fáil Party amendment to the motion. Like others, my party recognises that the housing crisis is a national economic, social and moral challenge. We call on the Dáil to recognise the need, which has been lost on the Government, for an affordable housing scheme to dampen down unsustainable property price rises and ensure ordinary families have an opportunity to seek to secure home ownership.

The House should also criticise the Fine Gael decision in 2012 to abolish an affordable housing scheme; the failure of the Government to adequately invest in social and affordable housing since 2011; and the failure of Fine Gael in government to honour its commitment in budget 2016 to spend €10 million on an affordable rental model. This is only one of many commitments the Government failed to live up to but it is one which is worth noting because, as my party has argued numerous times since this Dáil first met, a large cohort of people who cannot get on social housing waiting lists or afford homes are not being accommodated by the State via local authorities.

Consequently, the Dáil should again call on the Government to launch a new off-balance sheet housing delivery agency to deliver social and affordable homes and, as Deputy Stanley and others have argued, take advantage of the commitment made by the credit union movement to invest €8 billion in this area. We should also allow Irish pension funds to invest in social and affordable homes and secure a return which would benefit all of society. The Minister alluded to an agency the Government is considering establishing and what such an agency could do. A new housing delivery agency should compulsorily acquire and develop State and State agency land in key areas of demand.

I hope Deputies will support my call on the Government to reduce construction costs associated with the building trade in order to make it more viable. It could address development charges and certification costs and bring forward its commitment in the previous budget to establish a fund of €750 million that would offer development finance at a competitive rate. Fianna Fáil insisted on the establishment of this fund but we have not even seen the mechanics of it, not to speak of progress towards having this issue addressed.

The Dáil should also call on the Government to initiate a new tenant purchase scheme. While the scheme introduced by the former Minister, Deputy Kelly, was well-intentioned, unfortunately it did not provide local authority tenants with an opportunity to avail of home ownership at an affordable level. It should recognise again that, not only did the Fine Gael Party abolish an affordable housing scheme, but it also reduced to 10% the Part V requirement for 20% social and affordable housing in private housing schemes. We advocate restoring the Part V requirement to 20%. I have provided a concise summary of the amendment, which is focused on specific ways in which this issue should have been addressed many moons ago. As we have often heard, however, it is never too late to do the right thing.

In proposing the motion, Deputy Ó Broin referred to the confidence and supply arrange-

ment. While the arrangement does not take control of the Government, as that privilege was given to those who secured a majority in the Dáil, albeit on the basis of convoluted figures, the arrangement specifically states that the Government would significantly expedite the delivery of social housing units. Thus far, it has not done so. We will see what, if any, progress has been made when we review the confidence and supply arrangement. The agreement also states that the Government will initiate an affordable housing scheme. Again, it has not yet done so, nor has it put forward an affordable cost rental model for the private rented sector despite the commitment to do so.

Last week, the Government referred to a pilot scheme on an affordable cost rental scheme. The time for a pilot has long since past. A universal affordable scheme should be introduced. The Government also made a commitment to remove barriers to private housing supplier but has not done anything in that regard.

As I noted this evening and on many previous occasions, the Government has not taken action on the cost of finance, development and certification costs and the rate of VAT levied on construction. I make no apologies for calling for measures in these areas because they would assist those who are able to address the affordability issue. The key to affordability is supply and the key to supply is cost. The measures I propose would assist the building sector, specifically trades such as block layers, plasterers and electricians and so forth who also need assistance. This is a way in which they could contribute and they would be more than glad to do so.

**Deputy Pat Casey:** I support the Fianna Fáil amendment. I will briefly outline the reasons the Sinn Féin motion is playing politics with the serious efforts being made by everyone in this Chamber to address the housing crisis. Having spoken on many housing motions, I am often struck by the high level of commonality that is a feature of them. However, when I examined the Sinn Féin motion, I was struck by its partisan political nature. I was shocked, if not surprised, that housing is a political battlefield for Sinn Féin rather than a social problem that affects too many of our citizens. Sinn Féin's selfish tactics involve attacking all attempts to create agreed solutions, while cynically running away from any responsibility for taking a decision.

The motion attacks my party for trying to get the Government to deliver affordable housing solutions.

I could hardly believe it. They have the brass neck to attack Fianna Fáil, who after the 2016 general election, took our duties-----

**Deputy Dessie Ellis:** Deputy Casey has a brass neck to argue it.

**An Ceann Comhairle:** One speaker, please.

**Deputy Pat Casey:** I did not interrupt the Deputy. Sinn Féin has the brass neck to attack Fianna Fáil, which after the 2016 general election took its duty to the Irish people seriously and facilitated the formation of a Government. What did Sinn Féin do? They ran away from the responsibility and bided their time so that they could attack from the sideline. If there were all-Ireland medals handed out for hurling on the ditches, Sinn Féin would beat Kilkenny, Cork and Tipperary combined. That is the old, cynical, populist politics that has much in common with Donald Trump and the Brexiteers and is doing much to damage the difficult, painstaking but necessary work of building consensus and delivering housing solutions for all our people. I call on Sinn Féin to withdraw or at least amend the motion.

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There are substantial differences between Fianna Fáil and the Fine Gael-led Government on housing. We have held its spin-driven and timid approach to housing to account time and time again. We have done so in good faith in the belief that its solutions are not addressing the problem, namely, the lack of affordable housing for all citizens who need it. We have been both relentless in holding its failures to the light of public scrutiny and constructive in our proposals. We believe a housing agency is essential both to resolve the enormous scale of Fine Gael's housing crisis and to effectively manage housing policy and stock to ensure we never have another disaster in housing.

I also dismiss and reject Fine Gael's attempts to play politics with criticism of the housing agency idea from both the Minister for Housing, Planning and Local Government, Deputy Eoghan Murphy, and the Taoiseach. They have both cynically briefed against the idea of a housing agency on the spurious and nonsensical premise that it somehow lets local authorities off the hook. Having served for 12 years on Wicklow County Council, I can assure the Minister that we in Fianna Fáil believe strongly in local authorities' central role in housing provision and will not take any spin or nonsense from him on housing agencies.

The housing agency was a key pillar recommendation from the special Committee on Housing and Homelessness on which members of Fine Gael sat. It was a cross-party recommendation and the Minister should not hide behind the spin machine of his party's Strategic Communications Unit. He should not dismiss the cross-party consensus on a housing agency in his rush to be ahead of the curve in his news cycle-obsessed Administration.

The Goodbody housing tracker report indicates that housing output will have to treble if we are to get on top of the housing shortage. I call on the Minister to start concentrating on that. He should work with us and not against us. His affordable mortgage proposal, while welcome, is again locking too many hard-working people out of sustainable financial products that would allow them to buy their own home. The housing agency would provide necessary continuous and professional guidance on all these housing matters. The agency would co-ordinate the response, from central government objectives to local authority delivery. We in Fianna Fáil are serious about housing. We demand a hearing. We will not tolerate playing politics with people's expectations by either Sinn Féin or Fine Gael. Time is running out. Ireland deserves better. Our people deserve homes.

**Deputy Margaret Murphy O'Mahony:** As my colleagues have said, my party will table our own amendment to this motion. I find it hard to take seriously Sinn Féin's interest in housing or indeed in anything. As a new Deputy here, I saw at first hand Sinn Féin running to the hills when it came to forming a Government. Its members could have had an input into policy or into Government but they ran to the hills instead. Perhaps they would have had all the answers but alas, we will never know because they went to the hills and stayed there.

Homelessness nationally has reached crisis point. Official homeless figures for Cork South-West do not give an accurate picture. As it is a rural constituency, many houses now house three generations, which leads to its own problems, including problems with mental health. Instead of people being on the street, the houses are overcrowded.

Fianna Fáil has placed housing front and centre as a key priority. We not only talk the talk but walk the walk. We have put forward a series of Bills, such as the Vacant Housing Refurbishment Bill 2017, to get to grips with the crisis. My three constituency offices are inundated with people who are on the housing list or trying to get on the list. The Government must start

delivering on houses. After four plans and after a dozen launches with bells, whistles and ribbons, action now needs to be taken. Bricks and mortar need to be put into the ground, instead of the usual spin.

**Deputy Jackie Cahill:** Housing is one of the key issues facing the Government. Homelessness has reached unprecedented levels. Home building numbers are tens of thousands behind where they should be and approximately 100,000 people are on the social housing waiting list. All the while, ordinary workers cannot afford to own a home. All the Government offers is half-baked ideas, which it proceeds to announce three or four times for maximum public relations effect.

The impact of the latest announcement about affordable mortgages is just that another €200 million will be put into an already scarce market thereby driving prices higher. This is making home ownership for ordinary workers less likely and it leaves them with just two options. First, they can get on the housing list if they qualify or second, they must throw themselves on the mercy of the private rental sector. In the vast majority of cases, despite the Taoiseach's revelations last week, parents are unable to help financially. The Taoiseach throwing it out there as one of a series of solutions to the housing crisis makes me very fearful for the future and it should make the ordinary working men and women of this country think very carefully of where this Taoiseach would like to lead them.

However, it would be easy to suggest that this Government's incompetence is at the root of this crisis. I believe that theory is too simple. I believe that there is a clear line of evidence since 2011 showing that Fine Gael is working to a very specific strategy. In 2011, Fine Gael took a clear line with the banks in the mortgage arrears crisis. That line was to give a free hand to the banks to clean their balance sheets, sell the impaired mortgages to vulture funds and repossess the rest. Members should remember the notion of the then Minister for Finance, Deputy Noonan, that it was in the nature of things that the vultures should clean the carcass of the recession. Thereafter, having given a free hand to the banks, Fine Gael starved local authorities of funding and any remaining experience of providing housing within the county councils was lost. This leaves us in the position that market forces will now decide who can afford to own a home. Those who cannot can deal with their landlord. Therefore, I argue that this housing crisis offers an insight into Fine Gael's view of our country. It points clearly to the fact that Fine Gael wants to run this country for the very wealthy at the expense of ordinary people.

However, there is a different way and that is where my party differs with Fine Gael. Building houses is the only solution to this problem and Fianna Fáil's track record through the decades in building social and affordable housing gives credibility to the solutions we offer. We intend to press our confidence and supply agreement with the Government to ensure this happens. Specifically, where affordable and social housing is concerned, we want to increase the capital budget, which is still 24% below 2008 levels, develop a new housing agency and create an off-balance sheet model for approved housing bodies, AHBs, to allow social innovation funds, SIFs, credit unions etc. to invest. We want a 20% Part V share of developments for construction of social and affordable homes, to use National Asset Management Agency, NAMA, and bank share proceeds to invest in social housing and to accelerate void refurbishment with self-refurbishment and claim back proceeds. We intend to establish a new affordable home purchase scheme on State lands and to establish an affordable rent scheme on State land. It is now imperative that we think outside the box, put a housing policy in place that serves the ordinary people of this county and roll back from the extreme right-wing policies with which this Taoiseach and his Government want to drag us down.

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**Deputy John Brassil:** I wish to bring forward a few thoughts as to why we are continually making announcements on re-launches of housing plans and are falling short of our targets every time. It is an unending circle. For example, this time last year, a repair-and-lease scheme was announced under which disused properties in towns and villages and, indeed, in countryside were to be brought back into use. A loan of €40,000 would be given to a homeowner to do up a property, which would, in turn, be given back to the local authority to house one of its clients. In Kerry, exactly 12 months on - and I have no doubt it is the case all over the country - the total number of houses renovated under the scheme is zero. The scheme is tied up in bureaucracy and red tape, even though numerous people are looking to have their properties done up and taken over and not one house has been finished. It has been an abject failure of the system. I do not know if the scheme is caught up in bureaucracy within the Department or the local authority or a combination of both but surely be to God when a property is empty and the owner is willing to put it into the system, 12 months is enough time to get this to work. The Minister needs to cut through the red tape, which is stifling every initiative.

Reference was made to available land banks. How many properties have been built on the land banks owned by local authorities over the past number of years even though each local authority is crying out for houses? No affordable scheme has been provided. Could they think about selling off sites to people who are willing to buy them at a low cost and allowing them to build their own properties? A great deal of land is available but nothing is happening.

There is little development in the private sector because the banks are not lending. The distressed properties they hold are increasing in value every day while the housing crisis continues. It is in their interest to retain these properties to maximise their value before they lend to developers to build houses. We have a share in the banks since we bailed them out but the Government is permitting them to do this. We can come into the House week in, week out to discuss launches and policies. Let us cut through the red tape and build some houses.

**Deputy Jan O'Sullivan:** I welcome the motion, which we support. I thank Deputy Ó Broin for indicating that Sinn Féin will accept our amendment, which seeks to implement the recommendations of the Kenny report that were designed to stop land hoarding. There is evidence that people are sitting on land to make a greater profit. This would be a long-term way of ensuring affordable land is available for social and affordable housing without developers sitting on it until they make a killing. I am seriously disappointed that the vacant sites registers are empty in a large number of local authorities. They were supposed to have the registers compiled by January of this year in order that the levy could be introduced in 2019 but a large number of them do not have sites registered and, therefore, will be unable to collect the levy next year. That is a dereliction of duty on behalf of those authorities but the Department and the Minister could have played a much stronger role in insisting that the legislation, which was passed a few years ago to provide the necessary lead-in time - was implemented by them. I hope the Minister of State, Deputy Phelan, will follow up on that within the Department.

Specific issues need to be addressed, particularly public sector construction of social and affordable housing, and the use of vacant properties. We are still awaiting the Government strategy in which it will outline what it plans to do about that. The motion addressed two issues primarily - affordable purchase and affordable rental, and rent certainty and security of tenure, which we have discussed many times in this Chamber. The two issues are very much connected because a large swathe of our population is stuck in private rented accommodation because they cannot buy. Some have chosen that option, as people do in other European countries. However, they comprise a cohort of the population whose earnings exceed the income limits for social

housing or who cannot access social housing if they are within the limits. They are in the low to middle income category. The Nevin Institute suggests that this cohort could comprise up to 40% of the population that requires housing, which is significant. It is vital that this issue be addressed.

I am surprised at Fianna Fáil's sensitivity to the wording of the motion.

**Deputy Eoin Ó Broin:** Deputy Casey is a sensitive fellow.

**Deputy Barry Cowen:** It is a good job I am not like him.

**Deputy Jan O'Sullivan:** I am not sure why the party is so sensitive given how I could respond to what was said about the standing down of the affordable housing scheme in 2012. The reason for that was that few houses were being built, although they were affordable. Under Fianna Fáil, the cost of houses was very high and many people had bought at the top of the bubble and were in negative equity. Prices then dropped significantly at the bottom of the market. However, there is every reason to reintroduce the scheme now because prices are rocketing again and such a scheme is needed.

I agree with a number of Deputy Brassil's comments regarding the time it is taking to build on public land, in particular. As he said, schemes are moving at a snail's pace in his area and around the country. The Minister opened a welcome development on Edward Street in my constituency yesterday, to which Deputy Quinlivan referred. It comprises 81 lovely new homes but the planning permission for that was granted several years ago. When I was Minister, I allocated money for it but it is only coming on stream now. We need to address that. There are 700 publicly-owned sites comprising more than 1,700 ha. I understand that using a density of only 50 units per hectare that would be enough land to build more than 85,000 homes. That land is available and, according to the Government, the intention, in theory, is to have mixed-tenure social and affordable housing and perhaps not-so-affordable housing. We all know councillors in our own parties who are struggling to come up with plans that will be acceptable to the Department for the use of those sites. Reference has been made to the Poolbeg site and to St. Michael's Estate. I know a little about them and there is some positivity regarding Poolbeg but the difficulty is designing a scheme in which the homes will be affordable. With regard to St. Michael's Estate and other sites that the Dublin Deputies will be more familiar with, councillors are struggling to satisfy the Department to approve the number of social and affordable houses that people need.

My difficulty is that these sites are available to be used and there is an opportunity to build social and affordable housing if it is led property by Government. My fear is that the toing and froing between local authorities and Government is taking too long and the opportunity will be missed. Private developers will then come in and make profits while building very little social and affordable housing on these sites. I fully support council-led housing, including the cost rental model that has been proposed and that has been well fleshed out by the Nevin Institute and others. The Ó Cualann development is an excellent model. The council provided the sites at a cost of €1,000 each and installed the necessary infrastructure. The voluntary housing association was able to build in Poppintree and provide houses for €140,000 with the highest priced unit being a four-bedroom house for €219,000. This can be done.

*9 o'clock*

I know the Minister, Deputy Eoghan Murphy, has said that he would like to see that model

expanded, but it is on a very small scale at the moment.

I have one question for Sinn Féin. Why has Limerick been left out when the motion calls on the Government to “identify public sites in Cork, Waterford and Galway” for developments? Perhaps Sinn Féin thinks we already have them but I am not sure that we do. Perhaps Sinn Féin might respond to that question. That was my only question to Sinn Féin. We are happy to support the motion and we welcome the fact that our amendment is being accepted.

**Deputy Richard Boyd Barrett:** How much time do I have?

**An Ceann Comhairle:** Deputy Boyd Barrett has eight minutes. He should not feel he has to use it all.

**Deputy Richard Boyd Barrett:** I thank Sinn Féin for tabling its motion on the critical issue of affordable housing. We support the overall direction and thrust of its motion, but we have some additional points to make on what needs to be done with public land in terms of affordable housing. We also have what I would say are slightly more ambitious proposals about what needs to be done with regard to private development to increase the proportions of both social and affordable housing. I will expand on that. Our amendment takes on board most of the Sinn Féin motion but adds a number of points.

To the Government I would say that the broad thrust of our argument is that we must start off by recognising that the private sector is not in the business of producing not-for-profit housing. This is such a blindingly obvious point, but it is not taken on board in the policies of the two main parties. Let me repeat the point. Profit-based businesses do not do not-for-profit. That is not what they are designed for and plans to ramp up residential construction which overwhelmingly depend on the private sector will not deliver affordable and social housing in the quantities we need in order to deal with the crisis.

To cite an example, one of the biggest developments which will be built in the State is Cherrywood. It will be virtually a new town. I am going to keep talking about it because it is important. NAMA sold the lands to Hines for a song, which was disgraceful in and of itself. Now Hines is offering social housing built on land sold to it by the State back to the council. Does the Minister of State know what price Hines offered for the first tranche of 1,200 of what will be 8,000 units? This offer included a discount in light of social housing obligations under Part V. One-bedroom units were offered for €243,000, two-bedroom units for €358,000 and three-bedroom units for €442,000. That is at a discount on the market price. That offer comes to a total of €41 million.

Does the Minister of State see the point? The affordable mortgage scheme is useless to people who are trying to purchase houses that will be sold at that level. The local infrastructure housing activation fund, LIHAF, was initially proposed to deliver affordable housing. The original Government proposal - its promise - was that 40% of any LIHAF supported development would be affordable and that affordability in Dublin would mean less than €300,000. Within one month, because of lobbying from the likes of Hines, this proposal was abandoned. It is now gone. We do not know whether we will get any percentage of affordable housing in Cherrywood if affordable is to mean something that is actually affordable for people on average incomes. There is talk of as little as 2%. If one looks at the prices Hines is proposing for the Part V 10%, however, none of it will be affordable. We are giving these guys LIHAF funding and getting nothing back. This is ridiculous.

Our motion proposes that any LIHAF funding must at least guarantee that the Government's own original proposal of 40% of units being genuinely affordable to people on average incomes will be met. We are saying that the 10% given over in such developments under Part V is not enough. We need at least 20% social housing and at least 20% affordable housing on any private development of any description, because there is no point in building houses at those prices. It is worse than useless. Even if people can take out mortgages to pay those prices, they will be in debt for the rest of their lives and we will be facing into the madness that produced the last crash. We need genuinely affordable housing, not prices that are off the Richter scale in order to profit these guys.

Similarly, all NAMA sites should be used to build social and affordable housing. Let me underline that I said both social and affordable. Nothing on a NAMA site should be sold at those kinds of market prices. It would be madness for the State to do that. No Home Building Finance Ireland supported development should be sold at those prices. All of it should be linked to affordability. Any Ireland Strategic Investment Fund supported housing development should be linked to affordability. If it is not, what is the point in doing it? There is no point. If those caveats are not put in, the only beneficiaries will be the private developers. It will be useless in dealing with our problem.

We need a mix of social and affordable housing on public sites, but affordable housing cannot be a Trojan Horse for the privatisation of public sites. Therefore, there must be an absolute condition that mixed tenure should first of all mean that the thresholds for eligibility for council housing are raised so that anybody who cannot qualify under the current thresholds up to low and middle incomes should be allowed to go onto social housing lists. That is how we get real social mix. We have to remove the stigma from social housing so that not only those on the lowest incomes are allowed to apply. Social housing should be an option for everybody. That is how to get social mix.

For those who do want to purchase, however, if the house is developed on public land, there must be a council first buy-back provision. In other words, if the house is being sold at any time in the future, it must be sold back to the council and there should be no capital gain above and beyond normal inflation. If it was bought at a discount on public land, it should be sold back to the council at the same level. It should remain affordable forever or revert to being council housing. Otherwise, it becomes a Trojan Horse for the privatisation of public land and public housing and actually depletes the stock of public housing, which led us to the mess we are in now. That must not be allowed to happen again.

Will the Government please define affordability? What is affordable? If one is on €35,000 a year, what can one afford to borrow? One cannot afford to borrow the cost of anything available on the market in most of the major cities. Affordability must be linked to the real incomes of average earners who are not eligible for social housing. If those things are not done, this is all just waffle which will go nowhere and which will not deal with the crisis of affordability and the provision of social housing. Those are our proposals. I hope the Government will take them seriously.

**An Ceann Comhairle:** I thank Deputy Boyd Barrett. Our next contributor is Deputy Thomas Pringle. It is good to see him back in the House. He is welcome.

**Deputy Richard Boyd Barrett:** Hear, hear.

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**Deputy Thomas Pringle:** I thank the Ceann Comhairle very much.

**An Ceann Comhairle:** The Deputy is sharing with Deputies Joan Collins and Catherine Connolly.

**Deputy Thomas Pringle:** It is just Deputy Connolly as Deputy Collins is not about. I thank the Ceann Comhairle very much for the welcome back. It is good to be here but, unfortunately, some things never change. That is a bit depressing. I welcome the opportunity to speak on this motion tonight because it is important. First of all, it is interesting to look at some of the amendments to the motion as proposed because they are interesting in many ways. Fianna Fáil see this as a moral issue, which is gas coming from Fianna Fáil. Fine Gael is definitely continuing the housing crisis that Fianna Fáil started as a moral campaign. Then we have the Labour Party, which has suddenly seen that there should be legislation on the compensation paid by local authorities for land bought. We would be forgiven for thinking that if it was in government, it would have passed such legislation. It was in government though and it did not do anything on it, yet now it is championing it.

The Government might even argue that there is no need to do anything, based on its publications on the issue, especially the summary of social housing assessments 2017. If that was the source of one's information, there would actually be no problem at all. According to the document, for example, there were only 903 families on the housing list in Donegal in 2017, down from 1,267 in 2016. So what are we talking about? There is no problem. What the Government does not bother telling anyone, however, is that these figures do not include HAP tenants, whose needs have apparently been met. Unfortunately, that is the issue. The Government does not see that there is a problem. People "choose" to be homeless. Ministers have stated that this is a common crisis in other countries, so we should therefore just accept the situation. That is the Government's mantra.

This motion is about getting the Government to accept that there is a problem so that it can be addressed. That is not what the Government sees, though. One line from its response says it all, in that the Government "welcomes the progress made in 2017, when almost 26,000 households had their social housing needs met". That is amazing. It would be lovely to see where this happened.

While I agree with the motion's intention to deliver homes via affordable houses that people could buy through schemes, existing houses could be used. I would like to see houses that are lying empty around the country used. We have all seen the relevant figures. Some put the number at over 3,000 in Dublin alone, yet families here are living in hotels. Apparently, AIB had 713 houses on its books at the end of 2016. As far as I know, we own that bank. Surely those houses could have been made available for people in need, but they could not because that would have reduced the cost of houses in the State and thereby affect the value of the bank, and we could not have that.

The Government is paying lipservice to all social housing and affordable housing is no exception. We hear all of the fancy talk and see plans being launched, but we do not see anything happening on the ground except for reports being manipulated. Listening to the Minister's contribution this evening, it seems that we will have even more lipservice and no action. Everything is being considered and nothing is actually being done.

The only way we can ensure that something is done is to get rid of Fine Gael from govern-

ment and make sure that it is not replaced by Fianna Fáil. We might then see some progress.

**Deputy Catherine Connolly:** I support the motion, as an affordable housing scheme is urgently needed, and I thank Sinn Féin for moving it. However, it is only a small part of what is required to deal with the national housing emergency. That is what it is, an emergency, and it is important to name it. Without recognising and naming the problem, it is not possible to do what is required, namely, produce an overall comprehensive housing policy within which the provision of homes for our people is seen as a fundamental human right, a prerequisite to a functioning democracy and an essential element of any country that describes itself as a republic.

What we have had to date, however, are policies that have tinkered with the system in a piecemeal manner, from rent pressure zones that, from my experience in Galway, have not worked, a help-to-buy scheme that has actively promoted the market, an allocation of money for affordable homes that, while welcome, is so minute as to make no difference, and a vacant site levy that has been delayed in its implementation.

All of these tinkering, piecemeal initiatives are fundamentally premised on the belief of this and the previous Government, including the Labour Party, that the private market will provide what are described as “accommodation units”. Not only is there an utter failure to recognise that such housing policies are a major cause of the ongoing emergency, but, even worse, the Government is, in the guise of misnaming social housing, actively promoting the private market. The past and current Governments have promoted the housing assistance payment. Following its introduction, we in Galway city were told throughout my 17 years as a councillor and up to the present day that HAP was the only game in town.

The emergency has arisen not by accident or overnight but, as with the health service, as a deliberate consequence of this and the previous Government’s belief that the market would provide. It is a scandal that, 70 years after the Universal Declaration of Human Rights - interestingly, that was the same year that Dr. Noël Browne tried to introduce his mother and baby comprehensive scheme - set out in Article 25.1 that everyone had “the right to a standard of living adequate for the health and well-being of himself [or herself] ... including food, clothing, housing and medical care”, the most basic fundamental right to shelter and a home is still lacking. Not only is that bad, but the use of language and statistics to hide it is frightening.

I live in a city where I know for a fact that approximately 5,000 households are on the waiting list. One that I am familiar with has been waiting since 2002. In those 16 years, that household has never been offered a house. In the Department’s document, however, I have suddenly found out that, although the Galway city housing crisis has not been solved, it has been magically reduced. The city has gone from 3,322 households on the waiting list to 2,219. That 33% reduction in nine months is the largest percentage drop in the whole of the country. Nine months is a pregnancy time, but how did anyone manage to reduce that number when we have not had a single directly built house in Galway city since 2009? One must ask what is going on in my city of Galway where there is no overall plan for our land. We have no shortage of land or public space in the docks and Ceannt Station. Two thirds of the land that we bought at high prices for a road that is going nowhere have been sterilised. Someone is erecting office blocks for 2,700 workers without accommodation, but that issue has been got around by erecting accommodation for overseas students who will pay a fortune.

We are back to the developer-led business as usual in Galway city despite all of these documents, including Rebuilding Ireland. While the Government actually is rebuilding Ireland, it

is once again doing so in the developer's name while depriving our people of homes. That is unacceptable. Without a home and security of tenure, people cannot participate in a democracy. Clearly, that is what the Government wants.

**Deputy Michael Collins:** I welcome the opportunity to contribute on this important motion. In A Programme for a Partnership Government, the Government made a promise: "Providing affordable, quality and accessible housing for our people is a priority for the New Partnership Government." In fact, this is the very first line under the general vow to end the housing shortage and homelessness. It is sad to say that the shortage of housing has not been reduced in the two years since the Government regained power. If anything, the demand for housing and accommodation has increased.

I have spoken on the housing crisis numerous times in the Dáil. Every time I do, the homeless figures have increased. There were 8,587 people homeless across Ireland in the week of 25-31 December 2017. That includes adults and children. The number of families becoming homeless has increased by more than 17% since December 2016.

The need is not just to create accessible accommodation for these people, but to make it affordable as well. Last year's €90 million help-to-buy scheme has been driving up house prices and doing the opposite of what was intended. It is urgent that the compulsory purchase and development of land and landbanks currently tied up in NAMA in key areas of demand is seen to, as is re-introducing the affordable housing scheme that the Fine Gael Government wrongly scrapped in 2012.

All of the schemes that the Minister, his predecessor and the Government have introduced are aimed at first-time buyers. However, they have been leaving behind those who fell victim to the economic downturn, whose houses were repossessed or sold due to the large and unattainable mortgages given to them by the banks, and those who are trying to start again but are not considered first-time buyers. I hope that the Government will take these people into consideration and allow them a second chance at owning their own homes.

In its motion, Sinn Féin mentions a number of areas around Dublin city and other major cities that are in a bad way, but this crisis reaches far beyond city boundaries. It is in every constituency in Ireland, including my own of Cork South-West. I hope that "affordable housing" will not turn out like many of the affordable sites that we have in places like Schull and Bantry in west Cork. While they were affordable initially, they became incredibly expensive and were being sold to the highest bidder. That was wrong and unfair. Young people who wanted to set up in their local communities were turned away because bidders came in to buy homes in west Cork. The House knows the popularity of some holiday resorts. Unfortunately, that was the situation with which they were met. I cannot understand the pressure being put on so many young people. If they want to build homes or get planning permissions it costs thousands of euro. If one is granted planning permission, one then has to go to a bank only to be told one's wife, partner or oneself is not earning enough. One then goes to local authorities and is told one is earning too much. It is a mess. I meet people in my constituency of Cork South-West every week who are applying for social housing, which adds to the pressure which is already there. We all know how many families are waiting for a long time to get council houses. The Minister of State has an opportunity to set the record straight and do some good in regard to housing for the people of the country.

**Deputy Mattie McGrath:** I too want to compliment Sinn Féin on putting down this mo-

tion. We can have motions and potions and everything else but we cannot build houses. I wish the Minister of State well. He is a saner and more approachable type of representative for Kilkenny than a previous Minister, Big Phil the enforcer.

**An Ceann Comhairle:** Now, now.

**Deputy Mattie McGrath:** Tá sé imithe. He has gone to greener pastures now on a big pension and wage. He destroyed the local authorities and many other things. He forced Irish Water on us.

Building houses is not rocket science. We could build them in the 1940s, 1950s, 1960s, 1980s, noughties and then everything crashed. I have to ask why that happened. Deputy Ó Broin works very hard on the housing committee but there are reports and more reports. “Re-building Ireland” – what a term. People who can build should be allowed to do so. I know of at least ten couples in south Tipperary who want to build, who have sites and the wherewithal to meet the cost of building houses but who cannot get planning permission. They have to have so many acres of farmland and prove they came from the area. It is almost as though the authorities want to know where they were conceived if they want to get planning. It is ridiculous.

The motion refers to affordable housing and affordable housing schemes have been brilliant. I am a proud member of Caislean Nua voluntary housing association. We delivered 17 units. It may not be 100 units but it is still 17 units. There are many such groups in the Minister of State’s native county and in Deputy Ó Broin’s constituency. The groups were embarrassing the Department and local councils. The system was changed so that there was only one office in Dublin. There were seven and there are now five. We go around on a merry-go-round; there is paper going up and paper going down. A document is sent to the Department of the environment, six months later it is sent to a county council for clarification and six months after that it goes up and back again. It is a disgrace. I have repeatedly asked the Minister of State, the Minister, Deputy Eoghan Murphy, and the Taoiseach to bring county managers and directors of services for housing before a committee in which we could question them. It is said we gave them money but they did not build houses or the council then says it did not get the money. If it was not so serious, it would be like a game of Russian roulette. People cannot get houses. We got rid of all the bedsits in Dublin and did many other things to damage and diminish the efforts of housing authorities.

A company in Cahir is exporting 2,500 houses a year to England. I spoke the Minister of State about it last week and he referred me to the Minister of State, Deputy English, and I will speak to him. Its houses can be constructed in seven weeks but it cannot get accreditation in Ireland. It would take 15 months and cost €100,000. It can build houses in England. The company sent 2,500 houses to local authorities in England but cannot build here.

There are vacant houses. I saw a documentary on Northern Ireland, which is the next place a committee delegation should go, something I have asked for and perhaps Deputy Ó Broin will do the same. We should see what goes on in the Northern Ireland Housing Executive. Sinn Féin has plenty of experience from Northern Ireland as to what happens there. From the time a house is vacated and the keys are handed back to the authority, it takes 12 weeks to re-let a property. Some houses are vacant for four years in Tipperary. Every Thursday night I return home and pass a house where the occupants have all died. I check to see if the lights are on, but they are not and not even a candle is lit. It is pathetic. The lethargic ineptitude of the public service which is supposed to deliver housing is disgraceful. One can blame the Minister. The

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former Minister, Deputy Kelly, AK47, was going to rebuild Ireland and England. He did not build a henhouse in Toomevara or a dog shed in Carrick-on-Suir. A record 11 houses were built in Tipperary over five years. At present, 3,100 people have been approved for housing and about 10,000 are waiting. It is a joke and the people are tired and weary of it. I am tired and weary of talking about it. Let the people who want to build go out and build.

I pursued the issue of vacant shops in town for years in the context of the county development plan and the council in order to allow people to convert shops which have been vacant for ten years to living accommodation without charges. Something is happening now, but it is five or six years too late. We could repopulate towns and villages and bring them back to life, and allow people to get houses. There is too much bureaucracy. We are laden down with it.

As I said, voluntary housing associations are the same. They have the ability to deliver housing but there is too much red tape and we cannot have them embarrassing the public sector because county managers might have questions to answer at council meetings. They should be brought to the Houses and asked to account for their activity or inactivity.

**An Ceann Comhairle:** It is hard to follow that. Deputies Munster, Mitchell, Cullinane and Ellis are sharing time.

**Deputy Imelda Munster:** The Minister of State's party has been in government for seven years and we are in the midst of a housing emergency. After seven years, it still refuses point blank to roll out a properly-funded State-wide social and affordable housing building programme, despite the fact it is aware of the chronic shortage of rental properties which, in itself, is a crisis. It is also aware of the rocketing rental prices people are being charged for the few properties that are available. All of this is compounded by the fact that there is no evidence of any real effort to put forward an affordable housing programme. When I say affordable, I mean affordable for people on low and average wages.

In my constituency, Louth, the average asking price of a house has increased by 11.5%, the highest increase outside of Dublin. Rents in Louth have also increased by a staggering 16.7%, well in excess of increases in Dublin during the same period. There are no genuinely designated affordable houses for people to buy. The Minister of State knows that. We all accept that Fianna Fáil wrecked the economy and its policies forced tens of thousands of families into negative equity. We all accept that its policies forced misery on thousands of people and forced them into homelessness but Fine Gael has been in government for seven years. For those seven years, it has turned a blind eye to the situation and has allowed a crisis to develop into an emergency.

The few measures it recently introduced are merely tinkering around the edges. They will only be effective for a tiny minority of people. I simply cannot accept that the Government is so incompetent. A clear and deliberate policy has been ongoing for seven years and is compounding the misery for people year in and year out. A whole generation of people of moderate or no means are being denied the opportunity to have a permanent home.

Without the provision of affordable housing, along with social housing, we will return to the Celtic tiger era and we know how that ended thanks to Fianna Fáil. House prices are rocketing. This time around, ordinary people cannot afford to buy a home. They cannot even afford to rent a home. This is all happening on the Government's watch. It is as clear as day. If the Government cannot see what is happening, then God help us. At some stage, it will have to put

an end to prolonging people's misery.

**Deputy Denise Mitchell:** We all know we are in the middle of a housing crisis. There is a shortage in the supply of homes, yet prices continue to rise at an incredible rate. An entire generation now sees homeownership as something that is totally out of their grasp. An entire generation does not believe they will be to live in the towns or cities where their families have lived for generations.

While some wait for years on social housing lists, others, like a couple earning €55,000 or a single person earning €30,000, are told they earn too much to be considered for social housing. However, they earn nowhere near enough to buy a home in places like Dublin. When I heard the Government's plan for its new affordable homes scheme, the first thing which worried me was whether it was simply a scheme designed to clear the way for people to purchase overpriced homes from property developers. If the answer is "Yes", then we will be left with massive problems further down the track.

A section in the motion calls for the amendment of Part V of the Planning and Development Act to provide for 10% affordable housing in addition to the existing 10% social housing requirement. This is a common-sense proposal and it could make a big difference to citizens who have been left in a catch-22 situation. In my constituency, I regularly meet people caught in such situations. The Lawrence land on the Oscar Traynor Road have been lying idle for years. We were promised big developments on this land and we need to see them happen, particularly in the context of the provision of social and affordable homes. To facilitate the latter, there must be appropriate public funding. The Government needs to seriously look at working with local council to build truly affordable homes.

**Deputy Dessie Ellis:** The Government has created what, for it at least, seems to be an intractable problem in the current housing crisis. It is more than a crisis - it is a national emergency. Buying a house, particularly in Dublin, has been made increasingly difficult as house prices continue to soar. If this and previous Governments had listened to us sooner, we might have avoided a housing problem turning into a national emergency. It is a national disgrace that so many of our citizens are currently excluded from the housing market. Increasing house prices effectively put the dream of owning a house out of the reach of most ordinary citizens. It is also proving more and more difficult for people to rent property as the cost of rent has also soared.

These are the sort of crises that cannot be fixed by reliance on the market. It is a shocking fact that this Government and that which preceded it have contributed to the situation by not delivering affordable rental or housing for purchase through affordable schemes. These problems will only be fully resolved if local authorities are given the resources they need to build social and affordable housing. A new scheme was announced almost two years ago as part of budget 2016 and in the last number of days the Government has announced an affordable housing scheme. We are only now seeing the detail of the scheme and it is disappointing to say the least. It lacks focus and clear targets and it offers a new loan scheme that shows this Government is clearly not living in the real world. Would one expect any more from a Government that cannot give a figure for what constitutes an affordable house? This housing crisis is leaving this country with a legacy of a generation that knows nothing other than homelessness and housing insecurity. That is the legacy of this and previous Governments.

Co-operative housing, such as at Ó Cualann in Ballymun, has not been delivered on the required scale but is the only affordable housing in the country. That is a shame. It can be rolled

out and the local authorities should be given the role of doing it.

**Deputy David Cullinane:** This motion is designed to say to the Government that we need to do an awful lot more in terms of providing affordable housing. Nobody in the Chamber would disagree with that but the problem is that we do not have anything like the action we need.

It galls me to listen to Fianna Fáil Deputies sometimes. Deputy Casey spoke about Fine Gael as the party for the rich and for developers and, while I do not disagree with him, given what has happened recently, Fianna Fáil was previously the party of and for developers. It was the party of the property bubble and the party which lined the pockets of developers, while many Fianna Fáil politicians had their own pockets lined with brown envelopes. We had the Galway tent and when the whole thing went belly up and the economy crashed, we ended up with tens of thousands of families in negative equity, many of whom lost their home. A bit of humility and honesty from Fianna Fáil would not go astray, rather than blaming everybody else for problems they started.

Despite the rhetoric from the Minister, we are putting forward sensible, practical, common-sense, deliverable solutions that can bring about more homes for people and more affordable housing. It requires a move away from market solutions and from putting tens of millions of euro from taxpayers into the pockets of private landlords and speculators, instead putting it into public housing. Until we make the decision to do that, we will be back here, time and again, to have debates and motions on housing. The Government knows where it is going wrong and what needs to be done but the ideological disposition, of both Fianna Fáil and Fine Gael, is not to build public housing, which has been stopped for the past 20 years. Their disposition is to put money into the private sector rather than deliver homes for people. The Minister needs to put his ideology away, stop lining the pockets of private developers and build homes for people who need them.

**Minister of State at the Department of Housing, Planning, Community and Local Government (Deputy John Paul Phelan):** I thank the Deputies who contributed and Sinn Féin for presenting the opportunity to have an update on the situation with regard to the delivery of social and affordable housing.

Deputy Connolly said no social housing units had been delivered in Galway in recent years. More than 220 were delivered by Galway city and county in the past two years, which is an insufficient number and does not go near to meeting social housing demand but Deputies should at least be accurate when they make comments in the Chamber.

Deputy Mattie McGrath, in a typically colourful contribution, spoke about the role of approved housing bodies and legislation is being drafted at the moment on the role of these bodies. The greater part of the social housing that has been provided in the past few years was by such bodies and their work should be acknowledged and supported.

Deputy Jan O'Sullivan mentioned the vacant sites register, which is being implemented by some local authorities and not by others. My part of the Department deals specifically with local authorities and there is an overzealous application by some local authorities to sites that are clearly not vacant, such as family farm holdings on the edge of urban centres which would not qualify under anyone's definition of a vacant site. Her general point about the lack of action by many local authorities is, however, true and this is an issue with which I will be dealing in the

coming months.

I will speak about what the Minister for Housing, Planning and Local Government, Deputy Eoghan Murphy, and the Minister of State at the Department of Housing, Planning, Community and Local Government, Deputy Damien English, both of whom are directly responsible for housing, have been doing in the past couple of weeks. Earlier, the Minister outlined his intentions regarding strategic land management and housing delivery. He plans to co-ordinate a lot of the work through the new residential land management and development group. Land is at the heart of the delivery of housing, particularly affordable housing. If builders pay too much for land it drives up the cost of supply and this is passed on to buyers and renters. If local authorities cannot get their hands on good housing land at fair prices they cannot deliver social and affordable homes.

The Minister will be bringing together key stakeholders from the Department, the Housing Agency, the Housing Finance Agency, the Department of Finance, local authorities and the NDFA. Other relevant semi-State and State bodies will be invited along as appropriate. The group will drive the development of housing on State land, accelerate the delivery of housing from all residentially zoned land and monitor and assess the availability of residential development land. We have commenced preparatory work with officials in the Department and the intention is that the full group will convene in the coming weeks.

We have also mapped 2,000 ha of local authority housing agency and broader State residential lands. We have a build programme of 12,293 social housing homes so there is still significant capacity from that land and local authorities have major sites, some of which were mentioned in the motion. These include O'Devaney Gardens, St. Michael's in Inchicore and the Oscar Traynor Road - all in Dublin City Council's area. There is also Kilcarbery in Clondalkin, which is in South Dublin County Council; Wellview in Mulhuddart, Fingal; Hampton in Balbriggan, which is a housing agency property; Shanganagh in Dún Laoghaire-Rathdown; and Whitechurch Road in Cork city. We need homes on these sites as soon as possible. The State also has suitable sites scattered around many of our towns and cities where with a little imagination and a lot of determination, we could deliver many of the new homes we need. At the housing summit, local authorities were asked to think about State-owned sites in their areas that would be strategically important for them in terms of the delivery of housing. I would say that every Deputy in the Chamber could name numerous HSE sites that are dotted around the country in prime locations. Virtually every significant urban centre in the country has such a site. Some will be suitable for housing while some will not be, but we do need to look at those sites in the context of the housing shortage. It does not make sense from a social or economic perspective to have such sites lying idle. Now that the Minister has announced the three affordable housing initiatives - the Rebuilding Ireland loan, the affordable purchase scheme and the affordable rental scheme - local authorities can be more ambitious in their plans for the development of these lands. Local authority chief executives were at the summit. We will meet them and their teams individually to discuss how each local authority will realise new homes from these lands in terms of its updated social housing targets and its plans for the delivery of programme of affordable homes.

What, if anything, is holding up this development? We know that debt is a significant issue on some sites in some local authorities. Are there sites that are not suitable for development in the short to medium term, that is, where there is little or no demand for social or affordable housing? Looking forward, what is the local authority's future requirement for residential lands and how soon will it need to secure additional sites? Is there an opportunity to target broader

State land for housing? These are vitally important questions that were raised with chief executives at the summit. We have asked them to come back on this in detail by mid-February at our bilateral meetings.

Under the NPF, we are looking at land in the context of that planning framework. The Government is considering the establishment of a new public development and renewal agency under the planning framework to work with local authorities. It could use State lands or purchase lands in key locations for affordable housing for people to buy or rent, and indeed not just for housing. Such an agency could work with local authorities in assembling and releasing key and strategic areas for renewal and revitalisation and would have access to publicly owned but redundant or under-utilised lands suitable for redevelopment. Such an agency would also help to create a national centre of expertise in development and renewal to ensure that existing lands are utilised to their fullest and best extent and in a manner that complements the sustainable planning and development of our urban and rural areas. It would have a remit beyond housing in terms of providing other vital services in those areas that need regeneration and renewal. The Government will be considering these issues fully in the context of the finalisation of the planning framework.

As part of this broader consideration, the regime available to local authorities to secure new residential land also needs to be examined. We must learn lessons from the recent past. We know that the last time local authorities bought a large amount of land, some of those sites cost local authorities a lot of money - too much money - and saddled them with large debts. We are working with officials on the examination of the compulsory purchase regime. This is important. Some of the legislation in this area is very old and cumbersome and is not used as often as it could be by local authorities to ensure that vacant and derelict properties in the centre of towns in particular can be compulsorily purchased for housing and indeed other public uses. It is timely given that the Law Reform Commission is now examining the CPO legislation.

In conclusion, the Minister has set out the Government's record on housing. With regard to social housing, we are increasing stock by 50,000 by 2021. A total of €6 billion has been ring fenced. To resuscitate the residential construction sector, we have streamlined planning, provided funding of €200 million in the infrastructure fund and delivered new apartment guidelines, and we are setting up Home Building Finance Ireland. With regard to affordable housing, recognising that people are struggling to meet accommodation costs, we are bringing forward the Rebuilding Ireland home loan, an affordable purchase scheme and an affordable rental scheme. We are not there yet but the signs and data are heading in the right direction for the first time in many years. The latest available housing market data shows that residential construction activity levels continue to strengthen. Planning permissions in the 12 months to the end of September were up 13% year on year. At over 17,500, commencement notices in 2017 were up 33% year on year. Registrations in 2017 were up 68% year on year while at just under 20,000, ESB connections in 2017 were up 29% year on year, which shows that the plan is having an effect. Social housing provision is ahead of target. The Government is committed to delivering on the new affordable housing schemes the Minister and I have mentioned. The Minister and I, along with the Minister of State, Deputy English, the Department and our delivery partners will continue to do all in our power to drive that delivery.

**Deputy Louise O'Reilly:** There is a whole swathe of people out there, particularly young people, whose dream of owning a house has been quite literally taken off them. I have a 22-year-old daughter. She told me recently that she does not think she will ever own a home. My husband and I bought a house when I was aged 24. I do not know anyone in the current

climate who could even hope to be able to do that, which is a shame and the mark of this Government supported by its very best friends in Fianna Fáil. That is its legacy and that is the Ireland it has created. Through the inability to purchase an affordable home, young and old have been driven into an almost unregulated rental market that gives rights to the landlords and slum lords and takes rights away from tenants. Not only is the dream of owning a house as far away as ever, but they live in fear of rent hikes and eviction at the whim of a landlord. They end up paying sometimes 60% or 70% of their wages in rent. I see these people in my constituency clinics on a weekly basis. They are paying €1,600 to €1,800 for a modest family home and have very little left from their wages at the end of the week to buy essentials never mind save for a deposit. We know that over there on the Fine Gael benches, they think it is as handy as people just tapping up their parents for a few bob but in the real world, it is not like that. Outside here, where real people live, there are people who are literally living hand to mouth. They certainly cannot go to their parents and ask for a few extra bob.

The neoliberal policies of this and successive Governments have meant a continuation of crises in our essential services, including housing. The ongoing issues around the availability of affordable homes for rent and for purchase will not be solved by the Minister's plans announced last week. Under current Government proposals, not one affordable home will be delivered this year. The Minister maintains that the private sector will deliver affordable homes via the local infrastructure housing activation fund but we have yet to see how this will materialise. As Marx said, capital begets capital, which is indeed what the Government is doing. I listened with some humour to the protestations of the Deputies on the Fianna Fáil benches because, of course, while they criticise the Government's policies, it would not be in a position to bring them in were it not for Fianna Fáil's enduring support for its every move. I urge people to support this motion so that we can start to move towards a time when people can realistically afford to buy their own home.

**Deputy Donnchadh Ó Laoghaire:** Like, I am sure, every other Deputy, people come to see me every week who are caught in that situation where they do not qualify for local authority housing and mortgages are out of their reach. It is similar to what Deputy O'Reilly said. These are my peers to a large extent. I am 28 and I would say very few of my peers are anywhere near being in a position to buy a house. For those of them who are looking for a house or considering it, the option of going to their mothers and fathers for assistance is not realistic. Many of these people are still paying off their own mortgages. The fact these people do not qualify for local authority housing means they get no assistance with the extortionate rents that exist. I said in my speech following the last budget that the last two Fine Gael-led Governments have done nothing for people who need that kind of affordable housing model. The first line of this motion absolutely stands: Fine Gael has not delivered a single affordable rental or purchase home through any Government scheme.

In recent weeks, as ever, we have had new announcements from the Department and from the Minister for Housing, Planning and Local Government. However, I am not very optimistic. It is still the case that no such houses have been delivered. The Minister, Deputy Eoghan Murphy, is often quite defensive when he is characterised as being blinded by ideology. He likes to present himself as a practical person driven by solutions and all the rest of it. It is hard to escape the conclusion that there is ideology in this. There is a very rational logical model of local authority-led affordable housing, a model that has not been pursued by the Government with any real vigour. It is clearly the best solution and the best approach. I note that despite the Government first suggesting it in 2014, there has been no movement on a cost-rental model.

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I am sceptical of the ability of the affordable housing loan scheme the Government has announced. Perhaps in a functioning housing market it would make a difference and could assist families, and it may assist some families. However, on the whole it does not address the real issue that housing is too expensive and beyond the reach of ordinary people. The reality is that for thousands of people, many of them young people, owning a house is a pipe dream and the Government has not addressed that.

**Deputy Eoin Ó Broin:** I want to respond to the claims of both Ministers that the actions they have been taking are tackling the crisis. We are told the fast-track planning process could deliver up to 10,000 homes. There is no guarantee that a single one of those will be delivered at an affordable price and I suggest they will not. The Minister told us that the local infrastructure housing activation fund will assist affordability. It will not do so on the basis of the figures that we have been able to squeeze out of the Department for the contracts signed so far.

We have been told that the guidelines to reduce the size and quality of apartments and living space will reduce costs. According to I-RES, a unit will reduce by €70,000. Of course, the figure is a fraction of that based on the limited data we have from the Society of Chartered Surveyors Ireland. The Government will make living more difficult for people in high-rise development with no increase in affordability.

Deputy Ó Laoghaire is right about the home loan scheme. That scheme is not a bad idea if there are affordable properties. However, to suggest that the majority of properties purchased in Dublin, Cork and Galway in the last year are less than €320,000 implies that is a benchmark for affordability when it is substantially above it.

With respect to the Part V increase being premature, I would have thought given the difficulties many developers have accessing finance, having an upfront commitment to purchase 20% of the units would actually be financially very attractive to many of them and certainly would assist in implementing Government policy.

It took three years to develop an affordable rental pilot from the plan of the then Minister, Deputy Alan Kelly, in 2014 to 2016 and now the announcement last week. I do not understand how something so relatively straightforward could take so long.

To really understand why many of us believe the Government is not taking affordable housing seriously, I make one simple comparison. The Government is committing €25 million over two years for local authorities to deliver affordable housing. That is compared with the €1.1 billion it is investing in private sector-led schemes through the help-to-buy scheme, the local housing initiative and home building finance Ireland. The vast majority of the investment is in private sector-led schemes that the Minister and his advisers know cannot guarantee the level of affordability that people so desperately need. I urge the Government to redress that balance. The legislation providing for home building finance Ireland needs to prioritise small to medium-sized builders working in conjunction with local authorities and approved housing bodies to build genuinely affordable rental and purchase units on mixed-income and mixed-tenure estates with social housing. It can be done at prices from €170,000 to €250,000 or €260,000, substantially below anything the private sector will deliver in any of the Government's other schemes.

It was interesting that the Minister of State, Deputy Phelan, said he was happy to give us an update. Only one update matters for people desperate for affordable housing, which is how many units the Government has delivered and how many units it will deliver this year. The

answer to both of those questions as the Minister of State knows, is zero. In seven years of this Government and the previous Government not a single affordable unit has been delivered through any central government scheme to rent or to buy and not a single unit of such accommodation will be delivered this year. Left to its own devices, the Government will not tackle that problem. We need a major mobilisation of public anger and public demonstration directed towards the Government's failure. On 7 April here in Dublin people from the length and breadth of the country will have the opportunity to express their disappointment in the Government's failure and to demand that it start to invest in genuinely affordable housing for the families who so desperately need it.

Amendment put.

**Deputy Eoin Ó Broin:** Vótáil.

**An Ceann Comhairle:** In accordance with Standing Order 70(2), the division is postponed until the weekly division time on Thursday, 1 February 2018.

The Dáil adjourned at 10 p.m. until 10.30 a.m. on Wednesday, 31 January 2018.