

DÁIL ÉIREANN

—
Dé Céadaoin, 11 Feabhra 2004.
Wednesday, 11 February 2004.
 —

Chuaigh an Ceann Comhairle i gceannas ar
 10.30 a.m.

—
Paidir.
Prayer.
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Leaders' Questions.

Mr. Kenny: Yesterday we heard the Taoiseach, in his defence, speak strongly of the manner in which he conducts his business as Taoiseach of the country and to the effect that he never betrayed public trust and did everything in accordance with the highest of standards. Yesterday we also heard from TG4's Ms O'Connor of the method by which funds were despatched for a marine access infrastructure in Kenmare, County Kerry, despite the fact that on 4 December 2000, the assistant secretary of the Department of the Marine, in a memo to the secretary, said that the Taoiseach was anxious that a letter would issue without delay and that he took the view that such a letter issuing without appraisal of the project involved would involve a letter of comfort, which could result in legal claims against the Department subsequently. The drafting of that letter was conducted by the Taoiseach's programme manager. It states:

Taoiseach,

This is the type of letter you need for the Kenmare marina project. Would you please see if Minister Fahy will sign and issue it?

The letter is signed "Gerry". This is in advance of any appraisal of the project involved, which project amounted to €750,000, of which over €300,000 has been paid.

Deputy Healy-Rae, in whose favour this was being granted, as distinct from the then Minister for Tourism, Sport and Recreation, who is in the Chamber, had this letter changed, on his insistence, to read "I believe that the project would be eligible for funding" to "I agree that the project will receive funding."

In light of yesterday's probity in high standards, does the remit of the Taoiseach's programme manager extend to approval of capital projects without appraisal? Did the Taoiseach see this correspondence? Did he see and approve the letter from Gerry? Did he tell the then Minister for the Marine and Natural Resources, Deputy Fahey, that the letter from

Gerry should issue and that on foot of that, it amounted to a letter of comfort on a project, be it worthwhile or otherwise, that amounted to €750,000? How can the Taoiseach stand over this kind of dispensation and slush fund being used by his party, apparently on his personal direction?

The Taoiseach: I wish to make a number of points in reply to Deputy Kenny. The project, which I and the Government were supportive of, was part of four projects in 2000, one in Kenmare, which Deputy Kenny spoke about, Cahirciveen, Rosses Point and Roundstone. A total of €5.7 million was allocated. There were four flagship projects in advance of the NDP marine tourism grant. The grant approval for the Kenmare project was for €752,550 and was subject to a number of conditions, including evidence of planning and foreshore permissions having been obtained. Payment of the first instalment of the grant was made in December 2001 in the amount of €332,312 and it was made on the basis of invoices in respect of matured liabilities, copies of the planning permission and the foreshore lease that had been obtained.

In October 2002 the Department became aware that the development had not been constructed in line with the planning permission and the departmental engineers were immediately asked to investigate the situation with the local authorities. No further payments of the grant were made—

Mr. J. O'Keeffe: The Taoiseach should answer the question he was asked.

The Taoiseach: —and the Department liaised with Kerry County Council on the planning difficulties.

As the promoters had applied for retention permission, it was considered advisable to await the outcome of the planning process before taking legal advice as to how the State's investment should be protected. Following An Bord Pleanála's refusal of retention, a new planning application was made to Kerry County Council. The application was withdrawn in November 2003 and steps were taken by Kerry County Council to enforce the conditions of the original planning permission. The Department is waiting to see if the original planning permission is adhered to, otherwise it would have to retrieve its money.

What Deputy Kenny did not say about the letter from Gerry Hickey, my programme manager, is that he wrote on a letter from Kevin O'Reilly & Co., Registered Auditors and Accountants. The letter states:

Re: Proposed development of a marina and maritime leisure and training facilities at Derreenacallaha, Kenmare, Co. Kerry by Daniel McCarthy (the project to be developed and operated by The Star Marina Limited).

Dear Sirs,

I wish to refer to your letter dated 7 November concerning the above proposed development which was passed to this Department by the Department of the Taoiseach.

The criteria that govern projects of this nature is as follows:

- long term viability or value of project
- value for money of project
- tourism value (numbers, seasonality, spread of product etc.)
- compatibility with the protection of the environment...
- impact on quality of resources ...
- contribution to rural development
- contribution to community development
- impact on those in or at risk or falling into poverty
- impact on equality of opportunity
- long-term management capability
- links with other tourism...

(Interruptions).

An Ceann Comhairle: Allow the Taoiseach, please, without interruption.

The Taoiseach: The initial examination indicates that the proposal scores highly on these points. The Department is reviewing the papers submitted with your letter and will be in touch with you shortly seeking some additional information.

As a general rule, any public grant-aid to infrastructural projects has to be based on clear and precise information within a pre-set framework with a clear indication of specific items such as exact details of costs of each specific element of the overall plan—

Mr. Rabbitte: Did Jackie do the architectural work?

The Taoiseach:

—exact details of all funding sources, detailed business plans, legal and planning requirements, details of operational aspects, etc.

Subject to the satisfactory responses to the additional information sought, I believe that the project will be grant aided...

Signed by Frank Fahey

That was the letter Gerry Hickey wrote the note on, not some letter out of the blue.

Kenmare is one of the finest places in this country and has one of the best tourism centres. It has been involved in tourism for 110 years and I am glad to see we are trying to do something for tourism in Kenmare.

Mr. Kenny: It appears as if the *Celtic Mist* was going to be the first yacht to land at this marina. What the Taoiseach did not tell the House in respect of this "Punchestown by the sea" proposal was the letter following the one he read out, which has the heading: "Mr. Guilfoyle, Revised letter issued to Deputy Healy-Rae, following requested changes by him, overleaf, and agreed by Taoiseach's Programme Manager". That change is as follows. Instead of, "I believe that the project will be grant aided..." it reads, "I agree that the project will be grant aided...". This is in advance of appraisal under all those criteria the Taoiseach has mentioned.

I do not doubt the validity of any project, but the method the Taoiseach adopted in delivering on this project needs to be answered. Why was the Taoiseach involved in this particular project? He came into this House last December to answer a charge that he was involved in a planning permission case in Roscommon which he dealt with very comprehensively. He was involved in this case because the programme manger in his Department asked him to look at a letter and to advise the then Minister, Deputy Fahey, that he should issue it.

There are 20 people within 400 yards of this building who sleep in cardboard boxes every night. There are hospitals units waiting to be opened, hospital beds closed down—

An Ceann Comhairle: The Deputy's time has concluded.

Mr. Kenny: —and yet the Taoiseach allocates €750,000 for a project, half of which has been demolished, as it did not comply with planning permission. Is this not an abuse of power? It is the creation of a slush fund for political patronage by him and on his direction and it is an insult to the people of the country and it is not the kind of standard he spoke about yesterday.

Deputies: Hear, hear.

The Taoiseach: I remind Deputy Kenny that we get 6.1 million visitors per year, that €4 billion in foreign revenue earnings comes out of tourism, that the industry employs 140,000 people in this country and tourism is massively important. Kenmare is one of our best tourist resorts.

Mr. D. Ahern: The Deputy is turning his back on it.

(Interruptions).

An Ceann Comhairle: This is Leaders' Questions. Only Deputy Kenny was entitled to ask a supplementary. Deputy Kenny is entitled to hear the answer and I would ask his colleagues in the Fine Gael Party to allow him to hear the answer without interruption, please.

The Taoiseach: I was saying that tourism is massively important to this country, that we take over €4 billion in tourism revenue. All our national development tourism operational projects try to improve the infrastructure in tourism and in this case, that equally happened with four other projects. It is proper that that happens. The fact that in this case Deputy Jackie Healy-Rae and other local Deputies were pursuing the project—

(Interruptions).

The Taoiseach: There is not a project under the national development plan that Deputies are not supporting.

Mr. Hayes: A Cheann Chomhairle—

An Ceann Comhairle: Deputy Hayes, the Chair will be left with no choice but to deal with you.

The Taoiseach: There is not a project under the national development plan for which TDs are not lobbying for. I cannot walk the corridors of this House but TDs of all parties are lobbying me about capital projects. Let us stop the hypocrisy.

Deputies: Hear, hear.

The Taoiseach: If we are helping tourism projects we are helping them. In this case, the matter was properly dealt with by the officials and it was properly dealt with throughout.

(Interruptions).

Mr. Rabbitte: A Cheann Chomhairle, you quite properly allowed 17 minutes for that valuable exchange on an innovative project so I presume you will allow me the same time.

An Ceann Comhairle: The Chair requests each Member speaking at the end of the time allotted to conclude.

Mr. Rabbitte: Who deserves credit for this? Is it Deputy Healy-Rae or the Minister for Arts, Sport and Tourism, Deputy O'Donoghue, or does Deputy Healy-Rae get everything done?

An Ceann Comhairle: The Deputy is using his time but I am not sure if it is on the question he intends to raise.

Mr. Rabbitte: I start by thanking the Fianna Fáil backbenchers for their warm praise for me "giving the Taoiseach a clean bill of health". I repeat that I accept what the Taoiseach said, that is, that he did not delay the planning tribunal for five years. I accept that. I want to ask him, like I did yesterday, if that means he did not delay the transfer of any single document. If he says he did not, I accept that too.

I want to refer back to the TV3 programme which had absolutely nothing to do with that allegation. It was about tax evasion and standards in public life. What we know from yesterday and from the TV3 programme is that a donation of IR£50,000, made for whatever purpose, was placed in a bogus non-resident account in Castlebar by a then serving senior Fianna Fáil Cabinet Minister and that within months that money was drawn out. Deputy Cooper-Flynn said she was not involved in setting up the bogus non-resident account and nobody ever said she was. She also said she did not know the origins of the money. She said she did not ask and she was not told. Of course, her father, Pádraig Flynn, did know it was hot money. He knew that, but apparently he did not tell her.

She also told the House that she included a standard letter warning that it was the client's responsibility to look after their tax affairs. That is the same standard letter that she, and other colleagues in her bank, sent to hundreds of people with hot money and which has led now to €48.5 million being recouped by the Revenue Commissioners, on the word of the Chairman of the Revenue Commissioners to the Committee of Public Accounts before Christmas. So much for the standard letter. We will take her word for it in the meantime.

I want to go back to ask the Taoiseach about the gravamen of these allegations, never mind holding up the tribunal. Has the Taoiseach spoken to the Minister for Justice, Equality and Law Reform, Deputy McDowell, about the matters he considered to be of the utmost gravity?

What did the Taoiseach mean when he said he did not ask Mr. Gilmartin if he had made a donation to Fianna Fáil? He said yesterday, "I am quite certain I would not have asked him did he give a contribution to Fianna Fáil". Two minutes later he said to me: "If he brought up the issue with me I might have exchanged discussion with him about it". A minute later, the Taoiseach said: "If he brought it up in conversation, I could well have engaged in conversation with him." What is the Taoiseach saying there? Is the

[Mr. Rabbitte.]

Taoiseach saying he did not ask him if he had made a donation but that he did discuss the £50,000 with him in conversation? What exactly is the Taoiseach saying?

The Taoiseach: I will take the three questions quickly, one of which was about Deputy Cooper-Flynn. I heard her statement yesterday. That statement will now form part of the investigation by the tribunal into these matters. I have no comment to make. These matters will now be looked at. I will say no more than what I have said previously. We will have to await the examination of the details. I am in no position to investigate any of these matters. I have no power of compellability, or papers or witnesses. These will all be considered during the overall examination which Members know is ongoing.

With regard to Deputy Rabbitte's question concerning what I said yesterday regarding the £50,000, I have no recollection of ever having discussed this with Mr. Gilmartin, even the phone call he made to me. Apparently, his records state that he made a phone call to me to say he was in difficulties and had problems, and that he asked me if I could be helpful to him, because he had found me helpful on previous occasions when he met me at the Department of Labour and at my constituency office. He states that in that phone he mentioned to me that he had given Pádraig Flynn money or a donation or whatever.

Mr. Hogan: A gift.

The Taoiseach: While he stated that he made that clear to me, I have no recollection whatever of that conversation. What I said to the Deputy yesterday and what I have said previously is that I have no reason to say the man is not telling the truth. He said that during the conversation he referred to the fact that he had given money to Fianna Fáil and to Mr. Flynn, who was party treasurer. My point to the House yesterday was that I would not ask anyone for a donation, even when I was party treasurer. I would not ring anybody in that regard or in conversation ask somebody for money for myself or the party. I would of course have sent out letters on behalf of the party over the years.

What other question was I asked?

Mr. Rabbitte: The Taoiseach was asked about the Minister for Justice, Equality and Law Reform and tax evasion.

The Taoiseach: I have had no conversation regarding this matter with the Minister for Justice, Equality and Law Reform. As far as I am aware regarding these matters, the Minister was saying no more than what he heard as gossip around the place. He certainly did not raise anything with me in his capacity as Attorney General or as Minister for Justice, Equality and

Law Reform in the past or in recent days. I am certain of that.

Mr. Rabbitte: Is the Taoiseach saying that the Minister for Justice, Equality and Law Reform is given to describing gossip around the place as of the utmost gravity? Is that the kind of Minister we have?

Mr. Durkan: This is a serious matter.

Mr. O'Donoghue: I seem to recall Deputy Rabbitte himself hearing a rumour in a pub in regard to the beef tribunal.

Mr. Rabbitte: That comes from the man who wants to build a marina on the wrong side of the road, on the side where the water is not.

Mr. O'Donoghue: Deputy Rabbitte has no recollection of the rumour he heard.

Mr. Rabbitte: While he says he has no recollection of discussing this matter with Mr. Gilmartin, the Taoiseach said yesterday:

I am quite certain I would not have asked him did he give a contribution to Fianna Fáil If he brought up the issue with me I might have exchanged discussion with him about it.

Is the Taoiseach saying he has no recollection but that he might have discussed it with him? Is that right? If Mr. Gilmartin discussed the matter with him, would the Taoiseach be likely to forget a donation of £50,000 at a time when the sum would buy two houses in the area where I live? Does the Taoiseach think Mr. Gilmartin discussed the matter with him or not?

An Ceann Comhairle: The Deputy's minute is concluded.

Mr. Rabbitte: That is very interesting. Our time is now less than half of the time for the previous item. I ask you, a Cheann Comhairle, to permit me to finish my question.

An Ceann Comhairle: Sorry, as the Deputy is well aware, the Chair draws to the attention of Members that their time is concluded

Mr. Rabbitte: It is a third of the time you allowed for the previous exchange.

An Ceann Comhairle: It is not a question of the time the Chair allows. The Chair is not in a position to stop Members continuing to speak and it is done on both sides of the House. The Chair would like Members to abide by the Standing Orders that they themselves introduced.

Mr. Rabbitte: I will have to accept your ruling, Sir. Now will you let me finish?

The Taoiseach said yesterday that Fianna Fáil will consider what remedies are open to it when the tribunal reports. Surely the Taoiseach's

lawyers must have advised him that the statute of limitations applies six years from the date of knowledge. We might take the date of knowledge to be 6 October 1998, the day that the Fianna Fáil general secretary dashed off a letter for the sake of appearances — the only letter, which was never followed up — to find whether this money was for Fianna Fáil and where it was. Six years from 6 October 1998, no remedy is open to the Taoiseach. Have his lawyers not advised him of that?

The Taoiseach: I will try to stay within the Standing Order. Our legal advice is that we must await the conclusion of the tribunal report. That has been the legal advice for several years from a number of different senior counsel. We have no other evidence or proof in regard to these matters.

Mr. J. O’Keeffe: The Taoiseach would want to get his procedures right.

Mr. D. Ahern: Even Deputy Jim O’Keeffe would understand what the Taoiseach is saying.

The Taoiseach: Even in recent times, our senior counsel have stated that.

With regard to the other matter raised by Deputy Rabbitte, I have no recollection whatever of having a discussion with Mr. Gilmartin on the phone. However, Mr. Gilmartin has stated for many years that he rang me and asked me for assistance and whether I knew anybody in Dublin Corporation who would assist him. I subsequently sent a councillor to him and that councillor has confirmed that, so Mr. Gilmartin obviously rang me. I accept that and that I sent somebody to him. That is clear.

Mr. Gilmartin said that during that conversation he mentioned to me that he had given money to the party or to Pádraig Flynn. He may well have. If he said that he gave a donation to Fianna Fáil through Pádraig Flynn who was then party treasurer, it would not have registered with me. It would have registered as a big amount, admittedly, although I do not know how many subscriptions we would have got at that time, but it would not have registered. With an enormous developer who was spending approximately £250 million on one project and a few hundred million pounds on another project, it would not have struck me as anything odd.

I have no recollection whatever. We have encountered large amounts of money in regard to different parties so we should not get into that. While I have no recollection whatever of the conversation with Mr. Gilmartin, I accept it must have taken place because I sent somebody to try to help him.

Mr. J. Higgins: The Higher Education Authority in a submission has stated that leading universities and third level institutions in this State could be privatised. This would effectively

mean third level colleges becoming the creatures of big business corporations on which they would be dependent for finance, more or less in the same way as, during the Irish EU Presidency, the Government is relying on Kerrygold to provide free butter for all the EU nosh-ups over the next six months.

What is the Government view on this issue? The Minister for Education and Science said he has no objection to colleges leaving the public system to become private colleges. In *The Irish Times*, the Minister is quoted as saying that the one caveat he has in this regard is that there would have to be systems in place to ensure that people from disadvantaged backgrounds would be able to get into such colleges and that, therefore, there would have to be scholarships and bursaries as in the American system. This means that working class youth will be sent to beg at the doors of multinationals and major corporations for their third level education.

Is this another of the big ideas of the Minister for Education and Science? Before the Taoiseach accepts this, I caution him that this is the Minister who in his five year tenure at the then Department of the Environment and Local Government lectured us on the need to divert waste going to landfill. We assumed that was by way of major recycling programmes which some have been carrying out for a long time. However, this morning we know what a farce this Minister’s policy was when a ship carrying household waste from nine local authorities was impounded in the Netherlands on its way to India. The authorities in Rotterdam were apparently alerted by the smell.

The privatisation of third level colleges would create just as big a mess for our society and its youth. Can the Taoiseach state precisely the Government view on this issue?

The Taoiseach: I do not know what County Kerry did wrong this morning. A Mayo Deputy wanted to stop marinas in County Kerry and now a Kerry man wants to stop the promotion of butter from Kerry.

Mr. D. Ahern: He has been a long time out of Kerry.

Mr. Kenny: On a point of order, I did not want to stop marinas. I questioned the spending of money.

An Ceann Comhairle: That is not a point of order.

Mr. J. Higgins: The Taoiseach should stop the gravy train.

Mr. D. Ahern: Deputy Kenny is against the west. He is against Knock airport.

Mr. Kenny: I did not try to stop the marina.

An Ceann Comhairle: Allow the Taoiseach to speak. The Deputy has put his disclaimer on the record.

The Taoiseach: What we are trying to do is build the marina.

Mr. Kenny: I did not try to stop the marina.

The Taoiseach: That is fine. If the Deputy did not try to stop the building, we are both in favour of it.

Mr. Durkan: Why was it knocked down?

The Taoiseach: It had to comply with planning regulations, as does every other development.

Mr. D. Ahern: We are not building it.

The Taoiseach: Deputy Higgins made two points on the education report. There are many proposals on how we should continue to do what we are doing successfully, that is, to increase the number of people going through third level education. There are no proposals to privatise any third level colleges. There are many proposals to try to increase the participation of people from all classes in third level colleges and to ensure we can link up, wherever possible, with private business to allocate resources to help research and development and the advancement of third level colleges. This is generally seen as a good thing. It happens all over the world. It is particularly successful in the United States, where the most advanced colleges have such participation.

On the shipment of waste, I understand the difficulties in regard to the consignment of waste referred to centre around the appropriate classification of the assignment of shipments in which recycled materials are segregated.

Mr. J. Higgins: I referred to the waste issue to caution the Taoiseach against accepting any more big ideas from the Minister for Education and Science, considering that his last tenure finished with such a mess.

Is it not the case that the taxation policies of the Government, by which, for example, it gives back to the major corporations €600 million in tax reductions in a full year and gives generous tax regimes to the multinational corporations, mean that that between €15 billion and €20 billion is repatriated out of the country each year? Is it not the Government's policy to slash corporate taxes? This means that when crucial public services need to be funded, such as third level education, the idea comes forward that we should direct people who need funds for these services to the local offices of major corporations and the multinational companies. Is that any way to provide for public services or has the ethic of privatisation so infected official thinking in parts of this State that this is what we get?

Who gives the Higher Education Authority the right to make a submission to the OECD, with no discussion whatsoever among third level students, intending students or society generally? I know there are no Government proposals currently on the table with regard to the privatisation of third level institutions but does the Taoiseach rule it out completely as a matter of policy for the future? I would like the Taoiseach to state his position on this issue.

The Taoiseach: There have been no discussions by Government on any of these proposals yet. The Government is not in the business of privatising colleges. I have already said that we should try to seek ways of getting private sector companies to put money into research and development, which is the key.

I disagree with Deputy Higgins's thinking on this matter. The reason we moved from one million people just over a decade ago to 1.8 million people in work today is that there is a strong base of multinational companies in this country. These include chemical and pharmaceutical companies, information and communication technology and finance houses. Our low tax regime, which successive Governments have followed, has generated more corporation tax for this country, not less. We moved away from the shelters and allowances of the past, which successive Governments, with the support of all parties, except the Deputy's party, have continued to advocate. This is what has driven the Irish economy. This is how we have managed to put €26 million more into third level education than a few years ago.

Mr. J. Higgins: These are assertions. There is no proof.

The Taoiseach: The reason we were able to expand our third level colleges is that we had more corporation tax. That high rates are the way to generate resources is the wrong thinking. It was the thinking of the 1950s, but it is time to move on.

Ceisteanna — Questions.

Social Partnership Agreements.

1. **Mr. Kenny** asked the Taoiseach if he will report on the implementation of the Programme for Sustaining Progress; and if he will make a statement on the matter. [1004/04]

2. **Mr. Kenny** asked the Taoiseach when he will next meet with the social partners; and if he will make a statement on the matter. [1005/04]

3. **Mr. Kenny** asked the Taoiseach if he will report on the recent activities of the National Implementation Body; and if he will make a statement on the matter. [1008/04]

4. **Mr. Rabbitte** asked the Taoiseach when the next quarterly meeting of the social partners under the Sustaining Progress agreement will be held; the likely agenda for that meeting; and if he will make a statement on the matter. [1197/04]

5. **Mr. Sargent** asked the Taoiseach when he will next meet with the social partners; and if he will make a statement on the matter. [1271/04]

6. **Mr. Sargent** asked the Taoiseach if he will report on the implementation of the Sustaining Progress Agreement; and if he will make a statement on the matter. [1272/04]

7. **Mr. Sargent** asked the Taoiseach if he will report on the findings of the Anti-Inflation Action Plan and Progress Report, November 2003, published by his Department; and if he will make a statement on the matter. [1286/04]

8. **Mr. J. Higgins** asked the Taoiseach when he next expects to meet with the social partners; and if he will make a statement on the matter. [1838/04]

The Taoiseach: I propose to take Questions Nos. 1 to 8, inclusive, together.

Considerable progress continues to be made in implementing the wide-ranging set of commitments in Sustaining Progress. This was borne out by the third progress report, which was produced for the last social partner plenary meeting on 30 January 2004. I was represented at the meeting by officials of my Department. The agenda for the meeting included a presentation on the Irish Presidency of the European Union Council, a report from the steering group on Sustaining Progress and a discussion on the implementation of commitments in the area of social inclusion. The third progress report on the implementation of Sustaining Progress was also presented to the meeting. A copy of the report, a report from the steering group on Sustaining Progress and relevant powerpoint presentations were laid in the Oireachtas Library. The date of the next plenary meeting of the social partners has yet to be determined.

I continue to meet with the social partners, individually and collectively, as the need arises. The national implementation body continues to meet as necessary and appropriate to ensure delivery of the industrial relations stability and peace provisions of Sustaining Progress.

On foot of a request from the IMO, the NIB had a useful exploratory meeting yesterday evening, involving representatives of the IMO, the Department of Health and Children and the Health Service Employers Agency, on the dispute over the introduction of the clinical indemnity scheme. The NIB decided to reflect further on the possibilities for progressing matters and to revert to the two sides in due course. The NIB has also recently commissioned an independent examination of the brick and blocklaying sector of the construction industry with a view to improving industrial relations in this sector.

The anti-inflation group's action plan and progress report outlines a range of agreed measures to tackle inflation, focusing on pay, public expenditure, competition, fiscal and budgetary policy, insurance costs and consumer price awareness. Progress under each heading is set out in the report. Recent examples of action by the Government on foot of the group's recommendations include budget 2004, which was framed having regard to the priority attached to a targeted approach to inflation, and the major Government funded campaign, Price Awareness Pays, which was carried out towards the end of last year.

The recent fall in inflation to 1.9% — the lowest since October 1999 — is very welcome, but we cannot afford to be complacent. The Government will continue in the period ahead to prioritise this issue in the interests of competitiveness and jobs.

Mr. Kenny: Is the Taoiseach aware of the comments made by IBEC's director of enterprise, Mr. Brendan Butler, that his organisation is seriously worried about the upcoming development levies and that IBEC made it perfectly clear during Sustaining Progress that it would be opposed to these? Is the Taoiseach aware that a 10,000 square feet metre industrial development is currently being levied at €155,000 by Sligo County Council, €750,000 by South Tipperary County Council and €1 million under proposals from Fingal County Council? Does he feel that this scale of charges and development levies will impede seriously the attractiveness of various locations throughout the country for industry to be sited? Will he comment on whether it is appropriate to raise levies at the moment as this case before the High Court is being taken by the Construction Industry Federation? Has he a view on whether local authorities should issue development levy proposals pending the outcome of the High Court case?

The Taoiseach: Whatever ultimately happens in the court case, obviously the legal advice is that they can continue to do this.

On Mr. Butler's comments in regard to costs on industry, it is a matter for the local authorities in each area. If we are to modernise and make a contribution towards infrastructural costs, given the necessity for infrastructure in areas, it does not seem unreasonable. There is a divergence in other areas for local authorities, both for domestic dwellings and business, but in this case we are talking about business. New business must contribute towards the necessary infrastructure.

We have an infrastructural deficit. We are making significant progress but we must continue to get some return on that investment. Local authorities are entitled to this from new businesses in their areas.

Mr. Kenny: Given the reports from the National Competitiveness Council and the World

[Mr. Kenny.]

Economic Forum, is the Taoiseach happy that we are living in a country where the consumer is being ripped off left, right and centre, as is evident from the 20,000 responses to the website set up by Fine Gael, *ripoff.ie*? This applies in a range of areas and it places great economic and social pressure on people. Is the Taoiseach aware of the concern that exists about the continually increasing cost of living for consumers? In Sustaining Progress, will the Taoiseach make the theme of rip-off Ireland a priority and ensure that consumer costs are kept as low as possible? These levies and charges are passed on to the consumer and add to the pressure on them.

The Taoiseach: Levies and other costs are one thing, but legislation is passed by this House and administered by the local authorities. Looking at the figures from local authorities, in some areas levies are quite low while in others, I admit, they are quite high. In other areas of competition and inflation, such as the food and clothing sectors, we see attractive competition. With the number of groups and operations in place, one would wonder how they can all keep going but, thankfully, with the rise in population it is possible and it remains attractive. Prices have decreased across a number of these sectors.

I am concerned and I continue to press the Competition Authority about the professions such as insurance, engineering, architecture, veterinary practices and dentistry. There is still much we can do in those areas in terms of prices and competition. Other sectors have also been highlighted by the Competition Authority in its recent reports. We cannot be complacent about the need to bring down inflation and this aim must be clearly communicated to consumers, businesses and employees. That is what the anti-inflation group is doing through a number of methods, working with the Competition Authority and working directly through pressure on organisations.

We recently discussed the issue of restaurants and the food sector. When I looked at the report on that and noted the divergence, I could see that there are arguments on both sides because of the staff rates. I recently saw figures for a Dublin hotel near here where people were being paid €16 on a Sunday. Management argues that is the busiest day of the week for lunches and other meals and the lowest paid staff member is paid €16 an hour.

Mr. Kenny: Is that the Four Seasons Hotel or the Shelbourne?

The Taoiseach: It is one of them. That is a high rate of pay. The hotel management would argue that figures show they are not as profitable as people think. I said the opposite in the House and that is why the industry is sending me the facts.

There are, however, sectors of Irish industry with high profit margins. We must continue our

work through the Competition Authority, particularly in those areas where there are large percentages over and above the bottom line. No one is saying they are everywhere but there is ample evidence of them in the professions, not to mention in insurance, where the Tánaiste is trying to identify anti-competitive practices and other constraints. I have been urging the Competition Authority to finish and publish its various reports. This year will be crucial because a number of the reports will be published and they will have a major impact on young people buying new houses, those renovating houses and on the professional services that people pay for every day.

Mr. Rabbitte: What does the Taoiseach think of the prospects for renewing the pay agreement which expires after 18 months? Will the mid-term review engage in a meaningful fashion? Are the unions minded to extend pay terms to the end of the agreement?

In the context of pressure from rising prices and people's standard of living, does the Taoiseach agree that, while inflation is one thing, it is no more than a yardstick for comparison between one year and another? Does he agree that our prices are objectively 12% higher than elsewhere in Europe and that there is a disgraceful rip-off in a number of sectors, not just in the professional area, although that is happening as well? We read about outrageous conduct where the price of a pint can reach €10 and €12 for special events. The Taoiseach spoke earlier about the importance of tourism, but that is scarcely welcoming.

What headway has been made in meeting the target of substantial progress in the provision of a net additional 10,000 affordable houses by the mid-term review? The Taoiseach told me the last time I asked that not one brick has been laid on another. A sod has not been turned and there has been no photo opportunity yet, although we are 15 months into the project. What are the prospects for delivery of the 10,000 net additional social and affordable housing units, as provided for by the agreement?

The Taoiseach: I hope that over the next few months we will enter discussions on the pay terms. Obviously the Government would like to see agreement. As always there will be issues about whether it is possible to make that progress. I am conscious that people feel that the Government paid too much in the first part of the agreement, a generally held view, so we must get into negotiations and see what we can achieve. It would be the Government's intention to honour its commitments on benchmarking and the other aspects of the first round which continue into this and next year and then to negotiate the basic rate for the second round. We hope that work will get under way at an early date.

I mentioned the professions and I agree with Deputy Rabbitte. Other areas are being

examined, such as the insurance industry and the banking sector. The anti-inflation group is examining all areas and good work is being done in the Competition Authority's studies. My only criticism of some of these things is that they are slow but maybe it is just not possible to move any quicker. This year, however, it is important that the reports on the various sectors that will be published in the next few months do not slip further behind because in them we will see our rates compared with other countries and the competition issues that arise from that.

I and other Members note what they do in this regard across the water, and they are fairly good at it. They secretly highlight the people concerned by making comparisons, and it works. It may be an underhand way of operating but it works. One gets the true facts and competition in rates drives down prices and stops the rip off element. We should be more aggressive in this area to ensure greater competition.

There are other areas where the issue in question is one of competition. There has been a substantial increase in the Competition Authority's resources and it has strong legislative powers, but it has pointed out areas where there is a lack competition. Some of the reasons prices are the way they are is because we do not have competition in those areas or our regulatory regime is too tight and works to the advantage of the cartels. Other issues are being dealt with in some areas, but they also have to be dealt with in other areas.

The affordable housing scheme is ambitious and complex. A number of developments are taking place and progressing well. First, the Government and local authority system has mobilised to provide an unprecedented amount of State land for affordable housing. We have announced sites together with units coming on stream under Part V of the Act. The potential number of units is 6,100. We are continuing to try to get Departments to release more land because the best and quickest way of securing that is to use State land. At this stage, given the provisions of Part V of the Act and the decisions of last July and December, the potential number of units is 6,100.

Second, we devised a delivery model that will use the existing local authority expertise as opposed to creating another one, as such a model would be too slow and probably too bureaucratic. This model will ensure fast, efficient delivery that will satisfy the condition that this scheme should not impact on the general Government balance, something we want to avoid.

Third, we have agreed, in principle, eligibility criteria with the parties to the pay agreement, subject to further discussion on the details. This is mainly with the Congress of Trade Unions and another meeting with its representatives is to take place today or tomorrow. These criteria will take into account people's ability to pay and local housing market conditions. This is a good and

simple enough model and it is being worked out with the Congress of Trade Unions.

The Department of the Environment, Heritage and Local Government met all the local authorities to discuss the detailed implementation of the scheme. There are a number of views about how it can best be done. It has been suggested that a small committee should separately drive it rather than using the local authority system. I believe that matter will be agreed with the congress in the next few days.

Like all construction projects, this scheme must go through the usual process of procurement, design, planning, site preparation and construction, and this will take some time. Measurable progress has taken place and I am confident we will see construction commence on the initial sites later this year now that we have agreed the general Government issues, the scheme and the linking in with the local authorities. We hope that over the course of this year we will be able to identify the remaining areas to bring the number of units up to 10,000. The number of units now stands at 6,100. If we can finalise the remaining issues around procurement, design and planning, will be able to proceed very quickly.

Mr. Rabbitte: On the pay terms, I did not quite hear the Taoiseach. Is he saying that he thinks the pay terms initially were too generous or is he saying others think that? I presume he is talking about public sector pay because the private sector arrangement expires in a few months. Against the canvas we have been discussing — Deputy Kenny raised the matter of prices and the cost of housing — I greatly doubt that private sector workers are minded to believe that the increases they got were too high. Am I to take it from the Taoiseach's answer that he expects to be able to negotiate an arrangement that is different in terms as between the private sector and the public sector? Is that his expectation?

I understand from what the Taoiseach said that he has now acquired — or perhaps a better word is "earmarked" — enough State land to provide 6,100 housing units. I presume he is saying that is verifiably separate from the provision for social housing as it would have been in any event.

He said they are going to stick with the delivery model in the local authorities. What exactly does he mean by that in terms of the building of the houses? Not everyone would say that the delivery model deployed by the local authorities to build public housing stock is the most efficient. When one examines the underprovision of funding to the local authorities for this purpose, it is manifestly an underprovision against housing need.

An Ceann Comhairle: A question please, Deputy.

Mr. Rabbitte: Is the Taoiseach aware that even against that limited provision, a number of local

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 authorities do not deliver? They do not even build the number of houses for which they have been allowed capital funding. Is the Taoiseach satisfied that is the most effective delivery model to cause these houses to be built? We are close to the mid-term review and we have State land for the provision of 6,100 houses, if I understand it correctly, but no building has commenced. I wonder if the Taoiseach is satisfied that this is the most effective model to cause such units to be completed.

The Taoiseach: In regard to the Deputy's first question, we want to get a deal that covers everybody. The point I was making, which I accept I did not expand on sufficiently, is that in respect of the cost of the benchmarking on the public sector end, there is a carry-forward of €775 million for this year and a carry-forward of €925 million for next year. Whatever will be done on the general round will have to take account of those commitments. The private sector did not have that advantage. We cannot start on the public sector basis by saying what we have given in the first half is gone; we have to take account of the knock-on effect.

On the housing issue, I have some of the same concerns raised by the Deputy. I will be frank about this. That is why we are considering setting up a small committee to drive this scheme. We had four or five months of discussion with the social partners to find out what way they wanted to move on this. Since last summer, having regard to the provisions of the Part V of the Act and the two Government announcements regarding more than 6,000 units, and I believe we can increase that number. We have been discussing other lands on which we have to get decisions. I believe we will be able to get our hands on the land and, if we can do that, it would be a terrible pity not to get on with the process.

The Deputy asked what I meant by the delivery model of the local authority. I mean we should use its existing professional expertise rather than go outside. I share the Deputy's concerns about deliverability. I confirm we are talking about provision additional to social housing; this has nothing to do with social housing. Having pressed to get the land, we now have to go through the processes of procurement, design, planning preparation and construction. If there is not a small group driving this process, I would share the Deputy's concerns. Since around November I have been considering how we could get a small group of people to do this and trying to identify people who could do this work every day. Otherwise, it will be part of everybody's job but nobody will drive it. Having got the land, backup and everything else, it would not happen.

This type of number, which is not totally but is by and large in the greater Dublin area, is a little like the old local authority small site scheme for builders, which the Deputy and I would remember well. That scheme worked very well.

One got good quality houses and good action, and the houses were cheap. This is what I visualised at the start and therefore I do not want to get involved in some enormous bureaucracy such that I will be on the zimmer frame when it is realised. I accept the Deputy's point, and the only way of achieving what I visualise is to get a small group to drive the scheme using the existing resources.

Mr. Sargent: The Taoiseach mentioned examples of keeping prices down and preventing a rip-off culture — I believe he was talking about Britain. How much of the agreement in this country is agreement in name only? I ask this because workers at FLS in my constituency, which has since been sold, had to protest quite strongly that they were not getting their 3% increase under the national pay agreement, yet workers who were part of the same operation in Britain were getting it. Is there any control over the implementation of the agreement in that regard so it does not fall apart and so confidence will not be lost in it?

Many groups signed up to Sustaining Progress on the basis that social welfare rates would be 30% of the average industrial wage by 2007. Given that the Government's end-of-year tax returns in January proved it had more money in the kitty than it said it had — nearly ten times the amount required in terms of increasing the lowest social welfare rates — these groups expressed disappointment at the failure to increase rates. Is there any plan to review social welfare payments, cuts in rent supplement, the lack of assistance for child care, etc., in light of the revelation that more money was available? Perhaps the Minister will help in answering this. What plans are there to address the scandal of low pay which many of the social partners have talked about? Can the Taoiseach say at this stage if we can hope for more positive outcomes?

The Government seems to have so many problems dealing with many environmental crises — the nitrates directive being just one of many. In light of this, will it be possible in the next round to include environmental NGOs in the partnership talks that are to take place, given that the Government is facing not just environmental difficulties but also financial penalties as a result?

The Taoiseach: The position on pay is very clear-cut. A private sector company is entitled to plead inability to pay, but the case must be referred for examination by the conciliation system or the Labour Court system. Companies have a right to have their case assessed. This is a regular enough course of action. On this round, not many have claimed inability to pay. Where there is a difficulty regarding companies that lose contracts or markets, those companies can progress the case. It is a very straightforward system and they are entitled to do that. I am sure the company mentioned by Deputy Sargent would be putting forward its case.

On prices generally, I have nothing new to add other than that we will continue to examine all sectors on this issue, including professions, banking, insurance, leisure, catering, and public houses.

On the next round, in terms of the social partners being involved, the review is a mid-term review and I am not sure if any changes will be made to the structure. I am not sure if Deputy Sargent is saying some of the environmental groups have applied or are about to apply for membership of the process.

Mr. Sargent: They have.

The Taoiseach: Presumably, it would be into the fourth pillar. I do not believe it is intended to develop another pillar. If people want to submit applications, a process exists for doing so.

Mr. J. Higgins: The Taoiseach says he is committed to partnership between the bosses, Government and workers. Does his concept of partnership extend to the relation between Government and public sector workers? If so, why are certain Ministers acting in such a hostile fashion towards the workers in their Departments? Why is the Minister for Communications, Marine and Natural Resources failing to honour a shares agreement with An Post workers? Why does the Minister for Transport wish to walk roughshod over workers in Aer Rianta by breaking up a successful company, or over transport workers by his insisting on privatising a section of Dublin Bus?

If the Taoiseach includes a major programme of affordable housing as part of an agreement, does he agree that the homes I hope will be built should be affordable? How does this stand against the present position, whereby Fingal County Council is forced to charge a €45,000 deposit to those wishing to purchase its latest affordable homes because of the limit on the loan of €130,000 set by the Department of the Environment, Heritage and Local Government?

An Ceann Comhairle: A question, please, Deputy.

Mr. J. Higgins: Does the Taoiseach agree this would not be a sustainable position? Does he recognise that at a time when he is looking for models as to how affordable homes can be delivered — in fairness to Fingal County Council, it has been innovative in this regard and has provided some very good schemes — workers on average wages cannot afford the affordable homes?

An Ceann Comhairle: The Deputy is making a statement. A question, please.

The Taoiseach: I agree that Fingal County Council is probably the most innovative council in the country on this issue. Fingal is the area of the country where both the council and

developers, regardless of their history, seem to work well in terms of looking at innovative ways of delivering schemes. This should be encouraged. Fingal is also the fastest growing area and all the houses that are built have been purchased. Fingal's percentage of first-time buyers is the highest in the country. Of course the costs of land and development in new areas increase prices but Fingal County Council continues to do well in this area. That is why the Department of the Environment, Heritage and Local Government is investing so much in the infrastructure of these schemes.

Mr. J. Higgins: It is now impossible to pay the deposit.

An Ceann Comhairle: Allow the Taoiseach to speak without interruption.

The Taoiseach: I know it is difficult for first-time buyers but one must accept that all the houses are being purchased with various means, at record levels. They are being purchased by first-time buyers and not by——

Mr. J. Higgins: It will come down——

An Ceann Comhairle: I ask Deputy Joe Higgins to allow the Taoiseach without interruption.

Mr. J. Higgins: I want clarification on this——

An Ceann Comhairle: The Deputy is not entitled to keep interrupting the Taoiseach when he is speaking.

Mr. J. Higgins: I was not interrupting. I was just eliciting——

An Ceann Comhairle: I am afraid the Deputy is interrupting, by any standards. I call on the Taoiseach to continue without interruption.

The Taoiseach: On the other issues pertaining to workers, nobody can accuse the Government regarding the pay aspects in recent years. The Deputy is not doing so but talking about the areas of change. Discussions are ongoing with the Minister in Aer Rianta and the CIE Group mentioned by the Deputy, which are endeavouring to make changes and progress. In both areas, a process exists. Substantial progress has been made in CIE and I hope the talks can be concluded successfully, very much in terms of the transport partnership's original discussions and proposals.

In the case of the discussions in Aer Rianta, it is a matter of everyone being open and exchanging information and of the Minister being in a position to give information and put forward his assessment.

An Post is slightly different. It is difficult to distribute shares if a company is in serious financial difficulties. The unfolding figures in An

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Post are quite serious and it has fundamental issues to deal with. I do not blame the workers, but workers, management and the Minister have a big job to do to try to assist An Post. The figures are quite frightening. Recent analyses are far worse, for whatever reason, than was envisaged only six months ago. Deputies may put down questions to the Minister if they want detail on that.

An Ceann Comhairle: I call Deputy Ó Caoláin,

Deputy J. Higgins rose.

An Ceann Comhairle: I have called Deputy Ó Caoláin, unless Deputy Ó Caoláin wishes to give way to the Deputy, because we are coming to the conclusion of questions.

Mr. J. Higgins: Will the Taoiseach raise——

An Ceann Comhairle: Deputy Ó Caoláin without interruption.

The Taoiseach: I will raise the issue.

An Ceann Comhairle: We must move on.

Caoimhghín Ó Caoláin: In a reply to a recent question which I put to the Taoiseach, he advised that there was a cross-departmental contact group on the affordable housing initiative in the social partnership document Sustaining Progress. I do not believe this group has been alluded to in earlier exchanges. Can the Taoiseach tell us its purpose and functions, how often it meets — if at all — its programme of work for 2004, and what it will deliver for first-time home buyers, given that some 50,000 household units are currently on local authority housing lists? I would like some elaboration of this group's remit.

The Taoiseach: The cross-departmental team and contact group relate to the ten special initiatives listed in Sustaining Progress. They meet very regularly and are driving forward all the initiatives in all the areas. They work under ten different Departments. The ten special initiatives are: housing and accommodation; cost and availability of insurance; migration and interculturalism; long-term unemployed, vulnerable workers and those who have been made redundant; tackling educational disadvantage — literacy, numeracy and early school leaving; waste management; care of children, people with disabilities and older people; alcohol-drug misuse; including everyone in the information society; and ending child poverty. The group comprises individuals and senior people across all the Departments. Individually and with their Ministers, they try to progress the agendas as set out. They report back both to monthly and quarterly meetings on Sustaining Progress. Those reports are published

and placed in the Oireachtas Library each quarter.

Ms McManus: On Sustaining Progress, will the Taoiseach comment on the fact that the Irish Medical Organisation has criticised the Government and is bringing to the implementation body the fact the Minister for Health and Children has broken the agreement in their view in terms of the enterprise liability proposal that the Minister has introduced, and that this pre-emptive strike by the Minister is now leading to an unprecedented industrial dispute where hospital consultants, very regrettably, are threatening to withdraw care, other than emergency care, from patients. Presumably the Taoiseach agrees that trust in the process is necessary if we are to have a further agreement. Will he comment on this breakdown in relation to the IMO?

An Ceann Comhairle: A detailed question would be more appropriately put to the Minister for Health and Children. The Taoiseach did refer to the issue in his reply. I will therefore allow him to respond.

The Taoiseach: The reason I mentioned the issue my reply is that there was a meeting with the IMO last night to examine this to see what progress could be made. I hope more progress can be made over the next few days. The issue arises out of a decision we took in December 1999 that enterprise liability should be introduced. The clinical indemnity scheme was established to give effect to that decision. As the full implementation of the clinical indemnity scheme is so clearly in the best interests of patients, doctors, hospitals and the taxpayer, it was imperative that it be introduced.

As a result of these measures most consultants will pay significantly lower indemnity subscriptions in 2004. I did not notice that in their advertisement this morning, however. The enterprise liability involves each health service, agency or enterprise covered by the scheme accepting liability for the actions of the staff, including consultants employed to provide professional medical service. Cover under the scheme came into effect in July 2002. It was immediately extended to consultants to allow some time to reach agreement with the respective representatives on terminating their existing indemnity arrangements. The Minister for Health and Children has been engaged in intensive discussions with the IMO and the Irish Hospital Consultants Association on the issue and most of the concerns of professionals about the scheme have been addressed.

The issue that has not been addressed is that of historical liability for claims arising from events which occurred before the establishment of the scheme. They remain outstanding. My Department has taken the view, and this was repeated at the meeting last night, that the

insurance companies should remain liable for claims relating to previous years. This position is accepted by all the insurers and medical defence bodies with the exception of the Medical Defence Union.

I am aware that the consultants have decided to campaign against the Government rather than the Medical Defence Union. However, as a contribution to ensuring that consultants can continue to purchase professional indemnity cover for practice not covered by the clinical indemnity scheme, the Government has offered to accept liability for that element of clinical claims which exceeds €1 million, for obstetric claims, as I said on the Order of Business last week, to cap at €0.5 million. These decisions demonstrate the extent to which the Government has attempted to deal with all the reasonable concerns of the profession. It was decided last night to continue discussions with the Medical Defence Union. Some good points were made last night about issues where there is not clarity. If the points made are true, it seems there is a case to be dealt with.

On the Deputy's last question — I know she did not press the point — in my view it is absurd, and I said this here last week, that patients might be put at risk because of a dispute about who is responsible for claims that might arise out of past events, whether in relation to public or private treatment. That is just a cheap shot.

Requests to move Adjournment of Dáil under Standing Order 31.

An Ceann Comhairle: Before coming to the Order of Business I propose to deal with a number of notices of motion under Standing Order 31.

Mr. Broughan: I seek the adjournment of the Dáil under Standing Order 31 to discuss the following specific and important matter of public interest requiring urgent attention, namely, the need for the Taoiseach to make a full statement on the circumstances in which any deal was done with Deputy Healy-Rae for Government funding of more than €0.75 for the construction of a marine leisure centre in Kenmare, County Kerry, which was demolished last month because it contravened its planning permission.

Mr. Sherlock: I seek the adjournment of the Dáil under Standing Order 31 to discuss the following specific and important matter of public interest requiring urgent attention, namely, the need for the Minister for Education and Science to address the dangerous situation at Dromahane National School, Mallow, County Cork, specifically in relation to the existence of asbestos in the school and the serious deterioration in the state of the school's roof which is jeopardising pupils' continuing attendance at the school.

Mr. Cuffe: I seek the adjournment of the Dáil under Standing Order 31 to discuss a specific and important matter of public interest requiring urgent consideration. The matter is as follows. Given that nine Irish local authorities are implicated in the sending back of illegal shipments of waste from the Netherlands and Belgium, that the Minister for the Environment, Heritage and Local Government make a statement on the circumstances surrounding this discovery and outline what measures he intends putting in place to prevent a recurrence.

Mr. Sargent: I ask that Dáil Éireann be adjourned under Standing Order 31 to debate a matter of urgent national importance, namely, to allow the Taoiseach to make a full statement in the Dáil on his agreement to grant aid a private marina near Kenmare, County Kerry, which was not in compliance with planning law, for almost €800,000 of taxpayers' money, while at the same time a marine conservation centre plan, which is supported fully by Fingal County Council, continues to be denied funding even though Ireland is unique in EU coastal nations in having no such facility.

Caoimhghín Ó Caoláin: I seek the adjournment of the Dáil under Standing Order 31 to discuss the following matter of urgent national importance, namely, the birth at 5 a.m. this morning of a child in yet another roadside delivery *en route* from Monaghan to Cavan General Hospital and the immediate need for the reopening of the maternity unit at Monaghan General Hospital.

Mr. Connaughton: I seek the adjournment of the Dáil under Standing Order 31 to discuss a matter of major public importance, namely, the fears and anxieties of the people of Cross-New Inn, Ballinasloe, County Galway, who are bewildered that their area has been identified as a landfill site under the Connacht waste management plan. Despite the fact that this parish has already got a gas pipeline, it is planned to accommodate a dual carriageway through it. Now there is a landfill plan, even though this parish has had one of the worst-run dumps in County Galway for the past 20 years. I wish to demand that the Minister of the Environment, Heritage and Local Government, Deputy Cullen, should meet the local community, with local politicians, to discuss their legitimate concerns.

An Ceann Comhairle: Having considered the matters raised, they are not in order under Standing Order 31.

Order of Business.

The Taoiseach: The Order of Business today shall be No. 19, European Parliament Elections (Amendment) Bill 2003 — Order for Report, Report and Final Stages; and No. 6, Finance Bill 2004 — Order for Second Stage and Second

[The Taoiseach.]

Stage. It is proposed, notwithstanding anything in Standing Orders, that: (1) the Dáil shall sit later than 8.30 p.m. tonight and business shall be interrupted not later than 11.30 p.m.; (2) Report and Final Stages of No. 19 shall be taken today and the proceedings thereon shall, if not previously concluded, be brought to a conclusion at 1.30 p.m. by one question which will be put from the Chair and which shall, as relation to the amendments, include only those set down or accepted by the Minister for the Environment, Heritage and Local Government; and Private Members' business shall be No. 38, motion re Order of Business and Leaders' Questions (Standing Orders 26 and 26A)(*resumed*), to conclude at 8.30 p.m.

An Ceann Comhairle: There are two proposals to put to the House. Is the proposal for the late sitting agreed? Agreed. Is the proposal for dealing with No. 19, the conclusion of the Report and Final Stages of the European Parliament Elections (Amendment) Bill 2003, agreed to?

Mr. Kenny: A guillotine is being imposed here and there has been no co-operation from the Government side in respect of legitimate claims on electronic voting. I therefore oppose this proposal.

Mr. Rabbitte: I oppose this measure as well. Included in the debate on this Bill, for which only an hour and a half is being provided, are ten amendments, some of which are related to electronic voting. The proposal is to change the voting system in the forthcoming elections against the wishes of all the Opposition parties. All of the Opposition parties are opposed to it and independent academics have repeatedly warned about the security of the system, yet the Government proposes to railroad through electronic voting. It is being done by the same Minister who has spent €40 million of taxpayers' money and who will be the director of elections for his party. If it happened in a banana republic in South America—

Mr. Connaughton: That is right.

Mr. Rabbitte: —nobody would believe it. Nobody would believe the Government is pushing through a change to the voting system after spending €40 million for a completely unnecessary system. There is no shortage of people to count the votes. We have a reliable tallymen's service.

An Ceann Comhairle: The Deputy is giving far too much detail. This might be more appropriate for the debate on the issue.

Mr. Rabbitte: There is no demand for it. We have spent a fortune, €40 million of taxpayers' money, and the man who is pushing it through will be the director of elections for Fianna Fáil.

Mr. Durkan: That is awful, if it is true.

Mr. Rabbitte: I am glad I did not give the response I was going to on that one.

Ceann Comhairle: The Deputy should confine himself to brief comment at this stage, not the content of what is before the House.

Mr. Rabbitte: I accept the Ceann Comhairle's ruling. However, this House has never debated the detail of this system. It will certainly not be debated after this measure is put through, by dint of superior votes in this House.

An Ceann Comhairle: It cannot be debated right now. There will be an opportunity later on to debate.

Mr. Rabbitte: The Ceann Comhairle will call a vote in a few minutes. We will have an hour and a half tomorrow. There will be no opportunity to debate the changing of the voting system.

An Ceann Comhairle: The Standing Order is quite specific: a brief comment as to why a Deputy is opposing the particular proposal before the House, which is a proposal for dealing with the measure. The content of the particular legislation is not being dealt with.

Mr. Rabbitte: The point is that the Government is trampling on the rights of the Opposition in this House. It is spending taxpayers' money to do so, to change a voting system that never required changing. It gives us no opportunity to examine independent academics' arguments about the security of the system.

Mr. Sargent: We oppose this legislation being taken at 1.30 p.m. today. It does not have to be rushed at this point. I understand 26 February is the date that it comes into effect. In the meantime, considerable legal debate is ongoing, which may well land this Bill, along with others that the Government has rushed through in error, before the courts.

The Green Party is in favour of proceeding with technology but not without a verifiable paper audit trail. That is not a matter that this Government has addressed. To make matters worse, although we welcome the ending of the dual mandate, it is coming in again, with the Minister for the Environment, Heritage and Local Government, Deputy Cullen, acting not just as the person bringing in electronic voting but also as director of elections for Fianna Fáil. This is a basic conflict of interest in the minds of the Irish public that the Minister needs to step back from and bring in an electoral commission. That is a matter the Government needs to take on board and we are protesting strongly against the European Parliament Elections (Amendment) Bill 2004 until those matters are put right.

Caoimhghín Ó Caoláin: The Committee which will deal with this legislation is dealing with other legislation this morning. In fact, some of the Deputies participating in it are not yet in the Chamber. Yet it is proposed to conclude this within one and a half hours. It is simply not on. What is involved here is of such importance that without the confidence of the electorate in the system of election participation, it simply will not work.

I appeal to the Taoiseach at this late hour to recognise that there is an essential need to have a corresponding verifiable paper audit trail, at least for a reasonable period of time, in order to establish public confidence in the electronic system, which Sinn Féin does not object to in principle. However, we certainly voice the concerns of many people who view with trepidation the prospect of the imposition of this system in the upcoming local and European elections. It is not acceptable and if the Taoiseach is not prepared to take these concerns on board we have no option but to oppose the proposal to proceed with the legislation.

The Taoiseach: The Bill is not about electronic voting. I was not one of the greatest advocates of electronic voting in the House. I like some of the old ways and have a great regard for tallies and all that.

Mr. Kenny: The Taoiseach is a rabid traditionalist.

The Taoiseach: I remind the House of what happened. The Electoral (Amendment) Act 2001 provided that electronic voting be used in all Irish elections. That was what the Act was about and that is when the debate took place. The Government decision of 30 October 2002 approved the purchase of the equipment, which was widely agreed as well, for use in European and local elections for 2004.

What Deputies have said is absolutely right, that no change in the Irish voting system should be introduced without independent and rigorous testing. This is exactly what the Department has done.

Ms McManus: It has not been tested.

The Taoiseach: The system has been tested by national and international experts.

Ms McManus: It has not been tested.

An Ceann Comhairle: Deputy McManus, please allow the Taoiseach to continue without interruption. Deputy Rabbitte spoke on behalf of the Labour Party.

Ms McManus: The Taoiseach is misleading the House.

An Ceann Comhairle: The Taoiseach, without interruption, please.

Aengus Ó Snodaigh: The Taoiseach should not be allowed to mislead the House.

The Taoiseach: The system has been consistently tested by national and international experts from Holland, Germany and the United Kingdom since work began in this area five years ago.

Ms McManus: It has not been tested.

Mr. Sargent: None of them voted in Ireland.

The Taoiseach: It has been used 400,000 times in this country.

Mr. Durkan: Florida was the best example.

An Ceann Comhairle: Allow the Taoiseach to continue without interruption, please.

The Taoiseach: It was used here 400,000 times in the general election and in the second referendum on the Nice treaty, with positive feedback from all involved. Electronic voting was endorsed by the all-party Oireachtas committee following comprehensive and detailed examination and discussions and responses from all involved on 18 December last.

Mr. Timmins: Directly elected mayors were also agreed by all parties but the Government did not mind changing that.

The Taoiseach: In the run up to the June election people in every part of the country will receive extensive information on the new system—

Mr. Rabbitte: That is for sure.

The Taoiseach: —as they did the last time. They will have a chance to try the machines before polling day.

Mr. Connaughton: They will have the Fianna Fáil logo on them.

The Taoiseach: The new system will be the most accurate we have ever had and it will protect and improve the integrity of our electoral system.

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

The Dáil divided: Tá, 72; Níl, 59.

Tá

Ahern, Bertie.
 Ahern, Dermot.
 Ahern, Michael.
 Ahern, Noel.
 Andrews, Barry.
 Aylward, Liam.
 Brady, Johnny.
 Brady, Martin.
 Browne, John.
 Callanan, Joe.
 Callely, Ivor.
 Carey, Pat.
 Carty, John.
 Cassidy, Donie.
 Cooper-Flynn, Beverley.
 Coughlan, Mary.
 Cowen, Brian.
 Cregan, John.
 Curran, John.
 Davern, Noel.
 Dempsey, Tony.
 Dennehy, John.
 Devins, Jimmy.
 Ellis, John.
 Fahey, Frank.
 Finneran, Michael.
 Fitzpatrick, Dermot.
 Fleming, Seán.
 Fox, Mildred.
 Gallagher, Pat The Cope.
 Glennon, Jim.
 Hanafin, Mary.
 Harney, Mary.
 Haughey, Seán.
 Healy-Rae, Jackie.
 Jacob, Joe.

Keaveney, Cecilia.
 Kelleher, Billy.
 Kelly, Peter.
 Kirk, Seamus.
 Lenihan, Brian.
 Lenihan, Conor.
 McCreevy, Charlie.
 McDaid, James.
 McEllistrim, Thomas.
 McGuinness, John.
 Martin, Micheál.
 Moynihan, Donal.
 Moynihan, Michael.
 Mulcahy, Michael.
 Nolan, M.J.
 Ó Cuív, Éamon.
 Ó Fearghaíl, Seán.
 O'Connor, Charlie.
 O'Donnell, Liz.
 O'Donoghue, John.
 O'Donovan, Denis.
 O'Flynn, Noel.
 O'Keeffe, Batt.
 O'Malley, Fiona.
 O'Malley, Tim.
 Parlon, Tom.
 Power, Seán.
 Sexton, Mae.
 Smith, Brendan.
 Smith, Michael.
 Wallace, Dan.
 Wallace, Mary.
 Walsh, Joe.
 Wilkinson, Ollie.
 Woods, Michael.
 Wright, G.V.

Níl

Allen, Bernard.
 Boyle, Dan.
 Broughan, Thomas P.
 Bruton, John.
 Burton, Joan.
 Connaughton, Paul.
 Connolly, Paudge.
 Coveney, Simon.
 Cowley, Jerry.
 Crawford, Seymour.
 Crowe, Seán.
 Cuffe, Ciarán.
 Deasy, John.
 Deenihan, Jimmy.
 Durkan, Bernard J.
 English, Damien.
 Enright, Olwyn.
 Ferris, Martin.
 Gilmore, Eamon.
 Gogarty, Paul.
 Gormley, John.
 Gregory, Tony.
 Harkin, Marian.
 Hayes, Tom.
 Higgins, Joe.
 Higgins, Michael D.
 Howlin, Brendan.
 Kehoe, Paul.
 Kenny, Enda.
 Lynch, Kathleen.

McCormack, Padraic.
 McGinley, Dinny.
 McHugh, Paddy.
 McManus, Liz.
 Mitchell, Gay.
 Morgan, Arthur.
 Moynihan-Cronin, Breeda.
 Murphy, Gerard.
 Naughten, Denis.
 Neville, Dan.
 Ó Caoláin, Caoimhghín.
 Ó Snodaigh, Aengus.
 O'Keeffe, Jim.
 O'Sullivan, Jan.
 Pattison, Seamus.
 Perry, John.
 Quinn, Ruairi.
 Rabbitte, Pat.
 Ring, Michael.
 Ryan, Seán.
 Sargent, Trevor.
 Sherlock, Joe.
 Shortall, Róisín.
 Stagg, Emmet.
 Stanton, David.
 Timmins, Billy.
 Twomey, Liam.
 Upton, Mary.
 Wall, Jack.

Tellers: Tá, Deputies Hanafin and Kelleher; Níl, Deputies Durkan and Stagg.

Question declared carried.

Mr. McCormack: This is a bad day for democracy.

Mr. Kenny: I wish to raise the matter of Friday sittings of the Dáil. Today's *Irish Independent* carries a report that the Dáil sitting next Friday was cancelled by virtue of a special request from me. I regard this as unethical standards by the Government Chief Whip. The Minister for Justice, Equality and Law Reform gave me some time ago a copy of the Nally report into the Omagh bombings. I met the families, read the report and did not break confidence in this regard and, because of this, I requested through my Whip that the Government should not take the debate on the Nally report this Friday because I must attend an EPP meeting in Madrid in respect of the Spanish elections.

The Government Chief Whip then put out a report that the Friday sitting was cancelled because of a special request from me. That is untrue. I have neither the authority nor the remit to—

An Ceann Comhairle: The Deputy has put his disclaimer on the record. It is not the appropriate place to raise this. He has been allowed to make his point and he has put his disclaimer on the record.

Mr. Kenny: This report is in the press today.

Mr. Naughten: I was astonished when I read it.

An Ceann Comhairle: I call Deputy Rabbitte.

Mr. Allen: Let Deputy Kenny talk.

Mr. Kenny: I have neither the responsibility of ordering Government business or the authority—

An Ceann Comhairle: It is not the correct way to raise the matter and the Chair should have been given notice of the issue. The Deputy has been allowed to put his disclaimer on the record and, in accordance with precedent, I have no doubt it will be accepted. I call Deputy Rabbitte.

Mr. Allen: This is the Order of Business. How else is Deputy Kenny supposed to raise it?

Mr. Durkan: There is no other way.

An Ceann Comhairle: There are many other ways.

Mr. Durkan: There are no other ways the record can be corrected.

An Ceann Comhairle: There are other ways and the usual procedure is to give the Chair notice and arrangements can be made. I call Deputy Rabbitte.

Mr. Durkan: A Cheann Comhairle, you are protecting the Government.

An Ceann Comhairle: The Chair is not protecting the Government. The Deputy knows he is out of order.

Mr. Kenny: If the Government Chief Whip comes to us to facilitate the Taoiseach in regard to personal or Government business, we facilitate her every time.

(Interruptions).

An Ceann Comhairle: Deputy Kenny has put his disclaimer on the record. I ask the Deputy not to pursue that line. I would not like to be first Ceann Comhairle to put the leader of the Opposition out. The Deputy has made his point and he is being disorderly now.

Mr. Kenny: We facilitate the Taoiseach every time when requests are made regarding personal or Government business.

An Ceann Comhairle: The Deputy has made his point and put his disclaimer on the record and, in accordance with precedent, I have no doubt it will be accepted.

Mr. Kenny: On a point of order—

An Ceann Comhairle: There is a procedure for dealing with these matters.

Mr. English: What is it?

An Ceann Comhairle: I call Deputy Durkan on a point of order.

Mr. Durkan: On a point of order, there is no procedure and the Chair knows well there is no other procedure than putting on the public record a correction and a response to what is in fact—

Mr. McCormack: It was a nasty piece of work.

An Ceann Comhairle: That is a not a point of order and I ask the Deputy to resume his seat. Does the Deputy wish to leave the House?

Mr. Durkan: That is intimidation.

Mr. Allen: On a point of order, what process is open to the leader of Fine Gael to answer lies that were told in this House?

An Ceann Comhairle: I ask the Deputy to withdraw the word "lies".

Mr. Allen: They were lies.

Mr. C. Lenihan: The Government Chief Whip did not tell lies.

Ms Hanafin: I did not tell lies.

Mr. Timmins: They were lies.

An Ceann Comhairle: I ask the Deputy to withdraw the word “lies”.

Mr. McCormack: It was a nasty piece of work.

Mr. Durkan: They were lies.

An Ceann Comhairle: I ask Deputy Allen to withdraw the word “lies”.

Mr. Allen: I will if the leader of Fine Gael gets an opportunity to respond to untruths uttered in this House.

An Ceann Comhairle: I ask the Deputy unequivocally to withdraw the word “lies”.

Mr. Allen: If the leader of Fine Gael gets an opportunity to answer the untruths——

An Ceann Comhairle: I ask the Deputy for the final time. If he does not withdraw the word “lies”, he will leave the House.

Mr. Allen: They were untruths, spin.

An Ceann Comhairle: The Deputy must withdraw the word “lies”.

Mr. Allen: I withdraw the word “lies” and substitute “untruths”.

An Ceann Comhairle: The word is withdrawn.

Mr. J. Bruton: Does the Ceann Comhairle not consider it part of his responsibility to ensure any briefing given about the business of the House is given either in the House or accurately on behalf of the House and should not be conveyed in any other way privately, given that this is an assembly which does its business in public?

An Ceann Comhairle: Deputy Bruton knows if the Chair were to do that, it would be a full-time job. There is a procedure for dealing with the matter and the procedure was not followed.

Mr. English: What is the procedure?

An Ceann Comhairle: To give the Chair notice and ask for time. That was done yesterday and it worked. I call Deputy Rabbitte.

Mr. Allen: On a point of order, what procedure is open to the leader of Fine Gael to answer untruths uttered in the House?

An Ceann Comhairle: This Chair will not repeat itself. I told Deputy Durkan what is the procedure. It was adopted and accepted here yesterday.

Mr. Durkan: Will an opportunity not be given to the Government Chief Whip to make a personal statement to the House?

An Ceann Comhairle: The Deputy will be leaving the House.

Mr. Durkan: Can I have clarification on that?

An Ceann Comhairle: We are not having a discussion on it.

Mr. Durkan: Will an opportunity not be given to the Government Chief Whip to make a personal statement in the House? Is that what the Chair is saying?

An Ceann Comhairle: The Chair has made the position clear.

Mr. Durkan: The leader of Fine Gael was entitled to receive that entitlement.

An Ceann Comhairle: Out of courtesy to each other, perhaps those in Fine Gael will allow the Member on his feet to make the point of order, that is provided it is a point of order.

Mr. Durkan: All right.

An Ceann Comhairle: To have three members of the party trying to make a point of order at the same time is discourteous to the House and also to the members of their party.

Mr. English: What is the Ceann Comhairle doing?

Mr. McCormack: The press statement was discourteous to the House. That is all that was discourteous.

Mr. Durkan: Is the Ceann Comhairle telling me——

An Ceann Comhairle: The procedure is well known by Members. Notice must be given to the Chair if somebody wants to make a personal statement in the House. That procedure was followed yesterday and worked quite well.

Mr. McCormack: The Fianna Fáil Whip might make such a statement.

Mr. Durkan: Is that——

Mr. Allen: On a point of order——

An Ceann Comhairle: If Deputy Durkan is not satisfied with the judgment he may come to the Office of the Ceann Comhairle. I hope the point Deputy Allen wishes to raise is a point of order.

Mr. Allen: An untruth was uttered in this House yesterday by the Government Whip.

An Ceann Comhairle: That is not a point of order and I ask the Deputy to resume his seat. If he does not do so, he will leave the House.

Mr. McCormack: The Whip will withdraw what she said.

An Ceann Comhairle: The Chair has dealt with this matter and we are moving on to the next business.

Mr. Rabbitte: All the parties in Opposition have made written proposals to the Government Chief Whip in respect of Dáil reform. My party submitted an 80-page document to her. Last night the House debated a Fine Gael Private Members' motion on this issue. I was surprised not to hear somebody from Fine Gael explaining that motion on the radio this morning. Instead, I heard the Government Whip. However, that is an editorial decision.

Mr. Timmins: It is the problem of "Morning Ireland".

An Ceann Comhairle: Does Deputy Rabbitte have a point appropriate to the Order of Business?

Mr. Rabbitte: The argument is that the Government Whip wants to introduce more family friendly arrangements in the Dáil which means that we will start business at 9 a.m. and continue until after 11 p.m. It is difficult to see the family friendly dimension of that proposal and I presume it means that——

An Ceann Comhairle: Does the Deputy have a point appropriate to the Order of Business?

Mr. Rabbitte: I do.

An Ceann Comhairle: The Deputy knows that this is the subject matter of debate in the House this evening and there will be an opportunity to make the points he is now making at that stage.

Mr. Rabbitte: I am obliged to the Ceann Comhairle for that information. However, I must make the point that I am sure Dáil staff will have something to say.

An Ceann Comhairle: That does not arise at this stage.

Mr. Rabbitte: I want to raise this point with the Ceann Comhairle as holder of that office.

A Deputy: Then raise it.

Mr. J. Bruton: That is rapier-like wit.

Mr. Rabbitte: I hope it will mean that when we commence 9 a.m. sittings, one will be able to gain access to the Dáil.

An Ceann Comhairle: That does not arise this morning. I call Deputy Sargent.

Mr. Rabbitte: If one is here at 7.59 a.m. one can gain access, but if one arrives at 8.01 a.m. one cannot do so.

An Ceann Comhairle: The Deputy is being disorderly and should allow Deputy Sargent to make his point. The matter does not arise.

Mr. Rabbitte: What does not arise? It is very important.

An Ceann Comhairle: Of course it is important and that is why it should be dealt with in an important way.

Mr. Rabbitte: Does the Ceann Comhairle, as the guarantor of our rights, intend to take action in respect of this matter? In the context of the fact that——

An Ceann Comhairle: It does not arise at this stage. The Deputy is probably aware that the matter is before the CPP. I call Deputy Sargent.

Mr. Rabbitte: ——we have submitted Dáil reform proposals, the Ceann Comhairle has permitted the Government Chief Whip to distort the reason that there will be no sitting on Friday.

An Ceann Comhairle: Sorry, Deputy——

Mr. Rabbitte: No, Ceann Comhairle, we have rights here.

An Ceann Comhairle: Deputy Rabbitte is out of order. That matter has been dealt with.

Mr. McCormack: No, the Government Whip is out of order.

Mr. Rabbitte: I want to ask the Ceann Comhairle a question. Does he propose to take action to cause the Government Chief Whip to withdraw the distortion as to why there is no Friday sitting?

An Ceann Comhairle: That is not a matter for the Chair. I call Deputy Sargent.

Mr. English: The Ceann Comhairle should answer the question.

An Ceann Comhairle: Deputy Kenny has put his disclaimer on the record and I have no doubt that, in accordance with precedent in the House, it will be accepted.

Mr. McCormack: The Government Whip is embarrassed.

(Interruptions).

Mr. Rabbitte: What is the answer to the question? Will the Government Whip withdraw what she said?

An Ceann Comhairle: Deputy Rabbitte is out of order. As Deputies have pointed out, they would like some time to debate Report Stage of the European Parliament Elections (Amendment) Bill. However, they are now being disorderly and frustrating their own wishes. I call Deputy Sargent.

Mr. Rabbitte: Will the Government Whip withdraw what she said? It was a complete distortion.

Mr. McCormack: I think she wants to do so.

Mr. Rabbitte: The Chair has obliged Deputy Allen to withdraw the word “lies”. Is a lie acceptable if it comes from the Government side of the House?

A Deputy: Yes.

(Interruptions).

Mr. Sargent: That is a very revealing interjection. I do not propose to add to the untruths that have been uttered from the other side. Will the Taoiseach and the Government Chief Whip not take the opportunity of addressing what is a glaring need for Dáil reform?

An Ceann Comhairle: We are not having a debate on Dáil reform. If Deputies continue to be disorderly, I will move on to No. 19.

Mr. Sargent: I was asking about promised——

An Ceann Comhairle: The Deputy is out of order. There will be a debate in the House later and the Deputy may make his point at that stage.

Mr. Sargent: I am simply asking that the points made by previous speakers be taken on board, that we will have what those in Northern Ireland might term “proximity talks” about Dáil reform, at the very least, and that we might make some progress on the current impasse.

An Ceann Comhairle: That matter is the subject of a debate in the House.

Mr. Sargent: I wish to inquire about the Garda Síochána Bill, but not in respect of Dáil reform. With regard to the enormous mafia-like profiteering from waste exports from this country, which are making €115,000 worth——

An Ceann Comhairle: The Taoiseach on the Garda Síochána Bill. If he wishes to comment on the other matter he may do so.

(Interruptions).

An Ceann Comhairle: Deputies should resume their seats and allow the Taoiseach to comment.

The Taoiseach: If it is in order to do so. I wish to say something to Deputy Kenny. I know what the Government Whip said last night and there is no reason to have an argument about it. The schedule for next Friday had been prepared and circulated. It was intended to have a debate on the Nally report. However, the Leader of the Opposition, Deputy Kenny, has official business on Friday. He has taken a special interest in the Nally report and what he said is correct; he received it confidentially. He has honoured his commitment in that regard. We totally accepted that he has official business on Friday, the day on which the report was to be taken, and we agreed to reschedule the business. That is all it was about. There was no argument.

Mr. Rabbitte: However, the Government leaked that he was responsible.

(Interruptions).

The Taoiseach: The Garda Síochána Bill will be taken this session.

(Interruptions).

An Ceann Comhairle: The Taoiseach on Deputy Sargent’s questions.

Mr. McCormack: Could we not deal with some other business on Friday?

The Taoiseach: We cannot just schedule business like that.

Mr. McCormack: The Government does it all the time.

Mr. Allen: The Deputy referred to Friday’s business. Another item, the Mahon report, was due to be debated on that day and many Members went to a great deal of trouble to prepare for it. Why is that debate not proceeding, as scheduled, on Friday? There was no need to abandon business on Friday. Why is the debate on the Mahon report not proceeding?

Mr. McCormack: The Government did not have to blame the cancellation of business on Friday on Deputy Kenny. We could have spent more time debating the issue of electronic voting on that day.

Mr. Gilmore: I understand that the Taoiseach earlier stated that the extension of electronic voting in the European and local elections has been agreed by all parties.

An Ceann Comhairle: That does not arise on the Order of Business.

Mr. Gilmore: It does arise.

An Ceann Comhairle: It does not arise on the Order of Business.

Mr. Gilmore: A statement made by the Taoiseach on the Order of Business is proper subject matter to raise.

An Ceann Comhairle: It is not proper subject matter.

Mr. Gilmore: The Taoiseach was inaccurate and incorrect. How could other parties agree to the extension of electronic voting in the European and local elections when the orders which allow for that extension have not yet been laid before the House?

An Ceann Comhairle: The Taoiseach, on secondary legislation.

The Taoiseach: I already answered that question on a number of occasions in recent weeks.

Mr. Gilmore: No, the Taoiseach did not do so.

The Taoiseach: There are no orders in respect of this matter. What I stated on the Order of Business was that the Electoral (Amendment) Act 2001 provided that electronic voting would be used in all Irish elections. I was right, the Deputy is wrong, and he should withdraw what he said.

Mr. Gilmore: No, the Taoiseach is wrong.

The Taoiseach: I am not wrong.

Mr. Gilmore: It is a matter of fact.

An Ceann Comhairle: We cannot have a discussion on the matter here.

Mr. Howlin: It is a matter of simple fact.

An Ceann Comhairle: I suggest that Deputy Gilmore submit a question to the appropriate Minister.

Mr. Gilmore: On a point of order, the Electoral (Amendment) Act 2001 did not allow for the use of electronic voting in all elections.

An Ceann Comhairle: Sorry, Deputy, we cannot—

Mr. Rabbitte: The Deputy made a point of order and the Chair jumped in before he could finish it.

An Ceann Comhairle: We cannot debate the matter now, Deputy. The Chair is not in a position to judge the rights and wrongs of the matter.

Mr. Rabbitte: Do you want to run the House with yourself and your own party?

Mr. M. Smith: The Deputy should withdraw that remark.

An Ceann Comhairle: Deputy Rabbitte, you will withdraw that remark.

Mr. Stagg: You are biased to a degree that is outrageous.

An Ceann Comhairle: Deputy Rabbitte, withdraw that remark. We cannot have a point of order when we are dealing with a point of disorder.

Mr. Stagg: This is outrageous.

An Ceann Comhairle: Deputy Rabbitte, you will withdraw the remark.

Mr. Stagg: I am saying it further, Sir.

An Ceann Comhairle: You will withdraw the remark about the Chair.

Mr. Rabbitte: What will I withdraw, Sir?

An Ceann Comhairle: You accused the Chair of being partial.

Mr. Rabbitte: What was the remark? I did not mention the word “impartial”.

An Ceann Comhairle: Deputy, you know what you said and I ask you to withdraw it.

Mr. Rabbitte: What did I say? If you want me to withdraw it, tell me what I said.

An Ceann Comhairle: You made a remark about the Chair and his own party. You cast a reflection on the Chair and I ask you to withdraw that.

Mr. Connaughton: You did not ask the Chief Whip to withdraw her remark.

Mr. Rabbitte: In what fashion did I do that?

An Ceann Comhairle: I am asking you to withdraw what you said.

Mr. Rabbitte: I asked did you want to run the House with yourself and your own party in it.

Mr. Stagg: That is how it looks.

An Ceann Comhairle: You know, Deputy, the Chair does not have a party. The Chair is impartial.

Mr. Stagg: We do not believe that anymore.

An Ceann Comhairle: I am asking you to withdraw the remark which cast a reflection on the Chair.

Mr. Rabbitte: You can be impartial and still only have your own party in here.

An Ceann Comhairle: I am asking you to withdraw the remark which cast a reflection on the Chair.

Mr. Rabbitte: If you take that meaning from the remark I withdraw it.

An Ceann Comhairle: Thank you.

Mr. Gilmore: May I raise my point of order now?

An Ceann Comhairle: You may.

Mr. Gilmore: The Taoiseach says the Electoral (Amendment) Act 2001 allows for electronic voting in every constituency—

Mr. McCormack: It does not.

Mr. Gilmore: —but that is not so.

An Ceann Comhairle: We cannot discuss this matter now. The Taoiseach has answered the question.

Mr. Gilmore: The Electoral (Amendment) Act 2001 allows for the making of regulations to use electronic voting in named constituencies and for named elections. The orders allowing for electoral voting in the European and local elections have not yet been made. They have not been laid before the House and there is no agreement that electronic voting may be used in that way.

An Ceann Comhairle: You have made your point, Deputy Gilmore. We now move on to the next item.

(Interruptions).

Caoimhghín Ó Caoláin: A Cheann Comhairle, you called me and I have the floor. I have been waiting here for the last matter to be concluded.

An Ceann Comhairle: We will hear you, Deputy Ó Caoláin.

Caoimhghín Ó Caoláin: A debate on the Nally and Mahon reports had been scheduled for Friday next. We have been advised that the Friday sitting is not proceeding but we have not been properly advised as to when it is intended to reschedule both these very important matters. Will you clarify, in order that we can be absolutely clear on your impartiality in the Chair, when you ceased to be a member of a political party represented in this House?

The Taoiseach: I understand the Whips will meet tonight to agree the rescheduling of the items which have been deferred.

European Parliament Elections (Amendment) Bill 2003: Report and Final Stages.

Acting Chairman (Dr. Cowley): Amendments Nos. 1 and 9 are consequential and may be discussed together.

Mr. Allen: I move amendment No. 1:

In page 3, lines 15 and 16, after “CONSTITUENCIES” to insert “, TO AMEND THE INTERPRETATION ACT 1937”.

Because of the limited time allowed for this debate, when dealing with this amendment I will address some issues which continue to concern Opposition parties. Fine Gael agrees in principle with the introduction of electronic voting but we have major concerns regarding the details of the system. Major questions remain to be answered regarding the system which is being introduced.

The Taoiseach misled the House, intentionally or not, this morning. Major concerns were expressed at a meeting of the Joint Committee on the Environment and Local Government on 18 December last. The expert witnesses who were invited to the joint committee posed 41 major questions about the electronic voting system, which have yet to be answered. I raised this matter in the Dáil two weeks ago and I was informed that because of the Christmas period and because officials were busy, questions could not be answered. That is not good enough. Where there is a fundamental change in how we elect representatives to this House all concerns and questions about the new system should be answered fully before the system is introduced. The 41 questions posed by key witnesses on that day remain to be answered.

I have a serious concern about the absence of a verifiable paper audit trail. During the debate on Committee Stage, the Minister for the Environment, Heritage and Local Government, who has chosen to abandon the Bill, said it would be too costly to introduce a verifiable paper audit trail. The select committee discussed the Bill for a considerable time last Thursday and the Minister of State, Deputy Gallagher, was as helpful as he could be with regard to the detail of the system. On Thursday evening, however, I was taken aback when I heard the Minister, Deputy Cullen, one of the most arrogant Ministers I have ever encountered in 23 years in this House, speaking on RTE television. Although he had not bothered to attend the select committee to debate the Bill, he poured scorn and contempt on the Opposition parties for daring to question the technicalities of the Bill and of the system being introduced. How dare he? It is our duty to question the Government and we would be negligent in our role as legislators if we did not

do so. For the Minister to spin the superficial aspects of the system without debating the Bill properly is regrettable. If we are serious about introducing a modern electoral system we should take the trouble to deal with all concerns about it.

An electoral commission would have been the appropriate body to introduce this measure and not a Minister who will be his party's director of elections in one of next June's elections. A conflict of interest arises in this case and the Minister should be here to defend the system he is introducing at a cost of more than €40 million to the taxpayer.

I also have serious concerns about the ownership and possession of the system's source code and I have not received satisfactory answers to my concerns. I would like to hear those answers today. I ask the Minister of State, in the short time we have, to give detailed responses to the 41 questions posed at the meeting of the joint committee and to my questions about the verifiable paper audit trail and the source code. On Thursday last we were told that tests of the software are proceeding and will be completed by the end of this month. Is it proposed to introduce a system which is still being tested?

I asked questions about the storage regulations.

Acting Chairman: Deputy, are you addressing the amendment?

Mr. Allen: This is the only opportunity I will have to address these issues. I am conscious that other Opposition spokespersons wish to speak but we have been given only 55 minutes to discuss the Bill on Report Stage. I have a right to make a general statement on the amendments. Otherwise, we will be silenced as the debate is to be guillotined. My only other opportunity to deal with these issues will arise if and when legislation or regulations are brought before the House.

I have concerns regarding the storage of the machines and the safeguards against manipulation or interference with the software while the machines are in storage. I note from a request under the Freedom of Information Act that storage in Waterford, for example, went up at the stroke of a pen from €25,000 per annum to €50,000. I would like to know on what basis these arrangements have been made, and what contractual arrangements, regulations and standards are in place to protect the integrity of the system while in storage.

The Minister must face up to the constitutionality of this issue. The Tánaiste confirmed in the House last week that in order to implement electronic voting, legislative change is required, the shape of which will be decided by way of secondary legislation. I will not bore this House with a long dissertation on the legalities, but since the Tánaiste indicated that electronic voting may be implemented by way of an order under section 48 of the 2001 Act, I contend that if this is challenged, it will be found to be unconstitutional. I ask the Minister to state

clearly how he proposes to proceed on this matter.

I will sum up because I am conscious of the time required by my colleagues in Opposition. This issue has been appallingly handled by a Minister who seems to think he can decide and implement measures without any consultation. He failed to attend the House on Committee Stage last week and did not come into the House today to defend the system he is introducing. Instead, he appears on television and radio and to my regret is allowed a free run to castigate the Opposition and disregard the questions we ask. At this late stage I ask the Government to delay the introduction of this system until an electoral commission is set up, all aspects of the system are examined by experts, the Opposition parties are fully consulted, and most importantly, the public is fully consulted.

I again ask the Minister to make available all details of the contract entered into with the company Q4. There was a disgraceful episode last week where the Fine Gael Party was eliminated from the mock electronic voting paper on the European election website, and the party was also disregarded on the publicity material. I want to know how the contract was awarded.

The electronic voting roadshow visited Waterford during the week. Councillors representing the Government parties were invited to it, but Fine Gael councillors were not invited. That is an indication of the thinking on the Government benches, with some of the Ministers who have become so arrogant and dismissive of the Opposition that they jackboot matters through the House. This is becoming a one-party State.

We will oppose the introduction of electronic voting until we get the answers we deserve, and due process and proper procedures are adopted.

Acting Chairman: I remind Deputies that the purpose of Report Stage is to only address specific amendments.

Mr. Gilmore: The issue in dispute in this Bill centres on the use of electronic voting in the forthcoming European and local elections. It is very regrettable that the Government has decided to guillotine the debate and presumably force through the Bill without adequately addressing the amendments, specifically the one I have tabled on behalf of the Labour Party asserting that the use of electronic voting should not proceed in every constituency at the forthcoming European and local elections.

The Government approach to the issue has been characterised by insufferable arrogance. Fianna Fáil now thinks it owns the country. It believes it will be in power for ever and that it can ride roughshod over the Opposition parties and the concerns expressed. The party whose members were also elected and which offered itself to the people as the watchdog of Fianna Fáil has become strangely silent on an issue which

[Mr. Gilmore.]

goes to the heart of how democracy is conducted in this country. We are talking of a Government intention to unilaterally change how people vote in every constituency, town, polling station and polling box in this country. That has not been agreed with the Opposition parties, despite the Government spin and what the Taoiseach said in this House this morning. What has been agreed is the principle of the introduction of electronic voting, and that trials of the system could take place in a number of named constituencies, initially at the general election and subsequently at the Nice referendum.

Acting Chairman: The Deputy should address the amendment before the House.

Mr. Gilmore: I ask for the Acting Chairman's latitude because Deputy Allen broadened the discussion. We are addressing his amendment. In fairness, we are entitled to address the remarks which Deputy Allen made in proposing his amendment, and it would be in order to do so.

Subsequent to the trials being held, concerns were raised mainly from within the IT sector, which identified a number of flaws in the system. It was shown that the absence of a paper trail would make it impossible to audit the system, and that from the moment the voter pressed the button, there was no certainty or guarantee that the electronic equipment was recording accurately the voting intention of the voter, nor was there any way of checking it. It is not surprising that nobody has come forward with a complaint arising from the trials because in the absence of a paper trail there is no way of checking whether a vote has been accurately recorded.

Evidence was given to the Joint Committee on the Environment and Local Government by IT experts of developments taking place elsewhere, particularly in the United States, which has a longer history of involvement with electronic voting and where paper records and trails are now being increasingly used. They are a requirement in the State of California as a backup to the electronic system to ensure it is verifiable. Committee members were told that the testing done on the system was done on a piecemeal basis and that there was no end-to-end test taking ballot papers marked manually and running them through the system to see the result. We were told, for example, that the standards used for the software development are relatively low from an IT industry point of view, and that the count programme is a basic Microsoft programme which is penetrable. We have also raised the requirement that that system should be overseen by an independent body during its introduction.

The Government has ignored all those concerns. We were not listened to. Consideration of this issue by the committee was short-circuited on 18 December when the members on the

Government side effectively voted to terminate discussions.

Acting Chairman: The Deputy is not addressing amendments Nos. 1 and 9, which are concerned with amending the Interpretation Act 1937.

Mr. Gilmore: If this debate were not guillotined, that stricture would be reasonable, but this is a guillotined debate. This is an important issue. It is about the way people vote and about fairness in our democracy. It is a subject that appears to have got very low priority lately because there now seems to be an attitude on the part of those on the opposite side of the House that whatever they say runs. Whatever the Government wants stands, to the point that it thinks it can change the way in which the citizens of this country cast their individual vote without the agreement of the Opposition parties. That is incredibly serious and it is bad for democracy. It will have an undermining effect on the confidence of the public in the way our elections are conducted, yet the Government, particularly the Minister concerned, has ploughed ahead irrespective of the concerns that have been raised. We may yet find that what they are doing will be struck down by the court. It was argued in the committee that the regulations to be made under section 48, which have not yet been laid before the House, may not stand a test in the courts.

Even worse, however, is that the Government has decided to proceed to spend over €40 million of taxpayers' money on this system without the authority of this House. I said in the committee, and I repeat here, that the Minister has proceeded to spend public money on an electronic voting system for which he has no authority from Dáil Éireann. That is illegal expenditure. The spending of money on the system without the authority of the House is illegal and the spending of taxpayers' money on an expensive public relations campaign for electronic voting, which has not yet been approved by this House because the orders have not been laid before the House, is illegal. Ultimately, there will have to be accountability to this House by the Minister who made the decision to proceed with that expenditure.

I heard the Minister for Health and Children discuss this issue on RTE's "Saturday View" programme.

Mr. McCormack: He did not know much about it.

Mr. Gilmore: While I appreciate he has other more immediate matters to concern him than the detail of electronic voting, and that was reflected in his contribution, in fairness, he said that the introduction of electronic voting should be agreed with the Opposition parties. That is the essential point we want to make.

The Government has an opportunity now to decide not to proceed with electronic voting on 11 June. There is no compulsion. The election can proceed on the same basis as it has previously. There is no absolute reason electronic voting should be used on 11 June. The Government should allow a period of opportunity for the issues and concerns raised to be fully addressed, the legal difficulties to be examined and, if necessary, dealt with by way of primary legislation and the question of the spending of public money on this system to be examined. At the end of the process we would need to be in a position where there is general consensus across the political system that the electronic voting system should proceed. Without that consensus, the Government is unilaterally changing the way in which people vote without political agreement.

This is one of the most serious issues in terms of the conduct of our democracy to have emerged in recent years. It is symptomatic of the growing, insufferable and unstifling arrogance of the Government that it has decided to proceed with the introduction of the electronic voting system without listening to the Opposition, the concerns raised by technical experts and the voice of the public that is now to be heard every day this issue is discussed on radio or elsewhere.

There is still time for the Government to call halt on this proposal without losing face. As I said on a previous occasion, the Opposition is not trying to score a hit on the Government on this issue. We simply want the system of voting that is used in elections to be one in which we can all have confidence. That is not the case currently.

Acting Chairman: I remind Deputies this is not Second Stage. It is Report Stage and I ask Deputies to be brief. I do not make the rules, I simply enforce them.

Mr. McCormack: I will be brief because representatives of other parties who have been involved want to speak. I was involved in the Committee Stage debate and every member of the environment committee wanted Dáil Éireann and all the parties to come out in support of electronic voting. The people would then have had confidence in it, but as the debate developed we did not get answers to the questions we posed, particularly on 18 December. That is what convinced me that there was something not right about this proposal.

On 18 December we had a very useful committee meeting, with experts from the IT sector and the Department of the Environment, Heritage and Local Government coming before it. Deputy Allen said 41 questions were posed. We believed, and the committee members agreed, that we would get answers to those questions before deciding whether to proceed with electronic voting. When we came back after lunch, however, it was proposed by the Government side that we would proceed with electronic voting and the vote on it was carried

by a majority of eight to four, with the support of an Independent. That was on 18 December and I understand the contract was signed within two days of that date.

That was sharp practice and it led to the current public debate on the Joe Duffy radio show and other shows. Members of the public are not convinced that this system is above board. In other words, the voting public has lost confidence in the proposed system. That is regrettable because it is essential that the public has absolute confidence in our voting system. If it has not, our whole case for democracy will collapse.

All we wanted on Committee Stage, and all we want on Report Stage, is that there would be a simple print-out paper trail. If I buy two litres of milk and a bar of chocolate in a shop, I will get a printed receipt telling me what they cost. I can bring that receipt home to my wife and show her what I spent on two litres of milk and a bar of chocolate. If a voter went into the polling booth and got a print-out which he or she could fold and put into a ballot box, that voter would go home happy knowing that his or her vote can be verified, if necessary, in a close count after the election. That is the confidence the electorate is entitled to have in our voting system.

A total of €41 million has been spent on this contract, irrespective of whether it is challenged in the courts. I do not know the position on the contract. A good deal of the money has been spent already. The PR company, which is getting €5 million, is spending its money, some of it very foolishly, as Deputy Allen outlined earlier, in printing undeliverable leaflets which had to be withdrawn. That is a minor mistake, however, compared to the fact that this system is not verifiable.

This proposal did not come from the political parties. We are all on record as being in favour, in principle, of electronic voting provided everybody is satisfied with the system, but doubts about it were raised by people in the IT sector, professionals dealing with computers. I do not have expertise in this area, but they posed the question whether electronic voting can be programmed in advance. They say it could and it has not been proved otherwise. For example, for every one hundred votes cast, it would leave out a particular political party. That could be done. I do not say it will be done. It will not be done under the present Minister for the Environment, Heritage and Local Government or under the Government, but how do we know what will happen in five years' time?

What has happened in politics during the past five to ten years has left the public with the belief that politicians are held in the lowest esteem and will stoop to any level of corruption or otherwise. Therefore, the public has lost confidence in politicians to deliver on electronic voting without any doubts. Therefore, if there was a print-out — and that is a simple request — those doubts would be eliminated. Then all political parties could say

1 o'clock

[Mr. McCormack.]
they were happy and would sell it to the electorate.

At my branch meetings, at public meetings and on radio and newspapers I could express my confidence in the system because there would be a means of checking what is happening in the system. Currently, the electorate has no confidence in electronic voting and it does not matter what we say. We are wasting our time because nobody is listening except the Acting Chairman and the Minister of State at the Department of the Environment, Heritage and Local Government, Deputy Gallagher. Nothing will be done about the problem.

The public debate that will take place between now and June, or the constitutional challenge, will ensure something is done. It would be better to confront the issue now and agree the amendments that the system not be imposed on every constituency in the June elections. There is a need to take this course of action. Perhaps, then the public will have more respect for politicians, especially those on the Government side. The absence of the Progressive Democrats, the other partner in Government, has been remarkable. That party has not entered into the debate on Committee Stage or on any other Stage. I do not understand why a party which was established as the watchdog for the public is failing to be a watchdog in this fundamental decision about how we vote and about democracy. I appeal to the Minister of State, Deputy Gallagher, who is a reasonable person, and to the Minister, Deputy Cullen, to bring back the message that public opinion will defeat implementation of electronic voting in the June elections.

Mr. Morgan: It is not surprising that, as we are on the threshold of the introduction of a flawed electronic voting system, this important legislation, like a host of other Bills, is to be guillotined. I have the impression that the attitude of the Fianna Fáil-Progressive Democrats Government is that the people elect a Government and the Opposition may as well stay at home because the notion of representation or of Parliament trying to reach agreement or examine issues, particularly fundamental issues affecting every person in Parliament, such as democratic voting, is being ignored.

Sinn Féin fully supports the notion of electronic voting as outlined by other parties. The concern with the voting system is not just among the Opposition benches. People from the information technology sector have courageously stuck their necks out and said they do not have confidence in this system. They did not do so to ingratiate themselves with the Government or for the purpose of getting contracts. It is the contrary. Why do these independent people make these claims? Does the Government believe their submission is not worth listening to or does not warrant consideration? The system is definitely

not the best available, a point that has been made repeatedly.

Why should we, on behalf of the people, select a system of electronic voting that is not the best available? Recently, we heard that, for as little as \$50 per machine, or perhaps less than €40 per machine, a paper trail could be created. The subject of my amendment is to put a verifiable paper trail in place. If that were to happen, it would go a long way towards alleviating concerns on this side of the House.

Without dwelling on the notion of the source code not only not being available to the Opposition or for public inspection but apparently not even being available to the Government, how can the Government stand over such a botched operation? There are other elements of the Bill that need to be considered. The issue of constituency boundaries is causing great concern. Although an amendment has been tabled on this, it would be useful if Members had an opportunity to debate it further in terms of their representation.

I had tabled an amendment which sought to include the words, "pending the inclusion of the whole island" as one unit which, unfortunately, cannot happen because six of those counties are occupied by force of arms by the British establishment. Nevertheless, the main purpose of my amendment is to create a debate. I am concerned at the ever-decreasing number of seats in Dáil constituencies. That does not auger well for the best level of representation for minority groups to have their voice raised here. I am not concerned about it from a large party perspective, namely, that of either Fianna Fáil, Fine Gael or Sinn Féin. Smaller parties, such as the Greens, Labour and others, need to have that extended representational facility. Travellers' groups, women's groups and minority groups ought to have an opportunity to have their voice heard. I emphasise that I tabled the amendment for the purpose of creating a debate on that issue and I hope it will be taken in that spirit.

As I am anxious to move on to some of the other amendments and allow everyone to have their say, I ask the Government to consider deferring electronic voting until a later election because we are not ready for it in the State just yet.

Acting Chairman: We will not get through the amendments if Deputies persist in treating this as a Second Stage debate.

Mr. J. Higgins: Unfortunately, in 20 minutes it would be impossible to do justice to any of the important amendments tabled. It is outrageous that we are subjected to a Whip today at 1.30 p.m. on this issue when so many valid points have been raised on the forthcoming European elections.

Mr. McCormack: We had all day Friday.

Mr. J. Higgins: That important amendments are not given time for adequate discussion is shameful. Unfortunately, that is becoming the *modus operandi* of the Government, even at the early stage of the spring session of the Dáil, and we are routinely subjected to guillotines on legislation. Members' contributions have been more general because we know it is impossible to get around to a debate on the substantive issue raised in the amendments. I echo many of the points made in regard to electronic voting, an issue I have raised over the past two years and potentially quite a sinister development. It is particularly sinister because it is not transparent to ordinary people as was the paper vote method.

This is being foisted upon us under the cover of Ireland becoming the most advanced country in the world in respect of electronics and technology. I remind the Government that an election by the people to a Parliament should not be reduced to an advertisement for technology. Who the people wish to elect to any particular position is a very important act or event in its own right. It should not have put upon it a function to advertise to the world, as the Minister puts it, that we have the last word in technology. While there are plenty of other opportunities for doing that, our voting system should not be subjected to that kind of function, in the process denying the people the type of transparency which is critical for elections to the Dáil, the European Parliament and local councils. Many in the computer field have pointed to the possibilities of pitfalls and distortions which can arise in regard to electronic voting. There is no good reason for the haste with which the Government is pressing ahead on this issue.

I am sorry that amendment No. 6 in my name will not be reached as it also merits debate. There will possibly be dual mandate for a period up to the next election in which Members of the Dáil may be members of the European Parliament. I have not subscribed to the double jobbing slur which was put out against Members of the Dáil who were also members of local authorities. As a socialist Deputy and a representative of working class communities, I have one mandate, to represent working class people and their communities in whatever forum or fora. However, if this situation arises following the European elections, there should be just one salary. There should be no question of those represented in both the Dáil and the European Parliament drawing two salaries, which would be a source of scandal and, quite rightly, resentment by ordinary working people struggling to survive. That point should be accepted by the Government, and the Minister of State should comment on it.

If I were elected to the European Parliament — I am standing in the Dublin constituency — I would continue to implement the policy of the socialist party which is to accept only the wage of an average worker. The rest of any salary or other remuneration, from whatever source, would be

used to develop campaigns by working people for justice on a range of issues, to assist the socialist party where possible within the rules of political contributions and, in general, to advance the interests of ordinary people.

Mr. Gilmore: What would the Deputy do if there was a general election? Would he stay in the European Parliament or the Dáil?

Mr. J. Higgins: My intention would be to stand in the constituency of Dublin West in the Dáil election.

Mr. Gilmore: So the Deputy does not plan to stay in the European Parliament.

Mr. J. Higgins: There would be a possibility of three years' membership of the European Parliament before the next election. It would be my intention to exercise that mandate and to serve the working class communities of Dublin in that capacity. As the Deputy well knows, older legislation, which his party has used frequently in the past, provides for substitute Members of Parliament whose names would be on the ballot paper to represent the party in the case of a vacancy arising.

Minister of State at the Department of the Environment, Heritage and Local Government

(Mr. Gallagher): I seek the guidance of the Chair in regard to amendment Nos. 1 and 9, which are being taken together. Obviously, I want to have the opportunity to respond to a number of the issues and questions raised. If the Chair allows me latitude, I will first apologise on behalf of the Minister for his absence. He is on his way to Malaysia to represent Ireland and the European Union as President of the Council of Environment Ministers. I presume the House will accept that apology.

Mr. Morgan: We thought his absence was due to another press conference.

Mr. Gallagher: Many issues were raised regarding cost. The purchase of machinery comes from a central fund and complies with public procurement requirements.

Mr. Gilmore: Why does it come from a central fund?

Mr. Gallagher: That is the tradition in regard to election expenses.

Mr. Gilmore: It is not.

Mr. Gallagher: In regard to——

Mr. Gilmore: May I ask the Minister——

Acting Chairman: The Minister has the floor. The Deputy has had his opportunity.

Mr. McCormack: The Minister has given way.

Acting Chairman: The Minister has the floor. The Deputy must let the Minister speak.

Mr. Gilmore: I am entitled to interrupt the Minister if he is prepared to give way.

Acting Chairman: Is the Minister prepared to give way?

Mr. Gallagher: I think I can explain the issue. This is not a question of opinion but a matter of fact. I am advised that at all times election expenses, which in the past could have included equipment for polling stations such as ballot boxes and in this case includes the machines, come from a central fund.

Mr. Gilmore: It is a ruse to get around public accountability.

Mr. Gallagher: I am answering the question regarding where it comes from.

Mr. Gilmore: It is an accounting trick.

Mr. Gallagher: This would have been the same in Deputy Gilmore's time in government. Election expenses come from a central fund.

Mr. Allen: The Government would have jackbooted that through.

Mr. Gallagher: I want to again refer to the public awareness campaign which is funded from election expenses and is provided for in the Electoral (Amendment) Act 2002, which states clearly that the Minister is empowered to take steps to advertise or otherwise give publicity to any voting system to be, or which has been, introduced in one or more constituencies, or to provide an educational scheme in respect of such a system. That is part of the advertising campaign, again, by public procurement.

There was a fixed cost and initially 18 companies expressed an interest. That figure was reduced to a shortlist of six, then to two and then to one, which was selected on the basis of the public procurement requirements. That company dealt last week with the issues raised by——

Mr. Allen: Was the lowest quote accepted?

Mr. Gallagher: I am not trying to filibuster this.

Mr. Allen: I know that. I am trying to ask about the quote.

Mr. Gallagher: I am on my feet to respond to a debate which has gone on for about 40 minutes. There are important amendments to which I wish to refer, including those of Deputy Joe Higgins. The issues of the website and logo were resolved by the close of business on Thursday. I accept and appreciate that this was done inadvertently.

There was no question of trying to favour Fianna Fáil. If anyone considered this, they would have seen that it was almost impossible to decipher which logo it was. I hope the matter has been resolved to everyone's satisfaction and, more importantly, at little or no cost. There may have been 1,000 or 1,500 of them, so there is no question of that amount of expenditure.

Deputy Gilmore gave the impression that the system was introduced to favour Fianna Fáil. I do not think a genius could have done this in such a way as to favour Fianna Fáil. It is a totally open system.

Mr. Allen: Why is it only Fianna Fáil councillors who are invited?

Acting Chairman: This is not Committee Stage. The Deputy can respond afterwards.

Mr. Allen: Will there be sufficient time?

Mr. Gallagher: That is a matter for the House. On the people who have been invited, every public representative in their respective counties or local authority areas should be invited to this educational awareness campaign. Not only should councillors be invited, there should be a general invitation to the public to attend any of the awareness campaigns throughout the country.

On the introduction of electronic voting, the fundamental purpose of the initiative is to improve the efficiency, speed and user-friendliness of elections and eliminate the great democratic wastage in the traditional voting system. There were more than 20,000 spoilt votes in the 2002 general election, not all of which were deliberately spoilt. I have no doubt that electronic voting will add greatly to the effectiveness and efficiency of the voting system.

On the safety issue, Deputy Gilmore gave his imprimatur to the trials in seven constituencies, including Dublin West, Dublin North and Meath, for the Nice treaty referendum, and the system worked extremely well.

Mr. Allen: We do not know that.

Mr. Gallagher: The system worked extremely well. As for the paper trail——

Acting Chairman: The Minister of State should address the appointments issue.

Mr. Gallagher: I will address amendments Nos. 1 and 9.

Mr. Allen: The Minister of State should address the 41 questions.

Mr. Gallagher: I am endeavouring to do that.

Acting Chairman: The Deputy will have a chance to speak afterwards.

Mr. Gallagher: I stated on Committee Stage last week that I consulted the parliamentary counsel on the need for this amendment. I was advised it is not necessary. Deputy Allen withdrew the amendment at the time.

Mr. Allen: The purpose of amendments Nos. 1 and 9 is to delete sections of the Bill. I propose that the same result be achieved by a textual amendment to the Interpretation Act 1937, as I explained on Committee Stage.

Will the Minister of State answer the specific questions put to him or are we wasting our time in here? Some 41 questions were put by expert witnesses, including questions about the verifiable paper audit trail, the source code and the regulations regarding storage. These questions have not been answered. Will the Minister of State, in the short time available, give a meaningful reply to these questions?

Mr. McCormack: Even at this late stage, we could salvage something from the debate to satisfy public opinion were we to receive a reply to the questions posed. It is much more important than the amendment to get an answer to the following questions. Why can we not have a paper trail and a print-out? Why can the legitimate questions posed not be answered so that we can assure the public that we have confidence in the system? That might go some way towards alleviating the grave concerns about the system. Perhaps we could get answers to these questions rather than dealing with the amendments. It is very unsatisfactory in five minutes. I would almost sacrifice the amendments if we got satisfactory answers to the questions posed.

Acting Chairman: There are rules in place. The Minister of State can only address the content of the amendments.

Mr. McCormack: I am aware it is not the fault of the Chair. I am just articulating what I believe would best advance confidence in the system. If the rules are in place, I must abide by them, but it makes a farce of Parliament and our responsibility here.

Mr. Gilmore: I want to address the issue of the money which has been spent on the system. No Minister may spend people's money unless it has been voted by the Dáil. The Dáil did not vote expenditure of €40 million, or anything of that kind, on the electronic voting system, nor did it vote expenditure on the public relations exercise now under way.

Expenditure for the electronic voting system never appeared before this House in an Estimate from the Department of the Environment, Heritage and Local Government. The Minister, however, has found a ruse by putting the expenditure through the Central Fund to avoid it being scrutinised by the Comptroller and Auditor

General and subject to question by the Committee of Public Accounts. He has done so by stating that expenditure on elections is normally routed through the Central Fund, which is true. I submit to the House that the provision whereby the normal expenses of returning officers are a charge on the Central Fund was never intended to be used for expenditure on a new system of voting. I repeat that the expenditure by the Minister on this system does not have the authority of the House; it is illegal. It is not legitimate expenditure and he should account for it before the House.

It is now becoming increasingly clear, for whatever reason, that Fianna Fáil is wedded to the electronic voting system. It is not the first time Fianna Fáil, when too long in office, wanted to change the way in which the people vote. What I find amazing is the silence of the Progressive Democrats on this question. That party was entrusted by the people in June 2002 with keeping an eye on Fianna Fáil. This is what it offered to the people and it was the mandate it was given. Not one of its members has yet said a word on this issue. They are standing by and allowing, without offering a whimper, a power-hungry and arrogant Fianna Fáil to change the way in which the people vote at elections. They are letting down the people who entrusted them in their role as watchdogs over the political system.

What we have is a Fianna Fáil Party that has become overly arrogant. It refuses to listen to the Opposition or the voice of the public, spends money illegally on this electronic voting system and, even at this late stage, is unprepared to change. If it does not withdraw its plans for changing the voting system next June, the day will surely come that the people will have to put manners on this arrogant Fianna Fáil Government.

Mr. Morgan: I have tabled a five word amendment to section 48 of the Electoral (Amendment) Act 2001. The five words include, "which provides a verifiable paper trail". The problem around this issue would be solved if the amendment were accepted. It is unfortunate that it is not.

We rushed to end the dual mandate in local government. In fairness to local authority members, it would be remiss of the House if the same did not apply to Members of this House who end up being members of the European Parliament. It should be a level playing field and I urge the Minister of State to accept the amendment.

Acting Chairman: The House agreed that the amendments would be taken on Report Stage and there would not be a general debate.

Mr. Gallagher: I want to reply to Deputy Gilmore's suggestion that the House did not approve the funding. Funding for election

[Mr. Gallagher.]

expenses comes under the Central Fund Act. What we are doing now is no different from what was done in the past. Any change in the procedure would require legislation. Funding for the President, the courts and the national debt comes from this source. There is nothing devious about this. There is nothing about Fianna Fáil remaining in power. It is unworthy of Deputy Gilmore to suggest this.

Mr. McCormack: What about the paper trail?

Acting Chairman: As it is now 1.30 p.m. I am required to put the following question in accordance with an order of the Dáil of this day: "That Fourth Stage is hereby completed and the Bill is hereby passed."

Question put.

The Dáil divided: Tá, 73; Níl, 57.

Tá

Ahern, Michael.
Ahern, Noel.
Andrews, Barry.
Ardagh, Seán.
Aylward, Liam.
Brady, Johnny.
Brady, Martin.
Breen, James.
Browne, John.
Callanan, Joe.
Carey, Pat.
Carty, John.
Cassidy, Donie.
Coughlan, Mary.
Cowen, Brian.
Cregan, John.
Curran, John.
Davern, Noel.
Dempsey, Tony.
Dennehy, John.
Devins, Jimmy.
Fahey, Frank.
Finneran, Michael.
Fitzpatrick, Dermot.
Fleming, Seán.
Fox, Mildred.
Gallagher, Pat The Cope.
Glennon, Jim.
Hanafin, Mary.
Harney, Mary.
Haughey, Seán.
Hoctor, Máire.
Jacob, Joe.
Keaveney, Cecilia.
Kelleher, Billy.
Kelly, Peter.
Kirk, Seamus.

Lenihan, Brian.
Lenihan, Conor.
McCreevy, Charlie.
McDaid, James.
McEllistrim, Thomas.
McGuinness, John.
McHugh, Paddy.
Martin, Micheál.
Moynihan, Donal.
Moynihan, Michael.
Mulcahy, Michael.
Nolan, M. J.
Ó Cuív, Éamon.
Ó Fearghaíl, Seán.
O'Connor, Charlie.
O'Dea, Willie.
O'Donnell, Liz.
O'Donoghue, John.
O'Donovan, Denis.
O'Flynn, Noel.
O'Keeffe, Batt.
O'Malley, Fiona.
O'Malley, Tim.
Parlon, Tom.
Power, Seán.
Ryan, Eoin.
Sexton, Mae.
Smith, Brendan.
Smith, Michael.
Twomey, Liam.
Wallace, Dan.
Wallace, Mary.
Walsh, Joe.
Wilkinson, Ollie.
Woods, Michael.
Wright, G.V.

Níl

Allen, Bernard.
Boyle, Dan.
Broughan, Thomas P.
Burton, Joan.
Connaughton, Paul.
Connolly, Paudge.
Costello, Joe.
Coveney, Simon.
Cowley, Jerry.
Crawford, Seymour.
Crowe, Seán.
Cuffe, Ciarán.
Deasy, John.
Deenihan, Jimmy.
Durkan, Bernard J.
Enright, Olwyn.
Ferris, Martin.
Gilmore, Eamon.
Gormley, John.
Gregory, Tony.
Harkin, Marian.
Hayes, Tom.

Higgins, Joe.
Higgins, Michael D.
Howlin, Brendan.
Kehoe, Paul.
Kenny, Enda.
McCormack, Padraic.
McGinley, Dinny.
McGrath, Finian.
McGrath, Paul.
McManus, Liz.
Morgan, Arthur.
Moynihan-Cronin, Breeda.
Murphy, Gerard.
Naughten, Denis.
Neville, Dan.
Noonan, Michael.
Ó Caoláin, Caoimhghín.
Ó Snodaigh, Aengus.
O'Keeffe, Jim.
O'Sullivan, Jan.
Pattison, Seamus.
Perry, John.

Níl—continued

Quinn, Ruairí.
Rabbitte, Pat.
Ring, Michael.
Ryan, Eamon.
Ryan, Seán.
Sargent, Trevor.
Sherlock, Joe.

Shortall, Róisín.
Stagg, Emmet.
Stanton, David.
Timmins, Billy.
Upton, Mary.
Wall, Jack.

Tellers: Tá, Deputies Hanafin and Kelleher; Níl, Deputies Durkan and Stagg.

Question declared carried.

Ceisteanna — Questions (Resumed).

Priority Questions.

Social Welfare Fraud.

77. **Mr. Ring** asked the Minister for Social and Family Affairs the amount her Department's investigations into social welfare fraud cost in the past year; the number of people in her Department who were involved in the investigation process and at what cost; the number of people who were prosecuted; and the number of people who were specifically prosecuted for fraud of the rent supplement scheme. [4572/04]

Minister for Social and Family Affairs (Mary Coughlan): The detection of fraud and abuse of the social welfare system is an integral part of the day-to-day work of my Department. In this regard, all staff engaged in claims processing are concerned with preventing and detecting fraud and abuse. Controls are exercised at both the initial claim stage and subsequent stages during the claim life cycle. Claims are reviewed on a regular and targeted basis.

A special investigation unit, comprising 80 staff spread throughout the country, is involved in work specifically related to the investigation of employers and employees where fraud and abuse is suspected. These officers, some of whom work jointly with inspectors from the Revenue Commissioners, carry out inspections of employers with regard to their PRSI obligations as well as investigating cases where fraud or abuses of the schemes are suspected.

During 2003, 320,000 reviews of entitlements were carried out by my Department's staff. The records of 7,600 employers were inspected to ensure compliance with the Department's regulations and, in particular, to prevent and detect abuses of the system. Control activity in 2003 resulted in savings of €306,183. The estimated salary cost of control work *per se* in 2002 was in the region of €16.3 million and an additional €1.3 million was spent on related overtime, travel and subsistence. During the year, a total of 405 cases were forwarded by my Department to the Office of the Chief State Solicitor for the initiation of court proceedings. A

total of 218 cases were finalised in court in that year. Of these, 11 served prison sentences, 17 received suspended sentences and 109 were fined.

Subject to my general direction and control, each health board is, in respect of its functional area, responsible for the administration of the functions relating to the supplementary welfare allowance scheme, under which rent supplements are paid. All health board staff engaged in work on the supplementary allowance scheme take measures to prevent and detect fraud and abuse and recover over-payments. I am reviewing the general position on the control of the supplementary allowance scheme, with particular reference to any legislative requirements that may be necessary to improve controls in this area.

Mr. Ring: I compliment the staff of the Department of Social and Family Affairs on the moneys they have saved the State. There is no time for anybody who defrauds the State or takes taxpayers' money illegitimately. I was glad to hear the Minister state in her reply that there are approximately 80 staff working on fraud on a full-time basis, costing approximately €16.3 million.

I asked the Minister about rent supplement but she did not answer my question. She has made major changes to the rent supplement scheme and the Department made much play of this on the basis that there was considerable fraud. Has anybody been prosecuted and convicted for defrauding this scheme? Have employers who did not make PRSI contributions for their employees been prosecuted?

I am glad the Government is putting in place the necessary staff and resources to detect those engaged in social welfare fraud. I hope similar resources will be put in place to combat tax defrauders and that the poor will not have to pay for such fraud while the rich get away without having to do so. This is why we have so many tribunals. I compliment the Minister and her staff on saving the taxpayers €320 million.

There is a difference between fraud and genuine mistakes by Department officials implementing social welfare schemes and those on the schemes. Sometimes people's circumstances change while they are benefiting from a social welfare scheme and they are not aware of the consequences. The Minister will say that their application forms state they are supposed to notify the Department of any changes in their income, but sometimes this does not happen because of genuine mistakes rather than fraud. Those who are defrauding the State,

[Mr. Ring.]

such as those drawing lone parent's allowance while living with somebody or those drawing unemployment benefit while working, should be dealt with.

Mary Coughlan: I am advised that the rent supplement is administered on my behalf by the community welfare officers through the health boards. They have a different procedure in which they evaluate and address the issue of fraud. My Department is not directly involved in this and I have no figures regarding prosecutions. In the main, there have been none. It is on that basis that I have indicated that I will be examining any legislative requirements that may be necessary, given that the health boards do not have recourse to the Chief State Solicitor who would prosecute on my behalf.

The Deputy was anxious to ascertain the situation regarding employers. There are 7,561 employers who had PRSI inspections and 91% were found to be compliant. That is very high. It is based solely by reference to the amount of PRSI savings determined. The Deputy will notice that under PAYE-PRSI savings there will be in the region of €10.29 million. Of the prosecutions, I do not have a review of the types of cases taken, but the high percentage of compliance reflects that not many people have been prosecuted with regard to PAYE or PRSI. I compliment employers. This is a good step forward for people.

On the issue of balance, it is important to appreciate that non-compliance is not necessarily fraud. The Department may make a mistake or people make mistakes because they do not understand changes. In such circumstances where there is an overpayment people can be facilitated and they are not seen as fraudulent. It is important to have that facility in order to achieve a balance.

Social Welfare Benefits.

78. **Mr. Penrose** asked the Minister for Social and Family Affairs the consultations that took place between her Department and the Departments of the Environment, Heritage and Local Government, Health and Children and Justice, Equality and Law Reform regarding changes that were introduced in the supplementary welfare allowance scheme, particularly in relation to the rent supplement; and if she will make a statement on the matter. [4103/04]

80. **Mr. Ring** asked the Minister for Social and Family Affairs the effect SI 728 of 2003 has on people applying for rent supplement; the precautions that she has put in place regarding crisis situations; the discussions which took place between her Department and the Department for Environment, Heritage and Local Government and the Minister of State with responsibility for housing in relation to the changes; and the discussions that took place with the wide range of

organisations that deal on a daily basis with persons on low income regarding the impact of this SI which came into effect on 31 January 2004. [4098/04]

81. **Mr. Penrose** asked the Minister for Social and Family Affairs the assessment which was made on the impact of changes introduced in the supplementary welfare allowance scheme, particularly in relation to the rent supplement, prior to the issuing of recent circulars to community welfare officers; the assessment that was made of potential savings to the taxpayer and her Department arising from these changes prior to the issuing of these circulars; and if she will make a statement on the matter. [3855/04]

Mary Coughlan: I propose to take Questions Nos. 78, 80 and 81 together.

As Deputies are aware I have recently introduced a number of changes to the supplementary welfare allowance scheme under which rent and other supplements are paid. The main effect of these measures is to refocus the supplementary welfare allowance scheme on its original objective of providing short-term income support.

The measure that has attracted most comment is the requirement that a person applying for rent supplement must have been renting for six months. With certain very important exceptions, it will no longer be possible for a person to become a tenant in the private rented sector with the support of rent supplement unless the local authority is satisfied that he or she has a housing need. However, nobody who is assessed by a housing authority as having a housing need and who meets the normal means and other qualifying criteria will be refused rent supplement.

The new measures were the subject of extensive discussions within my Department over a number of months. Their impact was fully assessed and the manner of their implementation has been carefully designed to ensure that the interests of vulnerable groups such as the homeless, the elderly and the disabled are fully protected. The six-month prior to renting requirement will not apply in their case. In effect, the only people who will no longer qualify for rent supplement because of the six month rule are people who, in the opinion of the housing authority, do not have a housing need.

In any event, none of the measures which I have introduced affect the discretion of a health board to make a payment in cases where a board considers that the circumstances of the case so warrant.

Regarding consultation with the Department of the Environment, Heritage and Local Government, Deputies will be aware that a planning group on future rent assistance arrangements has been in place for some time, with representatives of both Departments, the Department of Finance and others.

Arising from the work of this group, an action plan is being developed on housing needs. Some of the measures that were announced in the Book of Estimates, including the six-month rule, were first considered in the discussions on the action plan prior to the Estimates announcements in November 2003.

My Department has also had detailed consultations with the Department of the Environment, Heritage and Local Government following the Estimates announcement, and in the context of preparing the regulations which gave effect to the rent supplement changes and the circular to health boards which set out the detail of the changes.

My Department also consulted with health board representatives, including community welfare officers and their managers. Discussions were also held with relevant Departments on other aspects of the Estimates announcements.

I also met representatives of a number of organisations who expressed their concerns to me regarding the changes. At that meeting, I explained the background of the changes and I outlined the specific provisions that are being made to ensure that the interests of vulnerable groups are fully protected in the course of implementing the measures.

I also met representatives of the Irish Congress of Trade Unions as well as the community and voluntary pillar of the social partnership, including the Disability Federation of Ireland, the INOU, the St. Vincent de Paul and others. These discussions gave me an opportunity to hear a broad range of views and to explain further the purpose of the measures and the manner of their implementation. I indicated my support for their desire to keep under review the impact of the new measures under the provisions of the social partnership agreement Sustaining Progress.

It is estimated that the new measures will lead to savings in the region of €19 million per annum. This is equivalent to about 3% of spending on the SWA scheme. I am confident that the changes which I have introduced will not have a negative impact on vulnerable people but instead will better target available resources and provide an improved outcome both from the point of view of claimants and also of the need for an effective and streamlined system of State assistance for people with a housing need.

Mr. Penrose: I thank the Minister for her reply. The length of her reply highlights the fact that the initiatives taken by her indicate a clear lack of integrated policy in planning on social housing by the Government. The eligibility requirements are designed to press the issue of housing need further into the lap of the Department of the Environment, Heritage and Local Government. However, the problem is that no adequate alternative has been put in place to supplant the rent supplement, despite years of studying housing needs.

The Minister is excluding a spouse or a person in remunerative full-time employment from receiving rent supplement from 1 January 2004; she is adding a requirement to have rented for six months in the preceding 12 months; and there must be a refusal of local authority accommodation. A refusal refers to a second offer of accommodation from a housing authority without any continuous period of 12 months. What categories of people is this aimed at? Is it aimed at one-parent families or single people? In Dublin alone, 30% of all of the housing lists consist of lone parents and one-child households. Is it the Government's intention that a household should now be made up of three generations, which is conceivable? For example, what happens a woman who becomes a lone parent? Is she to be compelled to share a room overcrowded with sisters or brothers? Is that the impact of this? Does the Minister agree that community welfare officers carry out a rigorous assessment when determining eligibility for a rent supplement and that under the Housing Act 1988, they must do so? Is this aimed at further limiting their discretion and ability to respond to genuine need, or is this a turf war between the Department of Social and Family Affairs and the Department of the Environment, Heritage and Local Government over funding at the expense of those who are genuinely in need of rent supplement? That is important and I want a straight answer.

At what stage was the Department of the Environment, Heritage and Local Government consulted about these changes? Is the Minister aware that many local authorities are asking CWOs not to refer people for assessment? Is the Minister aware that local authorities do not have the personnel, the resources or time to carry out assessments? What additional resources will be given to local authorities to deal with the anticipated increase in applications for assessment required under those regulations? Will this increase not slow down the entire assessment process, thereby affecting those in greatest need? How has the Minister projected the savings involved and how will these measurements, aimed at the most vulnerable people in our society, save money in the long term? It is foolhardy. The Minister had a surplus of €550 million at the end of 2003. One tenth of that would have scrapped the "savage 16", and put a stop to the torture and annoyance of the people who are most vulnerable.

Mary Coughlan: This is not being targeted at any particular group. Initially in 1998 a Government decision was made that the matter of supplementary welfare rent allowance would be transferred to the Department of the Environment and Local Government and it would be administered by the local authorities. There was consultation since 1998 and a report was prepared, but we could not get full agreement on the basis of what was being proposed.

[Mary Coughlan.]

From my communications with the community and voluntary pillar and members of the Deputy's committee, it is clear that people agree that rent supplement is not a long-term solution to a person's housing need. It has been detrimental to people because they are often seen by the housing authority as having their housing needs adequately met. I would not necessarily agree with that as they are in danger of being overlooked when it comes to rehousing. Furthermore, I have introduced within the regulations a number of factors to ensure that the most vulnerable are not affected: those over 65, people who receive a disability allowance; those in receipt of invalidity and blind pensions; people on housing lists *per se*, as they currently exist; those who come under the homeless sections of the Department of the Environment, Heritage and Local Government; and people in receipt of rent supplement.

Contrary to a misnomer aired abroad by some, but not all, community welfare officers, I am not vilifying CWOs. They have done an excellent job on my behalf and on behalf of a number of other agencies. They are flexible and it is because of this that they have been able to deal with particular emergency circumstances, which heretofore were outside the rigours of most legislation. I have not changed that. Section 31 of the Act, which facilitates such determinations, has not been removed, amended or anything like it. Therefore, those flexibilities will be given to the CWOs.

I would agree with the Deputy that an integrated approach is the only way forward. I have put together with the Department of the Environment, Heritage and Local Government and the Minister, Deputy Cullen, in particular, along with the Minister of State, Deputy Noel Ahern, an action plan to determine how the issue of the housing needs of those in receipt of rent supplement can best be addressed. I have worked strenuously in consultation with a number of people and groups to ensure we provide a more integrated approach. I appreciate that local authorities, perhaps, are somewhat in a twilight zone until such time as the joint memorandum by both Ministers is forwarded and agreed by Government. However, on balance it is the best way to address the issue.

When one considers the €637 million being provided this year for supplementary welfare schemes of which €360 million will be made available for rent supplement, I would bet if the local authorities were offered €100 million as an inducement for being more progressive towards long-term needs, they could do it.

Although I appreciate there may be concerns within the local authorities about the processes by which they can evaluate a housing application, we can work on the ground to address those issues on a one-to-one basis. We will arrange contact between local authorities and the CWOs and facilitate them in the best possible ways. This

has not resulted in a turf war but a greater awareness of the necessity to ensure that this funding is used in the best way possible to support the people who are less well off. I am sure Deputies are aware from their constituencies that people often buy a second house on the basis that they will get supplementary welfare to pay off their mortgages. That is not necessarily the best way to address people's personal housing needs. One other issue raised by the Deputy has slipped my mind. If I recall it, perhaps the Ceann Comhairle might allow me to reply.

Mr. Ring: Deputy Noel Ahern publicly stated that he, as the Minister of State in the Department of the Environment, Heritage and Local Government with responsibility for housing, had not been contacted by the Minister or her Department as regards the recent rent supplement changes. Is that not a serious situation where the Minister was making major changes as regards people's housing conditions in this country and she did not discuss it with the Minister of State who is expected to provide the necessary housing for people getting rent supplements?

Last week the Minister met the community and voluntary groups and sent out a press release. I could not understand the press release because I got the impression from it that she had suspended what she had signed into law. That is not the case, as I learned from her Department today. She has signed the new rent supplement regulations into law. What did the Minister promise the groups? Will she clarify whether it is a review in a year or a month's time? From the press release it looked as if everything was sorted out.

In answer to the previous question the Minister told me — and she and her Department are to be complimented — that she saved €300 million last year on fraud. However, as Deputy Penrose said, some €57 million will be saved on the 16 savage cutbacks which the Minister signed into law early in the new year. Why did she have to attack the rent supplement scheme before enough housing units were in place to accommodate people who are living rough in this city? The news yesterday highlighted the fact that a bus picks up people who are homeless in this city and tries to get accommodation for them, every night of the week. However, the Minister restricts the rent supplement for people who really need it and who will find themselves on the street.

Mr. Durkan: That is a good question.

Mr. Ring: There are good social welfare officers who are compassionate and others who work strictly by the rules of the book who will say: "I am sorry, I cannot help, you do not qualify because the Minister has signed this regulation into law." How will the Minister deal with these kind of problems?

Mary Coughlan: As usual, I will have to put a few facts to the House. I do not recall the Minister of State, Deputy Noel Ahern, making any such statement.

Mr. Durkan: He did.

Mr. Ring: He did.

Mr. Durkan: He does not recall it either, I would say.

Mary Coughlan: I read what was said by a press officer who was not involved in any way with any contacts I had with the Minister of State. The Minister for the Environment, Heritage and Local Government would have been fully briefed at Cabinet and *au fait* with the development taking place, as would all of us.

Mr. Ring: The Minister is not talking to him.

Mary Coughlan: I have spoken to him hundreds of times. I do not remember how many times he was in my office discussing this issue and others, with regard to housing policy, putting together the action plan between both Departments which will be made available in the near future.

Mr. Ring: He said the Minister did not discuss it—

Mary Coughlan: One does not always necessarily believe what one reads in the newspaper.

Mr. Ring: The Minister is not bad in that regard.

Mary Coughlan: If I was Deputy Ring I would not answer that one. As regards the process, there is always the opportunity to appeal to the superintendent community welfare officer. Equally, I have noticed that when there are reviews of particular concerns, they are forwarded to my own Department. Deputy Durkan appears to have a problem in his part of the world.

Mr. Durkan: I once heard of a fellow who won an appeal.

Mary Coughlan: This matter can also go to my own Department and its senior officials who have been more than forthcoming in supporting people.

Deputy Ring spoke about people who are living rough. It is a terrible reflection on society that there are people like that. It does not matter whether they support a political party or not. I was most emphatic, on that basis, that people who find themselves in that situation would not find themselves affected in any way by the changes I have introduced in rent supplement. I must reiterate, in case people misunderstand what is

happening — now I remember, Deputy Penrose spoke about a family living in overcrowded conditions — an assessment would indicate if there is overcrowding and the person would get on the housing list. On that basis such a person would be facilitated with rent supplement, hopefully as a temporary measure. That is the system where there is an assessment of a housing need. Under section 31, situations are allowed for whereby something not anticipated may be facilitated. For once we now have a fairly progressive and integrated debate on the issue of long-term housing needs for many people.

Some 40% of the private rented market in this country is supported by supplementary welfare. What does that say about the psyche of what is happening?

Mr. Durkan: There is a serious housing problem?

Mr. Ring: The Government is paying for housing.

Mary Coughlan: There should be great opportunities for Departments such as my own or housing authorities to work with the private rented sector to address the issue of long-term need. The action plan on housing will examine developmental ways of dealing with people's long-term needs. Some 2,000 elderly people are in receipt of supplementary welfare allowance. I do not view that as a progressive way of dealing with their housing needs. They would be better served in a small council or corporation-owned house that could be passed on in due course.

Mr. Penrose: Will the Minister ensure that those officials who issued the circular on 24 December, Christmas Eve, will notify community welfare officers of the discretion provided for in section 31?

Community welfare officers now have the power to use their discretion regarding persons made homeless or forced to use homeless facilities. Is it the case that this will result in an increase in the number of people presenting as homeless, thereby putting greater pressure on an already over-burdened homeless service?

Paragraph 8.1 of circular 05/03 of 24 December 2003 states:

New applications for crèche supplements should not be approved after 1 January 2004. The objective of this measure is to discontinue the provision of long-term supports to crèches through the SWA scheme in favour of more sustainable funding through more appropriate sources.

Is it legal to cut back, as directed in that circular, a supplement established under legislation and honoured in custom and practice for 27 years? The Minister for Finance, Deputy McCreevy, tried similar action by way of circulars 14/92 and 18/92 but both had to be withdrawn following a

[Mr. Penrose.]
challenge in the courts. Is the Minister satisfied that circular 05/03 provides her with the legal power to withdraw crèche supplements?

Natural justice indicates that, if sustainable funding through more appropriate sources is to replace the supplement, the sources should be indicated and the funding put in place before the unilateral withdrawal of an arrangement which has sufficiently sustained the operation for 27 years. I know the Minister believes such supplements should be made only in the short term. We are now providing that those in receipt of payment up to 31 December 2003 will retain it and those not in receipt of such payment at that date will not receive it. The Departments of Justice, Equality and Law Reform or Health and Children have not provided details on this matter. We are introducing legislation that may fall when tested.

Mary Coughlan: Our regulations are based on our primary legislative framework. Crèche supplements were outside regulation and are best placed under interceptional needs payments. I assure people that there is a transitional period for crèche supplements. There are a number of crèches in Dublin, in particular, 90% of which are supported by the Department of Health and Children and 10% of which are supported by crèche supplements. I assure people that crèches with particular needs will be facilitated through the exceptional needs payment.

I agree that the general view is that we may create greater difficulties in the area of homelessness. I met the community organisations and will keep the implementation of these procedures under constant review. I trust that answer's Deputy Ring's question.

79. **Mr. Connolly** asked the Minister for Social and Family Affairs her views on the fact that Ireland is the only existing State to grant free unlimited access to social welfare services to citizens of the ten new EU accession states from May 2004; and her further views on the impact this will have on the existing social welfare scheme. [4250/04]

Mary Coughlan: Free movement of persons is one of the fundamental freedoms guaranteed by Community law and includes the right to live and work in another member state. The right of free movement does not only concern workers, but also other categories of people such as students, pensioners and EU citizens in general.

While EU treaties provide for citizens of the accession states to move freely through the enlarged EU, they do not provide automatic access to labour markets. In this area, the EU has put in place a transitional measure which will allow each member state to exercise discretion on the extent of access to their respective labour markets.

Existing Community law requires that a worker from another member state, including a worker

who has become involuntarily unemployed, cannot be treated differently from a national worker by reason of their nationality and shall be entitled to the same social and tax advantages as nationals. Accordingly, such persons are entitled to receive the same treatment as Irish nationals under our employment, social welfare and taxation laws. However, a question has arisen as to whether an EU national seeking work for the first time in another member state is entitled to the same social and tax advantages as a national of that state. This issue is being contested before the European Court of Justice.

Specific EU provisions govern the right of residence of pensioners, students, and non-economically active persons. In general, inactive persons have the right to enter and remain in the country on condition that they have sufficient resources and health insurance to ensure they will not be a burden on the state.

I am conscious of the need to ensure that the social welfare system is not open to abuse following enlargement. To this end, I have asked my Department to examine what further actions are needed to ensure a rigorous enforcement of EU provisions in this area, especially in regard to non-active persons. It is also our intention to monitor the potential migration flows from the new accession states from May onwards and their possible impact on services and policies.

Mr. Connolly: Is the Minister concerned that Britain, Denmark, Sweden and the Netherlands have decided to regulate immigration? Those countries had initially decided to allow people in but have now decided regulation is the safer course. They are larger and relatively richer countries than Ireland and have larger populations which could more easily absorb such immigrants.

Should Ireland continue to stand alone in this regard? Should it continue to pay social welfare and other benefits to such people? As has been pointed out by many health boards, these people will be a drain on our health, housing and school services. Ireland faces a major housing shortage. Many of immigrants have been housed in inhumane places such as Mosney and so on. That is not good enough.

Is the Minister concerned that many people, who come here from relatively poor countries, are expected to live on allowances of €20 and €27 per week? Does she believe Ireland can cater for all comers and, if so, do we have jobs for them? We speak about ensuring that they have adequate cover before being issued with work permits. I do not believe such people will have adequate health cover. That will not happen.

Is the Minister concerned that many people will come here? The world has become a much smaller place and people are willing to travel. Will pensioners from such countries be entitled to allowances here and does the Minister think many people will do so? Would it not be sensible to take another look at this issue? Does the

Government propose to reconsider the fact that Ireland is the only country prepared to accept such people from 1 May 2004? Should we not consider the introduction of a tariff or quota system in this regard? We are Ireland of the welcomes but there must be a reason other countries are not prepared to accept people from eastern countries.

Mary Coughlan: It is important to outline a number of facts. In 2002, the Department of Enterprise and Employment issued 14,000 work permits to nationals of enlargement countries. Some 16,500 permits were issued in 2003, half of which were renewals. It is obvious that, in the main, people will be coming to Ireland to work. The Government view is that openness in the labour market is important.

Claims from non-nationals tend to come from the UK and not from those of member states with less favourable economic conditions and welfare systems. Fewer than 600 non-nationals here are in receipt of unemployment benefit. That represents a small percentage. It was estimated, when Greece and Portugal joined the EU, that between 1.5 million and 1.6 million migrants would arrive in Ireland. The number of Spanish people here averaged at approximately 7,700 during the 11 years after the accession of those countries to the EU.

The availability of work will be the attraction for people coming to Ireland. Inactive people, such as pensioners and students, are not entitled to stay here and can only do so if they not economically dependent on the State or its health services. Everyone is free to travel but people must not be an economic burden on the State. This has been the case for a number of years.

Concerns have been expressed by the UK regarding the active population. Prime Minister Blair indicated he would introduce changes, but the following day Jack Straw indicated they would not happen. It is difficult to ascertain what will happen in the UK. However, if there is a significant burden on, or overburdening of, the social welfare system, we will avail of the procedures provided under the accession agreement.

An interdepartmental committee is completing its work on the implications of accession from a number of perspectives. This issue is being further examined. I intend to monitor migration flows but, contrary to what was said regarding the accession states previously, large numbers did not migrate and I do not anticipate a scenario such as benefit tourism occurring in Ireland. We are taking the opportunity to indicate to people not to travel to Ireland unless they have a job and can provide for themselves adequately. This is a topical issue that is causing angst but, at the same time, it is best to examine the issue fully. I do not anticipate an overburdening of the welfare system.

Other Questions.

Family Policy.

82. **Ms B. Moynihan-Cronin** asked the Minister for Social and Family Affairs the findings of the family fora conducted by her Department over the past few months; the purpose of the fora; the number of fora that took place; the location of each forum; and if she will make a statement on the matter. [3878/04]

92. **Mr. Eamon Ryan** asked the Minister for Social and Family Affairs when it is envisaged that consultation on policy on the family will finish and a report be presented. [4034/04]

Mary Coughlan: I propose to take Questions Nos. 82 and 92 together.

Families and family life are undergoing profound and rapid changes in Ireland. The main reasons include the increasing participation of women in employment; difficulties in reconciling work and family life; a growing incidence of marital breakdown and lone parenthood generally; ageing of the population; and the likely growth in the numbers of dependent elderly.

Against this background in May 2003, I began a nationwide consultation on the future development of family policy, five years after publication of the report of the commission on the family. The fora provided my officials and me with an opportunity to hear the views of a cross-section of family members from different regions and those who work with them, including public representatives. Their views were sought on the main challenges that confront families today, the effectiveness of Government policies and programmes in supporting families to meet these challenges, and on what the priorities should be for strengthening families.

The process included workshops on parenting, balancing work and family life, the family as carer and relationships in difficulty. These workshops allowed a more focused examination of the issues and the identification of the supports families need to carry out their important role.

Five fora were held from May to December 2003 in Donegal, Kilkenny, Cork, Galway and Dublin. Reports on each forum meeting and a thematic report that draws together all the issues raised are being finalised. These reports will be launched later this month. Participants at the different fora saw family policy as having a fundamental role in expressing and affirming societal values. Among the values mentioned most consistently as underpinning future policy on the family were respect, choice, balance between work and family, equality, diversity, prevention and early intervention and kinship.

The thematic report is also designed during this, the tenth anniversary of the international year of the family, to facilitate a wide-ranging debate among all interested parties on the future development of policies and programmes to

[Mary Coughlan.] support and strengthen families. In addition, the Irish Presidency, with the support of the European Commission, will host a major international conference, entitled Families, Change and European Social Policy, next May in Dublin Castle. This is designed to initiate an EU-wide debate on how social policies need to be modernised to meet the challenges of the changes affecting families and family life.

Additional information not given on the floor of the House

I have received the strategic plan of the Family Support Agency, which I established last May, and this will also be fully taken into account in my ongoing consideration of the future shape of policies for families.

Public opinion, as voiced at the fora, considers that future family policy should develop at two levels. The first is a general level of support and assistance that would be available to all families, especially at critical junctures such as the birth of the first child. The second level of support would be more specialist in that it would address the specific needs of particular families.

Drawing on the views and analysis emerging from this wide ranging consultation process, it is my intention, in consultation with all the relevant Departments and agencies, to have a clear, coherent and comprehensive strategy for family policy prepared by the end of 2004. This will be designed to address the changes taking place for families and family life and to identify priorities for strengthening families in the key contribution they make to the well-being of their individual members and society as a whole.

Mr. Penrose: This is a worthwhile exercise because the definition of “family” has expanded and the Minister commented on this recently. What steps will she take to ensure the fora recommendations are implemented? Will legislative change be necessary to implement their recommendations? Has the Minister prioritised the measures resulting from the fora findings to date? What resources will be allocated to mark the tenth anniversary of the international year of the family, especially at EU level? There is pressure on people to balance work and family life so that they can pay for houses, cars and so on. What priority was given by the fora to the provision of crèche and pre-school facilities?

Mary Coughlan: The final issue was raised *ad infinitum*, as were difficult issues relating to kinship and self-esteem. It was disturbing that, throughout the forum, self-esteem and how it reflected on people’s ability to participate within a relationship and to balance work and family life was a theme. I would like to link in the forum’s report with the strategic report of the Family Support Agency to provide supports for families.

Perhaps issues will arise relating to the legislative framework in this area but, unfortunately, that is outside my remit. However, I will use my influence to ensure they are progressed.

Family policy has not evolved to its potential. It has been diversified among a number of Departments and there has been a loss of direction. I would like, as a consequence, to focus on the family affairs area of my Department now that the Family Support Agency has been established to push the agenda and support people within the evolving family structure.

Members will be invited to participate in the programme for the European conference in May. We will also host two other conferences, one of which will examine the role of men within relationships. A sum of €1 million is available to celebrate the occasion and, if the Deputy has bright ideas, I will welcome them.

Mr. Penrose: I will come back to the Minister.

Mr. Boyle: Does the Minister accept a flexible definition of “family” needs to result from this process? She referred to the ideal family at one public meeting she attended with the State having no role in imposing a view of an ideal family on society, which I welcome.

The concept of the extended family is fast disappearing in terms of family relationships. However, it is still a widespread phenomenon and the forum might devise sufficient supports and incentives such as those available to carers to care people with severe disabilities and illness, although they are inadequate. Another element of the definition of family is that it may not involve children or people of different genders in terms of a marriage. Perhaps I am revisiting ground covered under the Civil Registration Bill, which we passed yesterday, but the UK Parliament is examining a civil registration Bill to deal with same-sex partnerships and, given that a Fine Gael councillor availed of such legislation in Canada recently, this highlights that some people’s definition of “family” is limited to such partnerships. When recommendations are made eventually, I ask that these definitions should be included in the broad, flexible definition that is needed for our modern society.

Mary Coughlan: I would appreciate it if we did not have a definition of family because, in itself, a definition curtails people and can be hurtful to individuals in particular circumstances. Regardless of the way in which families are formulated — there has been a great diversity in this regard in a short period — we must consider how we can support them. The Deputy is correct that we are not necessarily discussing children. Grandparents have particular concerns in that they are often over-burdened in terms of child care. They also have concerns about having access to their grandchildren where there may be a marital breakdown. Those are two important issues. People are becoming grandparents at a

much younger age and their interaction with their extended families is extremely important.

On foot of the thematic report, I hope to use a non-legalistic perspective. That would be more progressive in many ways in delivering supports. We have been extremely flexible in this country. There has been major community development, we have opened family resource centres and over €20 million has been allocated to the family support agency. We can expand on that community base and increase the almost €8 million to be provided this year for counselling services. The latter have expanded because they have had to deal with particular circumstances as they arise. That is a better free-flowing type of family policy and it is much more progressive than would be defining the position from a legal point of view. That said, however, there are parameters within which we must work. I look forward to family policy evolving in the coming years as a result of the report.

Mr. Ring: With regard to the Minister bringing her roadshow around the country, everyone knows that the family unit has always been regarded as being made up of a husband, a wife and children. That unit is under attack. We have always been told that the family is protected under the Constitution. Families' major complaint at present is that they are no longer able to live. In the budget the Minister had an opportunity, in respect of child benefit and child dependant allowance, which was not increased for ten years, to take action. The greatest pressure exerted on families at present is that relating to the cost of living. People are no longer able to survive. There is no support from the State to allow family units to stay together. In spite of all the rhetoric from the Government, the family unit is under attack. Families are not protected by the social welfare laws or by the State. There appears to be respect for everything other than the family unit. The latter is not being protected by the State but it should be.

The Minister has brought her roadshow around the country. We are aware of the problems that exist. What we need now is for the Department and the Government to try to resolve the problems, keep families together and support them. Particular emphasis must be laid on children. In the recent budget an increase of €2 per week, or €8 per month, was given. That would not buy a loaf of bread to feed one's poodle not to mention one's children.

Mary Coughlan: I am terribly disappointed that Fine Gael is again unenlightened when it comes to family policy and has chased itself into a rabbit warren. Members of the party should stick their heads out to see what is happening in society. No one is attacking anyone. There was a misperception by one of the Deputy's colleagues on the issue of marriage and my views thereon. With regard to those views, in the main I am very much in favour of marriage and I reflected that

by ensuring that increased resources were provided to support early intervention in marriage and by supporting new initiatives relating to young people and children who encounter difficulties. Last year, we inquired, for the first time, about what children think. We supported the compilation of valuable and progressive research in that area.

It is untrue and unfounded to state that we do not support families. We have done our utmost to ensure that families, particularly those based on marriage, are supported to the greatest degree possible. At the same time, however, we cannot have a situation where everyone else becomes estranged as a result of a definition. It would be wrong to do so and I am sure it is not what the Deputies opposite would like to see happening.

Mr. Ring: I would like to see the family protected.

Mary Coughlan: There is support for families, *per se*, individuals and, in particular, children, who are often very vulnerable and come outside the parameters of adult relationships. Children are highly influenced by such relationships and, when difficulties occur therein, often find themselves in difficult situations. I have invested heavily in and I am absolutely committed to early intervention. During family policy discussions, I would like to see moves to increase that early intervention in respect of the support of family life.

There was no roadshow. If I established a commission which would cost millions of euro to operate, the Deputy would be jumping up and down. The forum did not cost a great deal of money and it allowed me to go out and ask people their opinions. I also invited politicians to bring forward their views. The process was very interesting. People shot from the hip and stated what they would like to see happening. On reflection, that is the best way forward in terms of progressing family policy and in supporting families, regardless of their nature or composition.

Mr. Durkan: Will the Minister indicate to the House how the forum would advise a family of three, two adults and a child, the breadwinner of which earns €450 per week and who rents a house at €1,200 per month? If the family does not rent, it cannot live together. The alternative is that they separate and one of the parents receives the one-parent family allowance.

Mary Coughlan: The family forum was an opportunity for people to put forward their views. It was not a way of determining what people should or should not do, it was an opportunity to listen to what people had to say about family policy, the position of carers, family and working life. It was also a way of looking at the issues with regard to relationships. The Deputy is talking about something else, namely, disincentives.

Mr. Durkan: I am talking about families living together.

Mary Coughlan: Disincentives. The Deputy would probably be better advised to consider the type of employment those people were in and look at the possibility of those involved applying for family income supplement and, more than likely, rent supplement and any other supports that might be made available to them. It is unfair to say that families would divide because of money. I do not know about other Members, but I know many people who are very happy within family relationships. They may be paupers or multimillionaires. A great deal of this is not about money, it is about relationships and partnerships.

Mr. Durkan: They are being forced to part and they cannot marry. The Government is anti-family and its policy is unconstitutional.

Mary Coughlan: We have done our utmost to support families.

Social Welfare Benefits.

83. **Mr. J. O'Keeffe** asked the Minister for Social and Family Affairs the reason for the introduction of new rules restricting the payment of child dependant allowance to recipients of unemployment benefit whose spouses or partners are working; and if she will make a statement on the matter. [3841/04]

115. **Mr. J. O'Keeffe** asked the Minister for Social and Family Affairs the reason the child dependant allowance will no longer be payable to many recipients of unemployment benefit; and if she will make a statement on the matter. [3842/04]

Mary Coughlan: I propose to take Questions Nos. 83 and 115 together.

Provisions included in the 2004 Estimates for social welfare spending included the introduction of an upper limit of €300 on weekly earnings by a spouse for entitlement to CDA in respect of all UB claims. CDA is an additional weekly payment made to social welfare recipients, including those on unemployment benefit, in respect of each qualified child dependant. A full CDA rate of €16.80 is payable to recipients of unemployment or disability benefit, together with a qualified adult allowance where the spouse's gross weekly earnings do not exceed €210. The new measure continues to provide for payment of half rate CDA where the gross income of the spouse exceeds €210 but for withdrawal of payment where it exceeds €300 per week. Prior to this, half rate CDA would have continued in payment regardless of the spouse's earnings.

The practice of linking spousal earnings and the withdrawal of increases for dependants has been in place for a number of years in the form of a reduced qualified adult allowance and payment of half rate CDA. This new measure

extends the practice by applying, for the first time, an upper income limit for receipt of CDA.

The new measure will only take effect where there is a minimum family income equivalent to €22,600 or more per annum when the social welfare personal rate of €134.80 and earnings are combined. Where there is a non-earning or lower earning spouse, CDA entitlements remain unchanged. As the measure applied from 19 January, people already receiving half rate CDA on that date, with a spouse earning more than €300, are not affected by it while they remain in continuous receipt of the existing payment.

It is estimated that the majority of claimants affected by this measure are those with a spouse or partner in full-time employment and earning considerably in excess of the €300 threshold. The measure enables available resources to be directed towards lower income families.

Mr. J. O'Keeffe: Does the Minister accept this is another sneaky anti-family measure? Considering all the measures which became effective in January, does she accept that January was a black month for social welfare dependants? Does she accept that this measure, which was not publicised and was brought to my attention by someone who is involved in the system, is particularly anti-family and altogether unfair to an applicant who has paid PRSI contributions? Such an applicant who has four or five children will now receive no child dependant allowance, whereas he or she would have received half the allowance. Will the Minister consider this draconian measure again before it is introduced, rather than trying to justify it on the basis of adding the social welfare payment to the spouse's earnings in order to arrive at a gross annual figure?

Mr. Durkan: There is no basis for that whatsoever.

Mr. J. O'Keeffe: This amounts to a sneaky, nasty further cut affecting the family and the poorer sections of society.

Mr. Durkan: It is an underhand action.

Mary Coughlan: The measure is neither sneaky nor underhand, nor does it attack the family. The measure applies only if the recipient's spouse is in full-time employment with earnings of more than €300 per week.

A measure already exists within the system whereby a recipient whose spouse earns up to €210 per week receives half the rate of child dependant allowance. People who are earning more than €300 will no longer receive the half-rate CDA. This will also be based on a change in the qualified adult allowance.

I do not see this as an attack on families. If it were sneaky or underhand the Deputies would not know about it. I was more than up-front in saying exactly what the new measures were,

where they came from, the changes they would effect and their costings.

Mr. Durkan: This was one of the 16 cuts.

Mary Coughlan: The average weekly number of people who will be affected by this change is approximately 16,000. I do not see the measure as draconian. We have considered overall family income.

Mr. J. O’Keeffe: The Minister seeks to justify this nasty little cut. It only affects 16,800 people but that represents 16,800 families. For them it is very important and for the rest it will not matter at all.

What savings will the Minister make by introducing this measure? In reviewing the effect of this measure, will she bear in mind its impact on a family with five children where the husband or wife is fortunate enough to be employed and have a gross income of €300 per week. This measure will leave nothing for the five children. The Minister knows as well as I do how expensive children are nowadays. Does she not agree that a modest amount should have continued? A family with five children would have received €42 per week in extra benefit. Surely a person who has paid his or her PRSI contributions and has lost his or her job is entitled to that little support during a period of unemployment?

Mr. Durkan: Hear, hear.

Mary Coughlan: I am glad Deputy O’Keeffe’s children are reared because it would cost the State a fortune if he were receiving the very good increases in child benefit.

Mr. Durkan: There will be much smaller families in the country because we will not be able to have them.

Mr. Ring: There will not be a child in the country if the Minister has her way.

Mr. Durkan: There will be no childer.

Mary Coughlan: I am sure Deputy O’Keeffe’s darling wife would have been ecstatic if she had received the level of money being provided now.

Mr. J. O’Keeffe: Did I miss the best of it?

Mary Coughlan: When this measure was discussed in the select committee in recent weeks I was asked the reason for this measure. There was a saving to be reached within the target of my Department and the overall Government target. That has been balanced by an increased budgetary package made available to me in order to ensure that the baselines received a substantial increase, which we hope to progress in the next number of years.

I evaluated every departmental scheme last year. In June, we evaluated and prepared for the

Estimates. With regard to every possible change, we looked at where it would have the least impact on people. This measure affects people who are in receipt of unemployment benefit. They will continue to receive their benefit. Until now they have been in receipt of half-rate CDA. In future, if a recipient’s spouse is in full-time employment and earning €300, he or she will no longer receive CDA. People in receipt of unemployment benefit are also governed by other conditions. They must be available for full-time work and be seeking work. It is my intention, through the employment action plan, to support people who are unemployed and who would like to return to work and to ensure they get back to work as quickly as possible and not find themselves reliant on benefit.

Mr. Penrose: I remind Deputy O’Keeffe that I identified the savage 16 cuts. This measure was No. 5, after the measures affecting rent supplement, crèches, MABS and the dietary supplement allowance. As one who comes from a large family and whose father was made unemployed periodically by the council, I saw the insidious nature of this measure and that it was an attack on families.

Is it not the case that the Minister is saving only a few million euro?

Mr. Durkan: There will be maximum hurt and minimum return.

Mr. Penrose: Surely Mr. Magnier and Mr. McManus, who enjoy tax-free status as stallion owners and are now fighting over a football club, could pay some of their tax-free stud fees to ensure that the 16,800 families could be paid their child dependant allowance. A payment of €9 for each of three children, which amounts to €27, would provide the necessities of life for one day for that family. If rent of €100 has to be paid out of an allowance of €300 per week, very little money is left.

This measure is an insidious attack on the family and I said so when it was introduced. If we want a balanced society we should hit those who are living outside the country while receiving tax-free money.

Mary Coughlan: I would rather not talk about stud farms or Manchester United, of which I am no more a supporter than Deputy Penrose. I am a GAA woman.

Mr. Penrose: I like the horses but not at the expense of families.

Mary Coughlan: Deputy Durkan, who talks plenty, represents a constituency which relies heavily on the horse industry and I am sure he is very supportive of it.

Mr. Durkan: I enjoy horses——

Mary Coughlan: People in my part of the world envy the fact that the horse industry creates such employment.

Mr. Durkan: —but why hurt so many people.

Mr. Ring: They can pay their taxes like everyone else.

Mary Coughlan: The measure will create an overall saving of €10 million.

It is easy to say what should be done when the horse has bolted. I prepared my Estimates on the basis of the amount of money made available to me. I had to reduce my expenditure by €57 million and I have more than compensated for those reductions with the significant increases I have provided through the social welfare rate. For the first time we were able to make an overall payment of €10 per person in receipt of a pension or benefit, with subsequent qualified adult allowances and a greater increase to some people. That has been more than beneficial to people who are less well off, many of whom, such as pensioners, are more than dependent on the welfare system.

In support of such people, this Government has been more than forthright and forthcoming in the support of children, with child benefit to top €1.3 billion this year. We have dealt with pension policy and the support of the elderly, with all the ancillaries including continuous support of carers, where we will reach our target for the increase in the disregard figure. In the overall context of support for families, particularly those dependent on my Department, of which there are 1 million weekly, €11.3 billion represents real progress and support.

Mr. Boyle: Given that the Minister is adamant that the level of child dependant allowance payments is frozen and has remained so for a number of years—

Mr. Penrose: Ten years.

Mr. Boyle: —is she not in favour of it, and would she like to see it phased out in the long term? Is this measure the first phase of such a phase out? The Combat Poverty Agency and several reports have indicated that the failure to increase CDA payments over the last few years has had a negative impact for those dependent on welfare payments, particularly in the case of families with children. Considering all that, the Minister is introducing a second measure that is underpinning an already flawed policy in terms of supporting the poor.

Mary Coughlan: Under the special initiatives of Sustaining Progress, we are looking particularly at the interaction between CDAs and family income supplement with a view to a more realistic second tier family income support. Though I was not a believer in CDAs in their day, when one talks of them being available over ten years it is

obvious that all of the policy people who have visited this House have seen that a CDA is a disincentive to a return to work. We must however ensure, particularly through family income supplement, that those who join the workforce have a sustainable second tier child income support. We are currently analysing that issue and I hope that fairly soon the committee under Sustaining Progress will bring forward proposals.

Regardless of what those on the Opposition benches believe, child benefit is the best and most progressive way of looking at a child poverty initiative and a child care initiative. We have delivered on 82% of what we agreed to provide. That has been very beneficial, and as something which will always be available to people on a monthly basis, it is a more progressive way than one whereby people would lose a CDA by moving into the workforce.

This debate will not be completed over the next few weeks, but if we can see a more targeted second tier family income supplement, that may be the best way forward.

Mr. J. O’Keeffe: Since declarations are being made regarding Manchester United, I should declare my support for the club, and for the bloodstock industry, which gives good employment to about 25,000 people.

Mr. Ring: We have a lot of supporters here today — one, two, three, four.

Mr. J. O’Keeffe: I will return to the fundamental questions. We have 16,800 families carrying a burden, an extra weight of €10 million. Is it fair that such a relatively small number of families should have to carry that burden? I know the Minister has an interest in family life, but in the sense of looking around the country from a ministerial point of view, does she accept that this is one cut which from a family point of view should be withdrawn, and that those families, whether with two, four or six children, should continue to get the very modest support given under the old system?

Mr. Crowe: ESRI figures show 20% of people living in poverty in this State — that is one in every five people. The working poor form one of the fastest growing groups in Irish society. Are these the people the Minister speaks of when discussing the child dependant allowance and saying it would provide a disincentive to getting jobs? Does the Minister accept the ESRI figures and accept that it is these families which will suffer most from these cutbacks?

Mary Coughlan: What the Deputy is referring to is a European indicator pointing to people at risk of poverty, which is not the indicator used by my Department. That indicator is consistent poverty, and we have seen a major decrease in the number of people in that category.

Mr. Boyle: Perhaps that is a coincidence?

Mary Coughlan: No, it is a result of forthright policies by the Government and the man on my left-hand side, the Minister for Finance, who has provided the funding for this measure.

Mr. Boyle: A champion of poverty.

Mr. McCreevy: The figure dropped from 14% to less than 5%.

Mr. J. O’Keeffe: Is the Minister to blame for the position of these families?

Mary Coughlan: It is the intention of myself and the Government to reduce that figure to 0% if possible. The elimination of poverty is something we all want to see, and we will continue to introduce policies with that purpose.

Written Answers follow Adjournment Debate.

Adjournment Debate Matters.

An Leas-Cheann Comhairle: I wish to advise the House of the following matters in respect of which notice has been given under Standing Order 21 and the name of the Member in each case: (1) Deputy Ó Fearghail — the need to expedite the delivery of affordable housing at Magee Barracks, Kildare; (2) Deputy Ferris — the urgent need to discuss recent job losses in County Kerry; (3) Deputy Durkan — the circumstances whereby a prisoner serving a long-term sentence was shot while on temporary release, whether there are any other prisoners serving similar sentences who are currently on temporary or other form of release; (4) Deputy Gormley — the announcement by the Sisters of the Holy Faith that St Mary’s Girls School, Haddington Road is to close, the effect this will have on the Dublin South-East constituency which has a growing population and yet insufficient girls’ secondary schools, and the need for the Department of Education and Science to take all necessary steps to ensure the school remains open; (5) Deputy Finian McGrath — the drugs crisis on the north side of Dublin and the need for urgent action; (6) Deputy Crawford — the reason Castleblayney College, Ballybay College or the Collegiate School, Monaghan failed to meet the criteria to benefit from the school building funding; (7) Deputy Wall — the current overcrowding at Naas Hospital and the need for the reopening of the respite and assessment unit at St. Vincent’s Hospital, Athy, to relieve the pressure at Naas; (8) Deputy Boyle — to ask the Minister to outline the logic behind the closure of Fort Mitchell Prison on Spike Island; (9) Deputy Olivia Mitchell — to ask the Minister what plans he has to avert the total collapse of the health service resulting from the commencement of enterprise liability while the issue of historic claims is unresolved, and to outline what efforts he is now making to reach a

compromise with the MDU; (10) Deputy Costello — the reason letters have issued to jobs initiative workers terminating their contracts from 2 April 2004; (11) Deputy Neville — mental illness in older people; (12) Deputy Harkin — the proposed closure of Loughan House, Blacklion, County Cavan, and what, if any, arrangements have been put in place regarding the transfer of staff and the transfer of prisoners; (13) Deputy Hayes — the need for the Tánaiste and Minister for Enterprise, Trade and Employment to address the growing concerns about further job losses in County Tipperary with 66 jobs to be lost at Sram Ireland in Carrick-on-Suir and 50 job losses at Continental Promotions in Tipperary town, the urgent need to attract industry to both areas and the need for the Minister to address this very significant job loss for the people of south Tipperary; and (14) Deputy Ó Caoláin — the need for the Minister for Health and Children to act decisively to ensure the reopening of the maternity unit at Monaghan General Hospital following the birth at 5 a.m. on 11 February of a child in yet another roadside delivery *en route* from Monaghan to Cavan General Hospital.

The matters raised by Deputies Costello, Ó Fearghail, Crawford and Finian McGrath have been selected for discussion and will be taken at the conclusion of business.

Finance Bill 2004: Order for Second Stage

Bill entitled an Act to provide for the imposition, repeal, remission, alteration and regulation of taxation, of stamp duties and of duties relating to excise and otherwise to make further provision in connection with finance including the regulation of customs.

Minister for Finance (Mr. McCreevy): I move: “That Second Stage be taken now.”

Question put and agreed to.

Finance Bill 2004: Second Stage.

Minister for Finance (Mr. McCreevy): I move: “That the Bill be now read a Second Time.”

This Finance Bill implements the tax changes announced in the budget and provides for a range of other measures. In particular, the Bill includes measures that will continue to foster an environment which will stimulate investment and provide more jobs. The budget and this Finance Bill lay the foundation for an early return of significant economic growth. All the indicators point that way at home and abroad. Our finances are in good hands, as the EU agreed yesterday at ECOFIN when it gave us a clean bill of health under the Stability and Growth Pact. The economy too is in safe hands and will continue to be so under this Government.

The Bill runs to 91 sections and four Schedules. I propose to outline the main provisions in the time available to me. The Committee Stage will

[Mr. McCreevy.]

provide an opportunity to debate the Bill in detail. I look forward to hearing the views of Deputies.

Part I of the Bill, which runs from section 1 to 42, deals with income tax, corporation tax and capital gains tax. In my period in office the income tax burden has reduced significantly. Since 1997, average tax rates have fallen for all categories of taxpayer, including those on lower incomes. After budget 2004, for a person on the average industrial wage, the average tax rate will be ten percentage points lower than it was in 1997. An increasing proportion of those on the income tax record, over 35% of all income earners, pay no tax at all. The number of such income earners increased by over 75% from 380,000 in 1997-98 to 669,000 after budget 2004.

After budget 2004, the percentage of the income tax yield coming from those earning at or under the average industrial wage is estimated to be 6% as compared with over 14% in 1997. That in a nutshell is the answer to some Deputies' recently discovered concerns for those on the average industrial wage. We have helped those on both low and middle incomes during our periods in Government by an enormous amount, unparalleled by any other recent Government of whatever political complexion.

Now is a period to consolidate the gains we have made. Available resources have been concentrated on continuing progress towards removing those on the minimum wage from the tax net. When the statutory minimum wage came into effect in April 2000, less than 64% of the minimum wage was exempt from tax. Section 3 increases the entry point to taxation of a PAYE worker by €240 per year to 90% of the increased new minimum wage annualised. Thus, for a single PAYE person, the first €12,800 per annum, or €246 per week, of earnings will be tax free. All PAYE workers will benefit from this increase of €240 in the employee tax credit.

Section 2 increases further the exemption limits from income tax for persons aged 65 and over to €15,500 single and €31,000 married. Since I became Minister for Finance the income tax exemption limits for the elderly have increased by more than 135%. In that period more than 81,000 income earners aged 65 or over have been removed from the tax net.

Section 4 increases the standard-rated allowance for trade union subscriptions from €130 to €200. Section 6 puts beyond doubt that income arising from the investment of personal injury awards made by the Personal Injuries Assessment Board for permanently incapacitated persons will be exempt from income tax in the same way as if the awards had been made by a court. This applies where the income in question forms the sole or main income of the individual.

Section 7 exempts from income tax compensatory awards where an individual's rights under employment-related legislation have been infringed, for example, in the case of

discrimination, harassment or victimisation. Up to now, the position has been that such awards have been subject to income tax.

In the Finance Act 2003, I provided for the direct application of PAYE to taxable benefits-in-kind. Taken together with the changes in the Social Welfare Act 2003, this has ensured the application of PAYE and PRSI, including the training and health contribution levies, to these benefits from January this year. Some further legislative provisions are required now to bed down the new regime and these are provided for in sections 8 and 9. They include an exemption for mobile phones as well as for computers and high-speed Internet connections provided by an employer to an employee in their home for business use. An exemption in respect of certain company vans parked at home by employees is also provided for. This takes account of representations made to me by both employers and employees, and I was happy to respond favourably.

Section 9 also extends the existing BIK tax exemption for employer-provided travel passes to include Luas services, which are due to commence this year, while section 10 confirms the budget day announcement that the specified rate used to calculate the benefit-in-kind charge on certain preferential rate mortgage loans will be reduced from 4.5% to 3.5%.

Section 11 extends the existing standard-rated tax relief in respect of health insurance policies which cover non-routine dental treatment to policies issued by insurers providing dental insurance only. The budget announcement of an income tax exemption for income received by Gaeltacht households under the summer college student scheme is provided for in section 12.

Section 13 provides for an updating of the qualification requirements in respect of the 100% stock relief for young trained farmers to reflect changes in the underlying academic courses. It also provides that, in general, it is the achievement of certain standards that is mandatory rather than just attendance at courses. Similar provisions are included in sections 68 and 69 in respect of stamp duty relief for young trained farmers.

Under section 14 the income tax exemption to encourage farm leasing is being improved by increasing the annual amount of leasing income exempted from tax and reducing the age limit for qualifying lessors. These improvements in the relief will encourage the higher utilisation of our agricultural land, which will become all the more important in view of the changes in the Common Agricultural Policy.

Section 16 facilitates occupational pension schemes in their investment activities by providing that any such schemes which borrow for investment reasons can be approved pension schemes for tax purposes.

Section 17 gives a capital gains tax exemption to certain individuals on the disposal of assets where the individuals already have an income tax

exemption on the income derived from those assets, for example, persons in receipt of court compensation arising from incapacity where the gains and income from those assets are their principal source of income and gains. This will facilitate the use of a wider range of investments by these individuals.

The business expansion scheme and seed capital scheme reliefs are good schemes as long as they remain focused and targeted. Having reviewed the schemes in the lead-up to the budget, I am satisfied they continue to serve their purpose as now focused and section 18 provides for an extension to these schemes for a further three years until 31 December 2006. It also provides an increase in the maximum amount a company can raise under both schemes, from €750,000 to €1 million as announced.

The increase in the limit and extension in time from 5 February 2004 to 31 December 2006 and certain other changes to the schemes will be subject to a commencement order to allow for clarification of potential EU state aid issues raised by the European Commission. Other changes include an increase in the non-PAYE income limit for investor eligibility for the seed capital scheme and the phasing out by end-2004 of the application of the seed capital scheme to trading activities in an exchange facility established in the Custom House Docks area in Dublin.

Separate to the commencement order, an initial extension of the scheme to 4 February 2004 is provided for and sections 18 and 19 provide for transitional measures, including for arrangements and investments made before 4 February 2004.

Section 20 provides for a register of principal contractors for the purposes of relevant contracts tax, the tax which principal contractors are obliged to deduct at a rate of 35% from payments made to certain sub-contractors in the construction, meat processing and forestry sectors.

I have stated previously that it is essential that tax avoidance schemes and loopholes are tackled vigorously. In a press release last March I made clear my intention to close a loophole which had come to my attention. It related to the relief available to individuals in respect of interest paid on money borrowed for the purposes of acquiring an equity stake in, or lending money to, a company where the moneys are used to acquire certain premises. This is provided for in section 22.

Section 23 amends the scheme of capital allowances for qualifying residential units associated with registered nursing homes. The minimum number of qualifying residential units is being reduced from 20 to ten. The condition for buildings to be two-storey at maximum is being amended to allow that the units may be in a building of any number of floors where a fire safety certificate is issued.

Section 24 redrafts one of the eligibility conditions for investors in private hospitals to

bring it into line with other reliefs by removing an unintended effect of disqualifying all investors in a project where one is ineligible.

Sections 25, 26 and 27 provide for an extension of various tax reliefs as outlined in the budget and set out transitional provisions where appropriate, as well as clarifying the conditions associated with the reliefs, for example, where planning issues arise.

I have always held the view that targeted, well designed tax incentive schemes can be a useful instrument in achieving desirable public policy objectives. Indeed, many places in Ireland have enjoyed a regeneration directly arising from area-based tax reliefs. The value of such schemes must be balanced against the important objective of ensuring a wide tax base if we are to maintain low rates. Accordingly, these reliefs are being phased out. However, arising from concerns expressed by various individuals and groups, including various local authorities, I felt that, on balance, there was a rationale for allowing a longer wind-down of the various tax reliefs referred to in these sections. This will allow for a more orderly completion of projects where delays had arisen for various reasons.

Section 28 confirms my budget announcement that the termination date for film relief is being extended from 31 December 2004 to 31 December 2008 and the cap on the amount that can be raised under the section in respect of any one film is being increased from €10.5 million to €15 million per film. Changes to address instances of abuse are provided for in the section and these include the revision of the certification procedures, provisions to deal with over-complicated financial structures and enhanced requirements in respect of record keeping by film production companies. Deputies will be aware of the intense lobbying from the film industry aimed at convincing all parties that film relief should be retained, and my decision was broadly welcomed across the political spectrum. Those who greeted this decision from political parties other than my own should bear in mind that its continuation will mean that higher earners can reduce their tax bill through investment in qualifying films. European Commission approval will be needed for the continuation of the scheme and the increase in the overall investment.

Ireland has excelled in attracting foreign investment in recent years, with some of the world's leading companies choosing to locate here. However, we cannot rest on our laurels and we must always be vigilant in ensuring that Ireland remains competitive in this regard. The Bill provides measures that enhance the prospect of attracting further high quality investment projects to Ireland leading to additional future employment opportunities.

Sections 31, 34 and 42 are designed to encourage multinational corporations to locate their regional headquarters and holding companies in Ireland. The Bill provides for an exemption from tax on gains for holding

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companies on the disposal of a shareholding in a subsidiary, whether Irish or foreign, and makes a number of related changes to the scope of our provisions for relief against foreign tax in respect of dividend income paid to parent companies. Specifically, sections 31 and 34 amend the provisions on relief for foreign taxation in the case of dividends paid by a subsidiary to a parent company.

To qualify for relief for foreign taxation in the case of dividend income under a unilateral credit relief provision where no double taxation treaty applies, the shareholding involved must, up to now, have been at least 25% of the subsidiary company. This is being reduced to 5%. Relief is also being made available for foreign tax imposed on company tiers lower than the immediate subsidiary. Section 34 will implement Ireland's obligations under the EU parent and subsidiary directive. Section 31 will also allow companies to average the credit tax for foreign tax across dividend streams on shareholdings of 5% or more for the purpose of calculating the relief. The section also extends the credit mechanism to certain sub-national taxes imposed in tax treaty countries where those taxes are not covered by the relevant tax treaty. This issue arises in particular in the case of the US and Canada where non-federal taxes are not covered by the relevant tax treaty.

The capital gains tax exemption provided in section 42 will only apply where the shareholding held by the holding company is a minimum of 10% of the subsidiary concerned and at least €15 million in value, or where the shareholding held is a minimum of 5% of the subsidiary concerned and at least €50 million in value. It is also a requirement that the subsidiary is primarily a trading company or, taken together, the holding company and its subsidiaries are primarily a trading group. It is also a condition that the minimum shareholding has been held for a continuous period of 12 months in the three years prior to the disposal.

These measures will encourage foreign direct investment by facilitating multinational companies with operations in a number of different countries to set up holding companies in Ireland. The objective is to bring regional headquarters companies to Ireland, which would include corporate functions such as control of regional operations, group treasury, and centralised administration.

The programme for Government includes commitments to build the capability of firms to carry out and manage research and development in Ireland and work to ensure that Ireland develops a world-class research capacity. Following on from my announcement in the budget, section 33 provides for a 20% tax credit for companies for qualifying incremental expenditure on research and development.

There is a need for the economy to make a decisive transition from high volume, lower value

enterprise to high value, high innovation, knowledge intensive enterprise, and research and development activities can encourage such enterprise. In addition, increased research and development activities can help embed an existing firm's activities in Ireland as well as develop additional high quality employment. Deputies might be interested to note that tax incentives are widely used to stimulate research and development in other advanced economies. Their effectiveness in doing so has been established by a series of empirical studies, especially among large firms in high-tech sectors, and this is where the need in Ireland for greater research intensity is most pronounced. As with all tax reliefs it is important that the measure be focused. Accordingly the measure is targeted at encouraging additional research and development by basing the scheme on incremental expenditure rather than permanent additional tax deductions for all research and development activities.

Full details of the scheme, including a core definition of research and development activities, are set out in section 33 and detailed guidelines will be issued by my colleague, the Minister for Enterprise, Trade and Employment, on what activities will constitute research and development activities for the purpose of the credit. Companies will be able to deduct 20% of the incremental spend on research and development from their corporation tax bill in addition to its normal deduction as an expense. Incremental spend will be calculated by reference to a base year. For expenditure in 2004, 2005 and 2006, incremental spend will be calculated by reference to expenditure in 2003. In 2007 the base year will be 2004; in 2008, 2005 will be the base and so on. Capital investment on construction and refurbishment of building will be treated separately, with a 20% credit made available irrespective of its incremental nature.

Section 35 is aimed at assisting the leasing sector of our financial industry and it provides that lessors engaged in finance leasing may elect to pay tax on income from the finance leasing of short-life assets on the basis of accounting income rather than income based on income tax rules. The option will be subject to a number of conditions detailed in the Bill. Section 39 extends the qualifying period for the scheme of tax relief for corporate investment in certain renewable energy projects from 31 December 2004 to 31 December 2006.

An EU directive dealing with the taxation of interest and royalties was agreed in 2003. The purpose of this directive is to eliminate withholding taxes on cross-border interest and royalty payments between associated companies and branches in different member states. The directive was transposed by way of statutory instrument in late 2003 and its provisions are being repeated in section 41 and Schedule 1 with a number of minor technical additions.

Part 2 deals with excise duties. Sections 45 and 48 confirm, respectively, the budget increases of 25 cent including VAT in the excise duty on a packet of 20 cigarettes and 5 cent per litre including VAT in respect of petrol and diesel. As indicated in my budget, changes to indirect taxes were limited this year and have contributed to our goal of reducing inflation.

Section 46 enables certain quantitative restrictions on cigarettes and tobacco to be retained in respect of travellers from the new EU member states after 1 May next. In effect, the regime applying to travellers from other existing member states will not be applied to cigarettes or tobacco acquired by travellers from the new member states in question during the transitional arrangements for accession states.

Sections 49 and 50 provide for a qualified exemption from the excise duty on biofuels for use in certain approved pilot projects, including those undertaken to test the technical viability of using biofuel as a motor fuel.

Part 3 deals with VAT. Sections 55, 56 and 58 provide for the EU directive on the VAT treatment of cross-border supplies of gas and electricity to be transposed into Irish VAT law. Increased liberalisation of the electricity and gas markets and increased cross-border trade between member states required a change in the rules to clarify that supplies of gas and electricity were taxable in the member state of final consumption, avoiding the need for a supplier to register in every member state which he or she supplies.

Section 57 confirms that, where a house and site are sold together, the VAT treatment is that both the house and the site are subject to VAT. An interpretation of the VAT Act 1972 has been used to attempt to exempt the sale of developed sites, where a site and new house or apartment are being sold together. The Bill provides that, where a developed site is sold in such circumstances, it is subject to VAT.

Sections 59 and 61 confirm the budget night financial resolution to increase the farmers' flat rate addition for VAT purposes from 4.3% to 4.4% with effect from 1 January 2004. There is a corresponding increase to 4.4% for the sale of livestock by VAT registered farmers.

Section 63 clarifies that, where a trader in Ireland supplies goods or services to a trader abroad in a situation where the recipient in the other member state is liable for VAT on a reverse charge basis, then the Irish trader must issue a VAT invoice. This will not impose any extra burden on traders and reflects existing commercial practice. Sections 64 and 65 contain a number of technical amendments to clarify the VAT treatment of fund management and administration services provided to Irish and foreign investment funds.

The stamp duty provisions are contained in Part 4. The stamp duty exemption for owner-occupiers of new houses and apartments has up to now been dependent on a floor area certificate

from the Department of the Environment, Heritage and Local Government indicating that the building is not greater than 125 square metres. However, this particular certification process is linked with the now abolished new house grants and will cease on 2 April 2004. Consequently, section 71 provides for a new floor area compliance certificate for such houses and apartments, which will also certify that the property conforms to approved building standards. The certificate will be issued by the Department of the Environment, Heritage and Local Government for the purpose of the stamp duty exemption.

Section 73 replaces the current section of the Stamp Duties Consolidation Act 1999 which provided for a stamp duty exemption for certain international trademarks. I announced in the budget that I would introduce a stamp duty exemption for transfers of various types of intellectual property. This new wider and more comprehensive section provides for an exemption from stamp duty on the sale, transfer or other disposition of intellectual property. Intellectual property includes any patent, trademark, copyright, registered design, design right, invention, domain name, supplementary protection certificate or plant breeders' rights. This measure is aimed at making Ireland a more attractive place for the location of such intellectual property.

Section 76 provides for an extension of capital acquisitions tax business relief to the situation where two or more companies hold shares in family-owned businesses. The current legislative provision only covers situations where there is one holding company.

Sections 77 and 80 provide for an extension of the legislative framework that underpins tax information exchange agreements with certain jurisdictions to include gift and inheritance tax. An amendment is also being made to the relevant legislation to apply the existing Revenue powers to encompass the foreign equivalent of estate, inheritance and gift tax.

Section 83 amends the scheme of tax relief for donations of heritage items to cultural institutions of the State. The minimum value of an item or collection which can qualify is being increased from €100,000 to €150,000 with the additional requirement that, in the case of a collection, at least one item in the collection must have a minimum value of €50,000. In addition, there are detailed changes in the rules governing the selection of heritage items. These changes are designed to facilitate the work of the selection committee which comprises representatives of the cultural institutions and bodies concerned.

Subject to certain conditions, the Revenue Commissioners already have the power to apply to the High Court for an order requiring a financial institution to make records available for inspection or to furnish information relevant to the tax liability of a taxpayer, including a group or class of person whose individual identities are

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not known to Revenue. Section 84 extends this power so that it can apply in respect of information and records held by certain foreign financial entities which are under the control of a domestic financial institution. This is a recommendation made in the Revenue powers group report which is being proceeded with now because of the current Revenue initiative in regard to offshore accounts. I published the report of the Revenue powers group on 4 February 2004 with a view to allowing time for all interested parties to discuss and debate the issues raised by the group. I will consider the various recommendations made in the report in the context of next year's Finance Bill.

Section 87 and Schedule 4 confirm the transposition into Irish law of the EU savings directive on the taxation of savings income in the form of interest payments. The aim of the directive is to enable savings income in the form of interest payments made in one EU member state to individuals resident for tax purposes in another EU member state to be taxed in accordance with the laws of the latter member state.

Section 88 provides for the carrying over from one year to another of unspent Exchequer capital allocations up to a limit of 10% of each year's total capital allocation under the rolling five year multi-annual envelopes for Departments announced in the budget. The Government is committed to keeping capital investment at 5% of gross national product over the period 2004 to 2008. Under the capital envelopes, a total of €33.6 billion will be available for capital investment to support the economy's future growth potential. The ability to carry forward from one year to another unspent Exchequer capital is an important element of multi-annual budgeting for capital purposes and for the management of capital programmes.

As Minister for Finance, I have managed in successive budgets and Finance Bills to create a low tax rate environment, a policy which has boosted investment and created jobs. Probably the most telling statistic is that, over the past six years, the numbers at work have increased by more than 300,000. Unemployment today remains at historically low levels. Whatever one's ideology in this House, it must be accepted that the onus is on us, as policymakers, to create conditions that reduce unemployment. However, while much has been achieved in this respect, we cannot take future prosperity for granted. This Bill includes significant measures that ensure further investment for Ireland and jobs for its people.

I hope the House has benefited from the outline I gave of the provisions in the Bill. I look forward to the debate on it and commend the Bill to the House.

Mr. R. Bruton: I agree with the Minister that there is an onus on all Members to focus on the

preservation and growth of long-term, sustainable jobs in this community. That legacy is now at risk and all the indications are that we are losing competitiveness in significant areas. There are serious problems in regard to infrastructure, our technology lead has been lost and, in the area of telecommunications where we had been considered leaders, we have lost that lead following the botched handling of the telecommunications network by the Government.

What is missing from this Finance Bill and the Minister's finance strategy is the means by which we are to address the serious challenges ahead. I would have liked to see the Minister dwell more on those real challenges, about which I know he is preaching to the rest of Europe on the basis of the Lisbon agenda. We need to learn quickly some of those lessons ourselves because serious problems are coming up the track.

This Finance Bill is very much for the insiders in society and does nothing for ordinary workers and their families. It extends and tweaks a series of generous tax breaks for the well-off without any justification being offered for these changes. There is an uncomfortable feeling which remains after reading this Bill that many of these changes are designed for well-placed people who have had the ear of Ministers over the past year. There is nothing in the Bill for ordinary families.

Personal tax credits have been frozen and stealth taxes and charges abound. The most recent manifestation of this is that it is said to young families trying to buy a home or those trying to establish businesses that they must pay substantial development levies for the privilege of getting on the first rung of business or family life. That is a highly negative approach to young people who are the key to our future, whether in terms of future competitiveness or the future quality of our society.

The Bill has remained silent on many important issues which will arise within the narrow finance brief, although I realise that the Minister has influence on much beyond that brief. It came as something of a bolt from the blue to discover during the week, when reading replies the Minister made to Deputies Paul McGrath and Deasy, that the Revenue found itself unable to prosecute those who breached the 1993 tax amnesty. It has also found itself unable to find evidence against any financial advisor within a financial institution which assisted people to set up bogus non-resident accounts. These have been seen as serious public issues in respect of which we need to prove to the community that we have a tax code and that those who do wrong will be pursued. Despite this, the Revenue Commissioners slip out through such replies that they are unable to pursue these cases.

It is ironic that, in the same week this information emerged from the Revenue Commissioners, a report commissioned by the Minister was published regarding Revenue powers. The report is silent on the issue of evidence problems which the Revenue

Commissioners apparently encounter. Was this due to a failure in the terms of reference the Minister offered to this Revenue power group? I would have liked that group to discuss the problems of obtaining evidence and pursuing cases because, ultimately, that is the test. We need to pursue this as the crime it is. The review group should consider afresh this serious issue.

I accept that the Revenue powers group has come forward with some new suggestions. One which I am glad is included in the Bill is the obligation on financial institutions which control another company overseas to release documentation to the Revenue Commissioners. That is a significant issue in regard to assisting Revenue to pursue unpaid tax.

Measures dealing with access to phone records and the ability of the Revenue Commissioners to question persons in Garda custody are not getting to the root of the problems of evidence collection, and unfinished business in this regard must be considered. It has been suggested in the newspapers that the success of the Criminal Assets Bureau came from pooling the powers of different agencies, specifically the Garda, Revenue and some of the other enforcement agencies, and that this produced results and performance which the Revenue Commissioners have not to date been able to achieve in respect of prosecutions. It seems that the Revenue powers group did not consider the CAB specifically. The group had discussions with many other groups but not the CAB, which surprised me.

I question the suggestion that we should drop certain penalty features of the existing code. I note that there is a suggestion to drop penalty interest features and the 200% tax liability penalty. The group asserts that this should only be used in what they call "legacy cases" such as Ansbacher and so on. While this has the rather touching implication that large-scale tax evasion is now a thing of the past, I am not sure that stands up to scrutiny. These will be important issues of debate during the course of the year. I am sorry the Minister has been remarkably silent on such issues which have come prominently into the public domain in the past week.

Another important issue which should have been addressed in the Bill and which has existed for a long time is the bizarre feature that a proposal to spend as little as €1,000 by a Department on some scheme will be subject to careful scrutiny, in general, although there have been remarkable cases in respect of which that did not happen. However, the relevant Department, with the Department of Finance looking over its shoulder, will scrutinise whether the scheme is a good one, its long-term implications and so on. There is a considerable degree of scrutiny of even a small €1,000 scheme. By contrast, the House can vote through tax allowances and concessions worth hundreds of millions of euros without any such scrutiny having been undertaken in advance of the decision. It is

time we introduced a strong protocol regarding all reliefs in our tax code.

The protocol should include a detailed annual statement of the cost of the concession, an annual statement of the activities generated under it and the beneficiaries receiving it. It should have a sunset clause, so that each tax relief would have to be explicitly renewed on a regular basis by the Minister in a Finance Bill. It should include a cost-benefit review, undertaken on some sort of a five year rolling programme or whatever. There should be a cap on the maximum benefit a taxpayer could derive from this range of tax reliefs which are not related to their personal position as a family unit or whatever. There should be automatic indexation of the elements of the tax code so that Ministers cannot, by stealth, erode critical elements of the tax code, as happened in regard to personal tax credits and capital gains tax, neither of which are desirable in the long term. A new protocol on tax along these lines would go a long way towards creating a far greater consciousness in this House and the Department of Finance that concessions under the tax code are just as much money out of the Minister's pocket and mine as are spending proposals being brought forward by Ministers in spending Departments.

The history has been that tax decisions are almost invariably *ad hoc* and based on a hunch, not analysis. The Comptroller and Auditor General had to draw to our attention that, of 91 allowances given under the tax code, the Department had accurate estimates of just 48 of them. Huge swathes of tax revenue are being given relief without proper scrutiny. There is the ludicrous provision whereby some taxpayers can bed and breakfast outside the jurisdiction for 183 days and pay no tax. This issue is not being addressed. How do these features of the tax code square with the public interest? I do not think there is serious consideration of that debate in the round. We examine the individual changes the Minister makes from year to year, but there is no structure that generates a serious debate about these issues in the round.

I wish to deal with this year's crop of insiders who appear to have got in under the defences of the Department of Finance and squeezed something out of this Finance Bill, a facility which was not available to ordinary families. Reliefs are being extended for property-based investments. I am puzzled why this should be happening. I do not see evidence that the construction industry is in difficulty whereby there needs to be tax-based incentives for building. The industry is still strong. House prices are roaring ahead. Why should we decide that holiday homes should get tax relief almost within a year of deciding that first-time buyers in the midst of a housing crisis should not get the first-time buyer's grant, a traditional feature of our code? Why should we make such a decision and decide to perpetuate this for holiday homes? If any of the 166 Deputies were asked

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where their priority lies, I believe they would say it is with first-time buyers.

Multi-storey car parks are another strange feature. Why is it decided to give a tax concession to the construction of multi-storey car parks? I can understand it being provided for park and ride facilities where a social benefit is pursued. It is not the same in respect of multi-storey car parks.

Reliefs are being extended to private hospitals and sports injury clinics. Anyone looking at the health service in Ireland in 2004 would not say private hospitals and sports injury clinics, lucrative ends of the market which are pretty secure, are where the priorities lie in the health service. At a time when public hospitals are starved of investment in bed capacity to deal with emergency and chronically ill people, why do we decide to give concessions to a well-heeled section of the health industry? Apparently private nursing homes — perhaps the Minister will confirm this is not the case — have empty beds because the schemes of support for patients are not sufficient to fill the existing beds, yet it has been decided to extend tax relief to the construction of private nursing homes at a time when there is a twelve and a half year waiting list for beds in public nursing homes while many beds in private nursing homes remain vacant because people cannot afford to go into them. Where is the holistic thinking in the way this is being done?

We should consider how ordinary people are being treated in regard to benefit-in-kind compared with the well-heeled. Benefit-in-kind will now be charged on a medical check-up provided by employers, despite the fact that it is a public good which should be promoted. However, a company director can take home a priceless work of art, hang it up in his living room and enjoy the benefit of it without paying a penny in benefit-in-kind. How can these contrasting treatments be justified?

Investors in private hospitals and sports injury clinics will receive tax relief while chronically disabled drivers have been told by the Minister that a review, which began in 1997 when he first took up office, is needed. He still has not mastered the complex issues involved in giving tax concessions to disabled drivers so that he could have announced a change in the existing scheme which is so niggardly to people in serious need. This is the contrast with the Punchestown decision which was taken within a week and with no assessment. Disabled people, one of the most disadvantaged groups in the community, are being told they must wait seven years.

The Taoiseach conveyed to me today that the Minister believes he must work further on this report. Much work needs to be done in the Department on this issue. It appears much work does not have to be done on sports injury clinics or other businesses that have the favoured ear of the Minister and his advisers. I do not point the finger solely at the Minister by saying he is

somewhat deficient where others were holier than thou. I am saying, however, that there is no system for examining these issues as a whole. We are producing ludicrous choices. It is an *ad hoc* approach at its worst and it needs to be changed.

There are some tax reliefs which people will welcome. Tax relief for the film industry was subjected to much analysis in the committee in which Deputies Burton and Ó Caoláin were involved. Scepticism was also expressed. I take the view that the film industry should not be reliant on a tax-based vehicle for its long-term future. I would like the Minister to use this period to look at ways of taking a more strategic approach to the long-term sustainability of this important industry without being so reliant on tax-based vehicles. It was a serious mistake to pull the mat from under an industry of this scale and importance to the country without prior evaluation by the Department. This became evident as we began to examine the issue. It indicates the inappropriate *ad hoc* approach to many of these important issues in the tax code.

Many people will be disappointed that small and medium-sized industries, which are considered the seabed of our future, are being effectively excluded. If one does not spend €50,000 on research and development, one cannot benefit from this relief. I like the idea regarding incremental investment. This has been criticised by some people outside the House. The incremental idea is a good one. If this is a tool to be competitive in research and development, perhaps the Minister will inform us on Committee Stage whether we are as competitive as other tax jurisdictions in confining it solely to incremental investments, and is it a workable connection.

The Minister conceded last year that he recognised the credit card levy contained the unwanted feature of trapping people with their existing financial institution, as does the stamp duty on mortgage transfer. Perhaps the Minister will consider for Committee Stage an amendment which would remove these features. If people try to shop around, they must pay twice. They pay twice on their mortgage stamp duty or they pay twice on their credit card stamp duty. The Minister indicated during the year that he would review this aspect but it does not appear to have found its way into the Finance Bill.

Another significant issue which needs to be considered is support for families. The way we conduct our tax business does not encourage this. Recently the Minister for Social and Family Affairs said that it is not the job of the State to favour marriage over other family forms and that she doubted the wisdom of trying to encourage marriage. I take the opposite view. The State should support the framework of marriage because two individuals make an explicit commitment to one another and it is a good environment that should be supported. There is little doubt, however, that the main financial systems do little or nothing to support marriage

or, indeed, cohabitation. Our system of tax reliefs offers substantial child premiums to parents who are not living together. When we look at the means tested schemes, it is typical that neither income ceilings nor disregards take account of the fact that supporting two spouses is more expensive than supporting one. The result is that couples are disadvantaged in access to means tested schemes. That is true of housing subsidies, higher education grants, medical cards, family income supplement and unemployment assistance. These are crucial areas of support to family but there is a thread of discrimination running through them and the Dáil has not examined the rationale behind this in a coherent way. It is time we did and I hope that the Minister for Social and Family Affairs, who is doing work in this area, will come forward with sensible proposals that would support families where two parents live together and look after their children. We recognise that families break down and there are many one-parent families who also need to be supported, but we should not systematically set out to discriminate in their favour in financial support.

There is also need to look more seriously at life-cycle burdens faced by families in our tax code. We must question the burden of stamp duty on first-time buyers, the lack of tax relief for child care, the discriminatory basis on which we support people who need long-term care in their old age and the poor treatment of home carers. These are all features on which the Minister has said he will not budge. How does that fit into the Government's family strategy? It is remarkably dissonant with that policy. We should have a serious debate on our disjointed approach to public finances and the family.

I am surprised we are silent on the issue of the carbon tax. We are told that a carbon tax system will be in place by the end of the year. Apart from the discussion document which the Minister has issued, we have received no inkling of his approach on the issue. The Government is obliged to notify its decision on emission trading regimes for Ireland by the end of March. That is intimately wrapped up with decisions we will make on the carbon tax. The Minister has made no provision for debate of the issue in the House and played a cat and mouse game when it came up in the past, turning the question around to ask the views of the Labour Party or Fine Gael, instead of setting out the options for a carbon tax and making a case for the Government's thinking on the subject.

Where is that debate? The deadlines are looming and decisions will be taken without any serious debate. We need to know the impact on the competitiveness of businesses and how we will protect them. We need to see how families on low incomes will be affected and if dirty industries will receive a valuable tax quota they can trade while small businesses have to pay a tax, a very discriminatory approach. We are sleepwalking into the decision on carbon tax. The

Minister should lead the debate and have a proper exchange here. He is silent, however, and that is a mistake.

We have grown used to the phenomenon that is budget day. It has its origin in simpler times. It serves to focus attention on the urgent rather than the important much of the time, a feature of many budgets. It pitches important decisions into a secretive, partisan showpiece and it does not help the mature consideration of important issues in this House. It has time and again truncated proper scrutiny by Parliament. The entire system consists of putting the Estimates together secretly and publishing them within a week of the budget, with no opportunity to evaluate them before coming into the House with a slate of tax reliefs that have not been properly evaluated. It is all thrown into a Roman Colosseum, where the Minister is champion of the day who must see off his rivals.

This system does not help us to plan for sensible and prudent public finances. The Minister indicated early in this regime how he would radically change that, but it has not happened. We are where we always were, with a serious debate on the Estimates half way through the year in which the money will be spent and this sort of sham debate about elements of our tax code without looking at it in its entirety. We are not going forwards, we are moving backwards.

That approach has also encouraged short-term thinking and *ad hoc* decisions. The Comptroller and Auditor General has pointed this out to us on a number of occasions and the two most glaring examples are worth repeating. The granting of medical cards to everyone over 70 years of age led to twice the original estimated number of people benefiting according to the Comptroller and Auditor General. The bungled handling of the negotiations after already having announced the decision before any thought was put into it resulted in the cost per patient of the concession quadrupling. It was bizarre.

Mr. J. Bruton: A person who made a capital gain of £5 million in the previous year got a medical card under the scheme.

Mr. R. Bruton: The original forecast for the granting of pre-1953 pensions was €9 million and it proved to be 12 times that figure this year, a further example of the seat-of-the-pants decision-making this approach encourages. It also undermines hard-headed value for money approaches to the public finances. The Minister should press that point. I find it hard to understand how we succeeded in increasing the health budget in a five year period by more than 120% and the number employed in the sector by more than 30,000, but we are unable to tackle any of the key strategic issues in health in the context of all that massive spending. We cannot run an accident and emergency department — St. James's Hospital called a state of emergency

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during the week, with 196 people on beds in the accident and emergency department and no capacity to cope with them.

Mr. J. Bruton: We should bring back Dr. Rory O'Hanlon.

Mr. R. Bruton: The Hanly report tells us that we must restructure hospitals and close down accident and emergency departments to which communities feel they have access, but there are no resources to build the centres of excellence we are supposed to have. How is this money spent? We are now being told that this reform is necessary.

Mr. McCreevy: The Deputy sounds like me at a Cabinet meeting.

Mr. R. Bruton: Why is the Minister not getting answers?

Mr. J. Bruton: The man in the Chair was able to manage the money better. Things are worse now than when Deputy O'Hanlon was Minister.

An Ceann Comhairle: The Ceann Comhairle should not be involved in debate in the House under any circumstances.

Mr. R. Bruton: That is a feature of what is happening. It conspires against all of us in the House, Government and Opposition, and the Minister's interjection demonstrates that. Ministers are trapped within a system that presents them with an extremely narrow range of options in any given year. We have an antiquated method of putting together spending programmes. The demands of the existing schemes and bureaucracy must be catered for first and it is only the money that is left over that becomes the focus of political choice.

This was evident in the past two years when the Minister has had to curtail spending. What happened? Bureaucracy was not reformed or cut back but the things that come across the counter to the ordinary punter, the home help services, the grants to those with disabilities, the grants to community groups and the community employment schemes, were affected. All the things dependent on discretionary budgets got screwed while the system carried on as ever. That is a failing in the way we put together our budgets. A system of Government that encourages the permanent Government to have what it holds and leaves Ministers to grapple and scramble over the little that is left over is not a good one.

We need to consider more root and branch reform of the way we compile our Estimates and public finances. It would be beneficial to the Minister in resolving the issue. The separation of spending decisions and tax decisions is a false separation. We need to rebuild a coherence into what we are doing. That would have major

benefits for our health system. We have some bizarre features in the tax relief that applies to the private sector end of the health system at a time when the public sector end is creaking and unable to cope with real priorities. Not even the smallest business in the land would follow the type of financial procedures with which we have grown up. It is time to make serious changes in this regard.

We in this House would do a good job if we began to put in place some new rules governing public finances, proofed our annual budgets against long-term strategic objectives, presented multi-year costs of any new scheme being initiated, subjected every scheme to value for money audits and put our customers and their needs at the heart of the system rather than the other way around where protecting the system takes precedence over the needs of the people who are dependent on public services.

Ms Burton: Fundamentally, the Bill is a reactionary charter for artificial tax avoidance, a *carte blanche* for the professional designers of artificial tax avoidance schemes and their rich and powerful clients. It is highly ironic that, at a time when tax evasion had returned as a burning political issue, the Minister for Finance had chosen the occasion of this Bill to create a series of additional and extended tax breaks for the wealthy, facilitating them and their advisers in the construction of a new wave of artificial tax avoidance schemes, thus increasing the burden on tax compliant citizens.

As a result of the Bill, those who have previously been inclined towards tax evasion and overseas bank accounts — some of them have been here previously — may rest easy in their beds because, in section after section, a range of provisions are included for additional, attractive and easy-to-obtain tax breaks, further facilitating and encouraging the construction of highly artificial tax avoidance schemes. It appears there is a clear and conscious strategy on the part of the Minister for Finance, Fianna Fáil and the Progressive Democrats to make artificial tax avoidance so attractive that there is no longer a need to indulge in tax evasion.

The chairman of the Revenue Commissioners was recently quoted as saying to the Committee of Public Accounts that: "In extreme cases, exploiting legal tax loopholes is not very different from a guilty man walking free because of a legal technicality". Yet despite that statement by the chairman of the Revenue Commissioners, the Minister has brazenly decided to make this year's Finance Bill another bonanza for the designers of artificial tax avoidance schemes at a time when the majority of ordinary PAYE taxpayers will pay tax at the top rate.

This fundamental unfairness introduced into the tax code by the Government is destroying the confidence of every PAYE taxpayer in any notion of fairness or equality in taxation. This is the very set of circumstances that gave rise to the

tax marches and unrest of the 1980s. When one takes into account that the Government has also presided over shabby cutbacks in social welfare to the tune of €50 million, it makes the Finance Bill give-aways to the rich all the more bitter.

I am especially concerned about the provision in section 16 dealing with retirement benefit schemes for tax purposes. The Minister proposes an amendment to allow pensions schemes approved by the Revenue to borrow money. Apart from the risk element that such gearing introduces, this will more than likely turn these schemes into speculative investment vehicles, in particular the small self-administered pension schemes, or SSAPS, of the very wealthy and some of the executive schemes. This is an unjustified give-away which will become a vehicle for large-scale tax avoidance over and above what these people already receive through the SSAPS. It will fuel property speculation as well as facilitate artificial tax avoidance. There is no good economic reason for this little bonanza in section 16.

A further question arises about whether a participant in a personal retirement savings account, PRSA, or an SSAP can borrow to acquire a specific asset. I would like an answer from the Minister on this. If he or she can, what is to stop a PRSA or an SSAP being used to acquire a specific asset over a taxpayer's working life or a significant part thereof, which in effect would allow a taxpayer to acquire the asset through the mechanism of the tax system effectively for free?

Previous reports by the Comptroller and Auditor General and the Revenue Commissioners have shown that some pension investment vehicles and the more well-known property based investments, holiday cottage investments and so on are eroding the tax base at a time when the majority of PAYE taxpayers pay the higher rate of tax. When dealing with the earlier sections, the Minister referred to headline rates of low taxation while, in effect, most PAYE taxpayers from this year will pay the higher 42% rate. That is the reality. The Minister refers to headline rates of low taxation while most ordinary families face a range of additional charges for health services, education and public transport. We heard the discussion in recent days about the new development levies being introduced by councils in respect of modest house extensions to existing houses, not new developments. Some county councils charge a fee of €120 for permission to erect a grave stone. That is part of this supposedly fairer tax system, backed up by a wide range of charges, impositions and stealth taxes on ordinary families.

Last year the Minister and Fianna Fáil promised faithfully that 2004 would be the final year for the glut of property based tax shelters that have crept into the tax code in recent years. If I remember correctly, we shared a joke about St. Augustine, purity, when it might arise and so

on. I believe the Minister was keen on abolishing these property based tax breaks. In this Bill he has decided to offer Ireland's fat cats a wholly unjustified reprieve. It is not clear why he has done so — perhaps he has gone off St. Augustine — but his party's wealthy backers have had a quiet word in his ear at various fund-raisers. The Minister has failed to index the income tax code and more than half of all those who pay tax in 2004 will do so at the 42% rate while the wealthy will get away with the special new schemes.

In sections 23 to 27 a range of provisions are included for additional tax breaks, namely, investments in registered nursing homes in section 23, private hospitals and sport injury clinics in section 24, the extension of the scheme covering holiday camps and cottages in section 25, multi-storey car parks and urban renewal in section 26 and investments in buildings for third level purposes in section 28. Broadly, the Minister has extended the qualifying period for these property-based tax avoidance schemes to July 2006. In the case of nursing homes, he has reduced the size of qualifying developments from 20-bed units to ten-bed units and provided for such nursing homes to be in multi-storey buildings. We have no idea why. The significant widening of this relief is extremely odd in the context of the complaints by existing nursing home owners that these tax breaks are distorting the provision of care for the elderly.

Section 24 provides for an extension of the scheme of tax breaks for investments in private hospitals and private sports injury clinics. This is a further extension of the scheme introduced last year by the Government. An important amendment was presented to the Dáil literally in the last five minutes of the final stage of the debate on the relevant Bill, thus creating a tax shelter of enormous importance to benefit the promoters of a private hospital. It is ironic that today's additional reliefs for private hospital schemes will probably cost the taxpayer many more millions in tax forgone.

Last year, the legislation denied relief to all investors in a private hospital scheme where any of them fell into an excluded category. The Minister spoke at great length last year — Deputies will recall the debate — on why this was critically important in the limiting of tax avoidance. Section 24 of the Finance Bill 2004 will deny the relief only to the excluded person or persons, thus turning the Minister's contributions of last year on their head. The other investors in the scheme can benefit whereas they were prevented from doing so previously. This is a very significant break for private hospitals and sports clinics at a time when €105 million was spent on a state-of-the-art accident and emergency unit in Blanchardstown hospital in my constituency, which cannot be opened although there is a Third World accident and emergency unit next door. We know that last year the scheme was to benefit a constituent of the Minister. What is the reason for the further

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extension of this already generous scheme this year? The Dáil and the public are entitled to know.

On section 25 of the Finance Bill 2004, the budget ordained that in the case of hotel and holiday camp capital allowances, planning permission had to be acquired by 31 May 2003 to avail of the relief. However, the relief has been extended in cases where a building has been delisted or is not subject to the Planning and Development Act 2000. Deputies should note this wording because it is very strange. The building will qualify for the relief where 5% of the expenditure was incurred before 31 December 2004. Was this section the subject of representations to the Minister? It is highly technical and reads as if it were to benefit a particular case. It is a case of a delisted building being refurbished and now being allowed to qualify for certain reliefs. Will the Minister explain his thinking on this?

We now have lower tax rates and there is no excuse for any person, particularly someone who is well off, not paying his or her fair share of tax. The Minister and the Taoiseach have indicated on more than one occasion that they share this view, yet the small print of the Finance Bill indicates that the reality is otherwise. Any of us could draw up capping measures to make the system more fair but this Bill is silent on any kinds of capping measures concerning the amount, time limit, or qualifying criteria that would limit bonanza tax breaks that are almost exclusively for the very well-off.

The Labour Party is strongly in favour of promoting research and development as vital to the building of a knowledge economy. However, there are some important issues concerning the Minister's proposals to be examined. His favourite child, the national pension reserve fund, now invests world-wide in companies as diverse as Imperial Tobacco, Philip Morris and Halliburton. During his recent appearance before the Oireachtas Joint Committee on Finance and the Public Service, the chairman of the National Pension Reserve Fund Commission was exceptionally proud of the fact that there was no ethical dimension to the fund, which amounts to billions of euro invested world-wide on behalf of the Irish people. He spoke about a miserable €200 million reserved by the trustee for investment in public private partnerships in Ireland. This is a derisory amount in the context of the overall funds available.

What is the Minister for Finance's vision for investing in infrastructure, science and technology in Ireland? The measures included in section 33 of the Bill to support research and development are very modest compared with the investments of the national pension reserve fund world-wide or the property-based tax breaks to which I referred. How effective will section 33 be in promoting existing and new research and

development, including in our universities, third level institutions and other research institutions?

Will certain tax breaks, particularly on building construction for research and development purposes, be more of the same property-based tax breaks and will they do very little to promote real research and development? In particular, why is there no verification or certification system for research and development, as now properly applies to film relief, to ensure there is no abuse of this relief and that we have genuine additionality in respect of investing in research and development.

The original section 765 of the Taxes Consolidation Act enabled companies to avail of the normal capital allowances and wear-and-tear reliefs where capital investments were made for the purposes of qualifying research and development activity. The Finance Bill 2004 allows extremely generous tax reliefs for the construction or refurbishment of buildings to house research and development activities. This significant expenditure can be written off over four years. There is no claw-back of relief where the building is sold or its use is changed after ten years. Therefore, the timespan is unusually short. Industrial buildings are generally written off for as much as 25 years for tax purposes. This, again, represents a potential bonanza for research and development construction, which is essentially about property-based investment rather than genuinely carrying out and supporting scientific research and development, which is what all the parties in this House wish to see us supporting.

The minimum threshold of €50,000 is welcome as it will help avoid the problem of incidental activity qualifying for the relief. However, why limit the amount of qualifying expenditure paid to universities to 5% of the amount invested? As the Minister knows, there is extremely important research and development taking place on the part of some of our universities and their related campus companies, particularly in the fields of pharmaceuticals and medical development. Will the Minister explain his thinking in this area?

It would be preferable if there were a certification system. Such certification is required in respect of film investment relief, which falls under section 481. The original section 766, which dealt with research and development tax incentives, provided for certification by Forbairt. A critical point is that the artificial tax avoidance industry lobbied the Minister to allow this new relief to be self-assessed. It was argued by the artificial tax avoidance industry that the original section 766 was not taken up due the certification process. However, the lack of take-up reflected the relatively minor nature of the relief then provided and the fact that the attraction of research and development activity to Ireland was not top of our industrial agenda at the time.

We are now positioning ourselves further up the value chain economically and industrially and the proposed relief is very generous. Surely

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genuine research and development activity will qualify so why object to a qualification or certification process? The vague references in the Minister's speech today to having his colleague in the Department of Enterprise, Trade and Employment look at it are not good enough. I do not accept the argument that proper certification will delay research and development investment decisions. I have never heard a film maker or studio complain about the time it takes to have a film agreed for section 481. It takes two or three weeks to consider an artistic exemption application. Is this time requirement excessive where one is providing tax breaks to build or refurbish a home for research and development? How long does it take a multinational company to decide where it will locate its research and development operation and recruit its staff? It must be remembered that the relief as set out by the Minister, much to the disappointment of many industries in Ireland, is an incremental relief.

Section 35 details new provisions on the leasing of assets. Leasing has been treated for tax purposes with the bank buying the asset claiming the tax allowances and being allowed to claim a tax deduction for the purchase price of the asset over eight years. The company, usually on a lease, buys the asset over three to five years. Up to now the banks paid tax based on total receipts, including the capital and interest element, minus the capital allowance element. The new provision will mean that only the interest element of the bank's income will be taxed. It will not be subject to the capital allowance regime. Therefore, the bank effectively writes the asset off over the period of the lease, that is over three to five years.

It is surprising the new leasing provisions appear to have gone unnoticed by the media. The explanatory memorandum correctly notes that the total tax take will be the same. This is true, but the time taken to collect that tax could be doubled, and everyone knows that time is money. Effectively the banks will get an accelerated receipt of their tax breaks in this case. The banks will welcome this provision. It is surprising they have not made a statement. Possibly they fear that welcoming a provision at Bill stage could cause it to be revoked once it has been examined.

There is another even more significant aspect of this provision. This is the second time the Minister has allowed accounting practice to determine tax practice. The first such occasion was in respect of the tax treatment of public private partnership agreements. Accounting treatments are generally quicker to recognise costs, as the Minister and I know from past experience, and slower to recognise income, reducing the declared income and therefore the tax take. Second, tax rules often disallow certain expenses which are recognised by accounting rules. Again, the tax take to the Exchequer is reduced. This latter development is very much in evidence in the PPP rules. Revenue has traditionally resisted attempts by accountants to

have accounting rules determine tax treatment. There is a very famous case in the UK where Lord Denning said that accountants, no matter how eminent, should not be allowed decide tax law. I agree with him, and the Government should explain this further break for the banks in this Bill.

Revenue is very busy with major investigations which are yielding significant amounts of money. We have not heard yet what has happened regarding a number of banks which are in negotiation with Revenue, nor have we heard about the many hundreds of thousands of accounts not just overseas but in Northern Ireland. *Iris Oifigiúil* shows a significant number of investigations leading to significant amounts of tax being recovered. It stands to reason that if someone opens an offshore account it is generally not for a legitimate reason. The investigation of the sources of the money lodged to such accounts is providing Revenue with a significant return on its investment and should be encouraged because it more than pays for itself.

Having regard to their resources, the Revenue Commissioners are wise to focus on cases where there is a significant likelihood of a return rather than on random audits. However, where we have a self-assessment system for the self-employed, for partnerships and for small business and company accounts, a tiny number of audits is carried out. This is wholly inadequate. Over the past three years, no more than about 16,000 audits a year were carried out. The Comptroller and Auditor General in his report noted that 50% of the audits carried out resulted in a significant return of additional taxation to the Exchequer. Why can more tax audits not be carried out to ensure that it is not just the PAYE sector who are compliant because they are in an enforced structure but that people in the self-assessment sector are also checked routinely to ensure that they are paying their fair share.

Some years ago the Minister spoke disparagingly, dismissively and insultingly about what he described as the poverty industry. There is little doubt as to what industry the Government actively supports, that is, the wholly anti-social artificial tax avoidance industry. Needless to remark, the Finance Bill is entirely silent on the subject of the taxation of the bloodstock industry and on the position of the offshore status of many of Ireland's super-rich who, while non-resident for tax purposes, still seem able to attend every race meeting and sporting event in the country. The "Cinderella rule", whereby in addition to the number of days they are allowed to spend in Ireland they are also allowed unlimited days in the country provided they are gone by midnight, makes a nonsense of the notion that many of these people are genuinely non-resident for tax purposes. They must choose between being resident and paying their fair share of taxes like the rest of us and getting non-residency benefits. It is interesting that in the United States the obligation to pay taxes is based on citizenship, not

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on residency. I am surprised that in the Revenue Powers Group review no attention has been paid to this fundamental abuse which is undermining the confidence of ordinary taxpayers who pay their fair share of tax.

In this year's Finance Bill there is no reference to closing off schemes such as that relating to the Onassis yacht which is cruising around the Mediterranean and will never sail in Irish waters but which allows a consortium of Irish investors to make a killing in tax breaks on the backs of compliant PAYE taxpayers. The Minister has nothing to say about such scandals. The Minister proposes in the Finance Bill to put severe limitations on pension entitlements for groups such as teachers, but on the yacht Onassis he has nothing to say. When speaking about fairness and equity, we cannot tell teachers and public servants that we are going to change their conditions but we are going to look at the tax breaks for the super-rich. During the year I raised questions about management companies being formed and then liquidated. In a reply the Minister indicated that there was concern about such schemes causing unnecessary losses to the Exchequer, but there is not a word about such schemes being closed off.

There are questions to be answered by the Minister as to why, at a time when so many PAYE taxpayers are so hard-pressed, he is so exceptionally generous to the wealthy in society.

I want to go back to the first three sections of the Bill which deal with the tax burden on ordinary PAYE workers. The Minister referred to section 3 which deals with the minimum wage. Although it has been introduced, the Minister has made no attempt in this Bill or in his budget speech to address the anomalies that have developed regarding PRSI. It had been widely indicated that he might seek to reform the PRSI system.

Regarding people at the lower end of the salary scale, I reiterate that, with the structure the Minister has created, there are examples of a lone parent in receipt of an allowance, working part-time and paying child care costs. As a result of the structure created by the Minister, such a lone parent is now likely to be refused a medical card. If one or two of her — and it is usually a “she” — children has an asthmatic condition, for example, she must make a choice between continuing at work and leaving her employment or reducing her income to qualify for a medical card. Contrast that with how cosy and sweet the Minister has kept the super-rich who are “non-resident” in this country and yet are here every day. If that is fairness, the founders of Fianna Fáil would turn in their collective graves.

Mr. Connolly: To introduce a budget is not the easiest or most popular of tasks. The Minister has managed to some extent to become popular with the decentralisation lobby. It was the most popular side of the budget. I do not know

whether on the financial side he has failed or succeeded. It certainly was seen as a neutral budget.

The job of taking money from people and giving it to others without either group noticing is a fine art. I think the Minister has cracked that almost to the point where I could shortly see him giving lectures at the Fagin school of economics. People do not realise the money is gone. It has gone silently and swiftly. They put their hand in their pockets only to find that they are empty. The Minister has managed to become expert at this. The light-fingered approach will ensure that at least 35% of all taxpayers will find themselves on the super-tax rate. This sends a clear signal that the Minister has abandoned hope of achieving his policy of having just 20% on that rate. How could this so-called reform of the tax system be said to be equitable when the super-rich and famous like Bono, Sir Anthony O'Reilly and Michael O'Leary are taxed at the same rate as middle income PRSI workers?

Some 30 of the 400 top earners in the country pay no tax. They are sheltered by schemes or in tax havens. If they approach their local community welfare officer and show receipts of less than €10,000 per annum, they can successfully apply for a medical card. I have spoken to community welfare officers who have described how people pull up in their jeeps with 04 registration plates and come in to apply for medical cards. They have tans and may be coming back from their second world cruise or whatever. I do not think this is acceptable. The same people can also have free third level education for their children. We have such a system. Many high income earners know how to play the system and when to make investments so that they appear to be making only €10,000 or €12,000 in net profits annually. There is something wrong when this is allowed to continue.

Freezing the standard tax bands at the current rate has ensured another 63,000 are brought into the super-tax net. That hits people where it hurts. These people on PAYE all pay at the same rate as the super-tax people and find it difficult.

As regards cigarettes, the 25 cent increase the Minister put on a packet is being cynical. It may have sparked conflict between the Minister and his colleague, the Minister for Health and Education, Deputy Martin, who wants people to quit smoking. He knows the strain it is putting on the health system and the hospitals.

Mr. F. McGrath: And the State.

Mr. Connolly: This increase is not designed to get people to stop smoking. We know the Minister needs the money from the cigarettes. When the smoking ban comes into effect in pubs and public places, there will be a €75 million shortfall in the budget. This measure of the Minister's is designed to bring €60.9 million into the Government's coffers. The fact is that 75% of the price of every packet of cigarettes goes

directly to the Exchequer. If we keep going as we are in terms of increased cigarette prices, I foresee a budget in which the price will be reduced because of the law of diminishing returns and people will have quit smoking. There will then be major concern as to where the money will come from.

There was a 50 cent increase in the price of a packet of cigarettes in the previous budget and that encouraged people to stop smoking. The Government must send out either of two messages: that it wants people to continue or to stop smoking. It is rather confusing. The 25 cent increase is not designed to make people quit smoking. Perhaps there is a hidden agenda for people who continue to smoke in that they will die younger and save a fortune on pensions. That could well be it. It is one way of doing it.

As with last year's additional 1% VAT increase, the Minister has his hand in the pockets of every man, woman and child in the State. He heaps surcharges upon charges. He has introduced increases in fees, television licences and road taxes. One has only to go to Spain, Portugal or any EU member state to see that the cost of living there is so much less. It is becoming quite expensive to live here.

Mr. F. McGrath: On behalf of the Irish left, I welcome the Minister for Finance, Deputy McCreevy, to the debate. I hope he listens carefully to our views.

On examining the Bill, one can see that the legislation deals specifically with income, corporation and capital gains taxes. For most citizens tax is the key issue for the efficient running of our society. The Bill should be concerned with tax equity and the rights of our people. Sadly, once again, working people pay the most all the time. We have a long road to travel before taxpayers receive fair play and justice.

In the budget, with all the massive wealth available and the increased revenue, there was an opportunity to do something sensible, especially for the most needy and working people. The Government did not take the opportunity to go the whole way and take a bold step towards a fairer and more humane society. While I welcome some positive aspects of the budget, I strongly disagree with the drift towards a more self-centred society. When dealing with budget matters it is essential to examine carefully the economic situation that exists for many people in 2004. While I recognise that many benefits have been seen from the economic boom, a substantial minority is being left behind in terms of income, low wages and poverty. We must also examine these real issues.

There are now 29,017 people on hospital waiting lists, 49,000 households on housing waiting lists, 5,581 homeless people and €57 million owed by families to moneylenders while 63% of the top earners pay tax at less than 10% because of different loopholes and reliefs. We have seen cuts

in home help while some health boards have a €15 million surplus. People with intellectual disabilities are on waiting lists and there is the scandal of 70,000 children still living in poverty in 2004. These are the real issues that must be linked into this debate on the Bill. It should be concerned with distributing resources in an equitable way, social and economic rights and, above all, sharing the wealth of this nation. However, it is not and the reality for many people is patients on trolleys, homelessness, poverty and the absence of social justice.

The Minister for Finance, Deputy McCreevy, appears worried about what the Irish left would do if he left the political pitch. Such action would be celebrated by Independents and members of the Technical Group. The Minister is under the impression that the Irish left is always looking for its share of the cake, the national finances, so as to provide for the weaker sections of society. He is partially correct. We are not just looking for our share of the cake; we want to run the bakery in the interests of working people and the less well-off. The Minister had best watch out.

Part of economic planning in any country is an equal and fair tax system. I want to deal head-on with the constant myth that the Government is taking care of the elderly. Let us look at the facts and reality in 2004. Some 440,000 people, or 11% of our population, are over 65 years of age. Approximately 266,000 of them are over 70 years of age, one third of whom live alone. Some 25,000 elderly people are in long-stay beds in nursing homes and a further 13,000 needing high maximum dependency care continue to live at home.

The vast majority of elderly people would like to receive care at home or in the local community. Many of their families have made major sacrifices to do so. However, cuts in the home help scheme have seriously limited the adequacy of the service. The Government has failed to establish or fund local day care centres for elderly people in disadvantaged communities. I received a telephone call this morning from a constituent informing me that the Irish Wheelchair Association is laying-off people this week. That organisation provides a service for people with physical disabilities.

I do not accept there are not enough resources left to take care of the elderly. Budget 2003 was not a good budget for the less well-off and it is not a caring budget. We need to do something radical for the poorer sections of our community and we need to move forward.

Mr. Boyle: The Minister for Finance, on budget day, introduced one of the shortest budget speeches on record. He has followed that with a Finance Bill characterised by virtual stealth in comparison to previous ones. One could argue that is worth doing and that the Minister might be undertaking the principles of sustainability by producing less material but, unfortunately, it is also a sign of a Minister who has run out of things

[Mr. Boyle.]

to say and is indulging in acts of more of the same. The Minister might argue, "If it is not broke, do not fix it". I would prefer to liken him to a recording artist who, instead of producing new material, relies on regurgitated greatest hits — hits that do not give added pleasure.

I will now list those hits from which the Minister can take whatever level of pride he wishes. The Finance Bill fails to increase personal tax credits. There is a continued heavy reliance on stealth taxes and an incompatibility to heavy levies and taxes on people trying to acquire property for housing purposes while at the same time a plethora of existing and new added tax incentives provide for the acquisition of property by developers and speculators. That is at the heart of the fiscal policy introduced by the Minister in several budgets.

The Bill makes no attempt to introduce measures to tackle areas of inconsistency, such as taxing the bloodstock industry or dealing with issues of residency and tax liability, a simple measure to ensure money earned here is taxed here. It does not deal with the fact that people are jetting in and out, often unregulated, in private aircraft and pretending to live outside the State when in fact they spend the vast majority of their time here.

The Minister has not only intensified the use of property tax incentives but has added to them in terms of private hospitals, nursing homes, sports injury clinics and has failed to provide any rationale for the economic purpose of these measures. At the same time, he ignores the very real social danger in adding fuel to measures which increase inequality in society. Many of the new tax incentives are contradictory in terms of how the health service is funded and managed. Others, about which I will speak later, intensify the inequality between individual taxpayers.

The Minister speaks with pride of the 35% of income earners who pay no tax, this being a rising percentage of the taxpayers or wage earners outside the tax net. However, he fails to mention that among them are those within the top 10% of income earners in Ireland, people who pay no tax whatever despite having incomes that far exceed those of many in our society. Not only is that not being tackled but what is being proposed in the Bill intensifies many of those inequalities.

The Minister was responsible for engineering a series of welfare cuts which, following the end of year Exchequer returns, now look obscene. There was no reason to introduce the cuts or for sustaining them. The community and voluntary pillar indicated it secured a commitment from Government that these cuts will be reviewed. What is that commitment? Will the changes be immediate if they are seen as having a serious effect in this fiscal year or will we have to wait until budget 2005 for the Government to realise the real damage we, as an Opposition, believe these cuts are doing, even though some have only been in place for a number of weeks?

The Bill makes great play of the powers being given to the Revenue Commissioners just as the budget speech made great play of the Government's decentralisation programme which is running into problems. We have not heard from the Minister if he will provide extra resources to effect these powers. Difficulties have arisen with the Revenue Commissioners in the past in terms of their power to bring in extra money for the Exchequer. The Revenue Commissioners are not prosecuting anyone for the improper use of the 1993 tax amnesty. General tax law has a moratorium of ten years. Perhaps the Minister will clarify if that is true. My understanding is that once ten years have elapsed, people cannot be prosecuted for this type of tax offence. People who might have made improper use of the amnesty continue to rip off the State despite the fact that the amnesty, introduced by the Taoiseach, when Minister for Finance, provided for very stiff penalties, most of which have never been levied.

That legislation also barred Revenue from any access to information about those availing of the amnesty, a double barrier to getting full benefit and information from it. When the Minister makes play of the fact that Revenue will receive additional powers, we must make constant reference to the fact that previous Government decisions, largely made by those still in Government, cannot be properly policed by the Revenue Commissioners on foot of existing powers. There is little confidence that those powers, if being added to, will be properly resourced.

As Green Party spokesperson on finance, I welcomed the tax credits for research and development. Unfortunately, the manner in which the incentive is being introduced in the Bill will counteract that effect. It will benefit large and not small companies. Ireland, and its economy, needs to develop enterprises in the small and medium-sized sector. We need to wean ourselves from a reliance on multinational investment. Research and development tax incentives of the type provided for, if properly structured, can assist us in doing so. The low rates of personal taxation referred to by the Minister and the Government are mythologised in many ways. The low rates of corporation tax are not the lowest of effective tax paid by corporations throughout Europe. Other European countries have large-scale, focused research and development tax credits and allowances. Ireland is only lately getting into this and is doing so in all the wrong ways.

I hope the Minister will accept amendments on Committee Stage. A glaring anomaly has been highlighted whereby the tax break geared towards research and development may end up being another property-based tax relief for many people who do not need it. The cost to the State of tax foregone on existing property-based tax reliefs to date is €3.8 billion, which is the equivalent of the annual expenditure of several

Departments, yet the legislation provides additional measures to benefit those who already benefit too much from a generous taxation system and whose income is far higher than the national average.

The Minister's only reference to environmental measures concerns an incentive for the use of biofuels in experimental activities. This describes the Government's tentative approach to fiscal policy, green taxation and green incentive measures. Widespread encouragement of the use of biofuels would have a spin-off effect in the agricultural sector, which the Minister of State should encourage, yet the Government is ignoring its responsibilities in terms of carbon taxation. Deputy Richard Bruton is correct that we have responsibilities to implement measures to reduce greenhouse gas emissions. This needs to be done by ensuring that those who generate emissions pay for them. Suitable measures should be put in place to ensure welfare payments are increased and money is directly given to businesses and households to improve energy efficiency and to ensure that needless energy and environmental costs are controlled.

The legislation is a disappointment. It is more of the same from a Minister who has nothing to say in this area. I hope this burden will soon be removed from him.

Caoimhghín Ó Caoláin: The legislation that should be before us is a Finance Bill which provides for real tax reform, real equity in the distribution and management of national wealth and real delivery for people in their daily lives. Instead we have the implementation of the threadbare 2004 budget, the seventh budget of inequality presented by the Minister for Finance.

Although the Minister gave no indication in his budget speech that this could well be his last Finance Bill, a Cabinet reshuffle has been signalled for June this year — I am sure the Minister of State, Deputy Parlon, is waiting with bated breath — after the people, rightly, punish Fianna Fáil and the Progressive Democrats in the local and EU elections.

Mr. S. Power: What punishment does the Deputy have in mind?

Mr. J. Bruton: Where would Deputy O'Caoláin send the Minister? The Deputy should not be so meek of mind. He should say what he is thinking.

Caoimhghín Ó Caoláin: I wonder if the Minister has put money on his chances of remaining in Finance after June — perhaps he will put it on with Deputy Power. Will the prize go to the Progressive Democrats whose influence on Government policy seems to grow by the day? The Progressive Democrats Party is the ideological wing of Fianna Fáil and it has firmed up a working relationship with the Minister that may help him to continue in his role following the reshuffle.

When he delivered his first budget, the Minister, Deputy McCreevy, boldly described it as the first chapter in a book, *The Book of McCreevy*. He started off promising us great expectations but, if this is his last contribution, he is finishing up with what I can only regard as bleak house — that is if he is finished. Like previous budgets and Finance Bills, the legislation leaves our tax system unreformed and, yet again, the opportunity to make real progress has been spurned.

Few countries have seen the rate and extent of economic growth in Ireland over the past decade and few have seen that prosperity so ill-used, ill-planned and unfairly distributed. The Minister and his colleagues throw spending figures around this Chamber like confetti, but they cannot hide the fact that the rich-poor gap has widened since they took office almost seven years ago.

Mr. Parlon: The country was in some mess then.

Mr. J. Bruton: It certainly was in south Armagh.

Caoimhghín Ó Caoláin: The proportion of our population living on less than 50% of the average income has increased since 1997.

Mr. Parlon: By how much has the average income increased? That is a horse of a different colour.

Caoimhghín Ó Caoláin: The Government's own national anti-poverty strategy recognises that almost 25% of children — 300,000 children — are living in poverty.

The Government does not see the taxation system as it should be seen, as a key resource of the people to help ensure the just distribution of the nation's wealth. This State has the lowest level of taxation as a percentage of gross domestic product of all EU member states, yet as a result of the budget, more than 50% of taxpayers pay at the higher income tax rate of 42%. They range from people on just above the average industrial wage to the highest paid people in the State.

The Revenue Commissioners 2002 survey showed that 18% of the top 400 earners in the State paid an effective tax rate of less than 15%. We, therefore, have the worst of both worlds. Overall, the tax take is remarkably low by European standards, yet 25 years after the tax marches of 1979, the burden is still borne disproportionately by the ordinary PAYE worker, with those on average and below average pay faring worst. As a result of a low tax take overall, bad Government policy and gross mismanagement, we do not have the essential social services we need and could enjoy.

The average worker suffers as a result as he or she cannot afford private health care and bears the brunt of stealth taxes while the wealthiest earners, who have been allowed by the

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Government to escape their obligation to pay their fair share of tax, benefit. They enjoy the benefits of private health care and they reap the rewards of the battery of property-based tax shelters created by the Government and retained and extended in this legislation.

The retention and extension of these shelters is the most disgraceful aspect of the Bill. Developers of private hospitals, sports injuries clinics, hotels, holiday cottages and multi-storey car parks do not need tax breaks. The damning fact is that there is no estimate of the cost to the Exchequer of these and other tax reliefs which allow the wealthiest to avoid paying their fair share of tax.

There is also no estimate or analysis of the supposed benefit to the economy and to society of these bonuses to property owners, landlords and speculators, and naturally in the Government dominated by the Progressive Democrats ideology, there has been no evaluation of the option of direct State investment of these funds in projects that would be of real social and economic benefit to all. Massive sums lost to the Exchequer through these scams could be used to improve the lives of ordinary people throughout the State, but the Government's motto is "property before people".

The Minister's fondness for horses and stables is well known.

Mr. S. Power: The Deputy and his colleagues are fairly fond of horses themselves.

Caoimhghín Ó Caoláin: Section 87 which gives more powers — there is that word again — to the Revenue Commissioners to deal with tax evasion through offshore bank accounts is a prime example of closing the stable door after the horse has bolted.

Mr. S. Power: It was the anniversary of Shergar's disappearance earlier this week.

Caoimhghín Ó Caoláin: We will probably never know how much wealth was siphoned out of the economy in offshore bank accounts during the past decade. What is patently clear is that the unmasking of the DIRT and Ansbacher fraudsters has not altered the activities and values of the super-rich in Irish society. The Revenue Commissioners have given us the warning signs that massive tax fraud is still taking place as high earning individuals hide their income in offshore bank accounts.

Mr. J. Bruton: In the construction industry.

Caoimhghín Ó Caoláin: It was disclosed early in 2003 that 254 Bank of Ireland customers with offshore accounts had settled unpaid tax bills with the Revenue Commissioners. The tax recovered amounted to €100 million. One individual paid €7.3 million in back taxes, while a further 27 paid between €1 million to €2 million. This is in

addition to the €684 million already collected as a result of detection of DIRT tax fraud.

I do not know whether the Leas-Cheann Comhairle is able to pick up the continual alternative contributions in the House, but it is extremely disconcerting when one is trying to make a serious contribution to the debate. I ask for the Chair's assistance.

The money in question is also additional to the €26 million paid by Ansbacher account holders and the €47 million retrieved from the National Irish Bank-Clerical Medical International scheme.

A study by the international accountancy and consultancy firm KPMG found that over €4 billion had been lodged into the Isle of Man bank accounts of six Irish subsidiaries between 1998 and 1999. That is a colossal sum. In October last, the Revenue Commissioners notified Irish Life and Permanent that they were about to investigate the tax position of the 3,000 Irish account holders at the bank's Isle of Man subsidiary. A similar inquiry has yielded €100 million from the Bank of Ireland Jersey Trust account holders. How many more millions are being siphoned out of the Irish economy?

The confirmation in section 48 of the budget increases in the rates of excise duty on petrol, auto diesel and auto substitute fuel, which resulted in a five cent per litre hike, invites an appeal on behalf of the hard pressed motorist and the stretched margins of the haulage sector. It is time for a moratorium on increases in excise duties on mineral oils, allowing for a guaranteed stability in these critical areas over a period of at least three years or the remaining budgets of the McCreevy book, whichever is the longer. Perhaps the Minister of State will urge his colleague to take on board that request.

Mr. S. Power: I listened with great interest to the previous speaker—

Caoimhghín Ó Caoláin: I thank the Deputy.

Mr. S. Power: —who referred to the Minister, Deputy McCreevy, presenting last year's Finance Bill to the House and stated that the Government will be punished. I hope he is not advising the country to use the sort of punishment with which his party is normally associated.

Caoimhghín Ó Caoláin: Good man, stick to the point as always.

Mr. S. Power: He proceeded to talk about closing the stable door after the horse has bolted. I understand that this is the anniversary of the disappearance of a horse a number of years ago. The Deputy disappointed me; I thought he had something in store for us but, unfortunately, it was not forthcoming.

Caoimhghín Ó Caoláin: Perhaps the Deputy will dig him up.

Mr. S. Power: The position of Minister for Finance and criticism go hand in hand. We have with us a former Minister for Finance who is no stranger to criticism. However, no Minister for Finance has endured the same level of criticism as the current holder of the office, the Minister, Deputy McCreevy. When history is written he will go down as one of the best Ministers for Finance we have ever had. He has been a reforming Minister. He had a clear vision of the country's needs and set about implementing the policies to meet those needs.

It has been argued that many of the Minister's policies benefited the rich and neglected the poor. Nothing could be further from the truth. One can have all the policies in the world but if one does not create the wealth, one cannot distribute it. The Government succeeded in creating a climate in which people were prepared to invest and take risks. There was a realisation that profit was no longer a dirty word. It has taken a long period for some Members of the House to accept this fact. However, it is obvious that the policy of low taxation has created the environment which facilitated the tremendous growth in our economy in recent years.

One measure that has received most criticism was the decision to reduce capital gains tax in the budget of 1998. At that stage, the Minister reduced the rate from 40% to 20%. Not alone did that measure dramatically increase activity, the return to the Exchequer increased beyond anyone's wildest dreams. It is important to consider some of the figures. The return from capital gains tax in 1994 was €59 million. In 1996 it had reached €106 million. In 1998, when the Minister reduced the rate, the return amounted to €245 million. In 2000, the figure increased to €774 million. The indications are that for last year the return will be over €1.44 billion. There are certain people present who are more interested in perception than reality. Any measure which could achieve such a result must be acknowledge and the Minister must be saluted for taking such a brave decision, despite the severe criticism he received from many quarters.

Real leadership and government are about making the right, not the popular, decision. For some, perception has become more important than reality. The Progressive Democrats and Fianna Fáil have enjoyed an unusually long term in Government. I hope that the current term will be equally long.

Mr. J. Bruton: It feels very long already.

Mr. S. Power: When a Government is committed to a full term in office, it provides it with a better opportunity to make the right decisions. The long term becomes the priority and there is certainly not the same temptation to implement policies for short-term gain.

We can be proud of the way the Government has handled our finances since it came to office in 1997. The boom has brought a huge increase

in Government receipts and this money has been prudently managed. We have seen increases in social welfare way above the level of inflation, proper provision for our future pension needs and significant investment in health, education and infrastructure. I do not want to pretend that everything in these areas is perfect or that they are receiving adequate funding. However, we have identified our priorities and we are dealing with them accordingly.

The elderly were not forgotten. We made a promise when we entered office in 1997 to the effect that during the lifetime of the Government we would increase old age pensions to £100. People stated that this would not be possible but it was achieved well before the Government left office. Since 1997, old age pensions have increased by more than 50%.

Carer's allowance is another area in respect of which progress has been made. I accept that a great deal more needs to be done and I will comment on that later. However, in 1997 there were 9,200 people in receipt of carer's allowance. By 2002, this had increased to 18,700. We have made tremendous progress in a number of areas and I accept that a lot more needs to be done.

A number of measures taken by the Government have greatly improved the position of older people. While many of these individuals acknowledge and appreciate the progress that has been made, much more needs to be done. Our population is growing older and while that places financial and economic pressures on Government, it is vital that we continue to develop services for older people. The nursing home subvention scheme, which was introduced in 1993 with a budget of £5 million, has increased significantly over the years and I understand that approximately €114 million will be spent in that area this year.

Many patients are staying in our hospitals much longer than is necessary because they have no one at home to provide the necessary care. Huge benefit would be derived if some of the money currently being spent in the health area was transferred to the carer's allowance scheme. People would spend less time in hospital, beds would be freed up and the cost to the State would be reduced. When people reach a certain level of recovery they are much happier in their own beds. The idea of the carer's allowance is an excellent one, but the qualifying criteria are too restrictive. Many people throughout the country are doing excellent work in providing this service but are not entitled to the allowance. The scheme needs to be expanded.

Recently, I read with interest that Ireland is the only member of the EU which will offer full welfare benefits to the people of the ten countries which will join the EU on 1 May. The Ministers for Social and Family Affairs and Enterprise, Trade and Employment have expressed a desire to provide full information to the entrants and to explain clearly what their entitlements are, should they decide to come to Ireland. While this

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approach is commendable, one must ask why we feel it necessary to be the only current member of the European Union to offer full welfare benefits to citizens of the accession countries. Our unemployment rate, at 4.6%, is much lower than that of any of the applicant countries and our welfare benefits are greater. The minimum welfare benefit in Ireland is almost €135 while Estonia provides approximately €6.50, the Czech Republic pays almost double that and Lithuania approximately €20. The ten applicant countries apply a limit to the length of time a person may claim benefit while Ireland places no limit. I ask the Minister for Social and Family Affairs to keep a close watch on this development, which could be open to abuse. It is important that the scarce funds in her Department are managed prudently.

It is important for us to be good Europeans and I am conscious of our current position as holders of the Presidency. However, do we have to be so generous in comparison to our colleagues who are not prepared to offer the same entitlements? Money is scarce in the Department of Social and Family Affairs. It is not long since the Minister announced a number of changes, including a change in the qualifying criteria for rent subsidy. Until now a single mother in receipt of social welfare who had not been housed by the local authority, for example, could find suitable accommodation and a rent subsidy would be paid. Now such a person will have to wait six months before the subsidy is paid. While the Minister has explained that the system was intended as a short-term measure and was never intended to be a long-term one, this will cause hardship in certain areas. It is difficult to understand how we can be so generous in offering benefits to people from accession countries while cutting benefits at home and causing difficulties for people.

Waste management is one of the biggest problems facing the country. Attitudes to waste are changing and I compliment schools, particularly national schools, on their imagination and initiative in making pupils aware of waste and how it should be dealt with. It is refreshing to see green flags flying outside so many of our national schools. I hope we will see more of them. Many schools use imaginative ideas in explaining to children that the old method of simply throwing waste in a bin is no longer acceptable and pupils now think twice before they throw litter away in that fashion. They are encouraged to recycle, reuse and look at alternative ways of using waste. If we can instil a proper attitude to waste into young people it will stay with them forever. Unfortunately, it is more difficult to persuade adults to change old habits, but this must be done.

The Minister for the Environment, Heritage and Local Government has taken a number of measures to deal with this problem. He has provided funds for local authorities which encourage recycling. I acknowledge the tremendous effort being made by some local

authorities in this regard. Unfortunately, too many others have taken a lethargic approach to this issue. The provision by a local authority of one bin per household is no longer acceptable. Many people who are paying for a bin feel that they are not getting value for money if it is not full or overflowing. Paying by weight is the only way to make people see the necessity to minimise their waste.

At present people have no incentive to change their old habits. Waste management costs money but it costs more if it is not properly handled. That message must be spelt out loud and clear throughout the country. We must provide advice to businesses and householders on how to manage waste more efficiently and more effectively. I acknowledge the role of the Chambers of Commerce of Ireland and the wonderful work they are doing in this area. They take this matter very seriously and their efforts are having tremendous success. I wish them well. I know the Minister has been supportive of the chambers in this regard.

The issue of one-off rural houses has been discussed frequently in this House and elsewhere. Until recently an applicant for planning permission who could comply with the county development plan for his or her area was almost certain to be granted planning permission. That, unfortunately, is no longer the case. County development plans and strategic planning guidelines do not always marry well. If an application does not meet the criteria of the county development plan, it does not succeed and if it does not meet the criteria of the strategic planning guidelines, it will not be successful either.

We have also seen the intervention of An Taisce, which has objected to one-off rural houses. The Joint Committee on the Environment and Local Government *6 o'clock* has dealt with this issue and has heard a number of interested bodies, including officials of the Department and members of An Taisce. We should not lose sight of the good work done by An Taisce throughout the country. Moreover, when these cases are appealed, it is not An Taisce which makes the final decision, but An Bord Pleanála.

I encountered a case recently of a farmer with 300 acres who had never sold a site. His daughter was the first in his family to apply for planning permission and her application was turned down by An Bord Pleanála. Surely on a holding of 300 acres, a family member would be entitled to build a small house.

Mr. J. Bruton: Even a big house.

Mr. S. Power: There is something wrong if that cannot happen. The Minister gave us an undertaking late last year that he would deal with the issue and make a statement on it. That statement cannot come quickly enough. This is a very grey area and needs to be cleared up. I hope

the Minister's statement can do that. Whether guidelines are sufficient or not, I am not sure, but it is an issue causing much difficulty, particularly for young couples throughout the country. If people are prepared to help themselves, it is important that the State provide whatever assistance it can, rather than putting obstacles in their way. The situation has not got any easier. The first-time buyer's grant was abolished. In many local authority areas, the levies will also be substantially increased in the near future. Apart from acquiring a site, all this makes the cost of building so much greater. I hope we can encourage young people and make it a little easier than it has been in recent times for them to build houses.

Decentralisation was mentioned earlier. I congratulate the Government for the way the matter was dealt with. Many of us waiting for an announcement felt it was long overdue, but a proper balance was finally struck and it was a vote of confidence in rural Ireland. All counties will benefit as a result. The decision was very well received and any town lucky enough to be included would be very appreciative and look forward to the reality of decentralisation.

I congratulate the Minister on presenting another very successful budget and hopefully a successful Finance Bill. At the press conference, George Lee showed some interest in where the Minister's future may lie and whether that is in Europe or in Merrion Street for another few years, I wish him well.

Mr. J. Bruton: As Deputy Richard Bruton pointed out in his initial contribution on this debate on behalf of Fine Gael, one of the key criteria for judging this Bill is its impact on the competitiveness of the country. This Government tends to confuse being ostensibly pro-business with what is actually good for the competitiveness of business in Ireland. All sorts of special tax reliefs, including ones which are completely useless and unused, are preserved and enhanced in this Bill so that Ministers can reassure their so-called business supporters that they are on their side and looking after what they are looking for. However, the sort of business that many of these beneficiaries of the Finance Bill tax reliefs are involved in concerns creating, protecting and exploiting a monopolistic niche in some corner of a market, rather than in making Ireland as a nation truly competitive. These tax reliefs are mainly for the benefit of people who are involved in defensive rent-seeking, an approach to business that is encouraged by this Bill, rather than the expansionist outward-looking approach to business which is what this country needs.

Let us look at what is being done by the competition Ireland faces in the enlarged EU. Slovakia, for example, is introducing an across the board 19% flat tax, a 19% maximum tax rate on income, a maximum 19% tax on capital gains, a maximum 19% tax on corporations and a

maximum 19% value-added tax applied across the board on all goods and services sold in Slovakia. That is a simple, easily collectible and easily calculable tax, at a rate so low that there will be no incentives to evade or avoid it, and no incentives to pay expensive accountants to find ways around it, because a person doing business in Slovakia will be guaranteed to keep more than four fifths of the fruit of his or her work and pay less than one fifth in revenue. That tax will put tax lawyers, tax accountants and all that elaborate crust of expensive advisers who feed off the efforts of others out of business in Slovakia. The considerable talents of those people will thus be diverted to something more productive than finding gaps in tax conditions contained in legislation such as that before us.

That is what our competitors in Slovakia are doing. Deputy Seán Power, who has just left the House, worries about what some Slovak immigrants might claim in welfare benefits if they come to work temporarily in Ireland. He should divert his attention more to what the Slovak Government is doing to grow business in Slovakia by simplifying the tax system. The Deputy might bear in mind that this is the real competition we will face in the European market for goods, services and investment which opens up on 1 May next. The Slovak tax scheme is borrowed directly from Ireland, from the Irish Commission on Taxation which reported to this House in the 1980s and which as a House we collectively ignored. I recognise that having given guarantees that we will hold our 12.5% corporation tax rate at its current level for a 15-year period, we cannot drop it and go for a 19% rate, but we should ask ourselves how the Slovaks can do what they are doing, giving that comparatively speaking, their country is poor. How can they afford to have a maximum tax rate of 19% and still pay for the services they provide, in an economy that was previously socialised, while we have rates that on certain activities are so much higher? How can we match such competition? That is the question we must ask ourselves.

As a House, we should revisit the reports of the Commission on Taxation, reports that may well have been ahead of their time in terms of political practicality, and see if we should now undertake a comprehensive reform of our tax system along the lines of the commission's report in order to eliminate all the distortions, shelters and unnecessary cost centres built into our present tax system. This job cannot be done by one party in Government, or even two parties in Government, on their own. We need as near as possible an all-party approach to tax reform, so that reforms initiated by one Government will not be reversed simply for the sake of doing something different by a Government that succeeds it. One of the key reasons for Ireland's success over the last 40 years has been the fact that neither Fianna Fáil nor Fine Gael has in general shown an ideological tendency on succeeding one another in office to reverse

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workable schemes introduced by the other. I regret I am addressing my friend in the Chair, Deputy Sherlock, in saying this, because he is a man I admire and like. However, those who might like to introduce left-right politics in Ireland, when everyone else in Europe is abandoning it, should reflect on what our unusual centre-centre alternate politics has given to this country, which is continuity.

Continuity, for example, wherein a Fianna Fáil Government took over the export sales relief introduced by the late Deputy Gerard Sweetman in 1956, implemented it and made it the foundation of the recovery in the economy for which Seán Lemass deservedly gets much of the credit; a Fine Gael-Labour Government that in turn took over the 10% tax rate introduced by the former Deputy Des O'Malley, as a Fianna Fáil Minister, and implemented it; and a Fianna Fáil Government, taking office in 1987, which took over a 12.5% corporation tax rate, initiated by the rainbow Government, and implemented it. As far as business taxation is concerned, we have had a welcome absence of ideology in the way we have approached it. That has been to the benefit of the country and it has made Ireland a stable place in which to invest. That is why I suggest that if we are to undertake any wider reform of the tax system, it should be something we should at least consider on an all-party basis.

I now turn to a number of other matters. Section 16 concerns retirement benefits. For demographic reasons it is important to encourage later retirement, but later retirement will only work if we recognise the physical and biological reality that as people get older, they may want to move to fewer rather than more stressful positions. A pension scheme that is based on final salary encourages people to get into and remain in the most stressful job they will ever hold in their career up to the age of retirement. If they were to accept a less stressful and hence less well paid job, they would lose pension entitlement, perhaps for a 40 year period during which they will be retired having left work, and nobody will do that.

If we want to encourage people to stay at work we should contemplate basing pension either on average salary throughout career or on a fraction of the highest salary attained for a given period during career rather than on final salary at time of retirement. If we want to encourage people to stay, we must change the system to allow for the fact that perhaps people are at their peak of effectiveness not at the age of 65 when they will retire, but perhaps at the age of 50. They will be rising to that peak as they move up to 50 and then perhaps declining gently and with dignity from it thereafter.

I would like to raise a number of other points. I want to refer to the issue of demography, which underlies the need to examine the way we structure retirement. We should recognise that our system of tax on property is the most anti-

youth system of tax on property one could possibly design because at the point where a young person is trying to acquire their first position on the property ladder, we ask them to pay stamp duty and value added tax on a new house, and we are now asking them to pay development levies on a new house. Meanwhile, older people whose mortgage is minimal are paying no ongoing tax on their property because, unlike America, for example, we refuse to have any ongoing property or council tax. We tax the young to exempt middle aged and older people from any form of property taxation. That is not wise and those of us in this House who may be concerned about the fact that one party, a party with links with subversion and a private army, is gaining support among young people, and I believe that is all those currently in the House, should reflect on the reason young people are feeling alienated. Perhaps it is because our system of taxation is so much against young people making the first move into the acquisition and ownership of property we can exempt people further up the income and age scales who are perhaps more influential in the currently dominant political parties. That is something to reflect upon and I ask the Minister to think about it, as I know he will.

I support a point made by Deputy Richard Bruton in his contribution on the way in which our tax system is anti-pathetical to marriage and to fathers staying in the home to look after children. It is interesting that Mr. Justice Ronan Keane, the retiring Chief Justice, referred to the fact that the absence of fathers is one of the main causes of crime among young people. Why are fathers absent from the home in many cases? It is because the means test system that applies to many social welfare benefits, whether it be in regard to benefits for parents or rent allowance for accommodation, actively encourages fathers to leave or, if they have not left, to pretend they are not living in the home. That is in a country which has created a constitutional obligation on Government to promote marriage, yet a member of that Government, the Minister, Deputy Coughlan, has said she is indifferent to marriage. I urge the Minister, Deputy Coughlan, to read the Constitution. She holds her office as a Minister under a Constitution which obligates her to encourage and defend the institution of marriage, yet she, as Minister for Social and, of all things, Family Affairs says she is indifferent to marriage.

Given the extent to which we have concerned ourselves with other aspects of our Constitution and to which people are willing to plead the Constitution in aid of various causes, I am surprised that the Minister, Deputy Coughlan, could be so ignorant of the provisions of the Constitution that she and her Department would say they are neutral as far as marriage is concerned. They have an obligation under the Constitution to promote it, but even if they did not have such an obligation, they have an obligation in common sense to promote it

because marriage provides the institution within which young people are socialised and learn. Young people learn that there are limits to selfishness and to the extent to which they can put their own weight around without impinging on the appropriate rights of others and within which one can learn that for every right, there is a concomitant responsibility. People do not learn that first in civics books or from political debate. They learn it around the kitchen table at the age of five or six. They learn the basic notion of rights and responsibilities in a family setting.

If we have a tax and social welfare code which does not encourage families to stay together or does not encourage both parents to take responsibility and to do so, if possible, by staying in the one house with the children, we will create a major diminution of social capital in this country. Marriage is a more valuable item of capital than all the factories and businesses one can see throughout this city. In terms of the benefit inherent in it for future generations, that institution is more financially and socially valuable to the next generation than any of the motorways we are building today. We should look at it as a form of capital, not physical capital but social capital, and we should preserve it with the same enthusiasm with which we preserve our roads and rail links but that does not seem to enter into the current debate about social policy, and it certainly does not enter into the debate about social welfare and tax schemes.

I was interested to hear Deputy Ó Caoláin refer to tax evasion. I hope the Sinn Féin Party will take an interest in the concerns I have about various schemes undertaken in this city whereby, apparently, bogus certificates are being generated by an illegal organisation to claim refunds of tax which has never been paid from the Revenue.

I would like also to endorse another matter that has been raised by Deputy Richard Bruton in his contribution, that is, his suggestion that we should do away with budget day, once and for all. As some might say — the Acting Chairman is here long enough to remember it — I might be one who has anxieties about budget day. I do not actually. I was very proud of what I did on each of the budget days on which I was present in the House and I think it did good for the country. The best evidence of that is that on every occasion my successor adopted 99.9% of the measures contained in my budget without blushing. We will leave that aside.

The current notion of keeping the budget secret until the Minister stands up and announces it, and assuming that because it has got through the House on that day it is the right policy, is a mistake. There is another out-working of that mistake that is even more obnoxious, that is the constitutional limit that is placed on the date whereby the Finance Bill must be passed through the Houses of the Oireachtas. Under the Constitution, the Finance Bill has to be passed through the Houses of the Oireachtas within a particular timeframe after budget day. I suggest

there is no sense in that. There is no need for that time limit. The price we pay for that time limit is that the Minister for Finance comes into the House with reams of immensely complicated amendments, that even the most practised accountant — there are some such in this Chamber — or tax lawyer could not understand. Those are pushed through the Select Committee on Finance and the Public Service and the House without any deliberation.

It is important to recognise we are sailing close to the constitutional wind in so far as the way we do our business in Leinster House is concerned. We should recall the Finlay judgment in the High Court on the Aliens Order recently, where the court struck down an order on the grounds that the issue had not been properly considered in this House. I am waiting for a challenge to a Finance Bill based on the fact that amendments like that were introduced so late in the process that they could not possibly have been considered in this House. We have to look hard at that and ask ourselves if we should have no budget day, but publish the Finance Bill about two months earlier in the cycle and allow it to be debated as if it was a Green Paper and passed in a more leisurely fashion with the amendments produced in a more leisurely fashion.

Mr. Fleming: I welcome the opportunity to speak on the Second Stage of the Finance Bill 2004. I would like to refer to some of Deputy John Bruton's comments but not in an argumentative way. I see the point in some of what he has said but I may disagree with him on some of the other issues. I was taken by the Slovenia example of the 19% tax rate across the board.

Mr. J. Bruton: Slovakia.

Mr. Fleming: I was walking into the House when the Deputy mentioned it. It sounds good and it sounds simple and the 19% sounds great. If only life was so simple and, perhaps, a more developed economy has to have a slightly more developed approach to its tax base. We have a system whereby those on lower incomes pay no tax; most people pay about 20% and those who can afford to pay 42%, do so. That is a more just approach than one where everyone pays 19% across the board.

Mr. J. Bruton: There are exemptions in Slovakia for low incomes as well.

Mr. Fleming: I appreciate that. If there are millionaires earning high income they could afford to pay at the higher rate. We have a low rate of corporation tax and a mixture of VAT rates. I sympathise with one of the points raised by Deputy John Bruton. I am coming at it from a slightly different angle. He referred to the tax burden on young people and the difficulty it is creating for them. There is an inherent bias in our

[Mr. Fleming.]

system whereby at the earlier stage of their lives, young people pay more for everything in society, be it taxation, motor insurance and so on, while the older generation does not appear to have the same burden in respect of those issues. There is some truth in that and it is an unfortunate situation. I am not long in public life but having studied the position, I have seen a massive transfer of wealth in Irish society from the younger generation to the older generation. Somewhere along the line the consequences of that will have to be examined.

Older people and those who have their mortgages paid on houses that may have been worth €50,000 a few years ago, but are now worth €500,000, feel they have enormous wealth. The consequence of that is their children and grandchildren cannot get a house of their own because the value of such a house is €200,000 or €300,000 depending on its location. The property market has worked to the phenomenal disadvantage of young people and to the tremendous advantage of the elderly. I do not know how we can go about reversing that trend. It is not precisely what is contained in the Finance Bill but it is an issue that needs to be examined because it will lead to many younger people having to rent rather than purchase houses. Ultimately, it will lead to a change in home ownership patterns.

I sympathise with what Deputy John Bruton said about the role and importance of a two-parent family. I would not like the message to go out that those who are not fortunate enough to have a two-parent family means their families are less valuable in society. He stressed the value of the two-parent family in society. However, we should not diminish the other family units because we live in changing times.

The issue on which I agree with him to a large extent concerns the passage of the Finance Bill. I was a member of the Committee on Finance and the Public Service in the last Dáil but I am now its chairman. It bemused me from beginning to end. I was here on budget day and heard the announcement. In early January there was the press release from the Department of Finance indicating the key features of the Finance Bill. The Finance Bill is then published. On Committee Stage, there is a raft of amendments almost as large as the Finance Bill. Regularly, during the course of the three-day period on Committee Stage, new amendments appear overnight which necessitates officials having to work throughout the night. Perhaps on the day before finishing Committee Stage, there may be another 30 pages of amendments which have to do with a new scheme which is being introduced. In the following week, on Report Stage, there are more amendments. Given the haste with which amendments are tabled, it is no wonder there are loopholes in the tax legislation. I agree there should be a guillotine at some stage otherwise the

process would be infinite and one would roll from one to the other.

Mr. J. Bruton: Will the Deputy yield?

Mr. Fleming: I will.

Mr. J. Bruton: Would it be a good idea to give the Chairman of the Committee on Finance and the Public Service discretion to say that an amendment has been submitted too late for consideration?

Mr. Fleming: As Chairman of the Committee on Finance and the Public Service I do have that discretion. There are procedures laid down under which amendments have to be cleared by the Bills Office before they can be presented to a committee. My argument is that the existing timescale is too short and needs to be changed for every committee of the House. On occasion, as Chairman, I would get a phone call from an Opposition party because it may not have the full expertise of the civil servant in the Department of Finance and may not have referenced their amendments properly, asking for a few extra hours to allow the amendments to be resubmitted. I have done that. The problem is that amendments come in almost on the morning of Committee Stage and it is not possible to look at them. Sometimes they are not reached in the debate. I am a chartered accountant. In theory we could take more time between Committee and Report Stages which would enable amendments to be tabled and one would have an extra few days. When I became a Member on the last occasion, I felt it was an extraordinary way for legislation to be passed as I did not know the Bill went through that type of cycle. Perhaps the Finance Bill is the worst example of that but it seems to happen year after year and Bills are sometimes very extensive. The list of amendments can often run to 100 pages so it is an onerous task and leads to an industry in this regard. It is fine when amendments are put through the Dáil overnight, but it is then easy for accountants to find loopholes in the Bill because they have perhaps a month to consider what was drafted overnight.

Mr. J. Bruton: Hear, hear.

Mr. Fleming: From that point of view, there is much on which Members agree. Perhaps the issue is connected with Dáil reform and is not the fault of this side of the House any more than it is of the Opposition side. The system has been in place as long as I have been in the House and should be dealt with on a non-partisan basis in the future.

Regarding the specifics of the Bill, I want to highlight a number of measures. I am particularly pleased that the Minister, Deputy McCreevy, had the opportunity to introduce another budget. He will go down in history as one of the most consistent Finance Ministers over a period and one can see his consistent agenda operating from

year to year. Regarding the consistency between the parties, we have not torn up what other parties brought in previously and social consensus has helped in that regard, particularly the national pay agreements and national understanding. That has sometimes been to the exclusion of Members of the Oireachtas. Decisions are sometimes announced from Government Buildings by a Minister or the president of the Irish Congress of Trade Unions regarding issues which in other countries would more properly have been debated in the houses of Parliament. That said, the system is working well and most people are happy with it.

I wish to make a controversial point in regard to the representation of workers by those at national partnership meetings. While employers, the Government, farmers and the social pillars are represented, the trade union movement is present ostensibly on behalf of the Irish workforce, which it no longer represents. Approximately 700,000 people are members of trade unions in Ireland, with over half of those working in the public service because practically every member of the public service is a member of a trade union. In the economy outside the public service, encompassing approximately 1.4 million workers, perhaps 300,000 of those are members of trade unions. The trade unions, therefore, only represent a small fraction of the workforce in the private sector and most of that membership is concentrated in the bigger and older industries. The new, smaller economy and its employees are not represented at the partnership talks. While I do not know how such new industries can be brought into those talks, their representatives must also be brought into consultation.

Regarding the budget changes, I am pleased that the employee tax credit has been increased by €240 to €1,040 per annum. When the minimum wage was introduced some years ago, only 64% of that wage was outside the tax net. I am happy that percentage is now up to 90% and I hope it will be 100% in the next budget or so. It is illogical to have a minimum wage, which has risen to €7 in recent weeks, if a small portion of it is subject to income tax. I hope that will be fully cleared in the next budget and that the minimum wage will be 100% free of income tax. I am also happy with the increase in income tax exemption limits for people over 65 years of age. As a result of this, more than 40,000 taxpayers will be removed from the tax net over the coming year, compared to last year's figures. With regard to personal tax, the issue on which most concentrate, there has been an increase in the subscription allowance for trade union membership, on which to allow people income tax relief.

Regarding an issue recently raised by way of parliamentary question, there is income tax relief for people paying for refuse service collection charges. Only a small proportion of households who pay such charges claim the tax rebate.

Sometime in the future, I would like the rebate available to income earners extended, perhaps under the free schemes, to those on social welfare. There is an anomaly in that I can receive a 20% rebate on my wheelie bin charge, which is charged by a private contractor, whereas my next door neighbour, an elderly lady on disability allowance, cannot get relief through the social welfare system even though the costs of her having a wheelie bin are the same as mine. It is not right that a high income earner should be subsidised for wheelie bin collection while an old age pensioner or somebody on disability or unemployment allowance, or otherwise in receipt of social welfare, has no facility to get such relief. I accept that there may be a waiver system in place in some local authority areas but we must realise that the collection system is totally privatised in most areas, where no waiver system is possible.

Section 14 deals with farming and amends the existing Taxes Consolidation Act 1997 by increasing the annual exemption for income derived from certain leases of farmland from €5,078.95 to €7,500 for leases of five or six years taken out from 1 January 2004. Where such leases are for seven or more years, an annual exemption of €10,000 will apply, instead of the previous limit of €7,618.43. In addition, the minimum age for a qualifying lessor is being reduced from 55 years to 40 years.

These changes will be very helpful to rural constituencies, such as my constituency of Laoighis-Offaly, where people want to avail of such facilities. Such people were trapped and wanted to get out, but did not want to be taxed in regard to how they leased their land. This section gives new entrants into agriculture an opportunity to farm a bigger parcel of land in a more economical way and, perhaps, gives older farmers who were not making a viable income from their farms some tax free income and the opportunity to earn income away from the farming sector. The measure is very welcome.

Section 28 deals with the extension of film relief under section 481 of the Taxes Consolidation Act 1997. Several Members present for this debate were members of the Committee on Finance and the Public Service which met in joint session on a number of occasions with representatives of the film industry. It is important that the Minister's recent budget announcement took full account of the all-party agreement at that committee that these reliefs be extended. That decision will pass into law under section 28 of this Bill.

One interesting finding which came out of our committee discussion on relief for the film industry, of which I was not previously aware, was that there was abuse of the existing relief by a small number of people in the industry. The Minister is rightly bringing in new procedures to curb that. I hope that will improve the image of the industry and ensure that no allegation of abuse of the tax relief is levied against anyone in

[Mr. Fleming.]

the industry from here on. It is welcome that the Minister has agreed to extend the relief in a balanced manner and one likely to cut down on abuses which may have been in the system.

I am particularly pleased with the various improvements regarding capital allowance and tax incentive schemes which the Minister announced in the budget in addition to the film relief just mentioned. He has also extended the urban renewal scheme, the termination date of which had been 31 December 2004, although that has now been extended to 31 July 2006. The relief for multi-storey car park schemes has also been extended from 31 December 2004 to July 2006.

I stress that this does not allow new people into the system to avail of tax incentives which would not have been available to them before now. In all these situations, 15% of the total project costs had to be incurred before 30 September 2003 and the local authorities must issue certificates to confirm that. This measure is in regard to projects already in the pipeline which had commenced and incurred expenditure but may not have been completed by the end of 2004, just over ten months away. The Minister has provided an extension to allow projects currently on hand to be completed but is not allowing new entrants into the field. Some feel that is a good thing.

The same applies to the building of hotels and holiday camps. While there are not many of the latter in the constituency of Laoighis-Offaly, the hotel incentive will be very important. Again, in that regard, a full planning application must have been received by the local authority before 31 May 2003. The Minister did not change that deadline so we are only dealing with hotel projects in the system since May 2003. He has extended the deadline by which the projects must be completed, which is fair and sensible. The same applies to the town renewal scheme. They must be in the planning system at the end of December 2004 and the closing date has been extended to 31 July 2006.

It is interesting that some Deputies objected to these schemes. They said they helped well-off people to shelter their income from tax. I am surprised Deputies said this because these schemes have helped to renew and re-invigorate some towns in their constituencies. Deputy Ó Caoláin objected to the schemes, even though I am sure all the main towns in Cavan and Monaghan have benefited from some of the designated sites. These have probably helped to improve old derelict sites in the centre of towns and sites have possibly changed hands. More than 100 towns in Ireland are covered by this scheme. A minimum of four towns in each county is involved. Almost all these properties which became derelict were owned by local people, perhaps by elderly people who were not in a position to invest in them and bring them up to scratch. Some of the properties have now changed hands to the commercial benefit of the towns concerned.

I was disappointed to hear Deputies criticise a scheme of tremendous benefit to most towns in the communities they represent. I ask any Deputy who makes that argument to consider the condition his or her town would be in without the reliefs. I guarantee that the towns referred to would be in worse condition. When a supermarket or restaurant opens up in an old premises or a pub builds a large extension and improves the quality of the locality, there is a spin-off for the town. It gives an air of confidence to it and improves its appearance and well-being. It makes the town more attractive for people to live and work in and not everyone will go off to the big cities, as happened in the past. This is an important issue.

The most significant announcement by the Minister, Deputy McCreevy, on budget day was decentralisation. Laois will benefit to the tune of 510 jobs. There are three Fianna Fáil Deputies in the Laoighis-Offaly constituency. The previous Government constructed a new prison which employs 500 people in Portlaoise and brought a new An Post-SDS plant to the town. Prior to that, the Minister of State at the Department of Agriculture and Food, Deputy Hyland, brought 300 departmental jobs to Portlaoise. We merely continue what Fianna Fáil has always done in the constituency by continuing the programme of decentralisation. I look forward to the successful rolling out of the programme in the months and years ahead.

Mr. Crawford: I welcome the opportunity to say a few words on this important Bill. As Deputy John Bruton said earlier, it may not be relevant to have an actual budget because there is one almost each week. However, it is the legal structure which controls how the finances of this country are raised and spent.

Deputy Power referred to the scarcity of money. Compared to some years ago, this is almost irrelevant. He said it is important to ensure that money is spent properly. It does not bear much relevance to the discussion this morning on approximately €700 million grant aid provided to Kerry without a feasibility study being carried out. When visiting the Border areas, I wish the Taoiseach would find some reason to make a similar investment there without any investigation. We will gladly accept it and make no noise about it.

The issue of urban renewal, which has been beneficial, was referred to. The previous scheme proved to be very difficult to utilise. In my town of Monaghan and in Ballybay, people who should have received a grant had their applications rejected because of all manner of minor technicalities. When the initial applications were being submitted, people did not realise that they should be so precise on the exact building structures and so on. Some genuine applicants in depressed areas, such as Ballybay, failed to get money. Development has not taken place in some of these areas. While the scheme is extended, its

operation needs to be examined if it is to be worthwhile.

On farm taxation, it is interesting that there is 100% stock relief for young farmers to reflect the change in the underlying academic course and so on. This is important. There is also an exemption for those leasing. There is no leeway for family transfers, which is a major issue. Given that issues such as taxation, herd numbers and so on must be so precise, will the Minister explain why farmers cannot lease land to their sons or daughters in the same way as they lease it to outsiders? It is unrealistic in the context of transferring land to young people at an early stage. People may not wish to transfer the holding for many different reasons.

The Minister said he is confirming Ireland as a top location for global investment. The news this week that jobs are being located in other countries is disturbing. One report referred to 1,000 jobs being located European accession countries. This is a serious problem. If the Minister for Finance does not understand the problem, we are in serious trouble. One need only look at the Border region as a whole, especially Cavan and Monaghan, which depends on the mushroom industry, furniture industry and many other labour-intensive industries. Jobs are being lost in these sectors. The figures may not yet be reflected on the live register statistics because people are on a three day week. It is frightening, and all the more so because the Minister does not realise what is happening. He lives within the Pale and in Dublin. The east in general is doing reasonably well.

A recent reply from the Minister for Agriculture and Food indicated that jobs in the mushroom industry have decreased from 1,300 to approximately 300. Since then, many other mushroom growers have left the industry. This affects not just farm families, but workers in the packaging and distribution industry. It was one of the major lifesavers Ronnie Wilson and others established in County Monaghan many years ago. The industry is under severe threat because of imports which are probably being sold in England as Irish mushrooms.

The furniture industry is in a similar position. Some of these industries have set up factories in eastern Europe. Others are importing products just to be assembled in this country and using staff for just two or three days a week. This aspect cannot be ignored. This is the result of a lack of understanding of this low paying industry and a lack of action at an early stage to improve people's education and upgrade their skills so that they can sell a higher quality product.

Regarding decentralisation, Cavan-Monaghan was promised 535 jobs. In the Border region, in towns such as Monaghan and Clones that have suffered most in the 30 years of the Troubles, there has been no job creation by the Government. Hundreds of jobs have been lost in factories such as Monaghan Poultry. I have written letters to the Minister for Finance to point

out the opportunities offered in the Border region for the 1,300 jobs that have yet to be earmarked for decentralisation and to ask him to consider the area for those jobs. IDA Ireland and other groups are not supporting us but the Government could put its money where its mouth is. It says it wants to see peace and reconciliation in Northern Ireland and to restructure the areas that have suffered most, but the only way it can do that is by ensuring that Belturbet, Monaghan and Clones get even a small number of jobs. My party has rightly questioned some of the plans for decentralisation, such as the head offices of Departments going to County Kerry or similar places, and how the plans will work. In general, however, we welcome decentralisation which will be a major boost to rural areas.

Decentralisation is needed in the BMW region. It is important to remember that there was a national development plan and according to the Minister for Community, Rural and Gaeltacht Affairs a few weeks ago, there was an under-spend of €644 million in the BMW region while there was massive over-spending in the eastern and southern regions. It is vital that there is an equal spread. The idea of the BMW region was to ensure we got our entitlement but, unfortunately, that has not happened. County Louth is classified as part of the region and the M1 and rail connections are accredited to it, but they benefit only the east and Sligo while the area in the middle gets very little.

The Government has introduced many stealth taxes, development charges being a typical example. They are another means of taxation. They are termed "development contributions" but they are development charges. We depend on cheap transport to get our goods to the marketplace because there are no railway lines along the Border but there have been huge increases in transport costs. Increases in insurance, road tax, diesel and petrol prices are putting people out of business.

Decoupling was introduced into this country without even a debate in the Dáil and there has been a significant decrease in farm incomes as a result, particularly in dairy farming. A senior representative in the farming industry rang me to ask if I realised that many farmers are in crisis. With decoupling they do not know whether to get in or out of milk production, or if this year or next year is the best year to leave it. They will certainly leave by next year at the latest. In a further blow, by Government decree we must now provide 24 weeks storage for our slurry. The Government talks about great increases in spending but the Minister for Agriculture and Food must be asleep at the Cabinet table.

Mr. Browne: The farm organisations support decoupling.

Mr. Crawford: They certainly do not; I can assure the Minister of State of that. The situation is clear. To meet the terms of the nitrate

[Mr. Crawford.] regulations, €1 billion is required for farm rebuilding. What is the record of the Government in this area? In 1997, €94 million was made available for farm building reconstruction and new buildings, but last year there was only €25.9 million, less than one third of that amount. This wondrous new scheme will not amount to one third of the 1997 figure either. Housing costs have increased by 300% in the meantime. It is chicken feed.

What is the Minister for Agriculture and Food doing about animal health? He is continuing to slaughter all herds with BSE in spite of the fact that substantial money could be saved. He allows farmers to buy animals with Johne's disease but will not give them compensation when they find they have it. This Minister has closed five agricultural colleges. Need we say more?

Mr. Browne: We must ensure food quality.

Mr. Crawford: If people increase their incomes at all this year, they will enter a higher tax bracket and if they buy or build a house they will have to pay increased charges of all sorts. The least the Government could do is take those on minimum wage out of the tax net entirely. If that is not done, we will lose jobs.

We have heard much in recent years about people getting away without paying tax and have been told that some of the money lost has been clawed back. It is only right that people should have paid their just tax but when senior Ministers in Government at the time used systems to avoid paying tax, it is not difficult to understand how ordinary citizens found themselves doing the same. They knew nothing about investments. They went into their banks and were advised to put money here, there and yonder without any knowledge of what they were doing. Their names should not be published in the newspapers.

There are many innocent people who had a legitimate nest egg who were advised by those in the banking industry without even knowing where their money was. The Minister must examine how these banks are treated. They must carry some of the blame for the revenue problems these people face. In one day I had seven such people in my office and not one of them was a crook. They were all decent people who had been advised this was the best way to invest money and they were not presented with any downside to it or with a letter to advise them that they might be doing wrong. They were told to sign and they did so. These people should not be paying interest on tax due or penalties. Somebody else should pay. I have no objection to them paying the tax they should have paid, but it is unfair that they should be the victims when people who knew better were advising them.

The Minister should re-examine credit card tax. People have to use bank cards and credit cards and a good deal of money is transferred by such

payment methods. People should not be forced to pay tax on such cards which they have to use.

Debate adjourned.

Private Members' Business.

Standing Orders: Motion (Resumed).

The following motion was moved by Deputy Kenny on Tuesday, 10 February 2004:

That, notwithstanding anything in Standing Orders, the Standing Orders of Dáil Éireann relative to Public Business are hereby amended as follows:

(a) by the deletion of Standing Order 26A; and

(b) by the adoption of the following in substitution for Standing Order 26:

'26. (1) Every sitting of the Dáil shall be governed by a printed Order Paper, which shall be prepared under the direction of the Ceann Comhairle.

(2) The Taoiseach shall have the right to determine the order in which Government business shall appear on the Order Paper and, by announcement at the commencement of public business, the order in which it shall be taken each day; and may propose, on motion made without notice at the commencement of public business, arrangements for sittings and for the taking of such business until such business has been disposed of; save where any such proposal is opposed, the Ceann Comhairle shall permit a brief statement from a representative from each party in opposition and the Taoiseach before he or she puts the question thereon. Provided that where a second or subsequent division is demanded on any such proposals on the Order of Business, the period for which the division bells shall ring and the interval between the ringing of the bells and the locking of the doors shall be not less than two minutes and not less than one minute respectively.

(3) Following the announcement by the Taoiseach and the disposal of any motion comprehended by paragraph (2), the Ceann Comhairle may permit, at his or her discretion—

(a) a brief question not exceeding two minutes from each Leader in Opposition to the Taoiseach about a matter of topical public importance and in respect of which the following arrangements shall apply:

(i) The Taoiseach shall be called upon to reply for a period not exceeding three minutes,

(ii) The Leader in Opposition who asked the original question may then ask

a brief supplementary question not exceeding one minute,

(iii) The Taoiseach shall then be called upon in conclusion to reply for a period not exceeding one minute.

(b) the total time allowed for Leaders' Questions on any given day under this Standing Order shall not exceed twenty-one minutes and the Taoiseach may nominate another member of the Government to take Leaders' Questions in his or her absence.

(c) in this Standing Order, "Leader in Opposition" means the leader of a group as defined in Standing Order 114(1): Provided that the Leader of a party which is a group under Standing Order 114(1)(a) shall have precedence over the designated Leader of a group recognised under paragraph (1)(b) of the Standing Order.

(d) questions from any member about business on the Order Paper; about the taking of business which has been promised, including legislation promised either within or outside the Dáil; about the making of secondary legislation; about arrangements for sittings; and as to when Bills or other documents on the Order Paper needed in the House will be circulated: Provided that, the Taoiseach may defer replying to a question relating to the making of secondary legislation to another day.

Debate resumed on amendment No. 1:

To delete all words after "That" and substitute the following:

"Dáil Éireann:

— notes:

— the continuing commitment of the Government to engage constructively with all the parties in the Dáil on ways in which the conduct of business can be further improved;

— that valuable Dáil time is wasted on procedural wrangling and recognises the need for a constructive dialogue on all aspect of Dáil reform;

— the initiatives which have been taken to improve the functioning of the House, including the allocation of a special Leaders' Questions time on Tuesdays and Wednesdays; and

— agrees that Dáil reform is a continuous process, best advanced by cross party agreement through the sub-committee on Dáil reform, which was established for that purpose."

—(Minister of State at the Department of the Taoiseach).

Mr. Nolan: I wish to share my time with Deputies Carey, Ardagh, Johnny Brady, Peter Power and Curran.

Acting Chairman (Mr. Sherlock): That is agreed.

Mr. Nolan: I welcome the opportunity to speak on the motion. Every Member of the House is concerned to some extent about the workings of this House and how it performs its functions. I am disappointed there was not cross-party consensus on how we should move forward on this matter. The Government and the Chief Whip would have preferred that and that an agreement could have been reached to put proposals before the Members of the House and have them agreed.

There is a need to change our working practices. There should always be an ongoing system of reform and review of how we do our business not only in the House, but in the Seanad. Some of the practices in which we engage are archaic and need to be updated. What the Chief Whip proposed last night is welcome and should be the basis for moving forward the reform package and bringing this House up to date in how it carries out its work.

This House needs, and should be seen, to be an effective and efficient Legislature. At times what we, and the public in particular, see is not very edifying. Today, no business, apart from Question Time, was carried out up to about 12.45 p.m. If this Legislature is to be effective, we cannot continue to have what I can only describe as "the carry on" we had this morning. It does not do anything for the credibility of this House or its membership, even though some Members believe they are scoring political points and getting good headlines by engaging in that type of behaviour. At present, we are not an effective Parliament in the manner in which we do our business — we have to resort to guillotining debates. That is not the way we want to see legislation passed. The Opposition parties will always be able to make the point that is not the correct way to pass legislation, but also from the point of view of Government backbenchers, it is not helpful to see many debates on Bills guillotined.

The proposals as outlined by the Chief Whip are a step in the right direction. They will not solve all the shortcomings but represent a good start from what I have seen of them. I hope that the Opposition parties will engage in constructive debate with the Chief Whip to try to progress these proposals. The reforms in themselves are not radical, but the House needs to change its workings. The current balanced approach to change should be phased in. All the proposed changes that are on the table could not be agreed and put into practice over night. The Chief Whip said last night that she was talking of a timeframe of five or six months, and that would be welcome.

[Mr. Nolan.]

Members on all sides should support all the Government proposals. The Government is prepared to negotiate and listen to constructive proposals from the Opposition parties in so far as they are constructive and will help in the reform. The early starting time proposed is welcomed. There is not a business or organisation here or elsewhere that starts its business at 10.30 a.m. While that proposal might not suit some rural Deputies who commute to and from Dublin to start at 9 a.m, it sends out a message that we are serious about our business. I welcome the proposed changes the Chief Whip has announced and I hope we will have the co-operation of the Opposition parties in bringing them into force.

Mr. Carey: I was present for the debate on the motion last night and it was interesting, but it has been some time since I recall a Private Members' debate engendering any passion or temper. The number of Members who are in the Chamber is indicative of the energy this debate has provoked among our colleagues.

I welcome the proposals brought forward by the Chief Whip. She has a passion for reform of this parliamentary Assembly, as had the former Chief Whip, the Minister for Transport, Deputy Brennan. I commend Members such as Deputy John Bruton and the late Jim Mitchell who went to his grave with many proposals unimplemented which would make this Assembly much more relevant.

Having observed today's performance and that of many other days, I have come to the conclusion that there are times when I think this Assembly is almost beyond reform. I was a member of Dublin City Council for 18 years and the quality of debate in that assembly, many of whose members were Members of this Parliament, was vastly superior to what I have heard since I was elected to this House. I listened to the Leas-Cheann Comhairle informally tell us one evening last week about how times have changed in here and from what I can gather, the change has been very much for the worse as far as debate is concerned.

This House is too structured, inflexible and stage managed. While it is imperative and important that Parliament is broadcast on radio and television, I often think we are inclined to see some Members putting on a performance to attract a television audience rather than adding to the substance of the debate. The Dáil is a parliamentary Assembly, primarily tasked with bringing in, scrutinising and passing legislation. It is also important that it holds the Government to account. Members on this side of the House and Members opposite are equally interested in seeing that happening. Unfortunately, I and many other Members are of the view that the mechanisms we have in place do not do that. We are representatives of the people and from time to time we have to bring issues to the floor of the House at short notice which are of interest and

relevant to the people we represent. Therefore, the proposal put forward by Chief Whip that there be a topical debate issue is vital, but such a debate should not be buried at the back end of a long day. A topical debate ought to be topical and to allow the Members, whether from the Government side or the Opposition, who raise it with a particular Minister to question him or her. That would represent quite an important move forward.

This House is not the L and H, the Oxford Union, a court room or a tribunal. Let us be clear about our task. Leaders' Questions have deteriorated into a farce. I admire what the leaders are trying to do; they are trying to make the best of a difficult situation.

Mr. O'Dowd: The farce is that they cannot get answers to their questions.

Mr. Carey: They are adding nothing to the sum of the wisdom of this House.

Mr. O'Dowd: We cannot get any answers.

Mr. Carey: We ought to be able to use our time more constructively.

Mr. O'Dowd: The Taoiseach talks into his tie.

Mr. Carey: It is good that at least we have some interchange of debate, as we ought to have. I do not believe that, in the main, Leaders' Questions are working out. The arrangement needs to be modified.

Mr. O'Dowd: The questions need to be answered — Deputy Johnny Brady knows that.

Mr. Carey: No party has a monopoly of wisdom on what should or should not be done, but it is not helpful that, for example, last night Deputy Stagg said that either we implement everything before us, all 80 pages of it, or we take the ball and go away. That is not helpful to the constructive reorganisation of this House.

It does not matter a whit if we sit 365 days per year if we do not ensure quality rather than quantity. Like Deputy Nolan, I believe no self-respecting organisation should start its work even at 9.30 a.m. — we should be starting at 9 a.m. and working until a reasonable hour, such as 9 p.m. This would be very difficult and I do not believe such new hours would be family-friendly either, but they would certainly represent an improvement over the current sitting hours.

There are probably too many committees, but we should make better use of them. The proposal that committee chairmen make reports and possibly take questions in the House every so often is laudable. The Committee of Public Accounts and the Sub-Committee on European Scrutiny, for example, ought to be better utilised.

The idea of having an extra sitting week in January and September to discuss European matters and other important issues that could not

be discussed otherwise is extremely important. Speeches in the House should be shortened to between five and ten minutes.

Mr. Ardagh: I am delighted to support the proposal on reform of the Dáil, as suggested last night by the Minister of State, Deputy Hanafin. It is incumbent on all parties to be serious about Dáil reform. It has been talked about for as long as I have been in Dáil Éireann, which is about seven years. Great efforts seem to be made by the Minister of State and these are being frustrated at all times by totally unreasonable demands by the Opposition—

Mr. O'Dowd: That is rubbish.

Mr. Ardagh:—in particular the demand that the Taoiseach be present in the House on a Thursday to answer questions and to take Leaders' Questions.

Mr. O'Dowd: If he can open public houses, why can he not be here as well?

Mr. Curran: That is a spurious argument. He does not do that every Thursday and the Deputy knows it.

Mr. O'Dowd: This is his place, not in a pub.

Mr. Ardagh: The Taoiseach is here on a Tuesday. He answers Leaders' Questions and questions to the Taoiseach and he takes the Order of Business. He does the same on Wednesday. The excessive amount of time he spends in this House has resulted in a farce. When the leaders of the Opposition are supposed to ask questions, they do not do so but utter media soundbites. These media soundbites are now reduced to the lowest common denominator in the gutter tabloid press. All the Opposition leaders are looking for is a laugh; they are not looking for answers to serious questions. If the Taoiseach was not here for the length of time he spends here, perhaps the Opposition would be more serious and try to obtain answers on the issues on which the people want it to obtain answers.

We have a parliamentary democracy and the Opposition has to go along with the Government in ensuring that the best form of democracy applies and that the best legislation is made. It should be considering legislation and trying to ascertain its weaknesses and where improvements can be made instead of standing up for hours, day after day, making smart remarks, looking to see if it has got the attention of reporters in the Press Gallery or raising pieces of paper to the cameras just to try to get some media attention.

Mr. O'Dowd: Would the Deputy have us sit with our hands tied and our mouths shut? Can the Deputy not take criticism?

Mr. Ardagh: We must improve and perform as democratically elected parliamentarians and this can be done only if we all take the issue very seriously.

One proposal the Minister of State made last night, about which I am particularly happy, is that on committees. As Chairman of the Committee on Justice, Equality, Defence and Women's Rights and as a member of the Committee of Public Accounts, I note the amount of work being done by those committees and by the Committee on European Affairs, particularly with regard to EU scrutiny, the Committee on Foreign Affairs and the Committee on Agriculture and Food, of which Deputy Johnny Brady is Chairman. We want the opportunity to explain to the House the work we are doing and we want Members to question us on that work to ensure we do it in the best possible way. Furthermore, we want to ensure the public is better informed of what the committees are doing. This will only happen if the focus is on the committees, which will only be the case if the committee chairmen are afforded the opportunity to explain to the House the work they are doing.

The proposals on new technology are to be commended. The dedicated television channel would be of particular benefit to committees in that the committees prepared to do their work on non-sitting days would be in a position to have their proceedings televised on those days. Public knowledge of what the committees are doing would be improved.

I also commend the proposals on e-legislation. We should use the Internet and any electronic technology that is available to make us more effective and efficient and allow us work in a paperless environment. I look forward to a time when all the proposals that have been made will be taken on board by us all for the benefit of this Parliament and particularly the people.

Mr. J. Brady: If tonight's motion is Fine Gael's contribution to Dáil reform it shows how irrelevant the Fine Gael Party has become.

Mr. O'Dowd: Deputy Johnny Brady should not be jealous. He is only talking because we tabled the motion.

Mr. J. Brady: Fine Gael believes that the Taoiseach should come into the Chamber every Thursday.

Mr. O'Dowd: Who wrote the Deputy's speech?

Mr. J. Brady: That is the sole purpose of tonight's Private Members' motion. What a waste of Dáil time. The Fine Gael motion was drafted before the summer and there were differing views within the party on whether it should be formally moved. This should not surprise anyone as Fine Gael Deputies cannot seem to agree on anything these days. The reality is that Fine Gael is a spent force in Irish politics, a party with no credible

[Mr. J. Brady.]
policies to speak of and which is becoming increasingly irrelevant to the public.

While the Taoiseach deals with current issues on Tuesday and Wednesday, his attendance is not mandatory on Thursday. The Whips agreed to that in the previous session. The Order of Business on Thursdays is now usually taken by the Tánaiste and Minister for Enterprise, Trade and Employment, Deputy Harney, or the Minister for Defence, Deputy Michael Smith, and this system has worked very well.

If Fine Gael reforms are introduced, Deputy Kenny will be able to continue to waffle and rant—

Mr. O'Dowd: What is Deputy Johnny Brady doing except waffling and ranting?

Mr. J. Brady: —for another morning at the Taoiseach, issuing meaningless monologues and silly soundbites.

Mr. O'Dowd: Spell “rant”.

Mr. J. Brady: No other Prime Minister in the world answers questions that are not notified in advance or seen beforehand.

Mr. O'Dowd: Did he work in the same bank as Deputy Cooper-Flynn?

Mr. J. Brady: It is widely acknowledged that the Taoiseach spends more time in the House than his predecessors and his European counterparts.

Mr. O'Dowd: How can he know if the name on the cheque—

Mr. J. Brady: The Taoiseach now holds one of the most important roles in Europe — President of the European Council of Ministers. He is working to find agreement on a new EU constitution. He is preparing a new six-year EU budget and is involved in the selection of a new European Commission President. He is trying to restore equilibrium in trans-Atlantic relations. An editorial in the prestigious *International Herald Tribune* last month stated: “For all this, Ahern is the right man — Ireland is a rich training ground for the skill of negotiating, its relations with the United States are good and the country’s economic transformation is a shining model of what wise EU spending can achieve.” The *International Herald Tribune*, when referring to the Presidency, also referred to the unfortunate fact that “Ahern has only six months”.

This motion is typical Fine Gael double-speak. Its members make agreements and then renege on them.

Mr. O'Dowd: We would never agree with Deputy Johnny Brady.

Mr. J. Brady: Consider the issue of benchmarking. Deputy Kenny’s threats to walk away from benchmarking last September would not only leave tens of thousands of families out of pocket, it would have flown in the face of Fine Gael’s commitment to public service. The party’s economic plan of 19 March 2002 stated that it believed that public sector salaries would have to be in line with those paid in the private sector if we were to continue to attract into and retain in public service people of the required expertise.

Fine Gael duplicity also extends to the issue of incineration. In January 2000 in A Plan for the Nation — Fine Gael’s Vision of Ireland in 2010, Fine Gael stated that we must open our minds to a future which involves incineration as an integral part of a waste management strategy. However, only last month, Deputy Kenny spoke at the Cobh Chamber of Commerce on the issue of incineration. He said that incineration was not the answer and was the sledgehammer response of a Government that had failed to explore safer alternatives when it had time. Government is not about U-turns, walkouts and indecision; it is about leadership.

Mr. P. Power: I thank my colleagues for sharing their time with me. Regarding Dáil reform, I am delighted as a newly elected Deputy to speak on the issue for the first time since being elected. New Deputies such as Deputy Curran and I have an important role to play in this debate, with due respect to the more seasoned Members of the House. We bring a different perspective to the debate. We have come from the real world outside the House and are faced with a different world and an unusual way of doing business. The views and ideas of new Deputies should be given plenty of weight in this debate.

Two things struck me when I entered this House. The first was the obsession of Deputies of all parties with voting. Perhaps it is because we spent half our lives trying to accumulate votes to be elected to the House. One would think that, once we had been elected, we would stop for a few years, but we vote morning, noon and night. I was genuinely shocked that we spend half our time in this House going up and down from our offices like yo-yos to vote. Many of the people in the Visitors Gallery are leaving and I hope it is not because I am speaking. They probably came expecting a debate on some weighty issue of national interest or some important legislation. However, they see a House which is self-absorbed and self-obsessed.

Two weeks ago I arrived at a public meeting in Limerick half an hour late. I apologised and explained that I had to vote in Dáil Éireann and, unfortunately, if one leaves Dublin at 3.30 p.m. on Thursday one will not reach Limerick until after 7 p.m. They asked why I was late. I explained that there was a vote at 3.30 p.m. that we all went down to the Chamber, pressed our buttons, that I got up to go straight to my car to

be in Limerick on time when a Member said he was exercising his right under Standing Orders to request everyone to vote again, that we had to wait for ten minutes while everybody left the Chamber and came back in again and that we wasted 15 minutes. I explained to them that was why I was late for the meeting. They looked at me in stunned silence. They wanted to know if this was genuinely what I was doing in Dáil Éireann, to which I answered: “unfortunately, yes”. Those are two brief observations.

On a more serious note, there are three main aspects to Dáil reform. First, there is the legislative business as one of the three arms of Government. Second, there is the business of dealing with issues of public interest. Third, there is our important function of making Government accountable.

The overriding aspect of the Dáil’s function is the role it has in representing the views of the people. This appears to be lost on the Opposition which has singularly failed to recognise that the Government of the day, in this instance Fianna Fáil and the Progressive Democrats but it could be Fine Gael in another instance, has a mandate to bring through a legislative programme. In my brief experience in the House, when one wants to make a serious contribution in the House, nobody wants to listen, even when the Taoiseach answers questions.

(Interruptions.)

Mr. P. Power: Opposition Members constantly harp on about not having an opportunity to speak, but they never listen to anybody else. That is the problem.

I strongly believe that the other important aspect of our business is dealing with crucial matters of public interest. This is critically important in developing the capacity and trust of the Dáil. I have spent the past four weeks on the sub-committee on the Barron report under the chairmanship of Deputy Ardagh delving into a critical issue. I found that an extremely welcome and rewarding experience. Any aspect of Dáil reform should focus on enhancing and promoting this aspect of our business.

I would like to have more time to get things off my chest. The people down the country laugh at the way the Opposition treats this House.

Mr. Curran: I thank my colleague for sparing me a few minutes and the opportunity to say a few words. First, and I do not say this jokingly but quite sincerely, I thank Fine Gael for tabling this motion because the issue of Dáil reform has been discussed outside this forum, privately among our colleagues in various groups. We have an opportunity now to discuss the issue. This is not the forum in which to resolve the issue. This will require all-party agreement.

When I first thought about Dáil reform I thought a plan would be put together and it would happen at a given point in time. However,

it will not. It will evolve over a period of time in a number of steps and measures. The debate is useful but, ultimately, reform will occur by cross-party agreement and step by step.

Like the previous speaker, Deputy Power, some people might think it unusual that a rookie, somebody who has been here only a year and a half, should speak on Dáil reform. Having been here only a year and half, I am shocked at how drawn out everything is between procedures in this Chamber, in committees and so on. There must be a more efficient way to deal with our business. I welcome several of the proposals put forward by the Government, especially longer days on Tuesdays, Wednesdays and Thursdays starting at more appropriate times in the morning. In this day and age 10.30 a.m. is not an appropriate time to begin. Equally, staying here until 11.30 p.m. is not appropriate. We should be able to organise ourselves better than that.

I would like to deal with the question of committees. I was here early in January when the Select Committee on Education and Science dealt with the Education for Persons with Disabilities Bill. We dealt with it at a time when the Dáil was not in session. I can honestly say, and I believe there would be cross-party agreement on this, that the Members who participated made much more valuable contributions without the interruption of the division bell to return for a vote or quorum in the Dáil.

Valuable committee work is being interrupted at times by the procedures of the Dáil. We need to look at how we schedule our work, both in terms of the Dáil and committees so that the latter may sit for a period of time without being interrupted. The Bill was lengthy and tedious, with several hundred amendments, and it was being done in a professional manner. We did not conclude the Bill during the Christmas period. It concluded after the Dáil resumed and this was more difficult.

A previous speaker mentioned his experience of going to a meeting and referred to the manual vote. It is the right of Deputies to call for a manual vote. However, when a manual vote is called this is done primarily as a mark of protest. That is the purpose for which it has been used in the House because the numbers have not varied and the margins have been quite substantial. The manual vote takes an additional 15 minutes. There can be between 140 and 160 people involved. That is the equivalent of one working week, 40 hours, if 160 is multiplied by 15 minutes, for a manual vote, a significant loss of time. The manual vote should only be used in more appropriate circumstances than heretofore.

Mr. Perry: The Deputy has spoken well — ten out of ten.

Mr. McHugh: I welcome the opportunity to speak on this matter which, although narrow, relates to Dáil reform of a kind. The motion

[Mr. McHugh.]

simply deals with the need to get the Taoiseach into the Dáil on Thursdays, that he would answer Leaders' Questions and that the Labour Party would retain its position because, to quote Deputy Kenny, "it is defined and a growing political party". For the information of Deputy Kenny, the growth that occurred at the last general election was not in his party or the Labour Party, but in the number of Independent Deputies returned to Dáil.

I have more information for Deputy Kenny: at the last general election the Labour Party got 10.8% of the vote and Independents on their own got 10.3% of the vote, while the total vote of the members of the Technical Group amounted to 20.6% compared to Deputy Kenny's party which got 22.5%. It is particularly interesting that the Labour Party is also supporting this motion. One of the things I fail to understand at times about this place is the hypocrisy engaged in by various elements. It was the Labour Party alone that supported the absence of the Taoiseach from the Dáil on Thursdays. However, as the motion relates to Dáil reform, I wish to make the following comments.

The situation whereby many Deputies are forced to engage in a charade with the Ceann Comhairle, for example, under the Order of Business, where Members continually strive to raise matters relevant to their own constituencies, which they know only too well are outside the scope of the Order of Business, demeans the working of Parliament. Equally important, it shows that under current procedures the need for Deputies to raise matters of interest to their constituents is not being met. Much of the criticism of the Dáil and Deputies relates to the amount of time the House sits. Some of this criticism is warranted, some not. For example, on occasions coming up to Dáil breaks, etc, the Dáil not only sits four days per week, but it also sits until 12 midnight on some of those days. Such sittings largely go unreported because they do not suit the media.

Mr. J. Breen: Hear, hear.

Mr. McHugh: Dáil sitting times need to be revised to increase the number of hours the House sits and also to bring about a more uniform length to sessions. The word "debate" used to describe happenings in the Dáil Chamber is an abuse of the English language. The set pieces that happen in the Chamber in the course of debating legislation are too regimental and need to be reformed to allow for interventions, questions, explanations, etc, which should be obligatory on Members as well as Ministers. The committee system introduced in recent years has worked reasonably well, but has the potential to be much more useful and effective. The current situation whereby committees run concurrently with proceedings in the Dáil Chamber is

unsatisfactory and a more uniform regulated timetable needs to be brought forward.

The legislative programme at the commencement of the Dáil session is a further example of the lack of forward planning and strategic thinking that applies to the business of the Dáil. To publish that programme at the end of the preceding Dáil session would be more appropriate and allow longer time for research. In addition, a review of the progress of the legislative programme should be carried out monthly and an updated version should be published for the forthcoming month. On the specific issue of Dáil sittings, taking into account that many rural Deputies reside long distances from Dublin, sittings of a full week's duration are not feasible. Furthermore, given that a Deputy's work is representational, a structured amount of time needs to be spent in his or her constituency. Therefore, a Dáil week comprising sittings from Tuesday to Thursday is the maximum practicable and any assertion to the contrary is playing to the gallery.

As regards Dáil sitting times, the hours should be increased to 30 per week and should be spread over the three days, Tuesday, Wednesday and Thursday. This would give a 30-hour sitting week and allow some time for preparation work and the fulfilment of a representational role. The current operation of the committee system is unsatisfactory for a number of reasons, including lack of resources and unsuitability of meeting times. To make the committee system more effective, it should be changed to a "committee week" every four weeks. The absence of a facility for Deputies to raise important matters of immediate public interest, similar to Leaders' Questions, makes the Dáil somewhat irrelevant and artificial. A new item of business to cover such situations, namely "matters of immediate public interest", should be introduced. Under this item, the Taoiseach or Ministers would be expected to reply immediately.

On the issue of media coverage, the limited and selective method of covering Dáil proceedings, as seen, for example, on RTE's "Oireachtas Report", is totally unsatisfactory and unfair. It is totally unacceptable that a television editor or reporter should decide which Members of the national Parliament should get coverage on a national public network. A fully dedicated Oireachtas television channel should be set up. This channel should cover the unedited proceedings of the Houses of the Oireachtas. If the national broadcaster fails to achieve balance in its coverage of proceedings, the public should be allowed unhindered access to the workings of the Oireachtas.

Mr. J. Breen: When I was elected to this House I thought I was coming to a democratic institution, but I have learned this is not the case. I received a mandate from the people of Clare to represent them in this House. I was of the view that I could do this, remaining totally

independent. To exercise my democratic right I had to join the Technical Group. In the UK, America and Australia independent MPs do not have to join a group to get speaking rights in parliament. Also, if they abstain in a vote, that is recorded. Why is that not done here?

Deputy Kenny, in moving this motion last night, said that the Taoiseach should be in this House every Thursday and that the Labour Party, a growing party, should have speaking rights before the Technical Group. Here is another leader of a party that wants to suppress the right of the minority in this House. Independents are a thorn in the side of the major parties, but I remind the House, and Deputy Kenny and his colleagues in the front bench, that we could be the second largest group in Dáil Éireann after the next general election. Deputy Stagg, for the Labour Party, said the Taoiseach should not be on leave of absence from this House on Thursdays. Who agrees? This is the height of hypocrisy for the Labour Party when its leader colluded with the Taoiseach to allow him to stay out of this House every Thursday in order to get speaking rights before the Independents and the Technical Group and Leaders' Questions.

Turning to Dáil reform, there is now a proposal that we sit five days a week. This is not on for rural Deputies. The Chief Whip said in her statement that the House should be flexible, with a framework in place to make it more meaningful and bring it closer to the people. On the Order of Business, Deputies continually ask questions about promised legislation, wasting time. During Leaders' Questions, leaders have two minutes for their questions. The Taoiseach waffles, does not reply to the question and when he finishes, we are as wise as before he started.

The Taoiseach and his Ministers sit on the opposite side and giggle and talk while motions are being read. If asked what was said, they would not be able to answer. They are treating this House with contempt. When it comes to written and oral questions, the relevant Minister will do anything but answer the question asked. He or she will, perhaps, a day later write to a party colleague informing him or her as a result of the question asked what is happening in the particular constituency. Last week, I tabled a question to the Minister for Health and Children regarding Ennis General Hospital and was given the same reply trotted out in 2002 and 2003. The Minister then wrote to Senator Daly informing him that the Mid-Western Health Board had been given the go ahead to appoint a design team for that hospital. Is this the openness and transparency about which the Taoiseach spoke?

Ms Hanafin: It is Government in Opposition.

Mr. F. McGrath: We are being shafted.

Mr. J. Breen: The Chief Whip should ensure Ministers answer questions asked in the House. I also tabled three questions to the Minister for

Justice, Equality and Law Reform on the appointment of a county registrar for County Clare. Twelve months later, I have still not received an answer to my question. The Minister cannot get through the internal wranglings of the Fianna Fáil Party on this issue.

I will not be supporting the motion or the amendment because the amount of money squandered by the Government is a national scandal. I will abstain from the vote because of the litany of broken promises, apparent lack of accountability and the lengths to which the Government will go to remain in power.

I appeal to the Chief Whip to ensure Deputies receive answers to oral or written questions. Ministers will do anything but answer the question asked. The Minister for Health and Children did not reply to a question I tabled to him today. This is supposed to be a democracy.

Mr. Boyle: I find this a curious motion, narrow in its focus and seeking to make a small change correcting a huge wrong done in the House earlier in the life of this Dáil. That said, it is worth supporting if it represents even a tentative step towards Dáil reform. I hope the spirit in which it can be taken moves us in the direction of the real changes and reforms needed. I have noted the contributions of other parties and that of the Chief Whip. I hope we can have a real debate and are not engaged in an exercise of reshuffling the deckchairs. This motion is about more than how many days or hours we meet; it is about the respect in which parliamentary democracy is held.

Ms Hanafin: Hear, hear.

Mr. Boyle: It is on these grounds that we, as politicians and political parties, are suffering. There is a need for a unified approach to making politics relevant.

This morning, I attended the launch of a community action network publication on rediscovering democracy and heard how it is engaging with people in Fatima Mansions and St. Michael's House in the south east of the city. They are approaching the problems of democracy in ways which political parties are failing. We should be engaged in more than exercises of regular navel gazing. Dáil reform is important and vital. What is more important is the ever-decreasing number of people engaging with the democratic process. If we, in this House, can get our act together then perhaps we can begin to make politics more respected and more utilised by the population as a whole. That is the real challenge facing us as politicians and political parties.

In defining this narrow motion, I hoped the movers would have examined the cause of the unfortunate changes. Standing Order 114 defines political parties in a narrow way. It is to the disadvantage of my party that seven is the number used to define a party. My party has six members, albeit with a parliamentary party of

[Mr. Boyle.]
 eight including our two MEPs. The figure “7” was not included in Standing Orders for 50 years. When included, the interpretation was looser, enabling people to be enticed into groups if so inclined. I would encourage enlightened, intelligent people to flock to the Green Party banner. The current Standing Order is so restrictive that even if the Green Party succeeded in a by-election in the lifetime of this House and was to achieve seven members, it would still not be recognised as a formal party in its own right. The drafters of that Standing Order knew what they were about.

The Technical Group is not a political grouping; it is an administrative one. It does not speak with one voice; it cannot speak with one voice and should not speak with one voice. It includes members of several political parties and ten Independent members. It is a mechanism that is working well and it allows members of that grouping access to time which the established parties have not made available.

In approving this motion tonight, we must acknowledge it as the small step it is. We should put aside the feelings of collective ego which preceded it resulting in the changing of the said Standing Order and should embark upon a real journey of Dáil reform.

Caoimhghín Ó Caoláin: Sinn Féin supports the Fine Gael motion before the House. The effect of the change to Standing Orders will, first and foremost, ensure the Taoiseach is present in the House on Thursday and that there will be Government accountability on that day. It also includes a restatement of amended Standing Order 114(1)(a) and (b), the prize sought by the Labour Party. Shock and horror, I can also live with that.

Let us for a brief moment remind ourselves of how the Taoiseach came to absent himself from the House on Thursdays. It happened as a result of what I have previously described as “a sordid little deal” between the Labour Party and the Government.

Ms Hanafin: The Taoiseach spends more time in this House than any other Taoiseach ever did.

Caoimhghín Ó Caoláin: That deal did not yield one additional minute for the Labour Party. It was done to ensure that party retained what it saw as its speaking slot in the pecking order of parties in this House. In return, the Labour Party agreed to the Taoiseach absenting himself from this House from lunchtime on Wednesday.

The Labour Party could have, and in my view, should have, engaged with other parties and Independent Deputies who constitute the Technical Group. While it is difficult to say with any certainty, with the passage of time, there was every reason to believe the Labour Party could have achieved its objective without bringing upon itself the shame of the accommodation agreed at

that time. Its embrace — if that is what it is going to do, there are no members of that party in the House as I speak — based on the contributions I have heard so far of this Fine Gael motion will not erase the memory of its shameful action on that occasion.

Let me state once more for the record that Sinn Féin is less concerned with the pecking order in terms of speaking slots and is more concerned that every Member and every party has an opportunity to play a full part in the engagements that take place. We are also anxious to ensure that not only is there a continuance of accountability on a daily basis but that there is increased accountability to this House by the Taoiseach and Ministers. We indicated to Labour Party Members at the time that we were prepared to rotate the speaking order or make any reasonable arrangement rather than witness the shoddy deal that was entered into.

The Labour Party’s U-turn in supporting the Fine Gael motion is worthless because the deal it struck with the Government will be bound by Standing Orders for at least the duration of this Dáil, given that the sheer weight of numbers in the Government parties will defeat this proposal. There will not be a reversal of the deal and this is only a cosmetic exercise because the Government will maintain what it has already got.

Promises of Dáil reform have been made during the debate and on the Order of Business earlier.

Mr. J. Breen: When?

Caoimhghín Ó Caoláin: However, I will believe them when I see them and it is within the Minister of State’s gift to come back with proposals.

Ms Hanafin: If I can get agreement.

Mr. J. Breen: When will we have agreement? The Minister of State is doing nothing.

Caoimhghín Ó Caoláin: I hope substantive change will be offered. Last night the Minister of State said the Government’s priority was to make the House more effective as a legislative body. As I said on a number of occasions on the Order of Business over the past two weeks, during the opening few weeks of this session the guillotine mechanism has been used to stymie debate and curtail the opportunity for Members to participate on Second Stage. That does not take account of the exercise of guillotines on Committee, Report and Final Stages of legislation.

Mr. J. Breen: The Minister of State is sitting idly by doing nothing.

Caoimhghín Ó Caoláin: Many reforms need to be undertaken. However, I commend one to all Members, which is motion No. 42 on the Order Paper in the name of Sinn Féin Deputies. It once

again proposes a mechanism by which the participation of elected representatives of the Irish population in the part of this island that does not have a voice here can be accommodated, that is, the people of the Six Counties. I ask the Minister of State to revisit the proposal and ensure Northern representation in specific and relevant debates is accommodated at the earliest opportunity. She should make no mistake. The Taoiseach kicked the ball into her court in response to me yesterday.

Mr. O'Dowd: I wish to share my time with Deputies McCormack and Perry.

This is an important debate and I welcome the constructive contributions by all Members. The debate centres on the running of a democracy and a parliament. Everybody believes that the Dáil's business is about making the Government accountable for its actions and ensuring its activities are transparent and open. Dáil reform should begin with the office of the Taoiseach. He or she should be accountable to the House on all sitting days, as was the case prior to this Dáil. It is eminently reasonable that the Taoiseach should be present on sitting days to answer important and urgent questions and that Fine Gael should highlight that he is not present on Thursdays or Fridays. His job is to be here.

Ms Hanafin: His job is to run the country.

Mr. O'Dowd: His diary will show he has appointments such as opening supermarkets and public houses and conducting constituency tours. He should be in the House when it is sitting.

Ms Hanafin: What about Northern Ireland?

Mr. O'Dowd: Changes should be made to the checks and balances in the democratic process. I praise all the current office holders but the Ceann Comhairle should be selected from the Opposition, not the Government, even if the Government only has a majority of one. That would lead to better balance between the Government and the Opposition and improved transparency, openness and accountability.

The chairmen of all the select committees should come from the Opposition ranks. A weighting system operates currently, which relates to the number of Members in each party, but the Taoiseach of the day has 15 ministerial and 18 junior ministerial posts to allocate to his supporters and give them due recognition. If I am a Minister and I appear at a select committee of which a party colleague is chairman, I may not necessarily get as tough a time as I would if the chairman was an Opposition Member. In the interest of good governance, accountability, transparency and openness, the chairman of all committees should come from the Opposition parties of the day.

I refer to the resourcing of the Opposition. Ministers have access to civil servants in every

Department along with God knows how many spin doctors and other officials. However, an Opposition spokesperson's primary resource is the Oireachtas Library. Its staff are wonderful and they are very helpful but there are too few of them. Our library resources should be beefed up so that two experts on each Department would be employed to help all Members when they are dealing with legislation. There is a severe lack of access to first-class information from neutral sources. That is an important issue, which should form part of Dáil reform.

The parliamentary question system can be ridiculous. Deputy James Breen outlined a case where he received the same reply to two or three parliamentary questions tabled over a long period. I tabled a question to a Minister and I queried whether Drogheda was considered as a location for the decentralisation of his Department. He refused to answer the question. I received the usual gobbledegook from him.

Mr. Durkan: Keep it secret.

Mr. O'Dowd: I approached the Ceann Comhairle and pointed out to him that the Minister had not replied to the question. He said I could bring it to his attention but, ultimately, the decision rested with the Minister. That is not good enough. We are deeply unhappy with the manner in which the same gobbledegook is issued repeatedly to questions tabled under the current system. I received similar answers to three parliamentary questions I tabled regarding the entitlements of three students in different third level institutions who had specific urgent financial problems. That must end. A procedure should be employed whereby we can scrutinise the gobbledegook and say, "That is not good enough, Minister. We want a better deal. We want a real answer for a change."

However, the Minister for Health and Children has been exceptionally facilitative in providing answers to questions I have tabled regarding my constituents. He provides clarity and excellent information. Other Ministers are totally defensive when replying to parliamentary questions and the attitude is to tell us as little as possible. That is not good enough in a democracy.

I refer to Question Time. I have the privilege of shadowing a Minister. During Question Time the Minister replies to five Priority Questions, Other Questions and to 8 o'clock supplementary questions on each question. Last week the Minister for Community, Rural and Gaeltacht Affairs replied to my questions during Question Time. He was excellent because, when Priority Questions concluded, he took three questions together, which meant we could debate an issue for between ten and 12 minutes. All the Members present engaged in a constructive and positive debate. I propose that when Priority Questions conclude, a maximum of four other questions should be taken during the remaining half hour.

[Mr. O'Dowd.]

They could be dealt with effectively and a good debate could take place, otherwise it is a sham. Neither the Government nor Oppositions Members benefit when questions are rushed and a proper debate cannot take place, particularly when the Minister wants to contribute and the Opposition wants to question him or her.

Mr. McCormack: A number of Members said the motion does not go far enough, but it provides a window of opportunity for Members to debate proper Dáil reform. All Members, whether they care to admit it, know in their heart that we are becoming involved in a farce in terms of the powers of the House and the way it operates. I will provide two examples that occurred during the past week.

In theatrical terms, I was a supporting actor in two events this week. On the Adjournment last night I raised the matter of the work of the review group into the disabled drivers' and disabled passengers' tax concessions scheme. The Minister established that group in 1997. If Deputy James Breen has been two years waiting for an answer, I have been waiting for seven years for a reply to my questions in respect of the scheme. I receive the same reply to each of the questions I have posed. Last night, in my frustration, I again raised the matter on the Adjournment and the Minister of State read a prepared script which bore no relation to what I had stated and which was merely designed to allow him to place on record the benefits of the tax concessions to disabled drivers and passengers.

Mr. J. Breen: That is democracy.

Mr. McCormack: That is not what I inquired about. If Ministers or Ministers of State cannot come before the House without a script and acknowledge and deal with matters raised on the Adjournment, what we are doing is only a farce. We are not fooling anybody with that type of behaviour.

Mr. J. Breen: That is openness and transparency.

Mr. McCormack: The event to which I wish to refer was the taking earlier today of Report Stage of the European Parliament Elections (Amendment) Bill. Ten amendments were tabled but we only managed to deal with one amendment before the Bill was guillotined. That is an absolute farce. The Bill in question, particularly the part that deals with electronic voting, is extremely important.

Ms Hanafin: Electronic voting is not included in the legislation.

Mr. McCormack: It is. That is what we were dealing with on Report Stage. The section and amendment we dealt with today related to electronic voting.

Ms Hanafin: The Deputy moved an amendment. Electronic voting is not in the legislation.

Mr. McCormack: The Minister for the Environment, Heritage and Local Government rushed the Bill through without independent IT people or members of the public being allowed to ask questions. It is no wonder the public is becoming fed up with and suspicious of what we, who are supposed to be legislators, are supposed to be doing in the Dáil. We are not doing the job they want us to do. Everyone in Parliament, including Government Members, will suffer from the lack of confidence on the part of the general public.

The type of arrogance portrayed by the Minister for the Environment, Heritage and Local Government in pushing through the Bill to which I refer comes from the complacency of being in power for long periods. It tried to do away with the PR system on two occasions. However, the people rejected its attempts. That arrogance comes from being in Government for too long.

There are no Progressive Democrats, who proclaim themselves to be the watchdogs of the Government, present in the Chamber. During the general election campaign, the Minister for Justice, Equality and Law Reform, Deputy McDowell, stated that people should not trust Fianna Fáil in Government on its own and that he should be allowed to climb the pole to watch over that party. Not one of the Progressive Democrats Members contributed on Committee Stage or Report Stage of the European Parliament Elections (Amendment) Bill. We are fundamentally changing the system of voting in this country, without proper procedures or safeguards being put in place.

Mr. Curran: Not as a result of that Bill.

Mr. McCormack: That is what is being done.

Mr. Ring: Deputy Curran should sit down. He has a prepared speech which was drafted by the spin doctors.

Mr. McCormack: That is why this Parliament is becoming a farce.

Mr. Ring: The spin doctors——

An Ceann Comhairle: Deputy McCormack should be allowed to continue, without interruption.

Mr. McCormack: I do not mind a little interruption.

An Ceann Comhairle: The Deputy should not invite interruptions because it is difficult to control proceedings on some occasions.

Mr. McCormack: I sometimes get better when I am heckled.

We in this House must shoulder much of the blame for the fact that members of the public are losing interest and confidence in the political system. If a constituent of mine, who is a disabled passenger, has been asking me for seven years to obtain an answer to a simple question and I have tabled parliamentary questions and raised the matter on the Order of Business but all I have received by way of reply is waffle, then the House is a farce. That is only one example of what occurs.

Dáil Éireann should be relevant to the people but it is not. People have lost confidence in the political system because of the extraordinary events of the past ten years. I will not go into detail in respect of those events now because I would be here all night if I did so. Due to the fact that they are seeing what is happening at the highest level of politics, people are quickly losing interest in democracy. That is why fewer people vote in elections. Why should they do so when they see what occurs?

The Taoiseach must be obliged to come before the Dáil on Thursdays. That is what the motion is basically about. However, it is about a great deal more than that; it is about the entire system. The youngest Member of the Dáil, Deputy English, who represents the new generation and has only been here for 18 months or so, is already disgusted by what goes on here in the name of politics and that of government. Will the Government Chief Whip indicate the number of Bills that have been guillotined since we returned in the current session? I believe it is five or six, including the Bill we took earlier today. Bills are being guillotined on Committee Stage and every other Stage.

I will concede the floor to Deputy Perry. I have rid myself of enough aggravation for one evening.

Mr. Perry: I am delighted to contribute on this issue. Like Deputy McCormack, I believe that the Government, which has been seven years in power, is intoxicated with power. It is clear that the Progressive Democrats are as intoxicated as its counterparts in Fianna Fáil.

There has been a great deal of discussion about local government reform and how the abolition of the dual mandate would improve the latter. It was stated that it was the job of those in local government to gain election to Dáil Éireann to work as legislators and become involved in the debate here. The reform of local government announced by the Minister, Deputy Cullen, was, in many ways, a sham. The only real reform introduced is the fact that councillors cannot now serve as Teachtaí Dála. This is regrettable because those who are informed at a local issue can bring issues before Parliament. The type of debate that takes place at local authority level can be far more beneficial than some of that which occurs here in Leinster House.

Very little has changed since the foundation of the State in 1922. There is a high level of apathy in the political system and a lack of connectivity with the electorate. Let us consider the level of debate which takes place in the House. Even on the Adjournment, there is no facility for questions and answers and a second point of view cannot be put across. The latter is regrettable. It is important to connect with the electorate, particularly in terms of accountability.

It is disappointing that major announcements are made outside the House. Agreements reached with the social partners are negotiated and announced outside the House. When one tables parliamentary questions, one now receives replies from the Ceann Comhairle that particular Ministers are no longer accountable to Dáil Éireann in respect of certain matters. We are elected by members of the public to represent them here and we are given replies to the effect that matters were raised with health boards, the National Roads Authority, Bus Éireann and Iarnród Éireann and that the Ministers in question are no longer accountable. Ministers should be accountable for all matters relating to the public accounts. Where taxpayers' money is allocated, Ministers should be accountable to the House and answerable to Members in respect of the way that money is spent. I guarantee that Ministers are accountable to the House for only a fraction of the €29 billion that comes under the auspices of the public accounts. That is wrong.

The Government has complete disregard for all elected Members on both sides of the House. That is regrettable, particularly if Dáil Éireann is to be meaningful. We are discussing change and there is a saying that to change is to live. We have a 19th century political system in the 21st century. We are about to make a massive change to the electoral system. We need to change the way the Dáil conducts its business because we are about to impose a 21st century methodology of voting on a 19th century political system. This is a contradiction.

By its action the Government is showing contempt for the Dáil and for the people who elected their representatives to this House. It is a great honour to be elected to Dáil Éireann, but when we arrive here it is regrettable that we merely fill space. It is outrageous to see a Minister failing to give a real reply to a Deputy's question and not being challenged on an issue. We are too concerned with the aesthetic of politics. The political system has failed.

The Minister for the Environment, Heritage and Local Government announced major local government reform and the empowerment of the electorate at local level. However, the Government has further curtailed local democracy by giving more power to county managers. This is regrettable.

Mr. Durkan: That is correct.

Mr. Perry: Leinster House merely provides a rubber stamp for issues. The Minister of State, Deputy Parlon, must agree that his achievements in Dáil Éireann are a mere shadow of what he hoped to achieve.

An Ceann Comhairle: I ask you to conclude, Deputy Perry. The Minister of State has been allotted only five minutes.

Mr. O'Dowd: That is too long.

Mr. Perry: I hope Fine Gael will soon get an opportunity to form a Government and bring in meaningful reform.

Mr. Durkan: We will and we will deal with that issue.

Minister of State at the Department of Finance (Mr. Parlon): Moving one-sided amendments to the Standing Orders of the House is hardly the way to engage people in politics. This is hardly the most important issue for the people of the country this week.

Mr. Perry: It is a very important issue.

Mr. Durkan: Getting answers for the people of the country is important.

Mr. Parlon: People expect us to do our business professionally and in an orderly way and not to waste time. They want us to get on with the business and not just to talk about how we get on with it.

Mr. Perry: Is the Minister of State coming over to this side?

Mr. Parlon: I had my opportunity to do that.

Mr. Neville: He was very nearly on this side.

Mr. Curran: He is better off on this side.

Mr. Parlon: Dáil reform is a matter for all parties and one best progressed through co-operation by the Whips rather than point scoring. The Fine Gael motion focuses on one main issue, the presence of the Taoiseach in the House on Thursdays.

Mr. Neville: Or his absence.

Mr. Parlon: I suspect that the same people who complain about the Taoiseach in this way would also complain about presidential type politics where all the focus of government and parliament is on one person. We do not have a presidential system—

Mr. Perry: Not yet.

Mr. Parlon: —and the House would be wise not to allow one to come about, either by mistake or deliberately.

Mr. Durkan: The Minister of State had better say that tongue in cheek.

Mr. Perry: It is a dictatorship.

Mr. Parlon: As the Government Chief Whip pointed out yesterday evening, the Taoiseach will be in Rome next Thursday, in Northern Ireland the following Thursday and at meetings with the Slovenian Prime Minister and the European Commissioner, Mr. Barnier, the following Thursday. The House should continue to recognise fully the work the Taoiseach engages in on behalf of the State, as it always has done. This is especially important when Ireland has the Presidency of the European Council of Ministers.

Dáil reform is a matter for all parties as we strive together as national parliamentarians to make the work we do more effective, more transparent and better understood by our constituents. I empathise with some of the points the Deputies made, but it is for all of us to work in that direction. Every aspect of how this House does its business should be considered in depth by the sub-committee on Dáil reform. I would like to see all parties come to that forum with constructive proposals and a genuine willingness to put party politics aside in order to implement meaningful changes together. In this way, proposals from all sides of the House could be considered and the best among them used as a framework for the effective operation of this House in the 21st century.

I welcome the ambitious and comprehensive proposals outlined by the Government Chief Whip yesterday evening. Extra sitting hours and more special Dáil sittings would greatly improve our ability to legislate effectively. The lengthening of the existing Tuesday, Wednesday and Thursday sittings rather than an addition of extra sitting days would allow Deputies to achieve the right balance between our roles as legislators and public representatives. Representation must be informed by genuine communication and interaction with the people we represent. I value my time spent as a local representative in Laoighis-Offaly hearing the views and concerns of the people who elected me.

Mr. Durkan: And distributing posters about decentralisation.

Mr. Perry: In Parlon country.

Mr. Parlon: I also welcome the new initiatives proposed for monthly calendars of forthcoming Second Stage legislation, which should help Members to prepare more considered contributions to Second Stage debates. The introduction of topical issues time at a prominent time of day would be a major improvement on the current arrangement for matters on the Adjournment and would give backbenchers, who often find themselves eclipsed by Ministers and Opposition spokespersons, the opportunity to

draw greater attention to the concerns of their constituents. While Deputy Durkan gets more than his fair share of the time of the House, this measure would allow other Members to make a greater contribution.

Mr. Durkan: At least when I promise something to my constituents, I see that they get it.

Mr. Parlon: I welcome the proposal for a weekly slot for committee chairs to report to and be questioned by the Dáil itself. The increased effectiveness of our committee system is a tribute not only to previous Dáil reform initiatives, but to the dedication and hard work of Members on all sides of the House. Any initiative which supports the work of committees and improves the two-way communication process between them and the Dáil itself should be strongly supported by all sides.

The proposals put forward by the Government Chief Whip yesterday provide a solid foundation for real progress on the issue of Dáil reform, but progress will require the efforts and co-operation of all parties. I can only hope the Opposition parties come to the next sub-committee on Dáil reform with genuine suggestions and are willing to work together in the interest of ensuring that Dáil Éireann provides better value for money for the people. Fine Gael's decision to waste this week's Private Members' time dwelling on the singular and mischievous issue of the Taoiseach's presence in the House on Thursdays is a poor reflection of their priorities, a sad indictment of their lack of policy focus and a waste of valuable Dáil time.

I commend the Government's amendment to the House and I conclude with a genuine hope that the issue of Dáil reform will be taken seriously by the Opposition in future so that we can all move forward together.

Mr. Neville: I wish to share my time with Deputy Ring.

An Ceann Comhairle: Is that agreed? Agreed.

Mr. Neville: I welcome the opportunity to speak on this motion. The Minister of State thinks it is a waste of time. Does he not realise the dangerous level of cynicism among the people because of the way the House performs? Unless the House does something about this situation and ensures that we are accountable for the issues of concern to the people, this cynicism will not change.

Yesterday, we debated the Civil Registration Bill 2003 on Report Stage. Members had spent ten hours debating the Bill on Committee Stage, with much discussion and promises by the Minister to examine aspects of the Bill on Report Stage. However, we did not have time to deal with more than half of the Report Stage amendments before the guillotine fell. It was

extremely frustrating for someone who had spent much time debating the Bill on Committee Stage and had done much work on improving the Bill to find that the Report Stage debate was guillotined. Legislating is our key responsibility as elected representatives. We are being frustrated in that responsibility and we cannot fully debate all aspects of Bills which come before the House.

Standing Order 31 is a joke.

Ms Hanafin: Hear, hear.

Mr. Parlon: The Deputy should tell that to his Opposition colleagues.

Mr. Neville: I have given up making requests to adjourn the Dáil under Standing Order 31. I can remember only one occasion when such a request was granted. Issues of national concern have been raised in this context. What exactly is permitted under Standing Order 31?

Ms Hanafin: A major disaster.

Mr. Neville: Would Sellafeld have to blow up to have a request accepted? The Ceann Comhairle says he is constrained by the existing rules and I have no reason not to believe him, but it is our duty to change those rules. This is what we mean when we talk about Dáil reform.

Another area of concern is the Adjournment debate. I wished to raise the issue of mental health on the Adjournment this evening. I have many issues to raise in that regard if I am allowed to speak on the Adjournment, which I have not succeeded in doing this week. Perhaps that will happen tomorrow night.

Mr. Durkan: Hope springs eternal.

Mr. Neville: The Minister will not respond to one of those issues because someone has already written a speech for him. In all my time here, on only one occasion did a Minister deviate from a script for some two or three lines. That was the Minister of State, Deputy Callely, and in fairness to him he responded and promised me something if certain things came to pass. Those things did happen and we now have an independent inquiry into an issue which I called for on that night. If the people who wrote the scripts had their way, he would not have gone off the script and made that commitment. That was the only time I saw anything positive coming out of an entire range of responses on the Adjournment.

Regarding parliamentary questions, I asked a simple question last November regarding the level of finances spent on suicide prevention and research in 2002 and 2003. The answer I got was that there was additional funding of €665,000 and that since publication of the national task force report in 1998 a cumulative total of €13 million had been spent. I was totally confused and put down the question again on 20 February, getting a similar answer. I eventually asked for the figure spent by each health board area and found out

[Mr. Neville.]
that the total spent in 2003 was €665,000. Up to this the talk was of cumulative spending and extra funding. The extra funding was on top of what was spent over a period of five years, but the interpretation most people put on it was that there was €665,000 in extra moneys allocated over the previous year. It took three questions to obtain the information that I could have been given on the first day.

The attitude to questions seems to be how to give as little and as vague information as possible. Ministers could insist that as much information as possible be given and if they did so there would be much more confidence in the system and many of us would feel much less frustrated with the way we are treated. When putting down a question one has to look at every angle to make sure there is no leeway in it. One has to almost totally close down questions and put down half a dozen of them to get information, and put them down on different days, because if put down on the same day they will be taken together, with a vague answer given.

Oral questions are a joke. I heard Deputy O'Dowd saying that the Minister for Community, Rural and Gaeltacht Affairs, Deputy Ó Cuív, treated such questions in a different way last week. I have never experienced that, and I table many health questions.

The last time I put down two oral questions on health, one of them came last on the list. I was at a parliament recently where the Ministers lined up and the Opposition asked the questions, with the appropriate Minister responding immediately. If he did not have the full answer he promised the MP that he would supply it within a few hours. Anyone could ask a question. I am not sure if the questions were pre-submitted to the Minister, but there was no question of reading from scripts.

Mr. Ring: The two Ministers of State, Deputies Hanafin and Parlon, should accept this Fine Gael motion. It would show goodwill on the part of the Government in that it is prepared to sit down with the Opposition. The staff of this House has to be considered too in the matter of Dáil reform.

When I became a Member of this House, I used to bring people in on a regular basis. I do not do so any longer.

Mr. McCormack: The Deputy is ashamed.

Mr. Ring: I am embarrassed. The visitors come to the House, sit in the Visitors Gallery and see what is going on. They see the Opposition asking questions and getting no answers. They see the Government with its press secretaries sending out speeches to backbenchers, some of whom do not even understand what they are reading. That is part of the problem. Politics have fallen to a new low.

I do not like saying the following. The Taoiseach enters the House on Tuesday. He is

gone on Wednesday at 1 p.m. If he stopped his car on Merrion Square and waited there, six or seven Ministers would run into him five minutes later, because as soon as the Taoiseach leaves the House, so too does every other Minister.

The Taoiseach is the chief executive of the country.

Ms Hanafin: That is why he is running the country.

Mr. Ring: We expect him to be in this House on Tuesday, Wednesday and Thursday. I heard the Minister of State, Deputy Parlon, talking about the Taoiseach tonight, as did the Minister of State, Deputy Hanafin. They said he had to go to Rome for important international business. This House will always accommodate the Taoiseach and Ministers when they are about Government business.

Mr. Durkan: Every time.

Mr. Ring: A number of weeks ago, I was in this House on a Thursday. I asked my party Whip for a pairing and he refused. I wanted to go to Mayo. Meanwhile the Taoiseach was opening a nursing home, of which we have 40 — too many — in Mayo, because the people involved with it were friends of his. The Taoiseach should have been in this House.

Ms Hanafin: That is why he is Taoiseach and the Deputy is in Opposition.

Mr. Ring: The Taoiseach then went on to Breaffy House to open a leisure centre. Breaffy House has been opened seven times in the last five years. The Taoiseach went down again because the Lynch Group supports Fianna Fáil. Is that what the chief executive and Taoiseach of this country should be at? Is that what the people expect him to be at, opening little leisure centres, swimming pools and pubs? If the Taoiseach has to go to Europe or Brussels or America, the Opposition will certainly allow him do so, but as I said before he treats this House like a FÁS scheme — a day on and a day off. That is not acceptable. This is the Parliament of Ireland.

Every Bill enacted should be announced in this House.

Mr. Durkan: Hear, hear.

Mr. Ring: It should not be announced on “Morning Ireland”. The Ministers of State opposite and their staff and PR people, all former journalists, are wining and dining the journalists of this country, dropping them hints and bits of information, leaking it to the media, while “Liveline”, “Today with Pat Kenny” and every other show in the country are discussing what is going on. When I raise matters in the morning, the Ceann Comhairle tells me I am out of order and may not speak. Joe Duffy and everyone else

in the country are discussing it, and three weeks later we discuss the matter in the House.

As I said earlier, I no longer bring people into the House.

Ms Hanafin: The Deputy should look after his seat. He should continue to bring people in.

Mr. Ring: I am now like the Deputies sitting opposite. I am learning from Fianna Fáil. The Minister of State, Deputy Parlon, came into this House and we were told the Progressive Democrats would be the watchdogs of the country. They are mere poodles. I do not want to be disrespectful to poodles because I like poodles. The Progressive Democrats Members are certainly not watchdogs. They are lapdogs. The Minister of State, Deputy Parlon, has learned fast. He was not here a week before he was putting up signs like an auctioneer, promoting decentralisation and “Parlon Country”. That is the kind of pollution now going on in the Government.

Mr. D. Ahern: The Deputy is at it himself. If he had the job he would be at it himself.

Mr. Ring: The Minister should sit down.

Mr. Durkan: Inspector Clouseau.

Mr. Ring: There is the man who jumped ship from the Department of Social, Community and Family Affairs, as it was, when there was no money in it, and landed poor Minister, Deputy Coughlan, in it. He got out fast. I like the Minister for Social and Family Affairs, Deputy Coughlan. The Minister, Deputy Dermot Ahern ran.

Regarding real Dáil reform, I listen to parties talking about this House sitting on Monday, Tuesday, Wednesday, Thursday and Friday. Let us not be fools. We all have to be elected. This House should sit on Tuesdays, Wednesdays and Thursdays — not like last year. When the Minister of State, Deputy Parlon, the Minister for Finance, Deputy McCreevy, the Minister for Agriculture and Food, Deputy Walsh, and every other Minister wanted to go to Cheltenham, they made sure there would be no Dáil sitting in the week of the Cheltenham races. They organised the business of the House to make sure there would be no sitting in the Cheltenham week.

Ms Hanafin: The House never sat that week.

Mr. Ring: The Dáil should sit Tuesday, Wednesday and Thursday every week of every month, except the month of August. If it did that we would not have to talk about Dáil reform.

A Ceann Comhairle, you will have to sit down with the Government and the Opposition parties. This House must get organised because it is losing its importance in the minds of the people. This House is the House of Parliament but I hate putting down parliamentary questions to the Minister for the Environment, Heritage and

Local Government because the reply I get is that he has no responsibility.

Mr. Durkan: He is right. He has none.

Mr. Ring: He says it is the responsibility of the county council. If I put down a question to the Department of Education and Science——

Mr. D. Ahern: The Deputy wants to be in the county council. He should make up his mind. Which does he want to be in?

Mr. Durkan: We have our minds made up.

An Ceann Comhairle: Deputy Ring, without interruption.

Mr. Ring: The Minister, Deputy Dermot Ahern, was sent out of this House on a previous occasion to do a job, and he did not do it. I do not want to get nasty.

Mr. D. Ahern: The Deputy should make up his mind which he wants to be in.

Mr. Ring: I will tell the Minister what I want. I want to be in this House and I want to be in the council. I make no apologies to him and his hypocrites on that side of the House.

An Ceann Comhairle: “Hypocrite” is not an appropriate word to use in this House.

Mr. Ring: I want to represent the people and I am in this House to do that. Ministers should answer questions when they are asked them and not be like the Minister, Deputy Dermot Ahern, running for cover, sending out the spin doctors and programme managers and sending out the scripts to the boys on the back benches instead of coming in here and giving real answers.

Mr. D. Ahern: There are no spin doctors or programme managers. Fine Gael had the programme managers.

Mr. Ring: If we did that, people would have more interest in politics and young people would want to become involved in politics——

Mr. Durkan: Hear, hear.

Mr. Ring: ——but they see the hypocrisy that is going on now. Nobody wants to get involved in politics because they see it is a sham. That is what is going on in this House, a sham. We want to give power back to this House. People died in this country for the vote. My own granduncle died in this country so that people could vote to have our own Parliament and what are we doing? We are taking the powers away from this House every day and what does the chief executive of this House, the Taoiseach, do?

Ms Hanafin: He runs the country.

Mr. Ring: He comes in on Tuesday, he is gone by Wednesday evening and we do not see him again until the following Tuesday.

Mr. D. Ahern: The Deputy will not come in here to do the work on Fridays. He is down in Mayo.

An Ceann Comhairle: Deputy Ring, your time is concluded.

Mr. Ring: That is not real democracy. That is dictatorship at its worst. This is a democracy, not a dictatorship.

An Ceann Comhairle: The time is concluded, Deputy, and I am obliged to put the question.

Mr. Ring: The Minister of State has an opportunity tonight to accept this motion and, having done that, she should sit down with the Opposition, the staff of this House and the Ceann Comhairle with a view to introducing real reform——

Ms Hanafin: That is what the amendment states.

Mr. Ring: ——so that the people can have respect for politicians and for this House and not run away from accountability to this House.

Mr. Durkan: Hear, hear.

Amendment put.

The Dáil divided: Tá, 74; Níl, 54.

Tá

Ahern, Dermot.
 Andrews, Barry.
 Ardagh, Seán.
 Aylward, Liam.
 Blaney, Niall.
 Brady, Johnny.
 Brady, Martin.
 Brennan, Seamus.
 Browne, John.
 Callanan, Joe.
 Carey, Pat.
 Carty, John.
 Cooper-Flynn, Beverley.
 Coughlan, Mary.
 Cowen, Brian.
 Cregan, John.
 Curran, John.
 Davern, Noel.
 de Valera, Síle.
 Dempsey, Tony.
 Dennehy, John.
 Devins, Jimmy.
 Ellis, John.
 Fahey, Frank.
 Finneran, Michael.
 Fitzpatrick, Dermot.
 Fleming, Seán.
 Gallagher, Pat The Cope.
 Glennon, Jim.
 Hanafin, Mary.
 Haughey, Seán.
 Hoctor, Máire.
 Jacob, Joe.
 Keaveney, Cecilia.
 Kelleher, Billy.
 Kelly, Peter.
 Kirk, Seamus.

Kitt, Tom.
 Lenihan, Brian.
 Lenihan, Conor.
 McCreevy, Charlie.
 McDaid, James.
 McEllistrim, Thomas.
 McGuinness, John.
 Martin, Micheál.
 Moloney, John.
 Moynihan, Donal.
 Moynihan, Michael.
 Mulcahy, Michael.
 Nolan, M.J.
 Ó Cuív, Éamon.
 Ó Fearghaíl, Seán.
 O'Connor, Charlie.
 O'Dea, Willie.
 O'Donnell, Liz.
 O'Donoghue, John.
 O'Donovan, Denis.
 O'Flynn, Noel.
 O'Keefe, Batt.
 O'Malley, Fiona.
 O'Malley, Tim.
 Parlon, Tom.
 Power, Peter.
 Power, Seán.
 Ryan, Eoin.
 Sexton, Mae.
 Smith, Brendan.
 Smith, Michael.
 Treacy, Noel.
 Wallace, Dan.
 Wallace, Mary.
 Wilkinson, Ollie.
 Woods, Michael.
 Wright, G.V.

Níl

Boyle, Dan.
 Broughan, Thomas P.
 Bruton, John.
 Burton, Joan.
 Connaughton, Paul.
 Costello, Joe.
 Coveney, Simon.
 Crawford, Seymour.
 Crowe, Seán.
 Cuffe, Ciarán.
 Deasy, John.
 Deenihan, Jimmy.
 Durkan, Bernard J.

English, Damien.
 Enright, Olwyn.
 Ferris, Martin.
 Gilmore, Eamon.
 Gogarty, Paul.
 Gormley, John.
 Hayes, Tom.
 Higgins, Michael D.
 Hogan, Phil.
 Howlin, Brendan.
 Kehoe, Paul.
 Lynch, Kathleen.
 McCormack, Padraic.

Níl—*continued*

McGinley, Dinny.
McManus, Liz.
Mitchell, Gay.
Mitchell, Olivia.
Morgan, Arthur.
Moynihan-Cronin, Breeda.
Murphy, Gerard.
Naughten, Denis.
Neville, Dan.
Noonan, Michael.
Ó Caoláin, Caoimhghín.
Ó Snodaigh, Aengus.
O'Dowd, Fergus.
O'Keeffe, Jim.

O'Sullivan, Jan.
Pattison, Seamus.
Perry, John.
Ring, Michael.
Ryan, Eamon.
Ryan, Seán.
Sargent, Trevor.
Sherlock, Joe.
Shortall, Róisín.
Stagg, Emmet.
Stanton, David.
Timmins, Billy.
Upton, Mary.
Wall, Jack.

Tellers: Tá, Deputies Hanafin and Kelleher; Níl, Deputies Durkan and Stagg.

Amendment declared carried.

Question put: "That the motion, as amended, be agreed to."

The Dáil divided: Tá, 72; Níl, 54.

Tá

Ahern, Dermot.
Andrews, Barry.
Ardagh, Seán.
Aylward, Liam.
Blaney, Niall.
Brady, Johnny.
Brady, Martin.
Brennan, Seamus.
Browne, John.
Callanan, Joe.
Carey, Pat.
Carty, John.
Cooper-Flynn, Beverley.
Coughlan, Mary.
Cowen, Brian.
Cregan, John.
Curran, John.
Davern, Noel.
de Valera, Síle.
Dempsey, Tony.
Dennehy, John.
Devins, Jimmy.
Ellis, John.
Finneran, Michael.
Fleming, Seán.
Gallagher, Pat The Cope.
Glennon, Jim.
Hanafin, Mary.
Haughey, Seán.
Hoctor, Máire.
Jacob, Joe.
Keaveney, Cecilia.
Kelleher, Billy.
Kelly, Peter.
Kirk, Seamus.
Kitt, Tom.

Lenihan, Brian.
Lenihan, Conor.
Martin, Micheál.
McCreevy, Charlie.
McDaid, James.
McEllistrim, Thomas.
McGuinness, John.
Moloney, John.
Moynihan, Donal.
Moynihan, Michael.
Mulcahy, Michael.
Nolan, M. J.
Ó Cuív, Éamon.
Ó Fearghail, Seán.
O'Connor, Charlie.
O'Dea, Willie.
O'Donnell, Liz.
O'Donoghue, John.
O'Donovan, Denis.
O'Flynn, Noel.
O'Keeffe, Batt.
O'Malley, Fiona.
O'Malley, Tim.
Parlon, Tom.
Power, Peter.
Power, Seán.
Ryan, Eoin.
Sexton, Mae.
Smith, Brendan.
Smith, Michael.
Treacy, Noel.
Wallace, Dan.
Wallace, Mary.
Wilkinson, Ollie.
Woods, Michael.
Wright, G.V.

Níl

Boyle, Dan.
Broughan, Thomas P.
Bruton, John.
Burton, Joan.
Connaughton, Paul.
Costello, Joe.
Coveney, Simon.
Crawford, Seymour.

Crowe, Seán.
Cuffe, Ciarán.
Deasy, John.
Deenihan, Jimmy.
Durkan, Bernard J.
English, Damien.
Enright, Olwyn.
Ferris, Martin.

Níl—continued

Gilmore, Eamon.
Gogarty, Paul.
Gormley, John.
Hayes, Tom.
Higgins, Michael D.
Hogan, Phil.
Howlin, Brendan.
Kehoe, Paul.
Lynch, Kathleen.
McCormack, Padraic.
McGinley, Dinny.
McManus, Liz.
Mitchell, Gay.
Mitchell, Olivia.
Morgan, Arthur.
Moynihan-Cronin, Breeda.
Murphy, Gerard.
Naughten, Denis.
Neville, Dan.

Noonan, Michael.
Ó Caoláin, Caoimhghín.
Ó Snodaigh, Aengus.
O'Dowd, Fergus.
O'Keeffe, Jim.
O'Sullivan, Jan.
Pattison, Seamus.
Perry, John.
Ring, Michael.
Ryan, Eamon.
Ryan, Seán.
Sargent, Trevor.
Sherlock, Joe.
Shortall, Róisín.
Stagg, Emmet.
Stanton, David.
Timmins, Billy.
Upton, Mary.
Wall, Jack.

Tellers: Tá, Deputies Hanafin and Kelleher; Níl, Deputies Durkan and Stagg.

Question declared carried.

Finance Bill 2004: Second Stage (Resumed).

Question again proposed: "That the Bill be now read a Second Time."

Mr. Crawford: Much of the work which used to be done in this Chamber is now dealt with by the farm organisations, trade unions, IBEC and others at the partnership talks. While that is good and has worked, such matters should be dealt with in this House to some degree. However, the issue I wish to address is that of the national partnership groups, some of which I met earlier today.

The partnership groups are extremely disturbed that they are in a position where they cannot devise long-term strategies and have no idea regarding their funding. Groups such as this need to have some long-term strategy and coherence. I learned that one of the groups, Area Development Management, will have its membership released because political hacks are to be put on its board. ADM dealt with social inclusion and did a good job and I wonder where we are going in this area. There is a need to consider how this sector is financed and what guarantees should be given in this regard.

Community employment is another area which obviously needs finance. While we welcome the 2,500 jobs provided through farm assist, there is still no coherent plan regarding how those jobs will be created and, more importantly, whether they will be structured in such a way as to not create another group within rural communities. There should be a coherent plan in this regard.

It would be totally wrong of me, coming from the Cavan-Monaghan constituency, to leave this Chamber after a Finance Bill debate without having raised the issue of the health services. The Minister for Health and Children appointed Mr. Kevin Bonner to analyse the needs of Cavan and Monaghan General Hospitals. Mr. Bonner came

up with a plan in which he stated that €15 million was urgently needed in the next year or so. That was almost one year ago and nothing has yet happened.

Some €10.5 billion is being spent on the health services. We are not arguing about the amount being spent, but the way that money is handled. It is being completely mismanaged. When one sees a hospital, such as that in Monaghan where there is a state-of-the-art operating theatre and good surgeons, being under-utilised and patients being sent by aeroplane to Manchester or elsewhere, it is clear that taxpayers' money is being totally wasted. If this Finance Bill is to mean anything, it should be that we are responsible for how that money is spent.

One particular group is being completely marginalised — lower middle income earners, who cannot get a medical card. They were guaranteed by this Government that 200,000 extra medical cards would be granted. Not only have they not been, but every day medical cards are being taken away from people, which is a serious issue.

Minister of State at the Department of Finance (Mr. Parlon): I wish to share my time with Deputy Devins.

An Ceann Comhairle: Is that agreed? Agreed.

Mr. Parlon: I am glad to have the opportunity to contribute to this debate and to raise a number of important issues which may assist the debate on taxation matters in this House. This Finance Bill puts in place a number of significant provisions which are designed to help consolidate Ireland's strong economic position and, in particular, to boost investment and employment. The Bill confirms the budget income tax package which allocated available resources to those at the lower income levels and to older people.

From 1 February 2004, the new minimum wage is €7 per hour. Section 3 increases the entry point

to taxation to 90% of the increased new minimum wage, annualised. Thus, for a single PAYE taxpayer, the first €12,800 per annum, or €246 per week, of his or her earnings will be tax free. The measures provide clear evidence of the Government's commitment to keep down taxes on wages and protect the real value of incomes for pensioners on low income. They build on what has already been achieved over the last seven budgets. Average tax rates have fallen for all categories of income earners consistently over seven years.

At the same time, the number of people in consistent poverty has been cut by one-third between 1994 and 2001. The ESRI confirms this and everyone accepts its analysis. There is no way people can credibly claim that our economic success is not reducing poverty. It has done so, it is doing so and it will continue to do so.

In the aftermath of the budget, the Labour Party's finance spokesman, Deputy Burton, rather generously wrote as follows: "What Mr. McCreevy did in terms of taxation was truly extraordinary."

That is absolutely correct. What has been done over seven years by cutting taxes, which the Labour Party opposed, has been extraordinary. There are 400,000 more people in employment and there is a much lower burden of tax on people with ordinary incomes. In that time the average tax rate of someone on the average industrial wage has been reduced from 28% to 18%.

Deputy Burton also wrote about the Minister as follows: "His failure to adjust the standard rate band was a massive tax hike for people on modest incomes." That is completely wrong. People whose wage increases this year will put them into the top rate will pay the top rate on a very small amount of their income. When the Labour Party left Finance, the top rate was 48%. A single person on the then average industrial wage of €19,300 would have paid over €1,000 in tax at the 48% rate. A person now on the average industrial wage of over €29,000 pays just €574 in tax at the lower rate of 42%.

Mr. Crawford: That is just a deposit for a house.

Mr. Parlon: That is a tax cut in anyone's terms.

Mr. Howlin: Stealth taxes.

Mr. Parlon: The Labour Party has no credibility on low taxes. The party stood over a 65% tax rate. It has fought the reduction in the top rate of tax all the way. It left office with people on average wages losing more than half their overtime to tax.

The Tánaiste said future budgets should address the tax bands and the rate at which people on average industrial wages pay tax. This Government has the track record and credibility to achieve tax reductions. No other Government

can hold a candle to it. The Government's record is clear. Earnings are up and taxes are down. People pay more tax only if they earn more. For those at or below the average production worker's wage, Ireland now has the lowest tax wedge in the EU and one of the lowest in the OECD.

These are impressive policy achievements. They are fully consistent with European policy to reduce the tax burden on work. Analysis carried out for the European Commission has shown that half of structural unemployment in the EU since 1970 has been as a result of higher labour taxes. Those who advocate, or would allow, higher PRSI and tax on work have the weight of European experience against them.

On corporation tax, the Bill contains some provisions that may have far-reaching implications for future employment growth in Ireland. As announced in the budget, the Finance Bill 2004 provides an exemption from tax on gains made by an Irish company on the disposal of a shareholding in a subsidiary and includes related amendments to widen entitlement to double taxation relief in respect of foreign tax on repatriated dividends. These measures are being introduced to encourage foreign multinational corporations to locate their regional headquarters and holding companies in Ireland.

A common feature of international business is where corporations centralise functions such as co-ordination of group activities and treasury management. However, up to now, Ireland has not been considered as a location for headquarters or holding companies because any gain on a disposal by an Irish holding company of a shareholding in a subsidiary would be chargeable to tax here. The measures contained in the Bill will change the situation significantly for the better. Foreign direct investment continues to play an important role in the Irish economy. Competition for international projects across all sectors is increasing. In that regard, it is vital that our ability to compete on the international stage is maintained and enhanced. Irish tax policy must have regard to international developments and any obstacles to our competitive position must be identified and addressed.

Many EU member states have introduced tax regimes designed to facilitate foreign corporations to set up holding companies. These countries include Ireland's main competitors for inward investment projects. The measures contained in the Bill remove the main barrier to locating in Ireland, that is, the tax charge that arises on a disposal of shares in a subsidiary.

In budget 2004, the Minister for Finance announced his proposal to exempt transfers of intellectual property from stamp duty in the 2004 Finance Bill. Section 73 of the Bill provides for an exemption from stamp duty on the sale, transfer or other disposition of intellectual property as defined. Intellectual property includes any patent, trademark, copyright,

[Mr. Parlon.]

registered design, design right, invention, domain name, supplementary protection certificate or plant breeders' rights. The measure is aimed at making Ireland a more attractive place for the location of such intellectual property.

Tax incentives are widely used to stimulate business research and development in other advanced economies. Their effectiveness in doing so has been established by a series of empirical studies, particularly among large firms in high tech sectors where the need for greater research intensity is most pronounced. The Irish relief is a tax credit which means a trebling of the tax saved for companies subject to the 10% rate, that is, 20% credit plus the normal deduction at 10% or 12.5%. I understand that 17 OECD countries offer tax incentives for research and development.

The provisions in the Bill build on the substantial achievements of recent years. Our tax strategy creates the climate for jobs and, crucially, it provides massive new resources for public spending and investment. The Finance Bill is good for the economy, social inclusion and future jobs. I commend the Bill to the House.

Dr. Devins: I welcome the Finance Bill 2004 to the House. The Bill gives effect to the changes announced in the budget. It is worth recalling how well the budget was received on budget day. The changes announced that day are recognised as continuing the policy of the Government and the Minister for Finance, in particular, stimulating the economy and reducing unemployment.

Despite the recession which has gripped most of the leading economies in Europe and further afield, the Irish economy has continued to grow, granted not at the record rates achieved during the years of the so-called Celtic tiger, but still at a rate far in excess of our European neighbours. The Finance Bill will lay the foundation for that growth to continue. It will ensure that the achievements of the past few years are built upon.

It is a very long and detailed Bill. I am sure that during Second Stage my colleagues will cover most of it, but I will confine myself to some of the sections which I feel merit particular attention. I refer briefly to the tax changes. It is the nature of human beings that none of us likes to pay tax, yet we all recognise that if the State is to help supply services such as education, health and social services, money must be raised, and the fairest way to do this is through the taxation system. However, the burden of taxation should not be placed on those who can ill-afford to pay it. The changes announced in the Finance Bill will continue to increase the number of people who do not have to pay tax. It is worth noting that 35% of all income earners do not now have to pay tax. As a result of the budget, almost 700,000 people working in Ireland will be outside the tax net.

Work, as we all know, confers dignity on people, but if the take by Government in the form of tax is such that a sizeable proportion of what a person earns goes to the State, it would not take a rocket scientist to conclude that the incentive to seek work is removed. The Government is committed to ensuring that as many people as possible will want to work and that the jobs are available for them. Those at the lower end of the salary scale should not have their income diminished by taxation. The Bill continues the work which the Minister for Finance has already put in place. For example, for a single PAYE person, the first €12,800 per annum of earnings is now free of tax. Likewise, for those over 65 years of age, people who in the main have given a lifetime of commitment and work to the State, the exemption from income tax has been raised to €31,000 per couple. It is worth noting that since 1997, more than 81,000 income earners over the age of 65 have been removed completely from the tax net. That is as it should be in any caring society.

I welcome the extension of tax relief in section 11 to health insurance policies for non-routine dental treatment where those policies have been issued by insurers providing dental insurance only. In the past, dental care has often been overlooked by the public and, as a result, there is a significant degree of morbidity among our elderly population. Thankfully, this is now changing and as newer treatments become available, people are aware that dental care is not just optimal but necessary for their overall well-being.

As the Minister outlined earlier, the date for the termination of tax relief for the film industry has been extended to December 2008. Like many of my colleagues, I made numerous representations to the Minister on behalf of constituents who are working in the film industry and I welcome his decision to recognise the valuable role this important industry plays in providing employment throughout the country. There is a thriving film industry in Sligo and Leitrim and this decision will allow this sector to expand and diversify. It will also encourage new and innovative products to be developed, and those in the sector are well capable of doing that.

The introduction of tax credits for research and development will promote and increase research and development activity in Ireland, thereby stimulating high quality employment and a knowledge-based economy. The key feature of this incentive is that qualifying research and development expenditure, including capital expenditure, by a trading company will generate a tax credit of 20% in addition to the normal tax deductions available at either 10% or 12.5%. This means that there is a potential tax credit for incremental research and development expenditure of up to 32.5%.

I also welcome the fact that research and development is clearly defined in the Bill. It is widely recognised that companies that invest in

research and development tend to develop other activities, such as manufacturing, in close proximity to their research and development facility. I know of companies that in the past closed down their manufacturing facilities and left Ireland to concentrate all their energies near their research and development location abroad. By encouraging research and development, we are providing opportunities for our young graduates to remain in Ireland while sending out the message that Ireland is willing and able to become the intellectual stimulus for the rest of Europe.

I welcome sections 31, 34 and 42. These are designed to encourage multinational companies to locate their regional headquarters in this country. Using the same logic as that of research and development, the measures in these sections will encourage foreign direct investment by facilitating multinational companies to relocate in Ireland. We are competing with every other country in Europe, particularly within the European Union, and with the imminent enlargement of the EU, it is vital that we look to the future. Up to now, multinational companies have played an important role in facilitating employment in Ireland. Abbott Ireland, a subsidiary of a Chicago company, is one of the major employers in Sligo and is an example of the beneficial effect such multinationals have had on our economy. Encouraging such companies to locate their regional headquarters in Ireland is a worthwhile initiative.

I have only touched on a few aspects of the Bill. I congratulate the Minister on introducing it and I commend it to the House.

Ms McManus: I welcome the opportunity to speak on this Bill but I do not welcome its thrust or the ideology that underpins its contents. The Minister had the opportunity in the budget to reduce the yawning disparity in wealth that characterises our society and to provide some relief for working people who find that excessive price rises are biting deep into their incomes. He did not take that opportunity.

The Minister argues that he has reduced taxes but he makes no mention of the growing list of stealth taxes people are forced to pay. In my constituency, the waste collection service has been privatised and there is no longer a waiver scheme to assist people on low incomes, but the cost of the service has rocketed. Elderly people have been particularly hard hit by this charge. When the service was privatised we were promised that competition would lead to keen pricing but we got a monopoly charging excessive prices, increased illegal dumping and littering, and a reduced service. In Bray, one bag of refuse costs €5.35, a penal charge on those on modest and low incomes. To add insult to injury, the maximum tax credit allowed for local service charges is €195 per annum. This takes no account of the inflated charges now being paid to a private company. In the case of charges for

sewage disposal for rural dwellings, there is no tax credit.

The Minister for Finance, however, clearly does not believe in the deserving poor. He is happiest when greasing the bum of the overfed pig. His belief is that only the rich are truly deserving, hence his refusal to tackle the bloodstock industry or the plethora of property-based tax shelters that have grown up and are well used by the high earner with a well paid accountant.

The Minister's move to extend rather than restrict property-based provisions is most remarkable. Over the years, there has been considerable investment driven by tax reliefs in, for example, nursing homes, so much so that current nursing home owners have pleaded with the Opposition and the Government to end the tax breaks because over-capacity is now a real problem. Hundreds of nursing home beds are literally lying idle. I have received correspondence from one nursing home owner who is at her wits end because of the number of empty beds she has. She says that she would have been better staying in Britain and setting up business there.

The Minister's response to this issue is interesting. Rather than cutting back on the measure, he is extending it by reducing the number of beds necessary for qualifying developments from 20 to ten. That hardly makes sense. It is a clear example of a fiscal measure that is money supply driven rather than demand driven. Regrettably, it is not the only example. In the case of private hospitals and private sports injury clinics, the scheme is also being extended and changed so that people formerly excluded are now able to invest without preventing other investors from claiming tax relief, as was the case until now. Why is this change being made? If it makes sense now, the Minister should tell us why the restriction existed in the first place.

We all know why the scheme was introduced. The scheme, which costs the taxpayer approximately €63 million, was slipped into the last Finance Bill at the last minute because a constituent of the Minister for Finance asked him for a favour. Meanwhile not one new medical card has been given to those who most need it, families with children who are on desperately low incomes and older people who are under 70.

The over 70s medical card scheme amounts to at least twice the estimated cost. It introduced a new tier of inequality into the GMS scheme and rewards doctors disproportionately by a factor of four for treating the wealthy patient over 70 compared to those who qualify on income grounds. It is a grossly unfair scheme that resulted from the fact that the doctors had the Minister for Finance and the Minister for Health and Children over a barrel because the Minister for Finance announced the scheme before he had negotiated it. It cost so much that the promise of 200,000 new medical cards has been quietly dumped by the Government. It is criminal that so

[Ms McManus.]

many people cannot access primary care because they cannot get a medical card. They will not be the ones building private hospitals and they will not be able to afford to go into those hospitals when they are sick. Instead their health will suffer and they will end up in accident and emergency departments, often sitting on chairs all night or, if they are lucky, lying on a trolley.

The Minister, however, does not consider investment in the health service a priority. He claims to have doubled the health spend, but he has not spent wisely the additional money allocated. He is ignoring the fact that health service has been starved of funding for a long time and that even now we are below the EU average of health spend in percentage terms. That is shameful but consistent with the Minister's ideological outlook.

The Bill provides a new provision to allow pension funds to borrow money. If one can afford to, one will be able to invest in property — invest one's pension fund and, on retirement, sell it and keep a quarter of it without paying tax. That will be of benefit to the self-employed and proprietary directors. However, it will be of no benefit to the economy and will exacerbate inequity at a time when the options for workers in the private sector seeking security in their retirement have never been worse.

I welcome one aspect of the Bill. Section 28 extends the life of the scheme for film tax relief under section 481. It also increases the limit for one film up to €50 million and provides for safeguards to ensure the scheme is not abused. Film-making is a major employer in my constituency and the original decision to end this scheme announced by the Minister, Deputy McCreevy, sent shock waves through the industry. It took a well directed and determined campaign by those working in the industry and by Deputies like my colleague, Deputy Burton, to get the Minister for Finance finally to see some sense. This provision was hard fought for and is much appreciated across an industry which is operating in a highly competitive world where tax breaks can make all the difference in attracting a multimillion film like "King Arthur" to Ireland, thereby generating jobs and economic activity on a large scale.

The Bill rewards wealthy investors with tax breaks while ensuring that a majority of PAYE taxpayers will pay tax at the higher rate. This is being done at a time when a range of social welfare cuts are savagely undermining vulnerable people and where access to health care and housing is rationed, not on the basis of need but on the basis of ability to pay for it.

Mr. Howlin: I am pleased to have this opportunity to say a few words on what is normally one of the more important legislative measures that comes before the House. I was in the House when the Minister of State made his contribution and I need to refer to his

unwarranted attack on the Labour Party spokesperson on finance and his general attack on the Labour Party. It is not the first time he has singled us out for such treatment. Normally relatively new Members of the House such as the Minister of State take some time to develop the swagger and arrogance some of the more seasoned members of the Government parties have developed. It usually takes at least a few terms in office to get that. The Minister of State seems to have been able to get the swagger, arrogance and confidence——

Mr. English: It comes with the party.

Mr. Howlin: It arrived perhaps with the party but it arrived almost on his first introduction to this House.

Mr. Parlon: It is the same old Labour Party.

Mr. Howlin: He has applied the same intellectual rigour in analysing the Labour Party's position on this Bill as Homer Simpson would. He seems to think that adopting the methodology, abandoned by Fianna Fáil in the 1960s, of strokes and bravado as an excuse for policy and delivery will win votes in the future.

Mr. Parlon: Half of overtime payments went in tax when the Deputy's party was in government.

Mr. Howlin: It is interesting that the Minister of State wants to continue his attacks on the Labour Party. Such is the ideology of the man that prior to the last election he had an auction between a few parties to decide for which in principle he could properly stand. We understand from where he is coming. I ask that he be a little more discerning in analysing the party and the traditions I represent and the service people who have sat on these benches for generations——

Mr. Parlon: Why does the Deputy not refute what I said?

Mr. Howlin: I listened to Minister of State — God help me, I did — and the least he can do is afford me the courtesy of listening to me. The people who have sat on these benches for generations contributed to this State and to developing rights for ordinary people that are now under attack by a variety of measures that this reactionary Government has implemented in its long unfortunate sojourn in office, and this has been exacerbated by the influx of even more reactionary people in the last election.

I want to focus on a few important issues. I will confine myself to issues germane to my spokesperson area and also to my constituency. I refer in particular to missed opportunities. There was talk today about a new Brussels agreement in regard to the availability of moneys to invest in infrastructure. That is a welcome modification — the easing of restrictions on the capacity of this economy, which is a healthy one

in terms of our indebtedness, to borrow for infrastructural need.

Anybody who understands this economy knows that one of the crippling issues facing us is that we are a First World economy with First World pretensions, but many of our infrastructures are of Third World quality. It is damnable that we have not spent on our infrastructure in the way that other developed countries have to provide for a road and public transport system that will allow us to do business in an efficient manner. We seem incapable — certainly this administration does — of rolling out a project, whether it be the port access tunnel, the completion of the C-ring, the development of light rail, the development of fastrack commuter rail services around the country or the implementation of a reasonable sustained spatial strategy to provide proper regional development to allow the regions to develop rather than concentrate on development in some regions and areas to the deprivation of others in their entirety.

In the south east which my colleague and I represent, after years of talk about 12 towns now have broadband roll-out. That is not good enough. We are putting ourselves forward as the ICT capital of the world, but instead of being at the cutting edge, as we were a number of years ago before the good Minister of State was elected to this House — he would not know about it but we were top of the league in competitiveness, at the cutting edge of technologies and the best in terms of ICT infrastructure — we have slipped greatly down those lists because of lack of leadership and inertia in delivery.

We need a proper delivery mechanism. The National Development Finance Agency was the big idea proffered by the Government parties at the last election, but where are the 33 projects identified that were meant to be in place by now? We see little of them, and I know colleagues would like to see them in place. Why is it impossible for us to do things that other countries seem capable of doing with great panache and without any great difficulty?

Perhaps we lost the argument in the minds of the general public at the last general election in terms of the development of the national pension reserve fund. We are putting 1% of our GDP into this fund and I accept we need to make provision for the future. We did not argue against that idea of that fund, but about how that money is being used. We wanted to free up that money to develop in our economy the infrastructure we need. Rather than that money being used to build roads and bridges, schools and hospitals here, it is being used to build bridges in Tokyo, Singapore and elsewhere, or, more unfortunately, it is being lost in speculation on the stock market where vast sums of money have been lost in a gamble in recent years in particular.

I want to briefly speak about the deficiencies in our hospitals. It is not good enough for Ministers to say that X billion euro is being

allocated and voted through this House and therefore all is well. Deputy Twomey and I know that in our constituency Wexford General Hospital is a fine hospital, one that I unfortunately had a direct cause to frequent prior to Christmas because of the illness of my late mother. I went into the hospital every day and saw what its staff had to cope with. There are 19 closed beds in the hospital, yet there were people in the corridors last week. Elective surgery is cancelled.

It is unconscionable that Ministers talk about the wonderful economy we have, the money that is available and all we can do while people are on trolleys. It is well and good to talk about the theory but if a family member is on a trolley one realises this is not good enough. The elderly in particular who are facing death have no second chance. Rectifying their problem in the future is no good to them — we have to get it right now. I appeal to the Minister of State and the Minister to get a grip on this issue and ensure the resources, which are patently available, are made available to those who need them.

We talk about the influence of politics but the truth is that there was a development plan for Wexford General Hospital which was signed off when I was Minister for Health. Ely Hospital was taken over by the South Eastern Health Board at my instigation. It was to become a geriatric facility. The private facility existed but was to move on to campus in Wexford General Hospital. New theatres and day wards were to be built and the allocation was to be made. It would have cost approximately £5 million but it has not been done. Therefore, there has been a deficiency of beds for some time. This modest resource has not been available. I deprecate this fact. It should be acknowledged that the resources need to be provided for a decent, workable service in Wexford General Hospital.

The Minister, in his budget speech of 3 December 2003 used a scare sentence amidst the “Hear, hear” uttered by the Deputies opposite. He stated:

Those states were unwilling in the past to plan for the demographic consequences of ageing. This failure to act in good times leaves them with no option now but to make substantial changes to the pension entitlements of everyone in the public service ...

In other words, if we do not do what he wants to do immediately, he will threaten those who have legal pension entitlements. We have been promised a pension Bill, or threatened with it. Many public servants are deeply concerned about this issue. If one believes decentralisation is a bone of contention in the public service, one should ask how public servants feel about the pension proposals. I understand that there is still no sign of a pensions Bill although it is a high priority in this legislative session. The promise made by the Minister in his budget speech that

[Mr. Howlin.]
this would be enacted and in force by 1 April was not honoured.

Where is the Bill? Will there be a reasonable approach to the pensions issue and those affected, such as teachers? Can one reasonably expect somebody who has been teaching for 45 years to teach junior infants at the age of 65? Surely there should be allowances to make reasonable provision that is appropriate to the types of jobs rather than one broad stroke that runs across the public service. We need to see the detail of the Bill and I am simply issuing general caveats on it. It should not be rushed through the House and we should not have a deadline given that it could fundamentally change the work arrangements and pension entitlements of those in the public service. Very careful consideration and decent consultation are necessary.

Taxation is the keystone of the Government and it has spoken about it. Some 50% of PAYE workers will pay tax at the top rate subsequent to enactment of this Bill. This means 50% are paying at the rate of 42%, as well as making PRSI payments. It is a very high marginal rate for such an enormous number of people. The fixation of the Government on headline rates to the exclusion of—

Mr. M. Ahern: The effective rate is 17%.

Mr. Howlin: The much more difficult issue to explain to people, which I accept, is that of adjusting bands. The Tánaiste has accepted the point I am making and said that the bands issue will be addressed in the future.

Mr. M. Ahern: I am not the Tánaiste.

Mr. Howlin: I know the Deputy is not the Tánaiste. I would not confuse him with her but she is his boss, at least in departmental terms.

Mr. C. Lenihan: Dominatrix.

Mr. Howlin: She has accepted my point that the fixation of the Government, because it is simplistic in electoral terms, on the headline rates to the exclusion of dealing with bands has left people worse off.

Mr. M. Ahern: Not at all.

Mr. Howlin: By any criteria, the divide between the rich and poor—

Mr. M. Ahern: By any objective criteria, the Deputy is talking rubbish.

Mr. Howlin: The Deputy should listen for a change. I know he likes to broadcast rather than receive, but he is in the wrong Department for that. By any objective criteria, such as those of CORI or any other objective group, the divide between the rich and poor is being exacerbated

by the policies of the Government and by this Finance Bill and the budget that preceded it.

I could say more on these matters but I hope the fixation of the Administration on looking after the most wealthy, who can look after themselves well, and on creating greater inequality in society will be short-lived and that some social justice will prevail in its thinking and counsel.

Minister of State at the Department of Enterprise, Trade and Employment (Mr. M. Ahern): I would like to share my time with Deputy Conor Lenihan.

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

Mr. M. Ahern: The Labour Party is similar to editors as described by Brendan Behan—

Mr. Howlin: Is this a rehearsed line?

Mr. M. Ahern: He said: "Critics are like eunuchs in a harem: they know how it's done, they've seen it done every day, but they're unable to do it themselves." I have listened to the spokesperson of the Labour Party on tax evasion. She used the phrase "tax avoidance" and stated that it is a criminal act. She is a chartered accountant and knows well there is nothing illegal about tax avoidance. However, this did not suit her script so she used the phrase in any case. I note that the Labour Party Members have left the Chamber. They have been disappearing for many a year and I am sure they will continue to do so.

I welcome the opportunity to speak on this Bill and I intend to address two issues in particular. The first concerns the provisions in the Bill that will enhance the innovative capacity of Ireland, thus helping to drive our emergence as a competitive knowledge-based economy, and the second concerns the introduction in the Bill of a stamp duty exemption on transfers of intellectual property.

The emergence of Ireland as Europe's high-growth economy has been a feature of the past decade. This transformation has arisen because of many factors, including a dynamic and youthful population; the pursuit of pragmatic and innovative Government policies; openness to trade, not only in goods and services, but also in new ideas; and an emphasis on education and technological innovation.

Ireland no longer depends for competitiveness on being a low-wage economy and is continuing to make the transition to higher value products and services that allow us to sustain and increase incomes. A key part of this process is to recognise the importance of research and development in sustaining and enhancing competitiveness. We must innovate continuously to make our manufacturing and enterprise base more productive and more efficient.

Ireland's sustained economic growth and prosperity will depend upon establishing a culture of scientific and technological innovation, a high level of research and development and a globally competitive knowledge-based economy. Such repositioning is essential to the provision of sustainable, high quality, well-paid jobs in the future.

The emphasis the Government has placed on research, technological development and innovation is reflected in the greatly increased allocation of €2.5 billion for this purpose in the National Development Plan 2000-2006 compared with €500 million in the 1994-99 plan. We have been making significant progress. Ireland's gross expenditure on research and development has increased from €626 million in 1993 to €1.338 billion in 2001. Despite this substantial real increase, Ireland's gross expenditure on research and development as a proportion of GDP and, more appropriately for Ireland, as a proportion of GNP remains low at 1.17% and 1.39%, respectively.

Heads of State at the Barcelona summit in 2002 agreed a target to increase the EU average spend on research and development from 1.9% of GDP to 3% by 2010, and two thirds of this enhanced expenditure is expected to come, not from Government but from the private sector. This key challenge for the EU will be at the heart of the Lisbon strategy to make the EU the most competitive knowledge-based economy in the world by 2010.

The Barcelona target will require significantly increased spend by the private sector on research and development in Ireland and across the EU. It is critical, therefore, that the fiscal environment encourages private sector investment in research and development and for that reason I strongly welcome and endorse the introduction in this Bill of a research and development tax credit which will stimulate and reward this vital activity in companies.

This new initiative is particularly significant for Ireland as the level of research and development undertaken by business here is low for an economy whose output and exports are dominated by high technology sectors. Private sector spend needs to increase substantially if the major investment under way in the public sector is to be fully effective in its objective of fostering a more knowledge-intensive economy.

Internationally, fiscal incentives in the form of tax credits or enhanced allowances are widely used to stimulate private sector research and development. Eighteen OECD member states offer such incentives and interest in them has grown in recent years as the importance of research and development for long-term economic growth has gained general acceptance.

It is proposed that a 20% tax credit against corporation tax will be available to companies for qualifying research and development expenditure above a 2003 baseline. This baseline will hold for three years and move forward on a rolling annual

basis thereafter. Critically, the tax credit will apply not only to basic and applied research but also to experimental development, an activity of significant importance to Irish companies. This proposal will provide an effective incentive to companies to increase research and development and will complement the various direct research and development grant supports which are also available through various agencies of the State.

Technological change and innovation are generally acknowledged to be key drivers of economic growth. Their importance has grown in recent decades as science-based sectors such as ICT and biotechnology have come to occupy a pivotal position in modern economies.

Though innovation takes different forms, formal research and development is at the heart of new product and process development in advanced economies. Business enterprises, particularly large companies, invest substantial resources in research and development because of its contribution to output and productivity growth. Estimates suggest that the rate of return on research and development to the firms undertaking it is in the range of 10% to 15%.

The level of business investment in research and development, however, is sub-optimal for two main reasons. First, research is an inherently risky activity. The extent of that risk increases with the degree of distance between research and its commercial applicability. Second, studies have consistently shown that the social rate of return on research and development significantly exceeds the private rate of return to the company undertaking the research.

The case for the introduction of a tax incentive for research and development in Ireland is based on the need for the Irish economy to make a decisive transition from high-volume, lower-value enterprise to high-value, high-innovation, knowledge-intensive enterprise. Critical to this aim is the need to achieve a substantial increase in the current comparatively low level of business research and development expenditure, particularly among foreign-owned firms in high-tech sectors.

The twin advantages of a plentiful supply of good quality, relatively low-cost labour and a highly-favourable rate of corporation tax that underpinned Ireland's economic advances over the past two decades, will not provide a comparable basis for future growth. Labour supply is not now in surplus; wage levels have risen; and other countries have, or are likely to introduce, corporation tax rates close to the level in this country.

It is widely accepted that the only feasible strategic direction for future policy is to create the conditions that will make possible a sustained shift to higher skill, higher value, and more knowledge-intensive enterprise. While this has long been evident, the scale and rapidity of growth in recent years, and the changes which it has wrought, mean that the transition to an enterprise sector centred on knowledge and

[Mr. M. Ahern.]
innovation must now proceed in a more determined and concerted way.

Under the national development plan, an unprecedented investment has been targeted at programmes and measures designed to strengthen research and innovation capabilities. The technology foresight fund is supporting world-class research in the sciences which underpin the strategic niches of information and communications technologies and biotechnology. The programme for research in third level institutions supports a wide range of research programmes in the higher education sector, including a sizeable capital allocation to address deficiencies in laboratory and other research infrastructure in universities and colleges.

A high-value, high-innovation economy will not be built on the back of these public research and development investments alone. Business research expenditure also needs to rise substantially. In 2001, business expenditure on research and development as a proportion of GDP was 0.8%, just over half the OECD average of 1.56% and one quarter of the best performing country, Sweden, where business expenditure on research and development was 3.3% of GDP.

To sum up, therefore, the introduction of this fiscal incentive for research and development is critically important at this stage in Ireland's economic development. It will help foster a more knowledge-intensive economy in order to provide a sustainable long-term basis for growth in employment and incomes. It will complement public investments in research and development and stimulate the much-needed substantial increase in private investment in research and development, particularly among foreign firms in high-tech sectors whose research intensity lags behind that in other countries. It will help to reduce Ireland's comparative tax disadvantage as a location for internationally mobile research and development and research and development-related investment. It will assist in seeking to attract new overseas investment with a significant research and development element to Ireland which is a priority for the IDA. It will help to encourage existing firms to add strategic functions such as research and development to their Irish operations. Given the competitive pressures facing lower-value activities, this is vital if firms are to progress up the value chain and become more securely embedded here.

I would like now to briefly mention intellectual property. "What is worth copying is *prima facie* worth protecting." So said Mr. Justice Peterson in 1916 in what he described as the rough practical test. It has been quoted many times since and captures the essence of what intellectual property law is all about. It is true that intellectual property law also protects what may not be worth copying, in that, for example, a novel will be protected, irrespective of its literary merit. That is certainly just as well, as who could be tasked

with this? Rather, it will be the market which will decide whether the protection granted is relevant.

Intellectual property is not easily defined. It is a basket of different rights and as diverse as human ingenuity. In any one product several rights may exist. For example, in the case of a compact disc, the production process may be subject to a patent; the words of the song subject to copyright; a right is also given to the arranger and to the performer; the cover will almost certainly have a trade mark; and a design right may also be involved. The value of these rights can be significant, as evidenced by the success of firms that utilise intellectual property rights in the course of their business. One need only think of the premium price which can be charged for a branded product. There are many examples of this, and it is this extra margin which will give these companies the edge in that they will have the extra resources for research or to strengthen their position on the market place. There is often a *quid pro quo* for this. For example, a patent will only have a limited life. After that, anyone may use the patent process. In this they will be helped by the fact that when applying for the patent the applicant must disclose the invention clearly enough and completely enough to enable a person skilled in the art to carry out the invention. Rights conferred by a patent do not extend to acts done for experimental purposes. The system, therefore, encourages further development, and with most patents given for incremental improvements in known technology, it has been said that innovation is evolution rather than revolution.

For those engaged in research, an examination of existing publications can often save time and effort. In this regard, the European Commission has estimated that European industries are wasting over €630 billion each year by simply repeating previous efforts, the results of which can be found in published patents.

In Ireland, over the past 12 years or so, we have seen a complete updating of our intellectual property legislation. We had the Patents Act 1992 followed by the Trade Marks Act 1996, the Copyright and Related Rights Act 2000 and the Industrial Designs Act 2001. While much of this legislation is relatively new, further legislative proposals are in preparation.

Stamp duty is only one aspect of the tax system in this country, and obviously it is necessary to look at the system as a whole, to see whether change is justified. We received representations about the application of stamp duty to transactions which I have mentioned. In the UK and in the US stamp duty would not apply to these transactions. We were advised that in many instances, the transfers would incur 9% stamp duty, which is not an insignificant sum. It was clear that it could be seen as a tax on innovation and could well be regarded as a serious impediment to entrepreneurial exploitation of technology. On those grounds, we decided to remove the stamp duty and I believe it will

improve the involvement of people in research and development and in the use of innovation. Those two issues are important for the development, continual improvement and upskilling of the economy.

Mr. C. Lenihan: I am grateful for the opportunity to speak on the seventh Finance Bill to be presented by the Minister for Finance, Deputy McCreevy. It is a source of great pride to me on the backbenches of Fianna Fáil that we have a Minister who has managed simultaneously over those seven years to cut taxes, raise spending on essential services—

Mr. Eamon Ryan: What about the environment?

Mr. C. Lenihan: —and close many of the glaring gaps in investment spending that existed prior to this and the previous Government coming into power. Even tonight, for the seventh year running the Labour Party is crowing again about this Minister being ideological. The proof of his seventh budget is that he is blissfully non-ideological and highly pragmatic in his response to the unfolding drama that is our economic life. The previous two budgets in particular prove that there is not an ideological bone in the Minister's body.

Mr. Eamon Ryan: He is looking after Fianna Fáil.

Mr. C. Lenihan: He is pragmatic and convinced and persuaded of the argument of adding to our great net worth as a nation by increasing investment and lowering the weight and burden of taxation, not just on the ordinary citizen but also the corporate sector. The corporate "citizen" is important because he and she and those great corporate entities drive growth and job opportunities for our young people.

Mr. Eamon Ryan: And funds for Fianna Fáil.

Mr. C. Lenihan: There are 300,000 extra people in the workforce because of the reactions of the Minister and the various budget measures and Finance Bills he has presented to the House.

Again the Labour Party crows that he is ideological. It is a cliché at this stage. It is like a Chinese proverb that, automaton-like, is trotted out every time. It is like something from the *Little Red Book* of the 1960s. It is just trotted out; there is no need to think about it; just trot it out, state it and maybe, hopefully, someday, somebody somewhere will believe it. The electoral evidence is that nobody believes the Labour Party when it comes to the economic management of this country. It has been rejected consistently in the polls in recent years precisely because its economics are bereft of creativity.

This is a dilemma that Fine Gael also has as a party. It is expected to join up with a party that fulsomely supports benchmarking. Yet Fine Gael

opposes benchmarking for our great Civil Service—

Mr. Durkan: Dilemma is something to which Fianna Fáil is not a stranger.

Mr. C. Lenihan: —as it tries to deliver public services efficiently and in a manner that provides value for money. These two parties are supposed to join together and form an alternative to this coalition after the next general election, along with the more dysfunctional Green Party. How those three are to get together—

Mr. Durkan: The Progressive Democrats and Fianna Fáil came together.

Mr. C. Lenihan: Fianna Fáil and the Progressive Democrats have been blissfully free of ideological conflict. Imagine the ideological conflict contained in a Government composed of Fine Gael, Labour and the Green Party. The Green Party openly rejects growth economics. Fine Gael is bellicose in advocating growth economics, but—

Mr. Durkan: The Deputy has given a new meaning to the term "bellicose".

Mr. C. Lenihan: —not very good on delivering. That is the contradictory ideological composition or stew that the people must choose if they want to move this party and the Government of which it is a part out of office at the next general election.

Mr. Durkan: They will not have any difficulty.

Mr. C. Lenihan: The other old canard that one hears from the Labour Party, whose members are blissfully absent from the Chamber as I speak, is the idea that tax reliefs and tax shelters are evil and that they somehow protect and assist high net worth and wealthy people to avoid paying their due taxes. This is another nonsense and it is an area in which the Minister has been quite pragmatic. He has stated in recent weeks that he wishes to provide and continue with tax reliefs and shelters where they provide an economic and social benefit to our people. That is the right approach.

If one were to listen to Deputy Burton, one would believe that the horse industry is whipping everyone else in the country.

Ms Burton: Fianna Fáil only cares about strolling around Manchester United.

Mr. C. Lenihan: Without intending to pun, her blinkered attitude to the racing industry is rather comical, given it is one of the few indigenous industries we have managed to create ourselves and it has a competitive global edge. It is one of the few genuinely Irish industries not created through inward investment that generates jobs and wealth here and, critically, is a world leader.

[Mr. C. Lenihan.]

There are few areas, apart from the software sector where one can see Irish-owned capital investing and taking a global leadership role. I am the last person in this country to close down an industry of benefit to the Irish people. The Minister and every one of us accepts there must be some element of a ceiling to the amounts people can take in terms of tax-free income from that scheme and I expect it will be dealt with in the years ahead, and rightly so. However, I do not believe in closing down Irish industries or in taking a blinkered view about tax shelters and tax relief, and neither does the Minister.

The Minister is the most non-ideological person I have ever met and I am glad this is so. I was somewhat heartened by Deputy Howlin's contribution. What a great pity it is that Deputy Howlin is not finance spokesman for and leader of the Labour Party.

Mr. Morgan: The Deputy has just destroyed any chance he ever had.

Mr. C. Lenihan: He speaks with much more sense than the other two. I name in that context Deputy Rabbitte and Deputy Burton who are the most ideological and least practical people in the House.

Ms Burton: The Deputy is auditioning for the next Christmas pantomime.

Dr. Twomey: One should always thank Deputy Conor Lenihan for his contributions to Dáil Éireann. I am old enough to remember the days when this country was referred to as a banana republic because of high taxation, unemployment and inflation. In the interim we have moved on to become known as the Celtic tiger. Fianna Fáil was in Government for both those eras of political life. Perhaps Deputy Lenihan should expand somewhat on how the Minister for Finance has made this country so great to explain how we may ensure that the economy remains competitive. Many people feel our economy is losing competitiveness and that, unless we get something right, in some respects we may be reverting to the days when, once again, our children will refer to this country as a banana republic.

The Minister of State, Deputy Michael Ahern, is correct in saying that research and development is the major way forward. It is one of the good aspects to the Bill. I hope it succeeds because our future depends on it in the same way that secondary education made our society what it is. Mine is the first generation of our family ever to receive third level education. We know where it comes from and we know how long it takes to turn the economy around. For any Deputy to make silly remarks to the effect that this has all been accomplished over seven years of a Fianna Fáil Government is quite stupid.

Let us look at some features of these tax concessions that were considered so brilliant. Holiday homes under section 23 had brief benefits for society as far as I am concerned. In the area in which I live, Rosslare, thousands of holiday homes have replaced the indigenous industry of small B & Bs, small hotels and even private homes, where the owners moved into a caravan at the end of the garden and rented the house for the summer. They paid tax on the income received from this industry as it developed. It has been replaced by a sprawl of small boxy houses all over the place. These houses only have their lights on for around six weeks in the year. They lie idle for the rest of the time.

Has anyone analysed the benefits to society where an indigenous industry has been wiped out and replaced by housing such as this? These houses have a minimal contribution to make. At one stage they were being used by people on local authority lists. They were drawing their rent supplements to rent these holiday homes. The tax concessions have remained, but unfortunately it seems the rent concessions have gone.

The next approach could be to consider tax concessions for the health service, including nursing homes, private hospitals and sports clinics. I hope the Minister will make
10 o'clock clear during the Committee Stage debate the reason sports clinics should receive tax concessions. It is a little like the situation which prevailed last year for private hospitals. It has more to do with the construction industry and a cherry-picking exercise of the health care industry than with any thought for the common good.

Providing tax concessions for patients of nursing homes rather than investors would lead to a more uniformed development of the nursing home sector. There is one issue with which, perhaps, the Minister for Finance could assist the Minister for Health and Children. The Irish Hospital Consultants Association, the Medical Defence Union and the Department of Health and Children are currently involved in a row regarding historical liability with the MDU stating it is not responsible for these historical claims and the Minister refusing to pay them. Will the Minister consider giving tax concessions to consultants affected by these claims thereby ensuring the patients affected by the financial compensation claims will get their money? If this issue is not resolved consultants might be advised to remove their money from this jurisdiction as quickly as possible. As we all know, claims against medical consultants, in the obstetrics sector in particular, can amount to more than €1 million per year. This matter could have a detrimental effect on health services if not resolved. I am surprised it has gone on for so long.

There are so many tax concessions being given, it is hard to keep track of them. Aside from Deputy Conor Lenihan's views on the horse

industry, do we really need to give wealthy individuals the right to make unlimited incomes on which they pay very little tax? What is the reason for that provision? Though tax concessions were useful when first introduced, they are not useful in terms of retaining wealth in the country. We should look back to when they were first introduced. Many people will have forgotten that they originated at the time Charles J. Haughey was in government. They worked well in terms of bringing money into the country and in retaining it in the economy because we had a high tax environment at the time. However, our economic situation has changed in that Ireland is wealthier, taxes are low and the justification for these tax concessions, which were valid 20 years ago, no longer exists. They are merely a mechanism to ensure wealthy people remain wealthy. That is not ideological. The Government should take another look at this issue. Tax concessions is tax forgone and we have to get that tax from somewhere else to pay for our health services.

When exempting artists from tax, we never intended to make multi-millionaires of musicians. The surrealism of this policy and an indication of the time for serious review is when a particular musician, now very wealthy, tells the rest of us we should pay more tax so as to write off Third World debt. This is from a man who pays no tax.

I commend the Minister on the concessions given for the use of rape-seed oil to form biofuel. I hope it succeeds because it affects my constituency. It is a sustainable energy project and is something which works effectively on the Continent where 5% of diesel sales on cars, trucks and heating oil are substituted by an agricultural product that can be grown every year. A number of other issues raised, such as how we tax individuals and pay PRSI, could be more appropriately discussed during the three day Committee Stage debate at which time I hope to make a further contribution.

Mr. Eamon Ryan: Deputy Conor Lenihan's contribution cheers one up because one realises pride will undoubtedly come before a fall. He and many of his colleagues have a blind faith in the ability of the Minister for Finance and in his ideology. Deputy Lenihan said it was not an ideology but it is clear, on this side of the House, that there is an ideological direction to the Government. It is neo-liberal, right wing and privatising. It benefits the corporate sector, business people and the construction industry. The ideology is one of, pour the concrete on the economy and society will take care of itself, but unfortunately that is not a smart ideology. I do not believe that when people look back at the seven Finance Bills introduced by this Minister they will say, "What a clever and brilliant ideology this group followed." It is a corrupt ideology in that it corrupts the heart of society. It is a narrow and simplistic ideology which does not address the complexities of this world.

In the brief time available to me, I wish to address a few specific issues. One positive provision in the Finance Bill is the emphasis on research and development, a policy which the Green Party has advocated for years in its economic arguments. We need to move away from being a low-cost, low-tax destination and an aircraft carrier into Europe for US multinationals. We need to move towards higher value added research based projects which we innovate, develop and market. The Bill is welcome in so far as it provides tax breaks for research companies. However, the Minister still manages to include his ideological kink. There is no doubt that these research tax breaks are not for small Irish companies, they are for large foreign and Irish companies such as CRH, Eircom and the other multinationals of the world. They will not, as stated by the Small Firms Association, apply to small companies. That is a mistake and is an indication of the Government's ideological bent.

Another indication of the Government's ideological failings is its inability to acknowledge the importance of environmental sustainability in everything we do in our economy. The Minister for Enterprise, Trade and Employment is left with the real task of setting out the details on what research and development will be undertaken. She made it clear, in her formation of Science Foundation Ireland, that our research will be concentrated in the software, IT and biotechnology areas. We can be successful in the software sector. Small Irish companies have a chance of growing because we have proven experience in that area. That is a shining light of how we should tackle other areas.

The biotechnology areas in which we will invest are ones in which it will be almost impossible for Irish owned companies to obtain the capital and expertise to undertake research and development. We are speaking of multi-million or billion euro projects in genetic engineering and other complex product development which Irish companies will not be able to control or own. We will continue the policy of Ireland being an offshore satellite research centre for American or other international companies. There is no problem advocating that as part of our policy but what the Minister for Enterprise, Trade and Employment has failed to invest in and what the Minister for Finance does not appear to have faith in is the new technologies that will dominate this century. They are the ones that will provide a sustainable, environmental, economic and social future for this country.

The Government would not know what sustainability is if it hit it on the head. Last week, I attended a conference in Dublin Castle on sustainable investment. The Taoiseach and our enlightened Minister for the Environment, Heritage and Local Government, Deputy Cullen, were present to respond to international speakers, some of whom gave very intelligent, thoughtful presentations on the need for investment in sustainability. The Taoiseach and

[Mr. Eamon Ryan.]
the Minister, in their response, might as well have been talking about chicken ranching in China. They had not heard a word that was said. It was clear they had no interest in sustainability. That can be seen every day in the roads programme, for example, and every other programme. There is no sense whatsoever about the major environmental issues facing Ireland.

The Bill is full of such anomalies, particularly in terms of the Government's obsession with buildings. It believes economic and societal growth is led by the builder. The tax benefit for research and development will only apply to incremental investment with the exception of the buildings provided for such activity. That is the most ridiculous provision I have even seen in a Finance Bill in terms of the promotion of entrepreneurship. Entrepreneurship has nothing to do with building and everything to do with ideas, dynamism and creativity. The only creativity shown by the Government concerns how many buildings, for example, holiday homes, can be constructed, no matter what the environmental cost.

Mr. M. Ahern: The leader of Fine Gael introduced that provision when he was in office.

An Ceann Comhairle: Please allow Deputy Ryan to continue without interruption

Mr. Eamon Ryan: My colleague, Deputy Twomey, pointed out the Government is finally providing a minimal tax break for the use of biofuels on an experimental basis. The experiments began a decade ago. Deputy Gormley travelled around Dublin, when he was Lord Mayor, in a biofuel powered car ten years ago. Experimentation is not needed because biofuels work. A tax break is needed to get the use of biofuels off the ground and the Minister does not have the wit to provide for such fuels, even though Ireland is at a competitive advantage because rape seed can be grown efficiently and effectively here rather than importing it from the Middle East or elsewhere.

However, the Minister does not have the wit to understand that, nor to address the issue of energy taxes. It is incredible and a disgrace that, after seven years in office, while the entire world is examining the use of energy taxes and the reduction in energy consumption, he has done nothing in this regard. He did not mention energy taxes in the budget or in this legislation. He is waiting until the last minute to see if he can get away with doing nothing. That is a sign of a blinkered, narrow ideology, which runs through the legislation and everything else proposed by the Government.

Mr. Morgan: The Bill does nothing to tackle the inequalities in society but, at this stage, we could expect nothing better from a Minister who has played a leading part in destroying social and

State services and shoving the disadvantaged into the hopelessness of poverty and homelessness.

Mr. M. Ahern: We are not debating Northern Ireland.

Mr. Morgan: The Government has consistently attacked the supports that enable the disadvantaged and poor to survive. Rent supplements and CE schemes were first in the firing line. The Government has completely ignored the human consequences of its actions. I accept the rent supplement scheme is flawed and does not represent a preferable method of assisting people in housing but, until a new better system is devised, it is all there is.

The Government has chosen to attack rent allowance for the second consecutive year, following the unreasonable cap on rent allowance at €107. In the absence of housing reform, rent supplement fulfils a necessary function, which enables many people who would otherwise become homeless to remain in private rented accommodation. While it may be flawed and is not the best method of assisting people, rent supplement is necessary because the Government continues to fail to adequately fund social housing and it has failed to cap rents in the private rented sector.

The Minister for Social and Family Affairs claims that up to 2,000 fewer claims for rent supplement will arise in 2004 because of the six-month rule, yet she also claims it will not have a negative effect and vulnerable people seeking housing assistance will be supported. What evidence is there for such a claim? What logic could lead to such a claim? The Minister said the measure will be implemented in the context of a greater role for local authorities in meeting the long-term housing needs of people who rely on rent supplement. This does not hold up, especially as cash-strapped local authorities signal their intention to move away from housing provision. Dublin City Council, for example, has stated its intention to dispose of its housing stock within the next ten years.

A significant number of NGOs working with the homeless have severely criticised the cuts in rent supplement and warned of the consequences of the move, stating that it highlights the lack of joined-up Government characterising social housing policies. This decision was taken under the belt tightening regime of the Minister for Finance and it is unacceptable that the Government shows no regard for the consequences of this change for people who are at risk of becoming homeless. However, this belt tightening does not extend to the retention and extension of the property-based tax shelter which allows for tax breaks for a multitude of activities.

I call on the Government to reverse the changes in regard to the six-month condition and to remove the €107 cap on rent allowance, which is causing severe hardship for people as there is not much rental accommodation available which

costs below this level. Every Minister must be aware of this through his or her constituency work.

It is impossible to address a Finance Bill without referring to the ongoing disaster that is our health service. That a Government could preside over a system that has hundreds of people lying on trolleys in hospital corridors, is nothing short of a scandal. Louth County Hospital, Dundalk, ran out of trolleys and, consequently, patients, some of whom were very ill, were forced to lie on chairs and benches. The country recently came out of the so-called Celtic tiger era and it cannot afford to look after its people who are ill. It is a sad legacy of the Government.

The Government has also made unwarranted cuts to CE scheme and seems unconcerned that these schemes have played a central role in helping disadvantaged people both in terms of services and employment opportunities. Such schemes play an important role in the provision of badly-needed services to local communities and in giving many people an opportunity to make the transition from welfare to work. They give many disabled people the opportunity to work, which is denied to them by the failure of successive Governments to implement targets for the employment of disabled people in mainstream employment. Currently 10% of CE places are allocated to people with disabilities.

These cuts have been disastrous for many community and voluntary organisations which provide essential services to the community and they have had a devastating effect on long-term unemployed people, lone parents, the disabled and those seeking to make the transition from welfare to work. The Government has shown no sign that it intends to provide alternative funding for services that were provided through CE schemes such as child care, support for the elderly and disabled, and youth services.

Mr. Dennehy: According to the news earlier, the Minister for Finance has changed minds on the Stability and Growth Pact rules, to which I will refer later. Deputy Eamon Ryan commented on the Minister's lack of ability. Perhaps we listen to different economic commentators. For example, the *Irish Independent* reported today on comments made by Paul Hofheinz, the president of the Lisbon Council, which was set up to promote the EU. He stated, "I think Ireland's experience is needed more than ever. We'd like to see Ireland asserting itself more confidently and proudly. France and Germany need Ireland a lot more than Ireland needs them." The lack of confidence in our people is amazing.

As the Minister of State pointed out, the holiday homes scheme was introduced by Deputy Kenny when he served in office.

Mr. M. Ahern: Deputy Quinn was Minister for Finance at the time.

Mr. Eamon Ryan: The Government has maintained the scheme.

Mr. Dennehy: Section 4 provides for tax allowances on union contributions. I welcome the decision to increase the tax allowance in respect of trade union subscriptions from €130 to €200 per month with tax credit increases from €26 to €40 per month. The ICTU is in significant trouble as it owes more than €330,000. Affiliation fees have been increased twice recently. I have reservations about the opt-out clause regarding political levies. As someone who has been a trade unionist from a young age, I resent the fact that so many Fianna Fáil members among the 750,000 union members have dropped out. Having said that, however, I am firmly of the view that we need a strong trade union movement with which the Government can co-operate. I welcome the change.

There are always issues on the periphery, some of which may not come within the Minister's remit. However, he has been innovative in his approach and dealt with issues which others placed on the long finger. One such issue, which appears to have affected people in the south more than those elsewhere, is that of staged payments on buildings. Such payments are unfair to house purchasers who are funding the costs of the construction of their houses. These people are paying their mortgages long before they obtain the keys to their houses. This may be a matter for the Department of the Environment, Heritage and Local Government. However, the Minister for Finance has shown that he can deal with matters with which others failed to deal, and I hope he will consider this issue.

I wish to refer to the Stability and Growth Pact. I agree there was a need to put in place a control mechanism when the euro, the single European currency, was introduced. I recall that this point was belaboured to quite an extent. I was Government convenor on the Joint Committee on Finance and the Public Service when this matter was thrashed out by the Minister, Deputy McCreevy, Deputies Noonan and Rabbitte and others. People have quickly forgotten the raiding that was done on various national currencies at that time. There was a need to put in place some control mechanisms to ensure that countries could not go under. A cap, namely, the 3% surplus over budget spending was, therefore, introduced. This also involves consideration of balances of payments etc.

It is worth noting that in 1986 Ireland's balance of payments was 126% of GDP to the debt ratio. It may have been the former Deputy Noonan or Deputy John Bruton, as Minister for Finance at the time, who oversaw that situation. The current Minister, Deputy McCreevy, as anyone with an interest in the topic will admit, has helped in a major way to resolve that problem, and we now have probably the best debt ratio within the EU.

As stated, controls were put in place by the EU to ensure that no member states became

[Mr. Dennehy.] bankrupt. There was a need for such controls but the difficulty with them was that the ruling was too rigid and applied equally to all participating countries, regardless of how well their economies were doing. It is important to note that three years ago the Minister, Deputy McCreevy, was the first Minister for Finance to draw the attention of ECOFIN and others to this situation. I recall that he was lambasted in the House, at committee and elsewhere for doing so. It was stated that he was a loner and a troublemaker, that he was awkward, that he was upsetting our colleagues in Europe etc. He was castigated by the Opposition and received the usual bashing from the sidelines. That was three years, but the picture has changed radically in the meantime.

It was discovered during the past year that Germany and France are up to their tonsils in trouble with regard to their balances of payments etc. The commentators who attacked the Minister, Deputy McCreevy, three years ago are now attacking him because they believe he has gone soft on the two countries in question. Instead of being a loner, the Minister has been joined by no less a person than the President of the EU Commission, Romano Prodi, who referred to the pact as the "stupidity pact". Mr. Prodi pointed out, exactly two and a half years after the Minister, Deputy McCreevy, did so, that the pact might not be appropriate for all economic climates. However, we have not attacked Mr. Prodi because he is on a pedestal, he is not Irish and is not one of our own. Deputy Eamon Ryan engaged in that type of attack earlier. It appears that if a person is Irish, he must be wrong. Mr. Prodi has proved the Minister, Deputy McCreevy, right. Our experts, including those opposite, did not have the vision to anticipate what the Minister identified, namely, the need for greater flexibility.

People in my constituency have a particular interest in this issue. As most Members are aware, one of EUROSTAT's rulings has affected public private partnerships. The ruling in question is that the total expenditure for a scheme must be front-loaded in the year of commitment or in the year the work commences. That has led us into trouble and created major problems for capital works in general. It will now be almost impossible to remain within the 3% budget deficit. The first public manifestation of the effects of that ruling has been the delay to the Cork School of Music project. It was incorrectly stated on several occasions, including by a senior Member of Parliament, that it was not affected by any EUROSTAT decision and that the latter was not asked to comment on that specific project. That part is correct because EUROSTAT did not need to comment. It had already commented on a parcel of six schools which had been submitted under the same contractual procedure and insisted that they be included in the way I described earlier.

I welcome today's news from the EU in respect of the possible non-inclusion of private sector finance in the annual borrowing figure. The Minister for Transport, Deputy Brennan, has indicated that he will be studying that development in great detail to assess its impact on infrastructural projects. It is a common-sense development and I hope it will break the logjam we have experienced in respect of the Cork School of Music. We need the go-ahead for the project immediately. Cork will be the European City of Culture in 2005 and that facility must be available at that stage. The project was delayed by something the Minister, who was castigated for it, anticipated three years ago. I compliment him and thank him for pursuing this issue. He stated that he would try to build in flexibility and talk people around, and I congratulate him on seemingly winning his way.

The matter to which I refer is important to Cork but is it also important to the country because we have a massive programme for development under the NDP. I spoke to the Taoiseach on a number of occasions and informed him that the NDP could be wrecked if flexibility and change were not introduced.

I compliment the Minister for Finance on the many changes he has introduced and the actions he has taken in respect of pensions and pensioners. I stated this last year at about this time and it is worth repeating that one of the most courageous and unselfish political actions I have witnessed since I was first elected in 1987 was the decision by the Minister, Deputy McCreevy, to set aside massive sums from current funding for the pension needs of future generations of elderly people. There are those who claimed that the previous Government spent election money at election time and did this, that and the other. The proof is there that the Minister, Deputy McCreevy, put the money away for the future. He did not get political kudos for doing so.

Mr. Durkan: He put it aside for future elections.

Ms Burton: He lost a great deal of it.

Mr. Dennehy: We had peace and quiet while Deputy Durkan was absent from the Chamber. The money to which I refer could have been spent on projects and used to do the popular thing. However, the Minister put it aside.

I have heard many Opposition spokespersons on finance and others refer to the pensions time bomb. However, during the period they made statements in this regard, they did nothing. No one did anything until the Minister, Deputy McCreevy, came on the scene.

Mr. Durkan: That is not true.

Mr. Dennehy: That is a fact.

An Ceann Comhairle: Deputy Durkan should allow Deputy Dennehy to continue without interruption. The Deputy will have an opportunity to contribute.

Mr. Dennehy: It was difficult to listen to some of the so-called experts lambasting the Minister for poor stock market returns on the investment of those pension funds. That matter was dealt with at the Committee of Public Accounts and elsewhere. International stock market returns fell but people stated that this was the fault of the Minister for Finance. This was despite the fact that he had established a group to oversee the fund, over which he could exert no influence. The equities market collapsed and the Minister was blamed. I hope that the same people will compliment the Minister in the coming weeks on the massive turnaround in these markets and the money that is rolling in to the pensions fund.

Ms Burton: Why have the funds been invested in tobacco companies?

Mr. Dennehy: They cannot have it both ways.

An Ceann Comhairle: Deputy Burton had her opportunity to contribute. Deputy Dennehy without interruption.

Mr. Dennehy: I have never crossed swords with Deputy Burton and I have no intention of starting now.

Ms Burton: Why were they invested in tobacco companies?

Mr. Dennehy: The Deputy has been waffling on about this for the past two days.

Ms Burton: Deputy Dennehy's colleague from Cork wants us to stop smoking while the Minister for Finance is investing money in tobacco companies.

Mr. Dennehy: If the Minister for Finance was wrong last year, he must be right this year and I suppose he will have praise heaped upon him for what he has done.

He has also made radical changes in pension schemes generally.

Ms Burton: For the rich and super-rich.

Mr. Dennehy: He has made changes in how they can be used and in their benefit for people. Set-aside is one aspect of this, but there are many other areas.

Mr. Durkan: They will have to be 90 before they receive a pension.

Mr. Dennehy: I will post the details of these measures to Deputy Durkan tomorrow and he can read them over the weekend. They make good reading.

The Minister has dealt with many aspects of the pension situation. There are also old situations. I saw crocodile tears being shed last week when we debated emigration. The first positive move I saw with regard to emigrants related to a matter we raised at the British-Irish Inter-Parliamentary Body in 1991. Very little was done about it until the Minister for Finance, Deputy McCreevy, gave a reckoning for pre-1953 contributions for the old age contributory pensions. This was a marvellous move. He extended the measure to the UK, Canada and Australia, where many of our people are elderly and in need.

Mr. Durkan: That was not 1991.

Mr. Dennehy: What response did we get? As no one had ever bothered to find out how many of our older people were in those countries, the figures available were wrong.

Mr. Durkan: The Government's figures were 100 million out.

Mr. Dennehy: The Opposition talked last week about giving €3 million to emigrants and said it would be a breakthrough from the €1 million given by the rainbow coalition. For this scheme alone, the Minister has sanctioned €43.804 million. This will be paid to our people in the UK, Canada, Australia and the United States who are entitled to this money.

Ms Burton: The Government could not do its sums.

Mr. Durkan: The tax benefit was 3 cent per day.

Mr. Dennehy: It is interesting that 56% of all the money went abroad. These people had been ignored previously. I compliment the Minister on that move.

The Bill provides for the tax refund of money owed by the Revenue. The Ombudsman played a part in that decision and I am glad the Minister has updated it and made it easier for that to happen.

Will the Minister of State draw the rent-a-room scheme to the attention of the Minister? A householder can rent out a room and pay no tax on rental income up to the value of €7,600. This is an excellent scheme, especially in a city like my own where there is a university.

Mr. Durkan: It is a sad scheme.

Mr. Dennehy: It can provide accommodation, give people an income and help to keep houses in good condition. However, I do not believe people are fully aware of the scheme. There is no need for a householder to register with the council and the rental is not covered by landlord and tenant legislation. I ask that the attention of the Minister be drawn to that scheme.

[Mr. Dennehy.]

The Ceann Comhairle has ruled that I cannot call the Opposition hypocrites so I will not do so when I refer to the pre-1953 social welfare contributions.

Mr. Durkan: Deputy Dennehy should get his figures right. A mistake of 100 million is too much.

Mr. Dennehy: I compare the reaction of the Opposition to the plight of emigrants in the House last week with their reaction, in the Committee of Public Accounts and elsewhere, to the large amount of money paid out to emigrants. I say, "well done," to the Minister.

A Member referred earlier to tax rates.

Mr. Durkan: There are also high rates of local taxation.

Mr. Dennehy: The reduction of capital gains tax brought an increase of 25% in receipts. I will not have time to refer to many other interesting facts but I will send the information to Opposition Deputies.

When Deputy Burton's party was in Government, 10,000, 14,000 and 10,000 people were taken out of the tax net in the three consecutive years of the coalition Government. This year 41,000 people were taken out of the net.

Mr. Durkan: The minimum wage would have seen to that.

Mr. Dennehy: The Minister has introduced innovative measures. People have long argued for an exemption for personal injuries awards, but no one did anything about it until the Minister took hold of the problem. Those of us involved in the health care area pointed out that a 20 unit nursing home scheme was too large for capital allowance and that a smaller size was more manageable. I am glad to see the Minister has reduced the figure from 20 to ten. I am glad the benefit-in-kind question has been dealt with again. The tax code here is realistic and has kept up with the changing economic environment. It is important that we move with the times.

The horse industry was referred to again. The great champion of the horse industry, Deputy Penrose, has pointed out to the House that 30,000 people work in the industry. The person who referred to the tax concessions for the horse industry was heard some time ago arguing for exactly the same concessions for the film industry. I have nothing against the film industry but about half the number of people work in it as work in the horse industry. Exactly the same type of people finance it. They are the big hitters.

I do not have the sort of money that would cause me to be interested in how to avoid paying tax, but these schemes are introduced to provide jobs. The best thing we can do is to have people working. If people are in favour of one scheme and against another, there must be something

wrong. They are personalising matters too much. Like others, I went along with the film lobby. People working in the industry, probably for very small wages, came to me. However, the big people behind the film industry are exactly the same as those who finance the horse industry. Again, there is hypocrisy, with people supporting one form of tax concession and opposing another.

Had I time I would have referred to the excellent farm leasing scheme which will encourage young farmers and encourage people to continue in the business. At the end of the budget debate an Opposition spokesperson told the House that, as a result of the budget, twice as many people would pay the higher rate of tax. The spokesperson did not take account of the massive number of people who would be taken out of the tax net. I will send the details of those calculations to Deputy Burton.

Mr. Murphy: I wish to share my time with Deputy Noonan.

An Ceann Comhairle: Is that agreed? Agreed.

Mr. Murphy: Most political analysts would now argue that we have moved way from right-left politics. In most countries, political parties are now holding the middle ground. Most will accept that the days of Margaret Thatcher, Ronald Reagan and the Berlin Wall are history, as they should be because those were dangerous times. Those two world leaders did more damage to society and created and advocated a selfish attitude which continued until very recently. In most of the world, except the United States, this philosophy is, thankfully, fading gradually and, in October, I hope, it will also fade in US. All this is with the exception of our own Government. Margaret Thatcher, Ronald Reagan, and George W. Bush would be proud of our Government. Thatcherism and Reaganism are alive and well, but in this country they are called Bertie-ism, McCreevy-ism and Harney-ism.

The two parties in Government have corrupted each other. Fianna Fáil, once a party of the centre-left, has adopted as part of itself the far-right economic politics of the Progressive Democrats who were once the watchdogs, have become part of the pack and now on a daily basis accept the lowest standards in public life.

After seven years of this Government, the gap between rich and poor has widened by €294 per week. As well as this, most services are suffering from lack of funding and it is the poor and the low paid who depend most on essential services. Those with no health insurance will face longer waiting lists, home help cutbacks for the elderly, no places in community hospitals, insufficient funds made available to keep people in nursing homes, our young couples faced with high mortgages, high child care costs, and now, the massive costs of looking after the elderly in nursing homes. Each day they are faced with increased stealth taxes, development charges on

new homes, increased refuse, water and medical charges, as well as trying to provide for the ever-increasing cost of education for these children.

There must be a better way. Ireland is no longer a poor country. Its *per capita* income is now one of the highest in Europe. Despite this, Ireland's infrastructure and social provisions are far below the EU average. Our growing poverty rates, unequal income distribution, the growing gap between rich and poor and under-funded health and education systems are a manifestation of the selfish society we have become under the stewardship of this Government.

Recent economic data continue to show the economy is good, that there are prospects of continued economic growth and that Irish *per capita* income will be well above the European average. The opportunity to rectify many social injustices has been there for the last seven years, yet this Government continues to favour the really rich and the privileged, and this budget and Finance Bill worsen the plight of the poor and the middle income families. If this Government spent less money on political patronage, concentrated on more effective and efficient government and stopped favouring the rich and famous, most of the objectives set out by most social voluntary groups could be achieved.

There could have been a further increase in social welfare to keep pace with inflation and stealth taxes. Some of the targets of child poverty could be achieved, and there could have been an increased allocation for social housing. Issues like the community employment schemes could have been addressed. The area of disability issues could be advanced. We now have a situation where the disabled and the elderly must wait over a year for the simple necessities of life, to get a shower or toilet installed.

It makes economic sense to give more support and assistance to carers, but none of this fits into the Government's ideology. Ultimately, the Government's choice in the Finance Bill was based on its vision of the future, but this Government cannot see beyond its nose. The provisions in the budget and the Finance Bill continue to maintain a deeply divided three-tier society at a time when, as a nation, we have the resources to build a society where every man, woman and child could have sufficient resources to live life with dignity, where everyone has meaningful work, whether as a community employment worker or a Minister, where every citizen has the opportunity for a good education, and where citizens can depend on the health service and have a house to live in. The resources exist to build this society but once again this right-wing, arrogant, selfish Government has not the political will or vision to create such a just society.

Mr. Noonan: I agree greatly with Deputy Murphy's speech. He has fairly summarised what a lot of people feel in this country.

The biggest problem with this Government is not its ideology so much as its belief that the decisions it has taken over the years caused the economic boom. That is a very serious delusion, and the Government is likely to become more delusional as time goes by.

There is little enough in the Finance Bill. In that respect it reflects the budget. There are some good things in the Finance Bill, but in effect it is like the budget, marking time. It is probably a good time to mark time, because what will happen in the economy as time goes by is not clear. It is very hard to foresee the future from where we are standing, domestically or internationally.

The budget debate was dominated by decentralisation, which was irrelevant to the budget process. One notices there is no mention of it in the Finance Bill. It will probably go ahead in a piecemeal fashion. It looks as if there will be great difficulty in implementing it on a voluntary basis, and if the Government follows the route hinted at by the Tánaiste of introducing an element of compulsion, it will be stopped by the public service unions.

One of the most notable things in the budget is the treatment of income tax. There is currently a lot of talk about stealth taxes, but in last year's and this year's budget, and in this Finance Bill, there is quite an element of stealth in how income tax is treated. The basic income credits have not been increased at all. That is bringing about a situation where increasingly large numbers of taxpayers are paying tax at the higher rate. The man in the street will say that the Minister for Finance, Deputy McCreevy, stands for low tax rates. What is meant is not corporation tax or capital gains tax, because they are low anyway, but income tax.

There is still an impression abroad that the vast majority of taxpayers pay tax at 20%, but when one looks at page C18 of the Minister's statement on the budget, there is a very interesting table which shows the incidence of tax last year and this year. Regarding the term "standard rate of income tax", standard means what is generally acceptable. It is what the majority agree to. By definition, the standard rate of tax would be the rate paid by the majority. That is not the case any longer. It is not generally known, but more taxpayers currently pay tax at 42% than at 20%. As a consequence, if we are not to abuse language, we should redefine, and say the standard rate is 42%, and there is a lower rate of 20% which applies to a smaller group of people.

Quoting from the Minister's own figures, after the budget, 617,415 taxpayers, or 32.6%, will pay tax at the standard rate, while 632,655, or 33.4%, will pay tax at the higher rate. To blunt the impact of that statistic, the Government and the Minister no longer talk about a percentage of taxpayers. They talk about a percentage of income earners in the country. When one does that, one includes every child working in every sweetshop for a few hours before or after school.

[Mr. Noonan.]

One includes all part-time workers. However, if one looks at the original commitment made by the Minister in 1997, that 80% of taxpayers would pay tax at the standard rate, one can see how far that commitment has been negated, and the level of drift which has occurred.

At one time in the middle of the last Administration, the Minister came near enough to that figure when he introduced individualisation. It was a sleight of hand manner of achieving his objectives, but he came close. Now we are at a situation where instead of 80% of taxpayers paying tax at the standard rate, 46% of taxpayers do so, while 54% of taxpayers pay tax at the higher rate. Even on the primary plank of policy, as enunciated by the Minister for Finance, that is the level of progress after seven years. If one changes the basis and says that one is not talking of taxpayers, but of anyone who earns a euro in this country, one can run the statistics differently. However, the promise was that 80% of taxpayers would pay tax at the standard rate only. The situation now is that about 54% of taxpayers pay tax at the higher rate, while 46% pay tax at the standard rate.

That is the major policy change that has occurred in this budget and in last year's budget. Behind the ideological screen there is a reversal of the Minister for Finance's position on one of the basic commitments of this administration — income tax. As time goes by and we move forward on the projected growth rates enunciated by both the Central Bank and the Department of Finance, I do not see the Minister having much leeway to reverse that position.

This is a type of stand-still budget. There is a hope that everything will come right as time goes by, and the Minister is pinning expansion in public expenditure to approximately 8%. Obviously we will need an economy which will be able to fund that, with the kind of arithmetic he has introduced into the public finances.

A number of speakers talked about the importance of competitiveness in the economy, and I agree with them. There is no doubt that over the past two years or so, but very rapidly over the past six months, competitiveness is seeping out of the Irish economy. If it was not for the strong domestic consumer spending and the huge borrowings that are funding consumer spending, the economy, and many individuals in the economy, would be in major trouble.

Deputy Dennehy said we had the lowest national indebtedness of any country in Europe, but if he had said "bar Luxembourg" he would have been correct. If we look at what has happened since the 1980s, however, we had massive public indebtedness in the 1980s but we had very low private indebtedness. The situation is reversed now. We have massive private indebtedness with low public indebtedness but if something goes wrong, it would have the same effect on the economy. It might even happen

more rapidly with individuals making individual decisions.

There are many risks, and obviously exchange rates are a huge risk. In the debate on financial resolutions on budget night I talked about exchange rates, and the euro-dollar exchange rate that night was \$1.17. I said the trade weighted exchange which economists regard as justified would be \$1.15, and the rate was slightly above that. The frightening aspect would be if the American administrators allowed the dollar to weaken to the same extent as it strengthened. We must remember that our currency went back down to 84 cent as the dollar strengthened. The effect of that was a huge suck-in of imports into the United States and a massive consumer spend. If the American administrators decide, as an instrument of policy, to correct that and direct their balance of payments by allowing the dollar to weaken, and it appears they are doing that, we would have to go 30% on the other side, which would give a rate of \$1.55. There were many smiles here on budget night when I said we were heading in that direction. The rate is approximately \$1.27 today, and going up.

The European Central Bank has decided that the real problem is not the level of the exchange rate but the rapidity at which the change is occurring. That is a type of Jesuitical position but that is what Mr. Triche said the other day. Many people thought he had intervened to stabilise the exchange rate but he had not. Effectively he was arguing for a more progressive weakening of the dollar and a strengthening of the euro to allow industry adjust over a period of time. It was the sudden shock of quick change that was the problem, but in the past six months indigenous industries exporting outside the sterling area are finding it extremely difficult, and we are losing competitiveness.

The fact that we had such an advantageous exchange rate was one of the main features in the economic growth over seven years. We devalued in the late 1980s and the early 1990s. We took a competitive devaluation when we pitched our exchange rate with the euro when we entered the euro zone, and obviously that led to export-led growth. That, combined with very low interest rates, was what drove the economy, with the availability of the privately educated people and so on.

Some Deputies spoke earlier about the fruits of policies initiated 25 or 30 years ago. We are fortunate to be in this generation when all this has come together but there will be changes in the future. Before I came into the Chamber I was watching CNN. Mr. Greenspan enunciated tonight that he expects the American economy to grow by 5% in 2004. That would be very welcome. The commentators said that if this happens, by the end of 2004 there will be inflationary pressures possibly in the United States, interest rates will have bottomed out and they will rise. Interest rates have risen already in the United Kingdom, Japan and Switzerland. The

political agenda has taken over in the United States but if interest rates begin to rise in the United States, they will rise here and there will be absolute devastation. If we consider the level of personal indebtedness across the economy among the PAYE workers and particularly among the young, a 3% increase in interest rates over the next two and a half years would inflict such pain here that it is almost unthinkable.

One of the dangers is of the Government holding the ideological position it holds — I am not referring to everyone in Cabinet but the faction which appears to dominate policy in Cabinet, the five or six people we all know. They appear to be driven by this ideology. I do not believe that ideology is responsible for the growth. If we keep driving forward on an ideology which is not what caused the growth in the economy, a lot of grief could be caused. That is the danger.

The public, in their own way, are expressing their unhappiness. The reflections on the opinion poll last week and the analyses by our broadcasters would suggest they are not very strong on arithmetic but what struck me about it was that if we add up the left of centre parties in the Opposition — Sinn Féin, Labour and the Green Party — they got as far as 35%. It is a long time since left of centre parties in this House were equal to the Government parties. The Government should not think the ground is not shifting or that the events Deputy Murphy talked about are not impacting, and I am leaving my party out of the equation. If the Deputies opposite are still connected through their advice clinics and if they are knocking on a few doors in housing estates——

Mr. Durkan: One gets the odd hint.

Mr. Noonan: ——they will know that what Deputy Murphy said is correct, and they know that what I am saying, in a kind of general analysis, is correct also.

I welcome the provisions on research and development in section 33. That is progressive. It is a 20% tax credit but I understand that can be added on to the relief one would get anyway if one was paying corporation tax at 12.5%. The effect of credit, therefore, is 32.5%. That is a very significant inducement to multinational manufacturing companies to set up significant research and development units here.

I notice in the small print of the explanatory memorandum that this provision requires sanction from the European Commission. I am not too sure the sanction will be that easy to obtain because it is Ireland repositioning itself with a tax advantage for manufacturing industry, and we are not the most popular people among our European partners on that issue. I wish the Minister success in negotiating that tax advantage and the others, which will require the permission of the Commission also, the exemption of intellectual property from stamp duty and the

inducements from multinationals to set up their headquarters in this jurisdiction.

Mr. B. O’Keeffe: I wish to share my time with Deputy John Curran.

An Ceann Comhairle: Is that agreed? Agreed.

Mr. B. O’Keeffe: I welcome the Bill and congratulate the Minister for Finance on his firm control of our public finances. It is interesting to look back to two weeks ago when the Government’s policy was endorsed by the European Commission. The suitability of the Minister’s budgetary policy has also been endorsed by the Central Bank and the ESRI in all the recent reports. Given that premise used by Deputy Noonan of “if” and “would”, the impact on inflation will be minimal as a result of the budget and Finance Bill. It is clear from the budget that the deficit is prudent. It is clear also that the discipline the Minister for Finance has introduced in current spending will continue.

We all accept we have experienced an international downturn. So far, we have survived it much better than many other countries. There is no disputing the fact that the *11 o’clock* downturn has been disappointing and painful for some. Tough choices have had to be made and we can be grateful that we have a Government and, especially, a Minister for Finance who has no problem with acting decisively.

It is worthy of note that the public realise the need for fiscal restraint and the need to avoid too much borrowing. I remind the Opposition that borrowing, as Deputy Noonan said, is the real stealth tax. We need to limit our spending to what we can afford. When I was first elected to the House, the national debt was more than 100% of gross national product and the International Monetary Fund was at the door. This was because of irresponsible and profligate borrowing policies pursued by Governments of all stripes, hues and colours between 1972 and 1987. There are encouraging signs, both internationally with strong growth in the US and domestically with encouraging GNP growth figures for the first nine months of 2003.

The fall in inflation is welcome. We hear much nonsense about inflation. The recent rise in inflation was caused by the weakness of the euro combined with the fact that much our trade is outside the eurozone. Irrespective of what way one looks at it, inflation is falling. This is welcome in terms of our competitiveness. I hope it will encourage moderation in pay rises when the new round of talks begin.

This Bill, yet again, reaffirms Fianna Fáil’s commitment to the less well-off in society. No Minister for Finance has provided more for the lower paid than the present incumbent. The budget for 2004 again protected the weaker sections of the community through substantial real increases in welfare payments. Social welfare

[Mr. B. O'Keeffe.]

spending is double that of 1997, even though unemployment has been halved. It is not just through social welfare increases, which are well ahead of the rate of inflation, that the Government has done its duty. It has also improved the tax position of the lower paid and the Bill delivers the increased employee credit which ensures tax is not payable on up to 90% of the minimum wage.

When the minimum wage was introduced in April 2000, fewer than 64% of those in receipt of it were exempt from tax. The minimum wage, which was introduced by the Government, increased to €7 on 1 February and is the third highest in the EU. On a monthly basis, our minimum wage is almost three times that of Portugal. In 2004, 668,000 will be exempt from income tax, an increase of 40,000 on 2003 and 300,000 since 1997. The entry point to the tax system for a single earner has risen from €223 per week in 2003 to €246 per week. In 1997 the entry point was €97.

The Minister pointed out after the budget for 2004 that, for a person on an average industrial wage, the average tax rate will be 10 percentage points lower than in 1997. An increasing proportion of those on the income tax record, more than 35% of all earners, will pay no tax. This obviously refutes the claim that this is a mean-spirited Government. As the ESRI said after the budget, the impact of these budgetary measures is progressive by favouring those on the lower incomes. There is no way one can dispute that.

The budget introduced measures to foster enterprise and to protect our jobs base for the future. The Finance Bill will legally enact these provisions as it puts in place measures to support our ability to sustain and expand employment.

In his Budget Statement, the Minister emphasised the importance of a low direct tax burden to create and protect employment. To encourage the development of sustainable high-quality employment in Ireland, the budget introduced a research and development tax credit for incremental research and development expenditure by companies. This is a long-standing commitment. That the Minister has moved on this to assist firms to carry out and manage research and development in Ireland is welcome. It is vital for us to develop a world-class research capacity.

Greater emphasis on support for research innovation is vital. We must continue to ensure that sustainable, high-quality, well-paid jobs are part and parcel of Ireland in the future. Therefore, the €2.5 billion which is to be spent on science, technology and innovation over the lifetime of the national development plan is remarkable, especially when compared with expenditure of €500,000 from 1994 to 1999. It is a welcome measure on the part of Government. It enhances an already attractive taxation regime. Our corporate tax regime is one of the highlights

for attracting investment and has been for many years. I have no doubt this will continue.

This is an excellent Finance Bill on the part of the Minister. Since he took office, we have seen the halving of unemployment, the halving of the national debt, the doubling of public expenditure, the doubling of the social welfare budget, the increase of 150% in capital expenditure, the introduction of the national minimum wage and, most important in refuting everything that emanates from the Opposition benches is the return of €5 billion to the people through tax reductions. That is something that cannot be disputed.

Mr. Connaughton: Will the Deputy say something about house prices?

Mr. B. O'Keeffe: There is also the reduction of the basic rate of income tax from 27% to 20% with the entry point rising to €246 per week from €97 and an increase of more than 50% in national income. Deputy Noonan said that society is spending money, but it is on the basis of the additional funds that have been put into people's pockets on a regular basis through various budgets in recent years.

Mr. Connaughton: They are borrowing it.

Mr. B. O'Keeffe: The Opposition appear to ask infertile questions. The words "if" and "would" are all we hear from the Opposition. There is a track record from 1997 which is prudent and in the best interests of this country. The spirit of the Opposition is extremely negative and churlish. I have no problem in welcoming and supporting the Bill.

Mr. Curran: I welcome the opportunity to contribute to the debate on the Finance Bill. Comments were made during an earlier debate that Fianna Fáil backbenchers read from a prepared script given to them by Ministers. I assure the House the few notes I have brought with me are my own and were not given to me by anyone.

I listened with great interest to Deputy Noonan. I am sorry he is no longer present in the House as I would like to take up some of the points he made in his thought-provoking contribution. When we consider the global scale, I accept that there are questions which can be asked and that there is a degree of uncertainty. However, Deputy Noonan turned that around and considered specific instances in Ireland, and he spoke about income tax in particular. I thought his position was slightly disingenuous in regard to some of the figures used. He gave the accurate number of people on the standard and top tax rates. However, to be fair, this Finance Bill takes almost 40,000 people out of the tax net. Every time we take people out of that net, it reflects on the percentages in the other bands and one cannot disregard that. If one could, the

incentive to take people out of the net would not exist but we have taken out a sizeable number. This budget change alone has taken approximately 40,000 people out of the tax net. It is disingenuous not to take that into account when considering earners and workers, of whom there are approximately 1.8 million in the country — a very real figure. It is a pity Deputy Noonan ignored that point.

In general terms, over recent years the policies adopted by the Minister for Finance have seen this economy thrive as a low tax economy, a situation which stands today. It is low in regard to income tax, capital gains tax and corporation tax. An earlier contribution to this debate pointed to the consequences of raising tax rates. There is misunderstanding in this regard. If one considers recent years, as the rate has dropped in regard to capital gains and corporation taxes, the yield has increased — an important point. While it was asked whether we could still do X, Y or Z if we lowered the rate, yields have increased consistently as rates have dropped, and those yields have funded a variety of projects, including infrastructure development. When people talk about corporation tax rates being too low, they need to consider the yield. While a point made often in the House is that we should increase rates, rates have dropped significantly yet activity and yields have significantly increased.

I wish to consider aspects of the Bill which are particularly interesting to me and the area I represent. One is in regard to section 26 which refers to urban renewal schemes. A general comment made in regard to the schemes is that the wealthy benefit from them. This is simply not the case. For example, Rowlagh, which comes under this scheme and is in my area of Clondalkin, had seen no development or investment. That development and investment was driven by this scheme although the local authority had earlier tried to encourage development and struggled. The point I wish to make is that it was not a particularly large company or a multinational which came in and made the investment, but a person who was running a local business and who took the sites on and entered the development process.

There is a misunderstanding regarding the change made in the budget in that it does not allow new entrants but instead extends the period that those who have entered this scheme have to complete their projects. To qualify, one must already have expended at least 15% of the project funds before a particular date which has now expired. The extension applies to the completion time but does not allow new entrants. It was right and proper that the Minister made this change because people have already committed their funding to these projects. If the projects are to be delivered in a proper manner and properly developed, the scheme needs this extended time period.

People may say that such projects have had enough time. I was a member of a local authority and saw the difficulties regarding such sites in that they were not attractive and were in various areas with all sorts of problems, including derelict sites prone to anti-social behaviour and illegal encampments. Significant problems were overcome to make these sites available and to bring them to a stage from which they could apply for planning and subsequently be tendered, or whatever the case may be. It was a big job for the local authorities. Since this change was made in regard to the schemes in my local authority area, the local authority staff who worked for a significant amount of time trying to progress this are delighted that the projects in which they invested so much time and effort have a realistic chance of being properly completed. This applies not just to the county manager but to the various people in the development department.

With regard to the status of developments, there are community linkage funds which come from them. It is not just wealthy developers who benefit from this and it is inaccurate for that view to be constantly put forward in this House. By and large, these sites have delivered to communities. They have transformed areas which were derelict and neglected, and have given the people of those areas real hope and opportunities. Moreover, the linkage fund is going into other projects in those areas. It is disingenuous to say that this constantly benefits wealthy developers; it does not. In fact, most of the schemes I have encountered in the South Dublin County Council area do anything but that. They have been developed by people who are part of the community and who have availed of opportunities. In many instances, there were not many other takers.

I also wish to comment on section 28 which deals with section 481 film relief, which has been extended to 2008. I greatly welcome this. It is only a year and a half since I became a full-time politician. For 20 years before that, I worked in the audio visual industry which has strong connections to the film industry. I have seen the film industry grow and evolve over that time, and have discussed this at parliamentary party meetings and with various others, including the Minister.

The Minister rightly made the point that in a low tax economy it is vitally important to spread the tax net so that everybody pays something. The very nature of the film industry is transient. It is quite easy for a film crew to locate in any geographic location. We often think of big producers and famous actors when considering the film industry but, as the industry has evolved, another group of people sometimes gets missed out — those involved in catering and supplying props, generators, lighting and so on. They do not just do that in Ireland. I know of several people

[Mr. Curran.]

working in small companies supplying the film industry. They began supplying films produced in Ireland but that market has grown and evolved and they are now providing the same services for films which might be produced in foreign countries. They are part of crews going abroad to produce films.

The entire industry has benefited and I welcome the fact that this relief has been extended as it is a very transient type of industry. We have done very well out of it over recent years and I am glad to see it will be protected. In particular, I welcome and think it right that the Minister has added new conditions to protect any abuses of the scheme. If the Minister was in the House, he would argue that in a low tax economy it is necessary to have everyone paying their fair share and, when making special exemptions, we must be sure such schemes are not abused.

Deputy Burton is not in the House but I wish to refer to a comment she made in the debate this afternoon.

Mr. F. McGrath: The Labour Party Members have all gone home.

Mr. Curran: I will finish my contribution in any case. I am glad the Deputy is in the House to listen. Deputy Burton made a comment in regard to the Revenue Commissioners, tax enforcement and so on. She stated: "Having regard to their resources, the Revenue Commissioners are wise to focus on cases where there is a significant likelihood of a return rather than on random audits." She argued that instead of carrying out random audits, it was best to go after targeted cases. She mentioned that last year there were approximately 16,000 such cases and that 50% of them produced a yield for the State.

The Revenue Commissioners also carry out a number of random audits. The sample is quite small but such random audits produced a yield in one third of cases. The Committee of Public Accounts, of which I am a member, has argued on this matter with the Revenue Commissioners, and the Comptroller and Auditor General would agree that random audits are an absolute necessity.

We run a tax system where the onus is on people to comply. There is self-assessment and companies return income tax, PAYE, PRSI, VAT and so forth. Random audits are a necessity to ensure compliance. However, from the Revenue Commissioners' point of view, they are also critical because true random audits provide a means by which to determine what the understated tax situation might be. If one knows what the figure is, one can then adequately target one's resources to recover these taxes. I disagree with Deputy Burton because random audit is an

absolute necessity for the two reasons I have outlined.

Mr. Connaughton: I wish to share my time with Deputy Coveney.

At this late hour, I assume most things one could possibly say have already been said. I find the Finance Bill just like the budget. While it includes some good things, it is almost a non-event. If the decentralisation aspect was excluded, we would not have had a budget. It is a damp squib as such. I have not the time to go through the decentralisation aspect, other than to say that I have always been an advocate of the decentralisation of Departments, and I sincerely hope it will happen. I hope the various problems that appear to be besetting the programme will be solved. I hope it will be done on a voluntary basis and that there will be no coercion. I hope that people who decide to decentralise will be at no disadvantage in so far as their future in the Civil Service is concerned. There is need for a much greater debate on the issue, but that is for another occasion.

Section 88 of the Bill provides for a carry-over from one year to another of unspent Exchequer capital allocations. There is nothing dramatic about this. This could be seen on a roll-over basis as a book-keeping exercise. An independent evaluation was done on spending on roads under the National Development Plan 2000-2006. The evaluation was independent of the Government, the Opposition and this House, and it came up with alarming figures. It found that under the national development plan, from the beginning of 2000 until now, investment in the eastern region stood at 157% of what should be spent, while it stood at 55% in the BMW region and in the west. This means, in effect, that there is a very uneven spread of resources, even though they were earmarked for very important infrastructural projects in the BMW area.

Regardless of what was said about the Finance Bill today or what was said about the budget, at least let it be fair to all citizens and all communities. I must put on record that whatever else the Government might have done during the very good times, the not so good times and in more recent times, there is no point talking about X millions or billions of euro being spent throughout the country on infrastructural projects if, for one reason or other, one area dominates the whole thing. I say this on the basis that we are mid-way through the programme. I call on the Minister for Finance to ensure that the projects which were evaluated and earmarked for the BMW region are costed and financed between now and 2006. We are all aware of the huge infrastructural pressure in the Dublin area. I recall watching television when a Minister opened a new plaza on the M50. Three hours after it was opened the biggest tail-back for a

month happened on the M50. The front page news the following morning was that two new lanes would have to be added to the M50, which I have no doubt are needed. When the Dublin Port tunnel is finished, lorries will spew out on to the M50.

This is little good to areas such as Tuam, Ballinasloe, Carrick-on-Shannon or Ballina. We are entitled to what was agreed in the national development plan. Intense consultations occurred on that occasion. However, when it comes down to actual spending of the money, there is a huge deficit. There is still time for this to happen so we will see the colour of the Minister for Finance's eyes on this issue. This brings me to the important matter, namely, that the money must be ring-fenced. This had to be done in the agricultural area in the west in regard to the milk quota. Otherwise the west would have lost out. The only way the Government can give a guarantee that there will be fairness in the system is to ring-fence the money earmarked for projects to be completed by 2006.

I want to refer briefly to another matter about which there is nothing in the budget, even though two Ministers will visit the west next Friday. This issue relates to the western rail corridor. One would certainly know that 11 June is coming up the track, pardon the pun, because they are all arriving at the same time. It never made more economic sense to begin to build the western rail corridor — I appreciate it cannot be done overnight. If ever there was a conduit to bring prosperity to the region to which I am referring, it is the rail corridor. I cannot understand why highly paid consultants were blinkered in so far as they believed the western rail corridor would not be an economical project. Not only did they say the project would not be economical, they could not even see fit to have a commuter train connect with Galway city, the fastest growing city in Europe. Much work has been carried out on the main railway line. The signals are in place. All that was needed was an engine and carriages, and they could not even see fit to agree to that. This comes back to what I said about fairness, balanced development and the spatial strategy to which Fianna Fáil members always refer. None of these promises has come through for the west.

If I were on the opposite side of the House, there are aspects of the budget and the Finance Bill I would certainly praise. A central problem which besets almost every family in the country is the provision of houses for young people. I asked an auctioneer to do an experiment by looking over his books for the past couple of years. This has nothing to do with the terrible injustice done by the Government to every young person who is trying to build a house when it decided to discontinue the first-time buyer's grant and increase VAT, and now there is the crippling development levy. These charges amount to

€10,000 or €12,000 in most counties. A house was sold in a town in County Galway in 2001 for €170,000. A few days ago the same house was sold for €230,000. Prices increase by 10% each year.

Debate adjourned.

Adjournment Debate.

Employment Support Schemes.

Mr. Costello: I welcome the Minister of State to the House. I wish to raise recent developments in the jobs initiative scheme. The Minister of State will remember the debate in this House on the community employment, social economy and jobs initiative schemes, when people who had expected that the situation would not change were left in the lurch by the decision to make cutbacks last year. The matter embarrassed the Government and a commitment was then given that there would be no cutbacks in 2004. I will read a letter from the Office of the Taoiseach, dated 14 December, to Mr. Jack O'Connor, the general president of SIPTU, on the matter. It states:

Dear Jack,

Thank you for your recent letter regarding the Job Initiative (JI) programme.

As you will be aware, the Government has decided, in the context of the 2004 Estimates, that there will be no further reduction in the number of places to be supported under FÁS employment schemes next year.

The FÁS employment schemes mentioned are the community employment, jobs initiative and social economy schemes. People welcomed that announcement because it was made to the general president of SIPTU at the end of December.

A number of people working with the Employment Network, TEN, in the inner city, however, have now received a letter, sent on 9 February, that states:

I am writing in relation to your Jobs Initiative contract with TEN that finished on the 31 December 2001. TEN has just received confirmation that, subject to FÁS funding, your contract has been extended to 2 April 2004. I am sorry but I am unable to give you any further information at this time. However, please do not hesitate to contact me.

That letter contradicts the belief that there would be no cutbacks this year and that the jobs that were originally targeted to finish at the end of December had been saved. Now it appears that six-weeks notice is being given to people on the

[Mr. Costello.] jobs initiative. This has been done in a surreptitious fashion. The impression was given that the jobs were secure but then people received this extraordinary letter dated 9 February 2004 stating that the job finished on 31 December 2003 and that confirmation had just been received that the contract has been extended until 2 April 2004.

This is a muddled and messy way to do business. These are people who were long-term unemployed and who have done substantial work in the community. Across the country there are 2,200 people on this scheme who had been given to believe, arising from the letter to the general president of SIPTU, that was widely circulated, that those who were on the existing programmes were secure, certainly 2004. The letter from the Taoiseach states, "As you will be aware, the Government has decided in the context of the 2004 Estimates that there will be no further reduction in the number of places to be supported under FÁS employment schemes next year." Is that a lie? What is the situation? It seems to those who are being told they are not wanted any longer that something very strange has happened to their employment.

Minister of State at the Department of Education and Science (Miss de Valera): The Minister of State at the Department of Enterprise, Trade and Employment, Deputy Fahey, apologises for being unable to attend the debate this evening.

Substantial resources amounting to €351 million in total have been allocated in the Estimates for 2004 for employment programmes. This funding allocation will support up to 25,000 places across three employment schemes, the community employment, jobs initiative and social economy schemes. This allocation of €351 million is similar to the budgeted amount provided in 2003 and there will be no reduction in the total level of provision for the three schemes or in the combined participation levels next year.

The commitment to fund a continuing pool of up to 25,000 places across the three schemes brings clarity not only to the levels of activity which can will be supported but will enable FÁS to give a clear commitment to the support of local community services over an agreed period of time. FÁS is being given some flexibility in the management of this financial allocation to maximise progression to the labour market while at the same time facilitating the support of community services.

Jobs initiative — JI — is a work experience programme for persons 35 years of age or older who have been unemployed for five years or longer. The programme was introduced as a pilot programme in 1996-97 with 1,000 places available. Subsequently, provision was expanded

to a total of 2,875 places. There are currently in the region of 2,200 participants on the programme.

Eligible persons are employed by managing agents with the support of a grant from FÁS for this purpose. Participants are offered temporary full-time employment for a period of three years. Workers are placed to a large degree in the community and voluntary sector, charities and non-profit making bodies. Persons over 35 years of age and in receipt of an unemployment payment or one parent family payment for five years are eligible to participate in the jobs initiative scheme. Spouses of eligible persons may also qualify.

The allocation of places to individual projects is an administrative matter for FÁS. Currently, jobs initiative projects are managed by local managing agents, usually at partnership level. These managing agents are legally and administratively the employers of the participants in the jobs initiative context. FÁS has advised that the Employment Network is the managing agent in question in the case raised by the Deputy and is contracted to run two JI projects.

These two projects employ a total of 73 participants, of whom more than 40 participants are in excess of their allotted time of three years. A number of these participants are over five years on the jobs initiative scheme. Clearly, it is imperative that places be vacated on a rolling basis to facilitate new participants and that they not be blocked by participants who do not move on when their agreed participation period ends.

A number of participants on jobs initiative, which was designed as a three-year programme, continue to have difficulty progressing from the programme to employment and have remained on the programme since its commencement. However, the fundamental objective of the programme is to prepare participants to progress into mainstream jobs. The lack of progress for such persons gives rise to concerns regarding the effectiveness of the programme, which is currently under review. Accordingly, the future emphasis will now be on re-focusing the community employment and jobs initiative programmes to improve the outcome for participating clients.

FÁS employment services are available to assist participants progressing from JI and participants have the option of engaging in the new high supports process. This process is designed to provide a flexible response for persons experiencing barriers in progressing from unemployment to employment in the open labour market. It is based on the individual needs of clients with the support of a fund which provides a maximum of €2,200 per person. The high supports process aims to maximise progression into the open labour market of those being supported.

The future structure of the CE and JI programmes remain under review by a group of senior officials and FÁS, and this group will report to Ministers on the outcome of their deliberations shortly. In addition, FÁS has recently undertaken an internal review of the community employment and jobs initiative programmes which will be published in due course. The senior officials hope to finalise their discussions shortly, and the outcome of their deliberations will inform future adjustments in the structure, terms and conditions of these labour market measures.

Army Barracks.

Mr. Ó Fearghaíl: I thank the Chair for allowing me to raise this matter and I thank the Minister for Defence, Deputy Michael Smith, for being present at this late hour to deal with the issue of the future development of Magee Barracks in Kildare town.

When the Minister for Defence announced on 15 July 1998 the evacuation and sale of six barracks nationwide, the inclusion of Magee Barracks in Kildare sent shock waves through the local community. Viewed from the outside, the decision to close Magee Barracks and transfer its personnel, civilian and military, to the Curragh Camp, only three miles up the road, was a relatively uncontentious one. Locally, however, in a community that defined itself as living in a garrison town, the move was viewed with dismay and seen as being tantamount to the closure of a major industry. With time and repeated reassurances by the Minister and other public representatives, the local community came to accept that the decision might ultimately be in the town's best interests.

The Minister, Deputy Smith, insisted that a plan would be devised for the 65 acres of barracks land prior to its sale and that it would be developed in a manner that would complement the overall development of Kildare town. The strategic importance of the site in its closeness to the town centre was acknowledged and its potential use for housing, business and recreational purposes was accepted. In addition, the Minister, Deputy Smith, committed himself and the Department to the transfer of ten acres of land to Kildare County Council for the benefit of the local community.

This pledge was made together with a manifest commitment by the Minister and the Government to develop the nearby Curragh Camp. In the period since 1998, we have seen unprecedented levels of investment in the Curragh Camp which is in the process of becoming a world-class military facility having previously verged on being a derelict site. That pledge and level of commitment by the Minister and the Government won the support of the people of Kildare and convinced them that

Magee Barracks would be developed in the interests of the whole community.

Time and events conspired, however, against this objective and, in 1999, rather than being sold, Magee became home to 300 Kosovar refugees who were warmly welcomed to the town. Local interests were assured that this was a temporary arrangement. However, in March 2000, Magee was commandeered by the Department of Justice, Equality and Law Reform for the accommodation of asylum seekers. Local people were alarmed at the possible prospect of having to meet the needs of a possible additional 1,000 asylum seekers. However, negotiations with the Department of Justice, Equality and Law Reform led to a positive agreement that Kildare would host no more than 400 people at any one time. This was to be a temporary arrangement, but more than 200 asylum seekers are still on a site.

In late 2000, Kildare County Council reached agreement with the Department of Defence to accommodate an extended Traveller family on lands at Magee Barracks. This too was to be a temporary arrangement and undertakings were given to the courts by the council that they would be accommodated elsewhere within a one year period, but the family remains *in situ* today.

Given this unforeseen sequence of events, the hugely valuable nature of the lands in question and the fact that vacant possession has not been available since 1999, it is understandable that the Minister for Defence could not bring the property to the market. The delay in disposing of the property and the fact that the community has had much pain and very little gain since the barracks closure in 1998 has given rise to considerable local frustration, but the Government announcement of 1 July 2003 brings a degree of finality to the process.

I welcome the Government's decision to release the lands at Magee for the provision of affordable housing in accordance with the terms of Sustaining Progress. While this is not in accordance with what was originally envisaged for the lands, it is an initiative that ultimately will be good for Kildare. Currently and in advance of the scheme receiving any significant publicity, Kildare County Council has 420 people on its affordable housing waiting list. I am happy to commend the Government on its decision to make home ownership in Kildare a realisable objective for hundreds of young Kildare families who otherwise could not aspire to it in the short term.

What is needed now is the rapid implementation of the Government's decision of 1 July last. To achieve this, Kildare County Council must be encouraged to produce an area action plan for Magee Barracks as identified in the Kildare town development plan 2002 and as supported all along by the Minister for Defence. This work will require a high level of expertise,

[Mr. Ó Fearghaíl.]

needs to be done sooner rather than later and the plan must have regard to the best principles of urban planning. The site cannot simply be covered with wall to wall housing. Given that the site could accommodate a population equivalent to that of a small town, a range of support services and facilities need to be provided for. Retail, commercial and leisure uses must be factored into the plan.

The proposed use of one of the existing buildings as a county museum deserves to be considered. Delivery of such affordable housing should not be left to the county council but rather passed on to some development agency or other entity that would be in a better position to deliver this sooner rather than later. It is also imperative that the firm commitment made by the Minister for Defence to transfer ten acres for community gain be honoured in the new scenario.

Minister for Defence (Mr. M. Smith): I thank Deputy Ó Fearghaíl for raising this matter, the support he has given the Government in the context of the decision that has been taken, his acknowledgement that substantial funds have been raised and expended in the Curragh, and his expectation that everything associated with the commitments we have given some years ago can be taken account of.

As the House is aware, the Government on 15 July 1998 approved a programme of evacuation and sale of six barracks considered surplus to military requirements. Magee Barracks, Kildare, comprising an area of 65 acres approximately, was among those properties identified for closure and disposal. The military personnel stationed at the barracks were relocated to the Defence Forces training centre at the Curragh. The intention was to dispose of the property with vacant possession.

However, arising from urgent accommodation requirements at the time, I agreed that Magee Barracks could be used to accommodate Kosovar refugees. The refugees were housed there from May 1999 to the end of September 2000. Subsequently, I agreed that a portion of the property could be used by the reception and integration agency of the Department of Justice, Equality and Law Reform to accommodate asylum seekers. Approximately 15 acres of the site were identified as being suitable for that purpose and this area continues to be used to house asylum seekers. A further site comprising about one acre has been used by Kildare County Council as a temporary halting site for some six families.

The plan to sell the property has, however, been overtaken by events. The Government on 1 July 2003 decided to release Magee Barracks to the Department of the Environment, Heritage and Local Government for inclusion in a new

affordable housing initiative agreed with the social partners under the national partnership agreement, Sustaining Progress. The affordable housing initiative is an important part of Government policy. The initiative will be targeted at those who in the past would have expected to purchase a house from their own resources but find that they are unable to do so in the current market.

To ensure progress on this ambitious initiative, the Government undertook to examine the best use of resources at its disposal, which included the housing potential of certain State lands as well as lands in the ownership of local authorities, and it was arising from this process that Magee Barracks in Kildare was identified as one of the sites which has the potential to deliver housing for this initiative. The release of State lands under the initiative is a significant first step in ensuring early delivery of affordable housing units.

I understand that Kildare County Council now proposes to engage consultants to prepare an area action plan for Magee Barracks. As part of the planning process, there will be time for public consultations to allow all views to be considered regarding the content of the area action plan. Following this process, the area action plan will be then made available to the elected members for their consideration and adoption. As with any area action plan, issues such as sustainable development, facilities, and the number and mix of dwelling units will be considered and addressed. I am also anxious to ensure that the commitment made to allocate some land at this location to the local community is taken fully into account when final decisions are being made. The modalities regarding the transfer of Magee Barracks are under active consideration in consultation with the Department of the Environment, Heritage and Local Government which is the lead Department for the development of the affordable housing initiative.

Schools Building Projects.

Mr. Crawford: I thank the Minister of State for coming into the House at this late hour to react to my comments about Ballybay, Castleblayney and Monaghan collegiate schools. Ballybay Community College has been on the building list for many years. It is the only one of the vocational education committee group of schools in County Monaghan that has failed to gain recognition from the Government or the Department for reconstruction and extension works.

Since my Fine Gael predecessor, the former Deputy John Francis Conlon, got agreement from the then Minister, John Boland, now deceased, to bring this school up to leaving certificate standard, it has never looked back. In spite of all its problems, it had the best results of all the VEC schools in Monaghan this year. The board feels

very aggrieved that it was by-passed in this year's allocation although it had been notified by an Oireachtas Member that it was actually on the 2003 list.

In 2004, six projects moved in front of Ballybay College on the Minister's website. Nine other schools which were not even on the 2003 list and had no band rating moved directly to construction in 2004. So much for openness and transparency. Is there a hidden agenda?

Castleblayney College has a different but equally urgent problem. As I have stated in the Chamber several times, its campus is divided by the Dublin to Derry road, the N2. Three people have been killed on the streets of Castleblayney in the past 12 months and it is a miracle that nothing serious has happened at the point where thousands of pupils cross the road every day from class to class.

The 1951 building, which stands on the opposite side of the road, should be closed and a single-campus building constructed on the main campus. It is in seriously bad repair and neither it nor Ballybay College would pass any health and safety inspection if they were privately owned. A devolved scheme would be an obvious solution for this campus, given that the 1951 building and its adjoining lands would provide, when sold, a major contribution towards the cost of the necessary and urgent single-campus building.

The President is to pay a visit to the Collegiate School, Monaghan, later this year and the management could not even get a gesture of help by way of some tarmacadam in this regard. In fact, it was advised that it should not have invited the President if the school was in such condition. Its proposed new extension would replace 40 year old prefabs used for metalwork and woodwork classes. These prefabs do not meet health and safety regulations. The Department regulations demand dust extractors and other measures but these cannot be fitted because of electrical problems. There is now a question of the insurance company requiring re-insurance.

The school has no purpose-built information technology room. The sewerage system, boiler and water storage tanks are obsolete and do not meet health and safety or environmental standards. One water tank is out of commission altogether.

The school built its own sports hall and refurbished the end room to meet the needs of the new curriculum from funding raised by parents and friends, apart from a small gesture the school received in 1997 of approximately £40,000. However, €40,000 had to be spent on a kitchen this year, which is staffed by parents on a voluntary basis.

The Minister, Deputy Noel Dempsey, met the VEC representatives when he visited Monaghan last year. The only secondary school he did not visit on that day was the Collegiate School. The

Minister opened the sports hall in St. Macartan's on the day — I was out of the country — and this may be why he did not visit the Collegiate School.

It is difficult to explain to the Collegiate School, Ballybay College and Castleblayney College why they are being left out. All three have a right to be aggrieved and deserve better. For instance, I asked a question about the Collegiate School, Corlatt, on 29 January, and the school received an answer which was not very forthright. It was told there would be funding available later in the year. On 4 February the Minister announced €30 million extra and, as a result, the school and the others to which I referred have become more aggrieved that so many other schools have passed them out on the list and left them behind.

Miss de Valera: I thank Deputy Crawford for raising this matter as it affords me the opportunity to outline to the House my Department's strategy regarding the schools building programme, which is founded on multiannual allocations for capital investment in education projects for future years, up to 2008. The original 2004 allocation for primary school buildings was €190 million and it was €167 million for post-primary school buildings. This enabled in excess of 170 projects to be listed in the 2004 schools building programme as going to tender and construction during 2004, thus providing new school buildings, extensions to and/or refurbishment of existing school buildings, accommodation for children with special needs, as well as many more smaller scale projects, such as access for all, roof replacements and mechanical and electrical improvements. A further €30 million investment was announced as part of the budget, bringing the total allocation to €387 million. In the first week of February, the Department announced the projects on which this additional €30 million budget will be spent.

Schools are selected on the basis of their band rating, immediate requirement for additional accommodation and the ability of the projects to draw down funding during 2004. This additional €30 million investment will benefit a total of 32 schools, 17 primary and 15 post-primary, bringing to over 200 the total number of schools with significant building projects to be authorised to go to tender and construction during 2004. My Department has also provided €500,000 to progress potential public private partnership schools building projects. This continuing investment is proof that the Government is delivering and will continue to deliver on its commitment to provide improved school buildings nation-wide.

When publishing the schools building programme the Minister, Deputy Noel Dempsey, outlined a review of projects that are not going to construction as part of the 2004 programme,

[Miss de Valera.]

with a view to including them as part of a multiannual building programme from 2005 onwards. The first step in this review is consultation between the Department and the education partners early in 2004 on the prioritisation criteria to ensure they have the optimum precision and are fully tuned to meeting the priority accommodation needs of the primary and post-primary sectors.

The Department expects to be in a position to make a further announcement on this matter during 2004 and an indicative timeframe is outlined in the schools building programme on the Department's website, *www.education.ie*.

The update of schools in the context of the multiannual programme of works, including public private partnerships, should be of particular interest as the schools to which the Deputy referred — Castleblayney College, Ballybay College and the Collegiate School, Monaghan — will be included in the review to which I referred.

I will outline the current position on each of the projects. The Collegiate School, Corlatt, is categorised as band 2. It is at an advanced stage of architectural planning and is one of a number of projects at this stage, as can be seen from section 8 of the school building programme on the Department's website. While all projects in section 8 received consideration for inclusion in the €830 million additional budget allocation, only a small number could be accommodated within the allocation and those projects which are included maximise the potential of the allocation. All remaining projects will be reviewed with a view to including them as part of a multiannual building programme from 2005 onwards. Ballybay Community College is in band 2 and is at an early stage of architectural planning and will be included in the review with the intention of outlining a timescale for progression.

The accommodation needs of Castleblayney College have been identified and the next step in the process is to appoint a design team to plan the project. The review to which I have referred will include all applications for major capital funding and it is intended that some schools will be given the go-head to appoint design teams as part of the multiannual building programme from 2005 onwards.

As outlined in the schools building programme, projects are selected on the basis of objective criteria and the programme is operated in an open and transparent manner. I hope this clarifies the position for the Deputy.

Crime Prevention.

Mr. F. McGrath: I thank the Ceann Comhairle for allowing me raise the issue of the drugs crisis on the north side of Dublin. I am concerned that in 2003, €20 million worth of drugs were

confiscated in a part of my constituency and over 278 people have been charged with drug-related offences. It is also the tip of the iceberg and action is needed now. We have heard too much tough talk from the Minister for Justice, Equality and Law Reform but not enough action and leadership on the ground. I strongly challenge the Minister on his record on the drugs crisis. I call for more support from the public. Everybody has a role in the fight against drugs. That gangs are not shooting each other does not mean we should all keep our heads in the sand.

I take this opportunity to commend the drugs unit and the Garda Síochána on their work. They need more support from the Government and the public. We cannot allow another generation of our children to get involved in drugs. In this debate I also call for more leadership from the Government, a more proactive approach from parents and community groups and more investment in disadvantaged areas. I want to see the Criminal Assets Bureau money used in local communities. I want to see more community-based gardaí. Children at risk must be targeted at an early age. I want to see more investment in disadvantaged schools and I want to see at least another €20 million put into these schools, which would have a major impact. I also want to see assistance for the 70,000 children who are living in severe poverty. These are practical proposals to tackle the drugs crisis on the north side of Dublin.

There is an overwhelming sense of the inevitability of drug dealing, and powerlessness among communities to do anything about it. The belief that communities can do something to stop the sale of drugs, as in the mid-1990s, does not seem to be there any more. Seven years later people seem to have given up hope. The same fight is no longer in many communities. Community concern seems to have plateaued. Local people and gardaí have been afraid over the years. We need to be able to inform someone about drug dealing, someone who will listen and respond. This feeling of powerlessness in the face of drug dealing goes across communities. All communities describe a reluctance to get involved in the issue now. However, the context varies considerably across communities from some areas where there is a general unease about getting involved to others where there is a very real and definitive fear. This level of fear is strongly related to the levels of violence and intimidation that are attached to drug dealing in certain communities. The entire community is affected, whether it is by nuisance, anti-social behaviour, intimidation or violence.

Once this is happening in a community everyone feels unsafe, even if they do not appear to be under direct personal threat. People are afraid to come into certain areas. There are fears about safety, and that fear may be even greater.

12 o'clock

There is prostitution, violence and shooting. There is also much anti-social activity at weekends, with broken bottles and noise causing sleep problems. There has been a massive increase recently in burglaries in some communities. They are the bad effects. There are also bad effects on older people in terms of safety. Drugs users who owe money are being threatened and very vulnerable people are being targeted for intimidation. These are the issues that arise from the drugs crisis on the north side of Dublin.

I wish to ask the Minister certain questions. When will the agreement that was reached with the former Minister on additional staffing for local drugs task forces be implemented? When will the report from the committee on treatment for under 18s be available? This was due to report in June 2002. What commitment is there to making resources available for the implementation of the recommendations of the report? What plans does the Minister have to deal with the growing cocaine problem and what budget has been allocated for this purpose? When will mainstreaming of service positions from round one of the young people's facilities and services fund be implemented? When will the allocation of €2 million for each of these projects, promised in 2002, be made available to local communities?

Heroin is still a devastating problem and the scale and extent of polydrug use is having a significant impact. Treatment services need to begin meeting the challenge of dealing with polydrug use. Drugs are widely and easily available in communities and people feel powerless to do anything about it. I therefore urge the Minister to seriously examine this issue and tackle the drugs crisis on the north side of Dublin.

Minister of State at the Department of Justice, Equality and Law Reform (Mr. O'Dea): I thank Deputy McGrath for raising this important issue. At a commemoration in the north inner city on 1 February, which I understand the Deputy attended, the Taoiseach reiterated his and the Government's commitment on this issue. The ceremony in question, which was organised by the Citywide Family Support Network, commemorated those who had lost their lives through the misuse of drugs and acknowledged the grief and heartbreak which has been endured by the families affected.

It was a stark reminder, if one were needed, of the need to continue our efforts to implement and develop our strategy on drug misuse. The National Drugs Strategy 2001-2008 represents a comprehensive and integrated approach to the problem. It brings together all elements of drugs policy — supply reduction, prevention, treatment and research. Each pillar of this strategy contains

ambitious targets to be met over its lifetime. Under the supply reduction pillar the Garda resources in local drug task force areas will be increased. In addition, the volume of all illicit drugs seized will be significantly increased — by 25% in 2004 and by 50% by 2008.

Under the prevention pillar an ongoing national awareness campaign highlighting the dangers of drugs has been launched and comprehensive substance misuse prevention programmes are now on the curricula of all schools. A recent NACD report pointed out that drug prevention approaches in Ireland are consistent with best practice internationally. Under the treatment and rehabilitation pillar, the strategy provides that there will be immediate access to professional assessment and counselling for the individual drug misuser, followed by commencement of treatment not later than one month after assessment.

A range of treatment and rehabilitation options will also be developed in each health board area and a protocol will be developed for treating under 18 year olds presenting with serious drug problems. It also seeks to expand the number of rehabilitation places available for recovering drug users by 30%. In addition, local drugs task forces have been established in the areas experiencing the worst levels of drug misuse. In particular, in relation to the north inner city, a local drugs task force has been in existence since 1997. Currently, there are 14 local drugs task forces — 12 in Dublin, one in Cork and one in Bray. The task forces are currently implementing their second round of action plans. The Government has allocated or spent over €65 million to implement the projects contained in the plans of the task forces under which they provide a range of drug programmes and services in the areas of supply reduction, treatment, rehabilitation, awareness, prevention and education.

In addition to the funding made available under the task force plans, a sum of €11.5 million has been allocated to date under the premises initiative for drugs projects which was designed to address the accommodation needs of community based drugs projects, the majority of which are based in local drugs task force areas.

The young people's facilities and services fund is another initiative operating in the 14 local drugs task force areas and the urban centres of Limerick, Galway, Carlow and Waterford. The main aim of the fund is to attract young people at risk into sports and recreational facilities and activities and divert them away from the dangers of substance misuse. To date, approximately €68 million has been allocated for this purpose. In broad terms, approximately 350 facility and services projects are being supported under the young people's facilities and services fund which fall under seven broad headings: building,

[Mr. O'Dea.]

renovating or fitting out of community centres; appointment of more than 85 youth and outreach workers; employment of ten sports workers; and supporting a wide variety of community-based prevention and education programmes.

The Government, in partnership with local communities, has made considerable efforts in tackling the drug problem in the past few years. Since 1997, through the local drugs task forces premises initiative and the young people's facilities and services fund, almost €145 million has been spent or allocated to the 14 local drugs task force areas. In this context, more than €12 million has been allocated or spent in the north inner city local drugs task force area to date.

This partnership with local communities is acknowledged by the Government as the only way in which sustainable solutions to the drugs problem will be found. In this context, the forthcoming Garda Síochána Bill proposes to enhance co-operation between the Garda and local authorities through the establishment of joint policing committees. These committees are envisaged as providing a forum where matters relating to all local aspects of policing can be

discussed. There will also be provision for the establishment of local policing fora under the umbrella of the joint policing committees to deal with particular initiatives, including drugs initiatives in any given area.

The Minister for Justice, Equality and Law Reform has particular responsibility in the area of supply reduction, and the Garda Síochána, with the full support of the Government, continues to have success in targeting the evil activities of traffickers. The success of the Criminal Assets Bureau has been remarked upon many times in this House. I am glad provisional figures indicate that this success continued in 2003 with interim orders to the value of more than €3 million and interlocutory final restraint orders to the value of more than €900,000.

Obviously, the problem of drug misuse remains one of the great social problems of our times. Apart from our continuing efforts on the drug supply control side, we need constantly to continue to develop our range of responses, addressing both the causes and consequences of the problem.

The Dáil adjourned at 12.10 a.m. until 10.30 a.m. on 12 February 2004.

Written Answers

The following are questions tabled by Members for written response and the ministerial replies received from the Departments [unrevised].

Questions Nos. 1 to 8, inclusive, answered orally.

Questions Nos. 9 to 76, inclusive, resubmitted.

Questions Nos. 77 to 83, inclusive, answered orally.

Social Welfare Benefits.

84. **Mr. Quinn** asked the Minister for Social and Family Affairs the position regarding the implementation of an all-Ireland free travel scheme for pensioners; and if she will make a statement on the matter. [3883/04]

107. **Mr. Kehoe** asked the Minister for Social and Family Affairs if she has re-evaluated the use of vouchers for the free travel scheme. [3995/04]

310. **Mr. Durkan** asked the Minister for Social and Family Affairs if she has plans to extend the free travel allowance; and if she will make a statement on the matter. [4368/04]

Minister for Social and Family Affairs (Mary Coughlan): I propose to take Questions Nos. 84, 107 and 310 together.

The free travel scheme is available to all people living in the State aged 66 years, or over, to all carers in receipt of carer's allowance and to carers of people in receipt of constant attendance or prescribed relative's allowance. It is also available to certain people with disabilities and people who are in receipt of certain welfare type payments.

The scheme provides free travel on the main public and private transport services for those eligible under the scheme. These include road, rail and ferry services provided by companies such as Bus Átha Cliath, Bus Éireann and Iarnród Éireann, as well as services provided by over 80 private transport operators. The vast majority of private contractors providing services under the scheme operate in rural areas. I am always willing to consider applications from licensed private transport operators who may wish to participate in the free travel scheme. However, while my Department pays transport providers to operate the free travel scheme, it is not in a position to provide transport services where none exist.

Various alternatives to the existing system, including the use of vouchers, have been examined. A study published in 2000 under the Department's programme of expenditure reviews

concluded that a voucher type system, which would be open to a wide range of transport providers including taxis and hackneys, would be extremely difficult to administer, open to abuse and unlikely to be sufficient to afford an acceptable amount of travel. This position remains unchanged.

The issue of access to public transport in rural areas is being addressed currently through the rural transport initiative, which is being managed by Area Development Management, ADM, on behalf of my colleague, the Minister for Transport.

The free travel scheme, in conjunction with the Northern Ireland concessionary travel scheme, also provides free travel on cross-Border routes for pass holders of both jurisdictions. This scheme applies to cross-Border journeys and not to travel exclusively within either jurisdiction.

The implementation of an all-Ireland free travel scheme for pensioners resident in all parts of this island will require detailed discussions and agreements with the relevant authorities and transport providers on both sides of the Border. Preliminary discussions have taken place and further discussions will be initiated shortly.

Significant improvements have been made to the free schemes, including the free travel scheme, in recent budgets both in terms of the qualifying conditions and the coverage of the schemes. I will continue to review the operation of these schemes with a view to identifying the scope for further improvements as resources permit.

85. **Mr. Boyle** asked the Minister for Social and Family Affairs the degree of consultation entered into by her Department with the Department of the Environment, Heritage and Local Government prior to her decision to alter criteria for the payment of supplementary welfare allowance. [4027/04]

94. **Mr. Durkan** asked the Minister for Social and Family Affairs if discussions have been had with the Department of the Environment, Heritage and Local Government with a view to ensuring that families do not become homeless as a result of demarcation difficulties or policy changes; and if she will make a statement on the matter. [4024/04]

120. **Ms McManus** asked the Minister for Social and Family Affairs the reasons she has chosen to implement cuts in rent supplements that have now come into effect; the reason she chose no longer to approve crèche supplements and a supplement to assist persons in debt to deal with repayments; and if she will make a statement on the matter. [3875/04]

141. **Ms Burton** asked the Minister for Social and Family Affairs the degree of discretion which remains with community welfare officers in

[Ms Burton.]

making assessments of housing needs subsequent to the introduction of changes in the supplementary welfare allowance scheme, particularly regarding the rent supplement; and if she will make a statement on the matter. [3857/04]

142. **Mr. Penrose** asked the Minister for Social and Family Affairs the extent of internal consultations that took place in her Department on changes that were introduced in the supplementary welfare allowance scheme, particularly in respect of the rent supplement; and if she will make a statement on the matter. [3853/04]

Minister for Social and Family Affairs (Mary Coughlan): I propose to take Questions Nos. 85, 94, 120, 141 and 142 together.

As the Deputies are aware, I have recently introduced a number of changes to the supplementary welfare allowance scheme under which rent and other supplements are paid. These measures re-focus the supplementary welfare allowance scheme on its original objective of providing short-term income support.

On the question of consultation with the Department of the Environment, Heritage and Local Government, the Deputies will be aware that a planning group on future rental assistance arrangements has been in place for some time, with representatives of both Departments, the Department of Finance and others. Arising from the work of this group, an action plan is being developed on housing needs. Some of the measures that were announced in the Book of Estimates, including the six month rule, were first considered in the discussions on the action plan prior to the Estimates announcements in November 2003.

My Department also had detailed consultations with the Department of the Environment, Heritage and Local Government since last November and fully considered its views regarding the regulations which gave effect to the rent supplement changes and the circular to health boards which set out the detail of the changes. I do not envisage any circumstances in which families could become homeless as a result of these measures.

The new measures were the subject of extensive discussions within my Department over a number of months. Their impact was fully assessed and the manner of their implementation has been carefully designed to ensure the interests of vulnerable groups such as the homeless, elderly and disabled are fully protected. The six months prior renting requirement will not apply in their case. In effect, the only people who will no longer qualify for rent supplement because of the six month rule

are people who in the opinion of the housing authority do not have a housing need.

The crèche supplement was introduced with the intention of providing assistance to the parent of a child who is in need of a short-term emergency support. Payments of crèche supplements were increasingly being made for reasons which are clearly outside the scope of the objectives of the scheme as originally envisaged. In effect, long-term child care needs were being met through a short-term emergency provision scheme.

Supplements to assist people in debt were being made under the supplementary welfare allowance scheme because the people concerned had entered into repayment arrangements that were so onerous they did not have enough income left to meet their basic needs. The decision to discontinue this supplement was based on the fact that these supplements had become a long-term arrangement and effectively a subsidy for creditors. The withdrawal of the supplement will encourage creditors to accept more realistic repayment arrangements which the debtor will be in a position to meet.

These changes are being introduced at this time because the policy issues I have outlined required a response and it was appropriate to do in the context of the 2004 Estimates.

None of the changes I have made restrict the discretion of a health board to make a payment in exceptional circumstances where a board considers that the circumstances of the case so warrant. It is estimated that the new measures will lead to savings in the region of €19 million per annum. This is equivalent to about 3% of spending on the SWA scheme.

Social Welfare Code.

86. **Mr. Sargent** asked the Minister for Social and Family Affairs the response she has made to recent calls by the National Women's Council to reform the social welfare system. [4036/04]

Minister for Social and Family Affairs (Mary Coughlan): The Government is committed to extending social insurance pension cover to as many categories as possible. In this regard a number of measures have been introduced in recent years which are making it easier for people to qualify for pensions. These measures include extended social insurance coverage and an easing of the qualifying conditions for old age contributory and retirement pensions. The latter measures are of particular benefit to women who may have less than complete social insurance records.

In 1997 the average number of contributions required for pension purposes was reduced from 20 to ten and in 2000, a special half rate pension was introduced based on pre-1953 insurance contributions. *Pro rata* pensions are also available

to allow people with mixed rate insurance records to receive a payment.

At present, about 66,000 women are receiving an old age contributory or retirement pension against just over 41,000 in 1994. At the same time, the number receiving a non-contributory old age pension has dropped from almost 62,000 to just over 50,000. This is in keeping with the general trend in pensions which is a reduction in the numbers receiving means tested payments while at the same time an ongoing increase in numbers receiving payments based on social insurance contributions.

With improved social insurance coverage, easing of qualifying conditions and improved workforce participation more and more people, particularly women, will qualify for contributory payments in the future.

The National Women's Council has called for changes in the qualified adult allowance and the homemaker's scheme. In regard to the former, the Government has already given a commitment to increase this allowance to the maximum of the old age non-contributory pension. Considerable progress has already been made in this regard with the qualified allowance on the contributory payment now standing at €129.60 or 84% of the old age non-contributory rate. Further increases will be considered in a budgetary context. Also, since October 2002 new pension claimants can opt to have the allowance paid direct to their spouse or partner.

A review of the homemaker's scheme, which disregards certain periods spent outside the workforce in determining entitlement to contributory pensions, is being undertaken as part of an overall review of the qualifying conditions for the old age contributory and retirement pensions which is under way. The review will consider with the points raised by the National Women's Council on backdating the scheme and replacing the disregard system with one based on credits. I expect the review will be ready for publication during the second quarter of this year. Changes to the scheme will be considered in the light of the conclusions of this review.

On the issue of women in farming, which was also referred to by the council, the issue of the insurability of farm spouses for social insurance pensions and other benefits was considered by an interdepartmental group which reported in 2002. The group considered a number of alternative solutions to resolving this issue and concluded that the formation of business partnerships offers an immediate way by which farm spouses can access social insurance cover and its associated benefits.

With regard to occupational and private pensions cover, the Deputy will be aware of Government targets which seek to raise overall coverage in this area. We have introduced

personal retirement savings accounts which are low cost flexible pension products not tied to a particular employment. This makes them particularly suitable for people who may wish to maintain contributions when they are not working.

Benchmarking Awards.

87. **Mr. Rabbitte** asked the Minister for Social and Family Affairs the main features of the Civil Service action plan to meet the requirements of the benchmarking process within her own Department; and if she will make a statement on the matter. [3886/04]

Minister for Social and Family Affairs (Mary Coughlan): The Department's modernisation and change agenda is aimed at improving the services this Department gives to its customers and to Government and at ensuring that its staff are supported and equipped in the delivery of this objective.

The Department's modernisation action plan contains some 100 commitments that make up a challenging agenda for the Department over the course of Sustaining Progress. The plan is available on the website of the Department of Finance and I am also arranging for a copy to be sent to the Deputy.

While the plan must be considered in its totality, five key priority areas have been identified. These involve the increased use of new technology to deliver better service; greater flexibility in the way services are delivered; implementation of a new control programme; a range of changes in human resources, in particular in the area of promotions; and the development of improved financial management and information systems.

Priorities under the heading of new technology include the development of a new generation of IT systems to facilitate better customer service and support the Government's strategy for electronic service delivery generally. This includes developments related to the civil registration modernisation programme and the introduction of the public service broker. The Department is also developing a new service delivery model for the delivery of social welfare payments.

In the area of flexibility, there are a number of proposals to improve the processes of delivering services at local level, the key element being the localisation of the one parent family payment scheme which is currently administered from the pensions services office in Sligo. This initiative will result in a better, more personalised service to the customer, faster decision making, readier access to local employment and other support programmes and an enhanced control focus. In the area of control generally, we plan to introduce greater emphasis on risk assessment

[Mary Coughlan.]

and risk management in order to provide for a more effective and efficient use of resources in the control area.

A number of developments in the Department's human resources strategy are reflected in the action plan. A key priority is to move towards a higher proportion of competition-based promotions and the adoption of best practice in this regard.

In the area of financial management, the Civil Service management information framework, MIF, project aims at ensuring better decision-making about allocation of resources, better management of resources once allocated and greater transparency and accountability for the use of resources. My Department has a detailed programme of activity scheduled in this area over the course of the period covered by Sustaining Progress.

Last October, the Department submitted its first progress report on the plan to the Civil Service performance verification group. Overall, the verification group welcomed what had been achieved. The group noted, in particular, the strong commitment to the programme of expenditure reviews, the improvement in efficiency in 2003 as compared with 2002, the actions taken to improve flexibility and the successful implementation of developments in the area of e-Government

The second phase of the verification process is now commencing and my Department will be updating the group on its continued progress in meeting its commitments under the plan. I am confident it will continue to make progress in delivering an enhanced service to all its customers.

Ministerial Statements.

88. **Mr. R. Bruton** asked the Minister for Social and Family Affairs if her attention has been drawn to an article where she is reported to have made certain comments (details supplied); her views on the way in which this relates to the constitutional provisions regarding marriage; and if she will make a statement on the matter.

[3845/04]

Minister for Social and Family Affairs (Mary Coughlan): The institution of marriage has been, and for a majority of families with children, still is the foundation for continuity and stability in family life. Its contribution overall to the well-being of individuals and, more generally, to social cohesion goes without saying and it is entirely appropriate that the State should, as stated in the Constitution, pledge "to guard with special care the institution of marriage".

That being said, it is also the case that a growing proportion of marriages fail, with the spouses separating to live apart. The Constitution

now also recognises this reality by permitting the dissolution of these marriages in certain defined circumstances and allowing those divorced to marry again under the law and set up reconstituted families. Of course, many who separate never marry again. There is also the growing phenomenon of couples living as man and wife but not entering into the legal relationship of marriage. Changing values mean that this form of family arrangement is becoming more socially acceptable.

Given the rapid changes affecting families and family life, the State is required to provide more support to assist families in difficulties than might have been the case in the past.

Families where the parents are experiencing marital difficulties or are separated or unmarried are generally more at risk, especially where there is just one parent carrying the double burden of breadwinner and care giver. It is my responsibility, as Minister with responsibility for family affairs, to ensure that the well-being of all individuals, especially children, is safeguarded within the family and that all families, irrespective of the form they take, receive appropriate State support in meeting their caring responsibilities.

Last year I established the Family Support Agency to draw together the main family-related programmes and services developed by the Government since 1997. Its functions include the provision of services in respect of family mediation, marriage and relationship counselling and family support services and programmes, including parenting, and support for the promotion and development of family and community services.

This year I have made some €20.185 million available to the Family Support Agency to fulfil its functions, €7.16 million of which is for the scheme of grants for voluntary organisations providing marriage and relationship counselling and other family supports.

I am also conscious that the rapid changes taking place may be leading to outcomes in terms of family life that many may not desire either for themselves or others. It is also possible that State policies and programmes may not be contributing as effectively as they might to strengthening families at this time of change. It was for those reasons that I embarked on the current wide-ranging consultation process which I intend will culminate in a clear, coherent and comprehensive strategy for supporting families to be issued by the end of this year, the tenth anniversary of the International Year of the Family.

The consultation so far has shown the deep concern many share on the impact of current changes on family life, a clear recognition of the importance of families for individuals and society and a determination that State support must be as effective as possible in strengthening families and family life. I am determined to ensure that

the strategy which emerges at the end of the process will meet these concerns.

Social Welfare Benefits.

89. **Mr. Hogan** asked the Minister for Social and Family Affairs the average payment made under the farm assist scheme in each county for 2003; and if she will make a statement on the matter. [4021/04]

Minister for Social and Family Affairs (Mary Coughlan): The farm assist scheme, which introduced special arrangements for farmers on low incomes, was provided for in the Social Welfare Act 1999 and came into operation with effect from 7 April 1999.

At 26 December 2003 there were 8,703 farm assist customers receiving an average payment of €149.26 per week. Of these, some 3,812 are

former smallholders who are now in receipt of farm assist and are receiving an average payment of €164.97 per week. New applicants to farm assist are receiving an average payment of €137.01 per week.

The amount paid to each farmer is dependent on a number of factors, for example, family size, whether the spouse/partner is working and any means assessed from all sources.

The scheme has brought about a worthwhile improvement for low income farmers, particularly for those with children, and makes a valuable contribution to supporting those who are at the lower end of the farm income spectrum.

The tabular statement which I will make available to the Deputy lists the average payment under the farm assist scheme by county at the end of January 2004. Statistics for 2003 are not available in the format requested by the Deputy.

Farm Assist Recipients — Breakdown by County at 30 January 2004

(It should be noted that the figures have been compiled from data that is maintained on a local office catchment area basis and these do not correspond exactly with county boundaries.)

County	No. Cases	Average Payment
		€
Carlow	67	149.21
Cavan	315	148.13
Clare	468	144.82
Cork	604	145.65
Donegal	1,221	161.78
Dublin	12	157.63
Galway	895	148.53
Kerry	692	144.78
Kildare	48	138.06
Kilkenny	129	143.60
Laois	94	147.95
Leitrim	255	144.82
Limerick	222	131.91
Longford	108	137.03
Louth	64	140.17
Mayo	1,628	159.40
Meath	60	148.00
Monaghan	411	148.05
Offaly	81	130.58
Roscommon	345	133.02
Sligo	358	147.61
Tipperary	226	141.09
Waterford	48	133.60
Westmeath	89	130.58
Wexford	174	133.70
Wicklow	52	135.34
Total	8,666	

Social Welfare Expenditure.

90. **Mr. M. Higgins** asked the Minister for Social and Family Affairs if the benefits of economic prosperity have yet to be reinvested to

help the economically disadvantaged in Irish society; and if she will make a statement on the matter. [3869/04]

Minister for Social and Family Affairs (Mary Coughlan): This Government is deeply

[Mary Coughlan.] committed to building a fairer and more inclusive society and our record in terms of investment in social spending provides the clearest evidence of this commitment.

The 2004 budget is a case in point as it included a social welfare package of €630 million, and the effect of this increase is that the total social welfare spend in 2004 will be almost double that of 1997. As a result, my Department now has an annual budget of over €11 billion to support those who are vulnerable, less well off or disadvantaged in our society. It will be the largest amount of money ever expended on social welfare payments in our history and will benefit approximately 1.5 million people or about four out of every ten people in the State.

I have every confidence that this sustained investment in social welfare together with investments being made in other key areas of social spending — employment supports, education, health and housing — will lead to further inroads being made into poverty levels in this country. Over the past few years substantial progress has already been made with the numbers of people experiencing consistent poverty falling from 9.7% in 1997 to 5.2% in 2001.

Our policy platform for continuing to achieve real reductions in the levels of consistent poverty is set out in the revised national anti-poverty strategy, NAPS, published in February 2002, and in the national action plan against poverty and social exclusion launched in July of last year. The key objectives of the revised NAPS are to reduce, and ideally eliminate, consistent poverty; build an inclusive society; and develop social capital, particularly for disadvantaged communities.

The revised NAPS contains a number of policy objectives and targets across key thematic areas such as income adequacy, employment and unemployment, education, health, housing and accommodation. It also targets particularly vulnerable groups such as children and young people, women, older people, Travellers, people with disabilities, migrants and members of ethnic minority groups.

By providing both a comprehensive policy framework and significant investment we will continue to make real progress in improving the lives of all of our people and bring about a fairer, more inclusive society.

Social Welfare Appeals.

91. **Mr. P. Breen** asked the Minister for Social and Family Affairs the number of persons waiting on appeal for unemployment assistance and unemployment benefit in cases in which their initial claim was refused due to the fact that it was stated they were not genuinely seeking work. [3999/04]

Minister for Social and Family Affairs (Mary Coughlan): The number of appeals awaiting decision which relate to unemployment issues, excluding means cases, is 546. This figure

represents all appellants disallowed for failure to satisfy any of the statutory conditions relating to entitlement.

The precise number of cases where the question at issue relates to the genuinely seeking work condition is not readily available but it is estimated that about 80% would relate to either or both of the conditions of not being available for or genuinely seeking employment. Deciding officers must have regard to the economic environment in reviewing and testing a person's efforts to obtain employment. In this regard they must take into account the level of vacancies and the nature of the work available in the locality.

To be regarded as genuinely seeking work a person must show that he or she is taking reasonable steps to obtain suitable employment, including applying for and seeking information on jobs, and availing of suitable training opportunities. These requirements are set out in regulations. To ensure they are applied consistently and uniformly detailed guidelines have been issued to the deciding officers who decide unemployment claims, and appropriate training has been provided. The decisions advisory office of my Department also provides advice in this regard on an ongoing basis.

Under social welfare legislation, decisions on claims must be made by deciding officers and appeals officers. These officers are statutorily appointed and I have no role in regard to making such decisions.

Question No. 92 answered with Question No. 82.

Decentralisation Programme.

93. **Mr. Quinn** asked the Minister for Social and Family Affairs the decentralisation plans for her Department following the announcement in the December 2003 budget by the Minister for Finance of the relocation of certain sections of the Department to Drogheda, Buncrana, Donegal, Carrick-on-Shannon, Sligo, Monaghan and Carrickmacross; the timescale in which she hopes the decentralisation plan for her Department will be complete; and if she will make a statement on the matter. [3884/04]

100. **Mr. Rabbitte** asked the Minister for Social and Family Affairs if, in regard to proposals for decentralisation, any survey has been undertaken to establish the number of persons employed in her Department, or in boards or agencies operating under the aegis of her Department, who are willing to move to the new locations announced by the Minister for Finance in his budget speech; the results of any such survey; and if she will make a statement on the matter. [3885/04]

Minister for Social and Family Affairs (Mary Coughlan): I propose to take Questions Nos. 93 and 100 together.

Under the Government decentralisation programme announced recently by my colleague, the Minister for Finance, all sections of my Department currently headquartered in Dublin will move to the following towns: Drogheda, 300 posts; Buncrana, 120 posts; Donegal, 230 posts; Carrick-on-Shannon, 225 posts; and Sligo, 100 posts.

This Department's information systems division and similar functions in other Departments will also be relocated, though the location has yet to be determined. In addition, the Combat Poverty Agency and Comhairle, agencies under the aegis of my Department, will be relocated to Monaghan and Carrickmacross respectively.

My Department has previous experience of the issues associated with decentralisation, having relocated functions and staff out of Dublin to Sligo, Letterkenny, Longford, Waterford and Dundalk. The new programme of decentralisation will involve major change for my Department and a key objective will be to ensure that it is implemented in a planned way and with due regard to the effects on staff and the maintenance of high standards of service.

My Department has established a project management structure to manage the decentralisation programme within the organisation. The structure will support the two phases of the decentralisation programme, that is, the development of an overall departmental strategy and the development and implementation of plans for decentralising individual sections.

A detailed project plan covering all aspects of the decentralisation process for my Department and the two agencies involved is being prepared. The plan will set out the business areas to be located to each location; the timing of each relocation; staff placement and training plans; the estimated resources required to complete the project; the risks associated with the project; and the contingency plans to deal with those risks. In line with a request to all Departments we have supplied our preliminary response to the decentralisation implementation committee established by the Government to oversee the decentralisation programme.

As an input to the planning process, a survey of all staff in my Department, including staff in areas outside of Dublin, is being conducted to establish initial indications of interest in the new locations. To date, 2,999 responses to the staff survey have been recorded; this represents 63% of the 4,770 staff in the organisation. The position as regards expressions of interest is as follows: Carrick-on-Shannon, 148; Drogheda, 119; Donegal Town, 51; Sligo, 24; and Buncrana, 15.

A total of 594 staff members have indicated a wish to transfer to another Department, office or agency. A total of 2,048 staff members have indicated they wish to remain in their current

location. The final results from the survey will be available very shortly. While the survey provides a useful initial indication of staff preferences, it is recognised that the decisions which people make are likely to change as the implementation of the programme proceeds. To date, staff surveys have not been carried out in either the Combat Poverty Agency or Comhairle. Plans for all of the Departments involved will be considered by the decentralisation implementation committee which is due to submit an initial report by end March 2004 on the implementation of the overall programme.

My Department will report progress on the implementation of the plan on a regular basis to the implementation committee, which will report in turn to the special Cabinet sub-committee which is overseeing the programme as a whole.

Question No. 94 answered with Question No. 85.

Family Support Services.

95. **Ms McManus** asked the Minister for Social and Family Affairs the total number of persons receiving assistance from the Money Advice and Budgeting Service in respect of the latest date for which figures are available; the number who were in receipt of the supplement payable to persons on social welfare allowance; if her attention has been drawn to the concerns that in the post Christmas period and especially in the light of the abolition of this supplement many people may be pushed into the hands of moneylenders; her views on whether this merits a reconsideration of her decision to abolish the supplement; and if she will make a statement on the matter. [3876/04]

Minister for Social and Family Affairs (Mary Coughlan): My Department has overall responsibility for the money advice and budgeting service, MABS, which provides assistance to people experiencing difficulty in meeting repayments on borrowings. There are 52 independent companies nation-wide operating the service.

The MABS programme provides money advice, including the publication of information on money management and debt counselling, to individuals and families who have problems with debt, particularly indebtedness to moneylenders, and who are on low income or in receipt of social welfare payments.

The MABS does not provide financial assistance to its customers. Rather, the service places an emphasis on practical budget-based measures that help people to move permanently from dependence on moneylenders and to access alternative sources of low cost credit.

In 2003, I provided €9.9 million for the operation of the MABS and an additional €1.01 million was allocated for 2004 in the recent budget. The latest information available from the companies providing the service shows that some

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12,000 people are currently availing of the service.

MABS supplement payments paid under the supplementary welfare allowance scheme were made by the health boards because the people concerned had entered into repayment arrangements that were so onerous that they did not have enough income left to meet their basic needs. Some 340 people were in receipt of these supplements at the beginning of February.

At the time the decision was taken to discontinue the MABS supplement, over 50% of the MABS supplements in payment had been in payment for more than a year and nearly 25% of recipients had been in receipt of the supplement for more than two years. The duration of these payments confirms that the supplement has gradually become a long-term arrangement which is effectively a subsidy for creditors.

These supplements have not been used in three health board regions and were very rarely used in another region, which demonstrates that it is possible to deal with indebtedness without using this approach. The good practice established in these areas in this regard will now be put in place throughout the State. MABS supplements currently in payment will not be withdrawn. Payment of the supplement in these cases will continue for the duration of their current term of agreement.

The period before Christmas is a difficult one for people with debt problems. It is with the support and expertise of the MABS companies throughout the country that people can be best assisted in sorting out their debts and these companies will continue to provide their services to people who need it.

In the circumstances, I am satisfied that the decision to discontinue the MABS supplement is reasonable and will require creditors to take a more realistic approach to the repayment arrangements a debtor can afford to make. Health boards may still deal with emergency or exceptional cases at any time of the year by way of exceptional needs payments or an urgent needs payments.

Social Welfare Benefits.

96. **Mr. Ring** asked the Minister for Social and Family Affairs the plans she has to award a nominal, non-means tested payment to all carers as recognition of their work; and the amount saved by the Government in subvention, home help and so on as a direct result of the care they give. [3989/04]

102. **Mr. Murphy** asked the Minister for Social and Family Affairs if she intends to increase the 50% carer's allowance grant to persons to provide care to a second person; and if she will consider extra payments of carer's allowance to those who provide care to more than two persons to reflect the care given. [4016/04]

103. **Mr. English** asked the Minister for Social and Family Affairs her views on whether the limited definition of "carer" is too restrictive and excludes many genuine carers; and if she will review the situation. [4015/04]

123. **Mr. Hogan** asked the Minister for Social and Family Affairs the number of carers in receipt of a payment; the number likely to qualify in the event of an expansion of the scheme; and if she will make a statement on the matter. [4000/04]

135. **Mr. Naughten** asked the Minister for Social and Family Affairs if she will consider giving widows and widowers who are under the age of 66 and do not qualify for the carer's allowance or the respite care grant at least the respite grant, in view of the fact that they are full-time carers but receive no recognition of this fact by her Department in the form of a payment. [4019/04]

143. **Mr. Costello** asked the Minister for Social and Family Affairs her plans to implement the 15 recommendations contained in the November 2003 report, *The Position of Full Time Carers*, from the Oireachtas Joint Committee on Social and Family Affairs, specifically the recommendation for the abolition of the means test for the carers allowance; and if she will make a statement on the matter. [3868/04]

302. **Mr. J. Breen** asked the Minister for Social and Family Affairs if the means test for carers will be abolished, and if widows who are carers will receive the allowance back-dated to the date of application; and if she will make a statement on the matter. [4099/04]

308. **Mr. Durkan** asked the Minister for Social and Family Affairs the number of recipients of carer's allowance; the number of persons deemed to be in need of care; her plans to meet the needs of the larger group; and if she will make a statement on the matter. [4366/04]

311. **Mr. Durkan** asked the Minister for Social and Family Affairs if she has proposals to expand or extend the carer's allowance to a wider group of carers; and if she will make a statement on the matter. [4369/04]

Minister for Social and Family Affairs (Mary Coughlan): I propose to take Questions Nos. 96, 102, 103, 123, 135, 143, 302, 308 and 311 together.

The Central Statistics Office, CSO, included a question in the 2002 census to identify the number of persons providing unpaid personal care for a friend or family member with a long-term illness, health problem or disability. The analysis of this portion of the census, which became available on 15 October 2003, found that 40,500 people provide 43 hours or more unpaid personal help per week, or over six hours per day; 23,400 people provide 15 to 42 hours unpaid personal help per week, or between two and six hours per day; and 84,900 people provide one to

four hours unpaid personal help per week, or up to two hours per day.

There are currently approximately 22,000 carers in receipt of carer's allowance or carer's benefit. This means that over 34% of the 64,000 carers, as estimated by the CSO to be caring for more than two hours per day, are in receipt of a specific carer's payment from the Department of Social and Family Affairs. People providing lower levels of care would not necessarily meet all the qualifying conditions for receipt of a carer's allowance.

Carers of more than one incapacitated person are currently entitled to an additional 50% of their rate of payment. This is an acknowledgement of the particular difficulties, both financial and personal, which are faced by these carers. These recipients also receive a double respite care grant of €1,670 in June each year. The introduction of further improvements for this group of carers would have to be considered in a budgetary context.

The respite care grant is paid to carers who are in receipt of a carer's allowance and to carers who are caring for recipients of a constant attendance or prescribed relative's allowance. It is not payable with other social welfare payments. All other matters relating to the provision and availability of respite care generally are the responsibility of my colleague, the Minister for Health and Children.

On the question of paying carer's allowance concurrently with another social welfare payment, such as widow's pension, the primary objective of the social welfare system is to provide income support and, as a general rule, only one social welfare payment is payable to an individual. Persons qualifying for two social welfare payments always receive the higher payment to which they are entitled.

With regard to the definition of full-time care, one of the principal conditions for receipt of the carer's allowance is that full-time care and attention is required and being provided by the carer. Under the legislative provisions, full-time care and attention means that the care recipient must be so disabled as to require continuous supervision and frequent assistance throughout the day in connection with their normal personal needs. In addition, the care recipient must be so disabled as to be likely to require this care for at least 12 months.

My Department takes the view that full-time care and attention does not necessarily mean 24 hours in each day. Full-time care and attention can be considered to apply where there is an ongoing and daily commitment by the carer, and which also generally results in the carer not being able to support him/herself through normal full time employment. Carer's allowance applications are assessed on an individual basis having regard

to the medical and other related evidence supplied by the applicant.

I am aware of the report, *The Position of Full Time Carers*, which was published by the Joint Committee on Social and Family Affairs in November 2003, and I have examined its recommendations. In relation specifically to the proposal to abolish the means test for carer's allowance, it is estimated that abolition of the means test could cost in the region of €180 million per annum. It is debatable whether abolition of the means test could be considered to be the best way to support carers or the best use of these resources.

The committee's recommendations are broad in scope and cover the responsibilities of several Departments. With regard to the responsibilities of my own Department, the committee proposes expanding the carer's allowance scheme. Those recommendations would involve additional expenditure and could only be considered in a budgetary context. They would need to be examined in the context of current Government policy in this area.

With regard to the introduction of a non-means tested payment to all carers, the review of the carer's allowance, which was published in 1998, considered the introduction of a non-means tested 'continual care' payment to be given, following a needs assessment, to carers caring for those who are in the highest category of dependency.

More recently, in 2003, I launched a study on the future financing of long-term care. The study considers a range of benefit delivery mechanisms, including the 'continual care' payment, as well as the issue of a needs assessment. It suggests that consideration be given to a flexible system whereby, following needs assessment, the person in need of care and their carer would select in kind services or a cash payment or a mix of both.

As there are significant issues discussed in the study, including those relating to benefit design, cost and financing of long-term care, my officials are currently preparing a consultation document to accompany the study. This document will focus all interested parties on the specific issues we need to address. I expect that this document will be ready for circulation by the end of this month.

On completion of this consultation process, a working group, which will include all relevant parties, will examine the strategic policy, cost and service delivery issues associated with the care of older people. The issue of a continual care payment will be considered, as will other proposals, in the course of the consultation process.

With regard to the amount of money saved in nursing home subventions, home helps and other services as a direct result of the work of family carers, research suggests that community care can be as costly, if not more costly, than institutional

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care where a proper and adequate range of community services are provided. This is because the medical professionals involved are mainly dealing with people on a one to one basis, and it is also the case that many people who are being cared for at home also spend a certain amount of time in hospitals.

Government policy is strongly in favour of supporting care in the community and enabling people to remain in their own homes for as long as possible. However, the State cannot, and would not wish to, replace the personal support and care provided within the family and the community. Its primary role, therefore, is to provide adequate support to carers and to those for whom they are caring to enable them remain in their own communities for as long as possible.

The development of the range of supports for carers will continue to be a priority for this Government and, building on the foundations now in place, we will continue to develop the types of services which recognise the value of the caring ethos and which provide real support and practical assistance to people who devote their time to improving the quality of life for others.

Social Welfare Benefits.

97. **Mr. McCormack** asked the Minister for Social and Family Affairs the supports her Department offers to multiple birth parents; her views on whether such supports are adequate; the number of parents who received such supports in 2003; and the costs of same. [4022/04]

Minister for Social and Family Affairs (Mary Coughlan): Significant improvements in the level of support under the child benefit scheme have been made in recent years to parents with multiple births. Prior to 1998, child benefit was payable at the normal rate for each child in the case of twins with an added grant of €634.87, £500, payable at birth. Further grants of €634.87 were payable when the twins reached the ages of four and 12. Child benefit was paid at double the normal rate where three or more children were born together. However, no birth grants were payable at that time in the case of triplets.

In the Social Welfare Act 1998, two key additional measures were introduced, designed to improve the overall package of benefits available to parents of multiple births. First, the €634.87, £500, grants, which previously were confined to families with twins, were extended to include families with multiple births of three or more children. Second, the rate of child benefit payable in respect of twins was increased to 150% of the normal rate.

In the year to November 2003, child benefit payments were made in respect of 27,523 children of multiple births, including 13,332 sets of twins, 262 sets of triplets, 12 sets of quadruplets and one

set of quintuplets. The estimated total cost of child benefit to all multiple birth children in the year was €66.75 million.

Substantial investments have been made in general to the CB scheme in recent years, with total expenditure on child benefit expected to reach €1.9 billion when the current programme of multi-annual increases is complete. These improvements benefit all families with children, including, of course, families with multiple births.

98. **Ms Enright** asked the Minister for Social and Family Affairs the number of persons who were refused the back to school clothing and footwear allowance who were subsequently awarded an exceptional needs payment in 2002 and 2003. [3993/04]

106. **Mr. P. McGrath** asked the Minister for Social and Family Affairs the number of applications received by health boards for the back to school clothing and footwear allowance in 2003; the number of applications granted and refused; and the number of children involved. [3992/04]

Minister for Social and Family Affairs (Mary Coughlan): I propose to take Questions Nos. 98 and 106 together.

The back to school clothing and footwear allowance scheme provides assistance towards the cost of school clothing and footwear for children mainly attending primary or post-primary schools. The scheme operates from the beginning of June to the end of September each year and is administered on behalf of my Department by the health boards.

A person may qualify for payment of a back to school clothing and footwear allowance if he or she is in receipt of a social welfare or health board payment, is participating in an approved employment scheme, is attending a recognised education or training course and has household income at or below certain set levels. Under the scheme an allowance of €80 is payable in respect of qualified children aged from two to 11 years and an allowance of €150 is payable in respect of qualified children aged from 12 to 22 years.

In 2003, 81,851 applications were received, 75,202 were approved and 6,649 were refused under the scheme. I am arranging to have a tabular statement made available to the Deputy setting out the relevant statistics in greater detail. Some 172,100 children benefited in 2003 at a cost of €17.7 million.

Details regarding the number of claimants who were refused assistance under the back to school clothing and footwear allowance scheme and who were subsequently awarded payments under the exceptional needs payments scheme are not available.

However, the average number of exceptional needs payments made in respect of children's

clothing during the period July to October inclusive is about €350 per month higher than the average for the other eight months of the year. This suggests that a relatively small number of

people who are refused assistance under the back to school clothing and footwear scheme are subsequently awarded an exceptional needs payment.

Back to School Clothing and Footwear Allowance 2003

Health Board	Applications Received	Applications Granted	Applications Refused	No. of Children that benefited
ERHA area *	27,062	24,517	2,545	58,971
Western	7,940	7,427	513	18,139
Southern	11,628	10,896	732	22,634
South Eastern	10,157	9,370	787	19,197
North Eastern	7,617	6,880	737	14,403
Mid-Western	6,706	6,185	521	13,372
North Western	6,533	6,055	478	13,949
Midland	4,208	3,872	336	11,458
Totals	81,851	75,202	6,649	172,123

* The Eastern Regional Health Authority, ERHA, area includes the Northern Area Health Board, the East Coast Area Health Board and the South Western Area Health Board.

99. **Mr. Cuffe** asked the Minister for Social and Family Affairs the additional cost to the State which will ensue as a result of recent charge increases to the free telephone rental scheme. [4029/04]

137. **Mr. O'Shea** asked the Minister for Social and Family Affairs the outcome of her talks with Eircom regarding increases in telephone charges for pensioners and welfare recipients; and if she will make a statement on the matter. [3880/04]

Minister for Social and Family Affairs (Mary Coughlan): I propose to take Questions Nos. 99 and 137 together.

My Department introduced a significant change to the telephone allowance scheme in October 2003. The structure of the allowance was changed to make it a cash credit on bills, not attributable to any particular component of the bill. This change makes it easier for additional service providers to participate in the scheme, by applying a standardised allowance amount to bills irrespective of the tariff components.

In conjunction with this change, a special “bundle rate”, the Eircom social benefits scheme was negotiated with Eircom, which provided telephone allowance customers with line and equipment rental plus an enhanced call credit of up to €5.35 worth of free calls per two month billing period. The cost of the bundle, €20.41 plus VAT per month, was at a substantial discount to the previous cost of these services.

The Commission for Telecommunications Regulation, ComReg, recently approved a price increase application from Eircom of 7.5% in line rental, effective from 4 February 2004. A lesser percentage increase is also being applied to telephone instrument rental where applicable. It is my understanding that these increases will be offset by reductions in call costs in order to limit

the average, private, customer bill increase to the consumer price index rate.

Following detailed discussions between officials of my Department and Eircom, it was agreed that the increase in the Eircom social benefits scheme would be limited to the rate of CPI, 1.9%. Some technical restructuring of the bundle was also agreed which removed some additional call unit value. To offset this, Eircom offered to give low use customers up to €10.00 worth of calls free per two month bill, by offering them its separate “vulnerable users” scheme in addition to the social benefit scheme.

The revised package results in an increase to the social welfare customer of €0.94, including VAT, per two monthly bill. The other revisions to call costs by Eircom should be broadly beneficial to social welfare customers. There is no additional cost on the social welfare vote arising from the charge increase.

Question No. 100 answered with Question No. 93.

Flexible Work Practices.

101. **Mr. Gogarty** asked the Minister for Social and Family Affairs the plans she has to put in place measures that encourage workers to remain in the workforce beyond retirement age should they so choose. [4030/04]

Minister for Social and Family Affairs (Mary Coughlan): At present just over 11% of our population are over age 65, against an EU average of 16%. The proportion of older people in our population will remain broadly at his level for the next ten years after which it is projected to increase rapidly to 15% in 2021, 19% in 2031 and 28% in 2056. In the circumstances, Ireland faces the same challenges in maintaining its pension system as most other developed countries; the only difference is that these emerge

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later in our case and we have more time to prepare and to learn from the experiences of others.

The root of the challenge facing pension systems is a reduction in the active workforce and an increase in the number of pensioners. In the circumstances, increased workforce participation amongst all sectors of society, including older people, has an important role to play in ensuring the sustainability of our pensions system.

While there are no plans to increase the normal retirement age beyond 65, nevertheless, it is important that we encourage and facilitate those who wish to extend their working lives. With regard to the social welfare system, the Government is already committed to removing the retirement condition associated with the retirement pension.

In addition, my Department is considering a number of measures in the context of an overall review of the qualifying conditions for old age, contributory and retirement pension. These include allowing people to defer receiving pension and receive an actuarially enhanced payment when they decide to claim.

Issues surrounding social welfare payments constitute only one aspect of the debate. In the key area of retaining people and skills in the workplace for as long as possible there is also an onus on employers to provide the conditions to enable the retention of older employees who wish to continue working beyond the normal age.

Questions Nos. 102 and 103 answered with Question No. 96.

Social Welfare Code.

104. **Mr. Sargent** asked the Minister for Social and Family Affairs if she will expand on her views that the accession of new countries to the EU may place a greater burden on this country's social welfare system. [4037/04]

301. **Mr. J. Bruton** asked the Minister for Social and Family Affairs if she intends to make changes to regulations governing the right to claim welfare benefits in respect of length of prior residence here, by a claimant before the making of a claim, in view of EU enlargement. [4379/04]

303. **Mr. Naughten** asked the Minister for Social and Family Affairs the plans she has to restrict the right to social welfare payments by citizens of the ten accession states, in light of the decision by the UK authorities; the restrictions she is considering; and if she will make a statement on the matter. [4095/04]

Minister for Social and Family Affairs (Mary Coughlan): I propose to take Questions Nos. 104, 301 and 303 together.

Free movement of persons is one of the fundamental freedoms guaranteed by community law and includes the right to live and work in another member state. The right of free

movement applies not only to workers, but also to other categories of people such as students, pensioners and EU citizens in general.

The Employment Permits Act 2003 provided a legislative basis for the granting of full labour market access to nationals of the EU accession states after accession takes place on 1 May 2004. From that date, nationals of these countries will no longer require employment permits to work in Ireland. The Act also contains a safeguard mechanism whereby a requirement for employment permits may be reintroduced in respect of nationals of the relevant countries, should the Irish labour market suffer an unexpected disturbance during the transitional period after EU enlargement takes place.

Existing community law requires that a worker from another member state, including a worker who has become involuntary unemployed, cannot be treated differently from a national worker by reason of their nationality and shall be entitled to the same social and tax advantages as nationals. Accordingly, such persons are entitled to receive the same treatment as Irish nationals under our employment, social welfare and taxation laws.

However, a question has arisen as to whether an EU national seeking work for the first time in another member state is entitled to the same social and tax advantages as a national of that State. This issue is currently being contested before the European Court of Justice.

There are specific EU provisions governing the right of residence of workers, students, pensioners and non-economically active persons. In general, "inactive" persons have the right to enter and remain in the country on condition that they have sufficient resources and sufficient health insurance cover to ensure that they will not be a burden on the State.

I am conscious of the need to ensure that the social welfare system is not open to exploitation and that EU provision in this regard are fully applied. To this end, I have asked my Department to examine whether specific measures may now be needed to ensure full enforcement of EU provisions in this area. The question as to whether specific provisions may need to be included in social welfare legislation, having regard to the position being taken by other member states, is being examined in that context.

It is also my intention to monitor the situation with regard to migration flows from the new accession states from May onwards and any issues which arise in that regard will be addressed.

Social Welfare Benefits.

105. **Mr. Murphy** asked the Minister for Social and Family Affairs the number of lone parents who have been approved for FIS since the abolition of the transitional half rate payment; the way in which lone parents are encouraged to apply for FIS; the number of lone parents who

currently avail of FIS; and the number of lone parents who received FIS during 2003. [4018/04]

114. **Mr. Connaughton** asked the Minister for Social and Family Affairs the number of applicants for FIS in 2003 who were refused assistance; the number of persons who currently receive FIS; the cost of same; and the average payment made. [4006/04]

Minister for Social and Family Affairs (Mary Coughlan): I propose to take Questions Nos. 105 and 114 together.

Family income supplement provides cash support for employees on low earnings with families, thereby protecting the incentive to remain in employment.

Certain lone parents who took up employment received a half rate one-parent family payment while they made the transition to work. This was discontinued from 19 January as it was felt that FIS was more appropriate way of providing this support. From 19 January to end January 2003, FIS was awarded to six lone parents for the first time. Three of these cases are receiving one-parent family payment. In the same period FIS was renewed for another 12 months in another nine cases.

There were 12,200 people in receipt of FIS at the end of January 2004 with an average weekly payment of €88.47. Of these 7,172 are single parents with children, of whom 1,813 are also in receipt of one-parent family payment. Expenditure on the FIS scheme for 2003 was €45.3 million.

My Department received 18,213 applications for FIS in 2003. Some 3,232 were not awarded as they did not meet eligibility criteria. This year I provided for further increases in the FIS income limits with effect from January 2004. These increases raised the weekly limit by €28.00 at each point, adding an extra €16.80 to the payments of most existing FIS recipients. I also raised the minimum weekly payment by €7 to €20.

My Department undertakes a number of proactive measures to ensure that one parent family recipients are aware of their entitlement to FIS. Where a person is awarded a one-parent family payment they are directly advised that they may have an entitlement to family income supplement, FIS, and are provided with information on how to apply. Where a claimant's entitlement to one parent family payment ceases due to their earnings exceeding the statutory limit, they are again directly advised that they may have an entitlement to FIS and are provided with information on how to apply.

Under Sustaining Progress the importance of child income support is recognised, with a commitment to examine the effectiveness of the current arrangements including the role of FIS and child dependant allowances. Further improvements to the scheme will be considered in the context of this review and overall budgetary priorities, having regard to available resources.

Question No. 106 answered with Question No. 98.

Question No. 107 answered with Question No. 84.

Social Welfare Code.

108. **Mr. Eamon Ryan** asked the Minister for Social and Family Affairs the measures discussed and agreed at the recent EU Presidency meeting in Galway. [4035/04]

117. **Ms Burton** asked the Minister for Social and Family Affairs if she will report on the outcome of the informal meeting of European Employment and Social Policy Ministers in Galway on 15 January 2004; and if she will make a statement on the matter. [3858/04]

Minister for Social and Family Affairs (Mary Coughlan): I propose to take Questions Nos. 108 and 117 together.

The theme of the informal meeting of employment and social policy ministers in Galway on 16 January was "Making Work Pay — Exploring the Interaction between Social Protection and Work." This is a key issue for member states in the context of achieving the Lisbon employment goals and a core objective in the EU level process to support the modernisation of social protection systems.

In discussing the interaction between benefit systems and employment objectives the meeting considered three specific aspects, namely: prevention and activation measures; reconciling work and family life and prolonging working life.

It was agreed that in developing policies aimed at making work pay we must consider the broader inactive population, not just those already in the labour market. Specific policies aimed at assisting categories such as lone parents and people with disabilities should be developed. In addition, specific action is required across a range of areas such as the provision of child care and eldercare and the promotion of part-time work. There was agreement that each member state should take appropriate measures to address this issue in accordance with the objectives set out in the employment guidelines.

Ministers and the Commissioner also agreed to strengthen actions to increase the attractiveness of employment for older workers and to raise the average age at which workers leave the labour market. In this regard, four key policy areas emerged namely, changing attitudes in the workplace, increasing access to training for older workers, improving quality in work and ensuring that pensions and social security provisions provide the right incentives.

It was recognised that policies to reconcile work and family life are vital elements in the overall package of measures to increase participation in the labour market. In this respect, increasing the availability, affordability and quality of child care and elder care must be a

[Mary Coughlan.]

priority. Issues such as parental and caring leave must be addressed in order to increase the participation of women in the labour force.

During a discussion on the contribution of investment in education and training to economic development, particular interest was expressed in the Irish experience. Ministers and the Commissioner agreed that continued and greater investment in education and training would be essential to improve competitiveness, raise employment rates, increase productivity and lower unemployment levels.

In company with our Dutch and Luxembourg ministerial colleagues, the Minister of State, Deputy Fahey, and I met EU level representatives, social partners and non-government organisations at our Troika meeting on 15 January. All stakeholders accepted the necessity for innovation and flexibility of response in the workplace if the Lisbon goals of sustainable growth and quality employment are to be met. Social dialogue, at both EU and national level, was considered critical in order to inform the development of strategy as we move forward.

In the discussion on making work pay, the need to strike a proper balance between employment and social protection policies was emphasised. Overall, there was full agreement that there is a need for specific and targeted recommendations to stimulate job creation within the EU and that the incentives and supports that social protection systems offer to people moving from benefits to work need to be strengthened. However, Ministers recognised that we can only succeed in this area if we strike a proper balance between employment and social protection policies and that our aim must be to improve incentives to work while providing a high level of social protection for all.

Taxation and Welfare Codes.

109. **Mr. R. Bruton** asked the Minister for Social and Family Affairs if she has satisfied herself that the provisions in the taxation and welfare codes whereby parents with children living apart receive more generous tax relief and more generous social welfare entitlements and means tests than parents who live together; and if the Government's family policy proposes to change these arrangements. [3844/04]

Minister for Social and Family Affairs (Mary Coughlan): The provisions in the taxation code are a matter for the Minister for Finance.

With regard to social welfare legislation, the Deputy is specifically interested in the reasons as to why the earnings disregard which applies to the one-parent family payment scheme does not apply to couples in receipt of other social assistance schemes and also why no account is taken of the employment status of a spouse or partner under the family income supplement scheme in circumstances where there is an extra

cost associated with that person. While the principle of consistency across all social welfare schemes is a desirable one, it must be tempered by the fact that different categories of social welfare recipients have differing needs and the social welfare system must be flexible enough to respond adequately to these needs.

The different methods of assessing earnings as between the various social assistance payment schemes reflects specific policies which have been pursued by this and previous Governments and which are aimed at assisting particular groups. For example, research has clearly shown that unemployed lone parent families are particularly at risk of poverty. The one-parent family payment scheme and associated earnings disregard was introduced in January 1997. The policy approach in supporting lone parents in their efforts to find work or participate in training and education aims to facilitate participation in schemes and programmes to that end. Lone parents are further encouraged to take up work through earnings disregards. This is designed to recognise the particular difficulties and expenses which a lone parent may face in taking up employment and training opportunities, and to encourage them to consider employment as an alternative to long-term welfare dependency.

The earnings disregards applying to other social assistance schemes are designed to achieve different objectives. For example, this Government has progressively increased the earnings disregards applicable to either a carer or his or her spouse or partner. I continued this policy in the last budget when I significantly increased the disregards from €210 per week to €250 per week for a single carer and €420 per week to €500 per week for a couple, thereby recognising the particular income support needs of carers and their special contribution to our society.

In the case of unemployment assistance, there are special income disregards where a claimant and his or her spouse or partner is in employment. A full qualified adult allowance, QAA, is payable where a spouse or partner is earning up to €88.88 per week and a partial QAA continues to be payable where a spouse or partner earns up to €210 per week. These measures are designed to ensure that claimants and their spouses or partners have an incentive to work at all levels of earnings.

Family income supplement, is designed to provide income support for employees with families, who are on low earnings and thereby preserve the incentive to remain in employment in circumstances where employees might only be marginally better off than if they were claiming other social welfare payments. The calculation of family income supplement payments is based on the number of children and the family's net earnings. No differentiation is made in cases where one or both of a couple is in employment.

The provisions currently in place regarding income disregards are geared towards tackling the particular needs of specific groups of recipients. This enables the social welfare system to respond to the differing needs of those who depend on it. In this regard, my Department carries out regular reviews of social welfare schemes and the recommendations of such reviews inform future development and change.

EU Presidency.

110. **Mr. Broughan** asked the Minister for Social and Family Affairs her priorities for the remainder of the Irish Presidency of the European Union; the events that are arranged by her Department; and if she will make a statement on the matter. [3860/04]

Minister for Social and Family Affairs (Mary Coughlan): My overall focus for the Irish Presidency is to advance the EU social policy agenda generally and, in particular, make progress in realising the ten year goals set by the Lisbon European Council in 2000. One of the ambitious goals of the Lisbon agenda is to achieve greater social cohesion. Following submission of the second round National Action Plans on Social Inclusion, 2003-2005, the Commission adopted its second report on social inclusion in December 2003. A joint Council-Commission inclusion report will be considered by the Council of Ministers in time for presentation to the spring European Council.

The Irish Presidency will progress an initiative taken by previous Presidencies by hosting a third meeting of people experiencing poverty. Our aim is to further develop ways of promoting participation by, and consultation with, people experiencing poverty in the context of developing policies in this area. A key policy area is "Making Work Pay", which explores how the interaction between social protection and working arrangements affects people's decisions to seek, take up, and remain in work. As part of our contribution to modernising social protection systems, this issue was the main theme discussed at the informal Council of Ministers for employment and social policy which was held in Galway last month. The meeting considered three specific aspects, namely, prevention and activation measures, reconciling work and family life and prolonging working life. This issue will be advanced in the context of the Council's formal consideration of the joint employment report and preparations for the spring European Council.

The Irish Presidency will work to secure, for the first time, an agreed high level paper to be presented to the spring European Council. This will reflect in an integrated way key messages relating to the Council's work on social inclusion, pensions, demographic developments, making work pay, gender equality and the employment related policy challenges addressed in the report of the European employment task force and elsewhere.

The issue of migration will also be a priority for my Department during the Irish Presidency. We will be hosting a conference in April on the theme of "Reconciling Mobility and Social Inclusion". The main focus of the conference will be on the role of social and employment policies in achieving social inclusion for people moving within the EU.

A key legislative priority will be to work for adoption by the Council of Ministers and the European Parliament of the proposals to simplify and modernise the EU regulations on social security of migrant workers. This will provide migrant workers moving within the EU with a more streamlined set of rules aimed at protecting their social security and health care rights. Following the accession of the ten new member states in May next, we will host a special conference in co-operation with the Hungarian Government and the Commission. The conference will address both the implications of the current reform of the regulations for all 25 states and the particular implementation challenges facing new member states in this field.

In the area of family policy and to mark the tenth anniversary of the UN International Year of the Family, the Irish Presidency will host a major international conference the title of which will be "Families, Change and Social Policy in Europe". I am happy that these events represent a substantial programme of work and a significant contribution to moving forward the EU social policy agenda.

Departmental Estimates.

111. **Mr. Gormley** asked the Minister for Social and Family Affairs the response she has made to the 13 voluntary groups which have reacted negatively to recent cuts within her Department's Estimates. [4032/04]

113. **Mr. Durkan** asked the Minister for Social and Family Affairs if she has evaluated the hardship caused and likely to be caused by the cutbacks announced for her Department in the budget on the various persons or groups who have reason to depend on her Department for assistance; and if she will make a statement on the matter. [4025/04]

127. **Ms Lynch** asked the Minister for Social and Family Affairs if she will report on her meeting in December 2003 with groups opposed to the social welfare cuts announced in the 2004 Book of Estimates; and if she will make a statement on the matter. [3873/04]

140. **Ms B. Moynihan-Cronin** asked the Minister for Social and Family Affairs if her attention has been drawn to the fact that community welfare officers and 13 voluntary organisations have come together to oppose the series of social welfare cuts introduced in November's 2003 Book of Estimates; her views on whether this represents a strong level of

[Ms B. Moynihan-Cronin.]
opposition to the cuts; and if she will make a statement on the matter. [3877/04]

Minister for Social and Family Affairs (Mary Coughlan): I propose to take Questions Nos. 111, 113, 127 and 140 together.

I met representatives of the 13 voluntary groups in December to hear their views and to explain the background to the changes announced in the estimates to them. I outlined to them that expenditure on various social welfare payments is reviewed on an ongoing basis by my Department to ensure that the schemes continue to meet their objectives.

In that context, the Abridged Estimates Volume for 2004 contained a number of changes which are designed to ensure that social welfare spending is better focused and that the available resources are used to benefit those most in need. For the most part the measures will not affect existing claimants, but will apply to new claimants from various dates in 2004. The majority of the measures relate to the supplementary welfare allowance scheme which is administered by the health boards on behalf of my Department. Those measures ensure that supplementary welfare allowance is focused on meeting immediate, short-term income maintenance needs, rather than long-term need, for example, housing or child care, which needs a more structured, long-term response. At the meeting, I also took the opportunity to outline the specific provisions that would be made to ensure that the interests of vulnerable groups are fully protected in the course of implementing the measures.

Full consideration has been and will be given to the various opinions and views expressed at these discussions. Some of the participants acknowledged the reason for the decision taken but were concerned alternative arrangements should be in place before changes were introduced. In that regard, I explained that the timing of the announcements were dictated by the estimates and budget calendar but assured them that the measures would be introduced in a careful and a responsible manner. I am confident that the measures will achieve a better outcome both for the people involved and for the State.

I have also met with the Irish Congress of Trade Unions and with representatives of the community and voluntary pillar. Under Sustaining Progress, there is provision for monitoring and consultation regarding policy initiatives and I will be meeting these social partners again in the coming months in that regard.

Pension Provisions.

112. **Mr. Naughten** asked the Minister for Social and Family Affairs the plans she has to review the means test for farmers applying for the old age non-contributory pension; and if she will make a statement on the matter. [3843/04]

Minister for Social and Family Affairs (Mary Coughlan): I understand that the Deputy is concerned in particular about the current arrangements applying in the case of old age pension where a landholder leases land or is otherwise in possession of land which is lying fallow or idle.

Where land is let on short-term lettings such as the 11 month system, the income from such lettings is calculated as cash income for the purpose of the means assessment for old age pension. Necessary expenses incurred by the owner, such as auctioneer fees, fencing or fertilising between lettings is deducted from the gross letting income.

Where land is lying fallow or idle, there are two options for the assessment of means: if the social welfare inspector is satisfied that the pension claimant is depriving himself or herself of an income in order to qualify for a pension, or a pension at a higher rate than would otherwise be the case, the relevant assessment is the income which would be received, if the land was let; where the inspector is satisfied that this is not the case, the value of the land is obtained from the Valuation Office and is assessed as capital for means purposes.

There are no plans to change the present arrangements in this regard. Any change in these assessment arrangements could only be considered in a budgetary context.

Question No. 113 answered with Question No. 111.

Question No. 114 answered with Question No. 105.

Question No. 115 answered with Question No. 83.

Legislative Programme.

116. **Mr. Broughan** asked the Minister for Social and Family Affairs her legislative priorities for this session of Dáil Éireann; and if she will make a statement on the matter. [3861/04]

Minister for Social and Family Affairs (Mary Coughlan): Three legislative initiatives have been identified for progression during the spring session 2004. These are, the progression to enactment of the Civil Registration Bill 2003, which has just completed its passage through this House, introduction and passage of the Social Welfare (Miscellaneous Provisions) Bill 2004 and the publication of a Comhairle (Amendment) Bill.

The purpose of the Civil Registration Bill 2003 is to provide for the establishment of the Civil Registration Service, an tSeirbhís um Chlárú Sibhialta. This will entail the reorganisation and modernisation of the system of registration of births, stillbirths, adoptions, marriages and deaths. The Bill further provides for the extension of the system to cover decrees of

divorce and decrees of nullity of marriage granted by the courts. It also contains provisions for reform of marriage law in respect to the solemnisation of and venues for marriage and related matters.

The Social Welfare (Miscellaneous Provisions) Bill 2004 will provide for a number of amendments to the social welfare schemes consequent on budget 2004. It will also provide for additional amendments to the social welfare code and a number of amendments to the Pensions Act. This Bill is expected to be published later this week and introduced to the House later this month.

It is also my intention to publish this session a Comhairle (Amendment) Bill. The primary purpose of this Bill will be to give statutory effect to additional functions for Comhairle, in the context of the delivery of the Government's commitments on services for people with disabilities.

Question No. 117 answered with Question No. 108.

Social Welfare Benefits.

118. **Mr. Neville** asked the Minister for Social and Family Affairs her plans to extend the duration of the national fuel scheme; and her further plans to improve the weekly payment to eligible applicants, in particular to the elderly. [4002/04]

Minister for Social and Family Affairs (Mary Coughlan): The aim of the national fuel scheme is to assist householders who are in receipt of long-term social welfare or health board payments and who are unable to provide fully for their own heating needs.

The smokeless fuel allowance was introduced in October 1990, to assist people with the additional costs arising from the ban on the sale of bituminous coal in certain designated areas. A fuel allowance payment of €9.00 per week is paid to eligible households while an additional €3.90 per week is paid in smokeless zones, bringing the total amount in those areas to €12.90 per week. These payments are made for the duration of the fuel season which lasts for 29 weeks.

The fuel allowances represent a contribution towards a person's normal heating and lighting expenses. In addition many households also qualify for electricity and gas allowances. There is also a facility available through the supplementary welfare allowance scheme to assist people in certain circumstances who have special heating needs.

The fuel allowance scheme has been improved in recent years. The means test has been eased and the duration of payment increased from 26 weeks to 29 weeks. From January 2002 the payment rate was increased to €9. The question of further improvements in the fuel allowance schemes would have to be considered in a budgetary context. The significant increases in

recent budgets in primary social welfare payment rates, such as the old age pension, have also improved the income position for people dependent on the social welfare system. Primary payment rates are payable for the full 52 weeks of the year and increases in these rates benefit a wider range of recipients.

National Anti-Poverty Strategy.

119. **Mr. M. Higgins** asked the Minister for Social and Family Affairs if she has received the post budget analysis offered by CORI's justice commission; if her attention has been drawn to its conclusion that not enough was done in the 2004 budget to tackle social exclusion effectively and that its impact on tackling substantial poverty and inequality will be limited; and if she will make a statement on the matter. [3870/04]

Minister for Social and Family Affairs (Mary Coughlan): The analysis and critique of budget 2004 undertaken by the CORI justice commission sets out its views on the range of measures contained in the budget and its perspective on the likely impact of those measures in terms of tackling poverty and social exclusion. While welcoming some aspects of the budget and acknowledging that the social welfare increases provided for in the budget were well ahead of what had been forecast, CORI argues that the impact of the budget will be relatively limited in regard to tackling poverty and social exclusion.

I do not agree with CORI's analysis on this occasion. A social welfare package of €630 million was included in budget 2004. The effect of this increase is that the total social welfare spend of €11.62 billion in 2004 will be almost double that of 1997, notwithstanding the substantial fall in unemployment figures since then.

More generally, it is my view that the budget must also be placed in the context of the wider economic policies which have been successfully pursued by this Government in recent years and which have contributed to improving the lives of all sectors of Irish society. The effect of these policies can be seen in the substantial increases in employment levels we have witnessed; in the reductions in unemployment and in particular in long-term unemployment; in the investment in infrastructure and in public services and in the substantial increases in real terms in household incomes at all income levels.

The positive effects of Government policies can be seen also in the sharp decreases recorded in consistent poverty levels over recent years. Consistent poverty — a combined measure using income thresholds and the experience of deprivation — is the measure used for the global poverty reduction target in the revised national anti-poverty strategy, NAPS. Consistent poverty has fallen from 15.1% in 1994 to some 5.2% in 2001.

The success to date in tackling consistent poverty has critically been dependent on ensuring

[Mary Coughlan.]
that we have sustained economic growth in order to generate the resources necessary for enhanced welfare and other public services. This sensible and prudent approach remains valid today, and indeed may be even more relevant at a time when growth rates have abated from the record levels we enjoyed in more recent times.

The drive towards tackling poverty and social exclusion continues to be a key and central element of the Government's programme and I believe that we can continue to improve the standard of living of the most vulnerable in our society in the period ahead.

Question No. 120 answered with Question No. 85.

Pension Provisions.

121. **Mr. S. Ryan** asked the Minister for Social and Family Affairs the number of people currently in receipt of a State pension; her Department's assessment of the numbers of people likely to be in receipt of State pensions over the next decade and the provisions which are now being made in that regard; and if she will make a statement on the matter. [3888/04]

Minister for Social and Family Affairs (Mary Coughlan): At the end of December 2003, there were 200,479 people receiving an old age contributory or retirement pension and 86,733 receiving an old age non-contributory pension. An actuarial review of the social insurance fund, undertaken on behalf of my Department in 2002, estimated that the number of recipients of old age contributory and retirement pensions will increase to 255,000 by 2011 and 321,000 by 2016. The increase will, to some extent, be balanced by a reduction in the number of people receiving an old age non-contributory pension. The numbers receiving this pension have declined by over 20% in the last ten years which reflects improved social insurance coverage and increased labour force participation, particularly amongst women.

In common with other European countries, the population of Ireland is ageing as a result of a combination of increasing life expectancy and a declining birth rate. The decline in the birth rate is relatively recent and this, coupled with the effects of high emigration for much of the period up to the 1990s, has resulted in Ireland having the lowest proportion of older people in the EU — 11.2% aged 65 and over — as compared to the current EU average of 16.1%.

The proportion of older people in Ireland will remain at broadly the same level for the next 10 years after which it is projected to increase rapidly to 15% in 2021, 19% in 2031 and 28% in 2056. A similar situation exists in relation to the numbers at work relative to the number of pensioners.

Ageing, therefore, presents the same challenge to Ireland in meeting growing pension costs as to other countries except that we have a longer

period to prepare for its full impact. The population projections suggest that no special measures are required in the timescale envisaged by the Deputy. However, the Government is making preparations, through the National Pensions Reserve Fund, to part fund state pensions costs from 2025 onwards.

Pensions have been an important issue at EU level in recent years. This is not surprising given that the challenges facing pensions systems are more immediate for other member states. The EU has assessed national pensions systems under agreed objectives in the area of adequacy, financial sustainability and modernisation. In this regard, a joint EU Commission and Council report published in 2003 considered that Ireland has made good progress in ensuring both the financial sustainability and adequacy of our pensions system.

The report concluded that our system appears to be, in broad terms, financially sustainable despite projected major increases in future pensions expenditure. The situation will be kept under review.

Social Welfare Benefits.

122. **Mr. Ring** asked the Minister for Social and Family Affairs the number of persons which have availed of the free telephone rental allowance for mobile telephones. [3990/04]

Minister for Social and Family Affairs (Mary Coughlan): My Department is currently engaged in discussions with mobile phone service providers concerning their possible participation in the free telephone rental allowance scheme. There has not been a significant demand to date from social welfare customers to have the allowance transferred to mobile telephones. This may be due to the fact that most customers who have a mobile phone also have a land line.

I am committed to the development of the telephone allowance scheme to respond to the expanding telecoms market and to facilitate greater client choice of telephone services. My Department has had discussions with the communications regulator, ComReg, to develop the necessary technical and administrative arrangements for mobile phone services.

The arrangements above are necessary to ensure that the allowance will be applied accurately to individual customer accounts through any licensed service provider interested in participating in the scheme. My Department and ComReg have identified suitable mechanisms to enable this for mobile phone services. On this basis, I announced in December last that my Department was willing to discuss arrangements with any interested mobile phone service provider. Since then, my Department has had initial discussions with one licensed company and has preliminary contact from two others.

In the new environment telephone allowance customers would be entitled to select the participating phone service provider of their

choice to suit their particular circumstances. Allowance customers would be entitled to switch between provider companies within a reasonable period if they so wished. It would be up to the provider companies concerned to design suitable marketing packages to attract and retain these clients, as with any other group.

If the initial interest now being expressed by mobile phone provider companies develops into active participation, then I would expect that the necessary technical arrangements could be finalised reasonably quickly between my Department, the individual companies concerned and ComReg. To facilitate the participation of mobile phone provider companies in the free telephone rental allowance scheme, certain changes to the Departments computer system would be required.

Equally, mobile phone companies interested in participating in the scheme may have to make changes to their IT systems to allow them to handle the scheme as currently structured. Once agreement has been reached with the mobile phone companies, my Department, in conjunction with the companies and ComReg, will make the necessary arrangements on this basis.

Question No. 123 answered with Question No. 96.

National Anti-Poverty Strategy.

124. **Mr. Howlin** asked the Minister for Social and Family Affairs if her attention has been drawn to the annual report of the Society of St. Vincent de Paul for 2002; if her attention has further been drawn to the fact that the society spent €630,000 every week in 2002 battling poverty and that it received a massive increase in calls for help during that year; and if she will make a statement on the matter. [3871/04]

Minister for Social and Family Affairs (Mary Coughlan): The 2002 report of the Society of St. Vincent de Paul details that their total expenditure rose by 12% to some €32.9 million in the 12 months to end 2002 but that this figure includes significant expenditure on capital projects, overseas support and administration.

The rise in the number of requests received by the society is a reminder that poverty continues to affect the lives of many people. However, it is also a fact that the policies pursued by the Government over recent years, in combating unemployment and in reducing the level of consistent poverty, have brought about a significant improvement in the situation of people on lower incomes, with the numbers of those living in consistent poverty falling from 9.7% in 1997 to 5.2% in 2001.

Our policy platform for continuing to achieve real reductions in the levels of consistent poverty is set out in the revised national anti-poverty strategy, NAPS, published in February 2002, and in the national action plan against poverty and

social exclusion launched in July of last year. These contain ambitious targets across the range of policy areas which impact on poverty and social exclusion, including social welfare payments, education, health, employment, housing and accommodation.

I believe that a sustained focus on the achievement of the targets contained in the revised national anti-poverty strategy, NAPS, and in the national action plan against poverty and social exclusion represents the best approach to tackling the issue of poverty in our society. I am also concerned to ensure that the resources available are used in the most effective way to address the real needs of people and I will take on board the views and opinions of organisations such as the society, which deal with people in need on an ongoing basis, in formulating policies for the future development of the social welfare system.

Social Welfare Benefits.

125. **Mr. Howlin** asked the Minister for Social and Family Affairs if her attention has been drawn to the comments by the chairperson of Threshold that the Government decision to cap rent supplements has led to hidden poverty and that many tenants have been forced to top up officially declared rents that leaves them short of heat, clothing and food; and if she will make a statement on the matter. [3872/04]

Minister for Social and Family Affairs (Mary Coughlan): The supplementary welfare allowance scheme which is administered on behalf of my department by the health boards provides for the payment of a weekly or monthly supplement in respect of rent to any person in the State whose means are insufficient to meet his or her needs.

Up to November 2002, the maximum level of rent which a person could incur and still be eligible to receive rent supplement, was determined by each health board and was set by reference to local considerations. On 22 November 2002, I introduced regulations which maintained, up to 31 December 2003, the maximum amounts of rent at the same levels as those set by the health boards.

Following a review by my Department, I introduced regulations last December which provided for adjustments in certain rent levels and maintained others at their existing level for the period to 30 June 2005. The review of rent levels included an analysis of rental data, the views of each health board on rent levels in their areas as well as consultations with Threshold and Centre Care. Both Threshold and Centre Care expressed the view that rent levels in Dublin were generally satisfactory but advised that the level for single persons was too low and that it should be increased. This level was subsequently increased by 7.5%.

My Department has not been offered evidence of collusion between tenants and landlords regarding rent levels. It is not in a tenant's

[Mary Coughlan.] interests to enter into such collusion and anybody aware that this is happening should bring the matter to the attention of the appropriate health board. A health board has the discretion to pay a rent supplement above the maximum level in exceptional circumstances where the board is satisfied that the circumstances of the case so warrant. Setting maximum rent limits higher than are justified by the open market distorts the rental market and leads to a general rise in rent levels that disadvantages people on low incomes.

I am satisfied that, rather than having an adverse impact on social welfare recipients in the private rented sector, the setting of maximum levels has improved their position in acquiring accommodation. Tenants are no doubt aware that rent levels have been falling for some time and that the choice of properties is increasing. Recent media reports indicate that economic commentators are predicting further falls in rent levels this year. The consistent decrease in rent levels and the predictions of further decreases indicate that my decision to cap maximum rent levels was entirely correct. I will, of course, keep this matter under review to ensure that the long-term interests of tenants are protected.

Departmental Reviews.

126. **Mr. McCormack** asked the Minister for Social and Family Affairs the number of payments under review in her Department; when the reviews started; their aims; and the costs associated with same. [4005/04]

Minister for Social and Family Affairs (Mary Coughlan): My Department has undertaken a range of programme expenditure reviews under the expenditure review initiative in 1997 which was launched in 1997 to provide a systematic analysis of expenditure and a basis for informed decision making on expenditure priorities. Details of these are in the table which will be circulated with the official report.

The reviews are carried out by working groups comprising staff from the relevant areas and with representation by the Department of Finance and other Departments or agencies, as appropriate. The expenditure review process generally is overseen by a central steering committee, chaired by the Department of Finance. There are currently five expenditure programme reviews underway in my Department.

A review of the back to school clothing and footwear allowance is being finalised at present and is due to be submitted to the departmental steering group shortly. An interim report of a review of the supplementary welfare allowance scheme is also due to be submitted in the near future. Reviews of the back to education allowance scheme and of certain aspects of the unemployment payment schemes should be available for consideration by the Departmental steering group later this year. Finally, the second phase of review of the qualifying conditions for

contributory pensions is scheduled to be completed by the middle of this year.

The aims of the reviews are in line with the objectives of the overall expenditure review initiative in the Civil Service, that is to provide a systematic analysis of what is actually being achieved by expenditure in each programme and to provide a basis on which more informed decisions can be made on priorities within and between expenditure programmes.

The expenditure review process is usually carried out in-house as part of the normal work of my Department. On occasion, it may be necessary to engage outside assistance to assist in a specific aspect of a review. This was the case in the back to education allowance review in which consultants were engaged to carry out a survey of participants in the scheme in December 2003, at a cost €22,000. In addition, all reviews commenced since 2003 are subject to an external quality assessment by a review expert from a panel of experts established for this purpose. Expertise from this panel may also be engaged to provide advice during the course of a review. An expert from the panel has been engaged to provide assistance in the reviews above at a cost of €7,800.

Question No. 127 answered with Question No. 111.

Social Welfare Benefits.

128. **Mr. O'Shea** asked the Minister for Social and Family Affairs if she will clarify her comments carried in national newspapers early in 2004 that the Government is examining ways of improving the lone parent benefit system; the numbers of claimants she believes are falsely receiving lone parent benefit; the way in which she intends to improve the system of allocating lone parent benefits; and if she will make a statement on the matter. [3879/04]

Minister for Social and Family Affairs (Mary Coughlan): Ireland currently has among the highest proportions of lone parent families within the EU, with over 11% of households headed by a lone parent. Up to 45% are in employment, a low percentage compared to other countries. For most lone parents the one parent family payment is their main or only source of income. The duration of nearly half of these payments is for more than eight years. Long-term dependency on social welfare payments increases the likelihood of being at risk of poverty and in 2001; some 42.9% of lone parents in Ireland had a level of income, which put them in the "at risk of poverty" category.

My Department's main response to the difficulties faced by lone parents is the one-parent family payment which aims to strike a balance between providing a basic income for those who wish to care for their children on a full time basis and, at the same time, encouraging and facilitating lone parents to move into paid

employment and away from long-term dependency on social welfare payments.

I have given a commitment in my Department's statement of strategy to review the income support arrangement for lone parents. The main purpose of the review is to establish the extent to which the scheme may be acting as a disincentive to recipients taking up employment, and to making the transition to full-time employment, greater self sufficiency and a better overall standard of living for them and their children. Account will be taken in the review of the research carried out to date, not least the review of the one-parent family payment, published by my own department in September 2000, and the recent OECD review of family friendly policies, along with policies and programmes pursued in other EU countries as set out in their recently published national action plans on social inclusion.

The process will also include my Department and other relevant departments participating with the Crisis Pregnancy Agency on a committee, due to commence later this year, which will examine all the issues surrounding parenting alone, including income support and employment. Government commitment to the policies of building a more inclusive society for all make it imperative that social welfare payments, funded by the taxpayer, are targeted at those most in need and are not abused.

Part of my Department's responsibility is the control of fraud and abuse on pension schemes, including the one-parent family scheme, through claim reviews and following up on reports of suspected fraud in individual cases. In 2003, a total of 757 lone parent claims were terminated and 124 cases had their entitlement reduced as result of anti-fraud activity yielding savings of €15.2 million.

Pension Provisions.

129. **Ms O'Sullivan** asked the Minister for Social and Family Affairs the number of people who had taken out a personal retirement savings account by the end of November 2003; if she has satisfied herself with the level of take up of the accounts; her plans to promote awareness about these accounts; and if she will make a statement on the matter. [3881/04]

Minister for Social and Family Affairs (Mary Coughlan): Information on accounts opened are received by the Pensions Board from providers of personal retirement savings accounts, PRSAs, at the end of each quarter. The latest figures available relate to the period to the end of December 2003 and these show that 19,022 accounts have been opened with a total asset value of €41 million. This is a significant advance on the position at the end of September 2003 when a total 6,707 accounts were in existence.

The increase in the number of new accounts opened since September 2003 is encouraging and I look forward to seeing continued growth in the

numbers taking out accounts in the months and years ahead. We are at a very early stage in our programme to increase overall pensions coverage but it is clear that progress is already being made. It has always been acknowledged that, given the nature of pensions, achievement in this area could be slow.

In 2003, the Pensions Board ran a very successful pensions awareness campaign on my behalf to supplement the publicity effort being made by PRSA providers. An assessment of the situation at the end of the year showed a high level of awareness amongst the public of pensions issues. The challenge is to translate this awareness into increased supplementary pensions coverage. I have provided further resources this year to continue the awareness campaign and the Pensions Board is at present considering possible future approaches.

Family Support Services.

130. **Mr. Hayes** asked the Minister for Social and Family Affairs if she will examine the basis for payment of FIS with a view to improving and expanding the scheme; the recommendations which the working group has made to improve the take-up of FIS; and if she will make a statement on the matter. [3998/04]

Minister for Social and Family Affairs (Mary Coughlan): Family income supplement, FIS, is designed to provide cash support for employees with families on low earnings and thereby preserve the incentive to remain in employment in circumstances where the employee might only be marginally better off than if s/he were claiming other social welfare payments. The improvements to the family income supplement scheme, including the assessment of FIS on the basis of net rather than gross income and the progressive increases in the income limits, have made it easier for lower income households to qualify under the scheme.

In this year's budget, I provided for further increases in the FIS income limits with effect from January 2004. These increases raised the weekly income limits by €28 at each point, adding an extra €16.80 to the payments of most existing FIS recipients. I also increased the minimum FIS payment by €7 per week, from €13 to €20. The average weekly payment now stands at €88.47 per week, with a total of 12,200 families receiving a supplement under the scheme. Under the Programme for Prosperity and Fairness a working group chaired by the Department of Finance, examined the role which refundable tax credits can play in the tax and welfare system, with a specific brief to examine the payment of FIS through the tax system. While the group's final report is awaited, I expect the principal recommendations regarding FIS will be to continue payment through the social welfare system while maximising effects to increase take-up.

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On the question of take-up, every effort is made to ensure that people are made aware of their entitlements to all social welfare schemes, including FIS. For instance, information on FIS is provided on child benefit payable order books and has been advertised by the Revenue Commissioners on tax certification. Both of these measures ensured that information in relation to the scheme has been made available to every eligible household in the country. In addition, the scheme has been extensively advertised through local and national media outlets, including newspapers, radio and the Aertel service, as well as through poster campaigns and targeted mailshots.

The question of further improvements to the scheme is a matter for consideration in a budgetary context, having regard to available resources and Government commitments.

Social Welfare Benefits.

131. **Mr. Timmins** asked the Minister for Social and Family Affairs if the child dependant allowance will be amended to just one rate application to all children; and her plans to address this anomaly. [4020/04]

Minister for Social and Family Affairs (Mary Coughlan): There are currently three different weekly rates of child dependant allowances payable to social welfare recipients, €16.80, €19.30 and €21.60. Since the time of the report of the commission on social welfare, which recommended a rationalisation of the rates of child dependant allowances, the number of different rates has been reduced from 36 to the current three. To standardise the three main rates of allowances at the highest rate of €21.60 would mean that approximately 234,000 full rate payments and 121,000 half rate payments would be increased at a cost of approximately of €59 million annually. The policy direction followed by successive Governments has been to concentrate resources for child income support on the child benefit scheme rather than child dependant allowances, as the loss of child dependant allowances by social welfare recipients on taking up employment can act as a disincentive to availing of work opportunities.

Child benefit is neutral *vis-à-vis* the employment status of the parents and consequently does not contribute to such potential poverty traps. The Government's commitment in this regard is reflected in the very substantial resources invested in the child benefit scheme since entering office, including the increases announced in budget 2004, which come into effect from April this year. These increases will bring the monthly rate of child benefit to €131.60 in respect of each of the first two children and €165.30 for third and subsequent children.

In the partnership agreement, Sustaining Progress, the importance of child income support arrangements, including child dependant

allowances, is recognised with a commitment to examine the effectiveness of current arrangements in ending child poverty. The question of further rationalisation of child dependant allowance will be a matter for consideration in a budgetary context and in the context of priorities generally.

Pension Provisions.

132. **Mr. Boyle** asked the Minister for Social and Family Affairs if the introduction of PRSAs has been accompanied by the creation of a subsidy to employers who see their PRSI contributions reduced, even if they do not contribute to an employee's PRSA. [4026/04]

Minister for Social and Family Affairs (Mary Coughlan): The Government is anxious to encourage employees and others to supplement their social welfare pension entitlement with personal or occupational pensions cover. In this regard, the aim is to increase such coverage from a current level of about 50% of employees to 70% in accordance with the targets suggested in the national pensions policy initiative.

Membership of personal and occupational pension schemes is promoted and encouraged by favourable tax and social insurance treatment. Contributions to pension schemes are, subject to certain limits, free of income tax and social insurance contributions. In practice, income tax and other contributions are levied on net income after pension contributions are deducted.

This arrangement also applies to personal retirement savings accounts, PRSAs. In the circumstances, where an employee is making a contribution to a PRSA or other pension arrangement, the amount of the contribution is not subject to a social insurance contribution and this does result in some savings for an employer. I would, of course, encourage employers to pass on such savings to employees in the form of additional contributions to PRSAs and other types of pension scheme.

Social Welfare Benefits.

133. **Mr. S. Ryan** asked the Minister for Social and Family Affairs if her attention has been drawn to concerns expressed that the €6 increase in child benefit per month announced in the December 2003 budget is insufficient and that, if the Government were to honour its three year commitment to increase children's allowance, it would have had to increase the benefit to €24 per month; and if she will make a statement on the matter. [3887/04]

Minister for Social and Family Affairs (Mary Coughlan): The 2004 budget provided for a €6 per month increase, 4.8%, in the rate of child benefit payable in respect of each of the first two children and €8 per month, 5.1%, increase in the rate payable in respect of the third and subsequent children. Over the period since 1997, the value of all social welfare payments has

increased in real terms. In particular, the monthly rates of child benefit has increased by €93.51, lower rate, and €115.78, higher rate, increases of 246% and 234% respectively, compared with inflation of 26.9%. This level of increase is unprecedented and delivers on the Government's objective of providing support for children generally while offering real choice to all parents.

Looking ahead, my priorities include making further progress on our child benefit strategy along with all the other commitments on social welfare contained in Sustaining Progress, the national anti-poverty strategy and the Programme for Government. The progression of all of the commitments will be a matter to be decided having regard to available resources.

134. **Mr. Stanton** asked the Minister for Social and Family Affairs the number of persons in receipt of invalidity pension or disability allowance whose attention had not been drawn to their entitlement to the living alone allowance and who have been approved for same with arrears of six months; and the number of persons who have had their arrears extended beyond the six months to the date that the living alone allowance was introduced for these payments. [4017/04]

Minister for Social and Family Affairs (Mary Coughlan): The living alone allowance scheme was extended from 4 April 2001 to persons who were receiving disability allowance and invalidity pension. The total number of customers receiving these payments at that time was 104,806. Comprehensive arrangements were put in place and all 104,806 recipients of both schemes were made aware of their potential entitlement to this allowance.

All recipients who were paid through the post office were notified of their potential entitlement to the allowance in their payable order books. Recipients of disability allowance and invalidity pension who were paid by electronic fund transfer received a direct mailshot. This included details on the qualifying conditions for the allowance and advice on how to apply.

The extension of the allowance to these recipients was advertised in all provincial, national, daily and Sunday papers. A freephone number was also provided, whereby customers could obtain further information concerning the allowance. Details of all social welfare budget changes, including those relating to the living alone allowance were advertised on Aertel.

There is an onus on social welfare applicants to apply for any allowances in the prescribed manner and within certain time limits. However, in the case of living alone allowance claims which were received from existing disability allowance or invalidity recipients, and where there was evidence that the recipient was living alone, the allowance was backdated, where appropriate. The number of persons paid six months arrears or who had their arrears of living alone allowance

extended beyond the six months is not available from departmental records.

The Deputy should note that from 4 April 2001 all new applications for disability allowance and invalidity pension have their entitlement to living alone allowance assessed in conjunction with their primary claim entitlement. All application forms for these payments currently include an application for living alone allowance.

I am satisfied that the measures put in place when the scheme was extended to recipients of long term disability payments were adequate to ensure that eligible persons were made aware of their possible entitlement to living alone allowance. Additionally, I consider that the approach undertaken by my Department to the processing of living alone allowance claims from existing recipients was appropriate in the circumstances.

Question No. 135 answered with Question No. 96.

National Anti-Poverty Strategy.

136. **Mr. Costello** asked the Minister for Social and Family Affairs if her attention has been drawn to the recent comments by a senior member of the Human Rights Commission that a quarter of Irish households must survive on incomes of less than €138 per week and that the proportion of the population depending on between 40% and 50% of average income has risen since the beginning of the Government's national anti-poverty strategy; and if she will make a statement on the matter. [3867/04]

Minister for Social and Family Affairs (Mary Coughlan): I understand that the Deputy is referring to a paper delivered in the course of a public consultation meeting of the Human Rights Commission, HRC, in November of last year. In the context of setting out how the HRC will engage with the national anti-poverty strategy, the question was raised as to whether it was appropriate that the global poverty reduction targets set out in that strategy should be expressed in terms of relative rather than consistent poverty.

While the paper referred to poverty lines based on weekly average incomes, the more commonly used income threshold, and the one adopted at EU level as the 'at risk of poverty indicator', is based on 60% of median income. The proportion at risk of poverty in Ireland as measured by this EU indicator has increased from 18.2% in 1997 to almost 22% in 2001.

A wide range of factors influence the levels of income poverty at any given point in time. The factors giving rise to the increase in the 'at risk of poverty' indicator include increased employment; an increase in the proportion of two income households; an increasing proportion of better quality, better paid jobs available to a more educated workforce; fewer dependants resulting from the decline in the birth rate; and a tax

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system designed to provide incentives for economic development and remove obstacles to employment participation by leaving people with more take home pay.

This approach has helped to generate the high levels of economic growth that Ireland has enjoyed over the past decade and to sustain the economy during the more recent economic difficulties. This growth has generated the resources required to significantly improve our social protection system and social services generally and to work on closing the gap with other EU countries on physical infrastructure. The fact that the level of growth in the economy generally and in incomes has been so high has meant that this particular indicator has disimproved, despite the major absolute improvements in social provision over this period.

The 'at risk of poverty' indicator, particularly when viewed in isolation, needs to be interpreted very carefully if misleading results are to be avoided. As noted in the paper delivered by the HRC, this is the individual threshold at the 50% average income line. When the EU 'at risk of poverty indicator' is used, the individual threshold at the 60% median income line was €164 in 2001. This does not, however, mean that more than one in five people in Ireland were living in households with incomes below €164 in 2001. Individuals in a household with one adult and one child would fall below the income threshold only where their household income was less than €218 per week or €11,336 per annum. In the case of a family with two adults and two children, the household income would have to fall below €380 per week or €19,760 per annum to cause the individuals in the household to fall below the income threshold. The equivalent figures for a family comprising two adults and two children are €489 per week or €25,428 per annum.

While the indicator provides us with valuable information on the proportion of our population at risk of poverty, we need to go further in order to define more precisely the numbers who are experiencing poverty in terms of being consistently deprived of goods and services regarded as essential for living in Ireland today. That is why the consistent poverty measure is employed in the national anti-poverty strategy, since it captures the position of those who are both on low incomes and who are also experiencing enforced basic deprivation.

The success of Government policies in tackling consistent poverties reflected in the sharp decreases observed in relation to this indicator in recent years — down from 15% in 1994 to some 5.2% in 2001.

Question No. 137 answered with Question No. 99.

138. **Ms Lynch** asked the Minister for Social and Family Affairs if her attention has been drawn to the report published by the Economic

and Social Research Institute entitled *Monitoring Poverty Trends in Ireland*, results from the 2001 living in Ireland survey; if the report indicates a striking increasing risk of relative poverty for older people, the ill, the disabled and some single mothers; and if she will make a statement on the matter. [3874/04]

Minister for Social and Family Affairs (Mary Coughlan): The results of the 2001 Living in Ireland Survey, funded by my Department and published by the ESRI in December 2003, confirm that there have been significant reductions in the numbers of people experiencing consistent poverty — falling from 9.7% cent in 1997 to 5.2% in 2001. Equally there has been an encouraging drop in figures for consistent child poverty, again dropping from 15.3% in 1997 to 6.5% in 2001.

The 'at risk of poverty indicator', defined as the proportion of persons with incomes below 60% of median income, has increased from 18.2% in 1997 to 21.9% in 2001. The factors giving rise to this increase include increased employment; an increase in the proportion of two income households; an increasing proportion of better quality; better paid jobs available to a more educated workforce; fewer dependants resulting from the decline in the birth rate; and a tax system designed to provide incentives for economic development and remove obstacles to employment participation, leaving people with more take home pay.

The reason for the change in the indicator is that incomes of people at work have increased very substantially. Social welfare incomes have also increased substantially in real terms, though not at the same rate as incomes generally. The success of policies over recent years in combating unemployment and reducing the level of consistent poverty, however, demonstrates a tangible improvement in the lot of those on lower incomes notwithstanding the very rapid increase in average incomes driven by economic success.

The Government remains committed to reducing the number of those who are consistently poor to below 2% and, if possible, eliminating consistent poverty by 2007. The main instruments in the fight against poverty are the revised national anti-poverty strategy, *Building an Inclusive Society*, which was launched by the Government in February 2002 and the national action plan against poverty and social exclusion, *NAPS/inclusion*, published in July 2003.

The strategy sets out a range of targets in the areas of income adequacy, employment and unemployment, education, health, and housing and accommodation. In addition, specific targets and objectives have been established in respect of groups identified as being particularly vulnerable to poverty including the elderly and people with disabilities. The *NAPS/inclusion* builds on the revised *NAPS* to provide a clear road map towards the building of a fairer and more inclusive society over the next two years, 2003-

2005. This plan sets out a coherent strategic approach towards achieving this goal, underpinned by a series of measures across the full range of policy areas which will have a positive impact on the lives of those who experience poverty and social exclusion.

Social Welfare Benefits.

139. **Mr. Gormley** asked the Minister for Social and Family Affairs the number of unemployed persons who have availed of new measures allowing the collecting of unemployment benefits at any location within the EU. [4033/04]

Minister for Social and Family Affairs (Mary Coughlan): I assume the Deputy is referring to the new measures concerning the export of unemployment benefits, agreed by the EU Council of Ministers in early December. These changes form part of the wider reform of Regulation 1408/71 which deals with the application of member states' social security systems to persons moving within the Community.

The change in question represents a significant improvement on the present situation whereby these persons would have to return to Ireland after three months if they have failed to locate employment. In addition, these persons will receive their benefit directly from my Department, via electronic transfer while abroad, rather than having to turn up at an employment exchange in the other member state as at present.

At present persons seeking employment in another member state are entitled to receive unemployment benefit for a maximum period of three months once they register with the employment services of the other member state. Payment of benefit is made by the member state in which the unemployed person is looking for employment and that state is subsequently reimbursed by the home state. In addition, unemployed persons can only avail of this arrangement once between two periods of employment.

In the course of its examination of the Commission's proposals for reform of the present regulation, the Council of Ministers, in order to improve the conditions for unemployed persons looking for a job in another member state, agreed that the period during which a job seeker can look for work and retain his entitlement to unemployment benefit from his home state may be extended from three months to six months.

Second, to ensure that the unemployed person will be in a better financial situation while looking for employment, it has also been agreed that the payment of benefit in such cases will in future be made direct to the job seeker instead of through the competent authority of the other member state. Practice has shown that the current procedure sometimes delays the payment of benefits to unemployed person. In addition, the unemployed person may retain his/her benefit entitlement for up to three months between two

periods of employment. This may be extended up to six months by member states who allow for the export of benefit for this maximum period.

This easing of the restrictions in relation to the export of unemployment benefit makes the idea of mobility within the European labour markets a greater reality for all EU citizens. The new regulation was recently presented to the European Parliament for its second reading. It is my intention, as part of our Presidency programme, to reach a co-decision agreement with the parliament on this wide-ranging reform before the end of parliament's term in May 2004. The new regulation would come into effect once the necessary implementing provisions, have also been agreed, by the Council, and the European Parliament.

Question No. 140 answered with Question No. 111.

Question No. 141 answered with Question No. 85.

Question No. 142 answered with Question No. 85.

Question No. 143 answered with Question No. 96.

Social Welfare Expenditure.

144. **Mr. Crawford** asked the Minister for Social and Family Affairs the progress made on the major review of all aspects of the supplementary welfare allowance scheme; and the details of expenditure under the SWA scheme for 2003. [3997/04]

Minister for Social and Family Affairs (Mary Coughlan): Given the changing nature of the SWA scheme, the rapidly increasing levels of expenditure and the range of changes being proposed in relation to individual aspects of the scheme it was selected as part of my Department's series of expenditure reviews. The review is being carried out by an interdepartmental working group chaired by my Department and is comprised of representatives from my Department, the Department of Finance, the Department of Health and Children and the health boards.

This review is a fundamental appraisal of the scheme in which all of its aspects are being examined with the aim of improving customer service and administrative efficiency. The review also provides an opportunity to address the role of the health boards' community welfare service generally in tackling poverty and social exclusion.

The working group carried out an extensive consultation process. The views of my own Department's management, health board personnel, other Government Departments, statutory bodies and agencies, as well as relevant groups were sought. In all this amounted to some 2,000 direct requests for views. In addition, the

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group placed an advertisement in the national press seeking views of interested individuals and groups. This comprehensive consultation process resulted in 145 submissions being received by the working group. Over 700 issues were raised in these submissions covering some 18 broad themes. Due to the number and nature of the issues raised, the working group has decided to draw up an interim report. The group is currently drafting its interim report which I hope to receive shortly.

With regard to expenditure on the supplementary welfare allowance scheme, provisional figures indicate that €632 million was spent in 2003. This was an increase of almost 20% over the 2002 figure of €527 million. Both figures include the cost of back to school clothing and footwear allowances. Of this increase, 90% of the expenditure occurred in two areas: rent supplement, where there was an increase in expenditure of €80 million, from €252 million to €332 million; and basic payments, where there was an increase in expenditure of €15 million, from €145 million to €160 million.

I have a breakdown of the expenditure for the SWA scheme in a tabular statement that I will make available to the Deputy.

Tabular Statement — Provisional SWA Expenditure 2003
(Rounded)

	€ million
Rent Supplement	331.6
Basic SWA Payments (net)	160.6
Exceptional Needs Payments	55.5
HB Administration costs	43.4
Back to School Clothing & Footwear	17.7
Other Supplements	15.0
Mortgage Interest Supplement	7.7
Total	631.5

Job Creation.

145. **Mr. Kenny** asked the Tánaiste and Minister for Enterprise, Trade and Employment if she will consider ear marking County Donegal in a pilot programme offering incentives to existing SMEs and potential SMEs in order to combat the spiralling unemployment increases; and if she will make a statement on the matter. [4081/04]

Tánaiste and Minister for Enterprise, Trade and Employment (Ms Harney): In recent months, I have met with delegations from IBEC north west and the Donegal Country Development Board to discuss employment and related issues in the county. As a result I have arranged for the expert skills group in Forfás to carry out research on the labour market needs of the region.

InterTradeIreland, the trade and business development body which has an all-island remit, has developed a number of programmes for

SMEs which can be accessed by companies in Donegal. These programmes are designed to develop the capability of businesses to trade within the island economy by increasing the quality and quantity of knowledge and information on the dynamics of cross-Border trade and business development. InterTradeIreland's ACUMEN programme, for example, provides financial support to SMEs to help develop cross-Border trade opportunities.

The Donegal County Enterprise Board will continue to be active in helping new and existing micro-enterprises in the county. As well as capital and employment grants, there are special strategies in place for women entrepreneurs and a comprehensive programme of development and support programmes designed to help new and existing enterprises to operate effectively and efficiently so as to survive and grow.

In 2003 Donegal County Enterprise Board, CEB, approved grants of €346,767 to 17 projects. There was a net increase of 223 jobs in CEB assisted businesses in 2003. Throughout 2004 the board will continue to work to support new businesses and start-ups in particular.

The Government, along with the industrial development agencies, is committed to ensuring balanced regional development, particularly through the implementation of the national spatial strategy and the recently announced decentralisation programme which should facilitate economic development in Donegal.

Community Employment Schemes.

146. **Mr. Kehoe** asked the Tánaiste and Minister for Enterprise, Trade and Employment if there are plans to remove the three year cap on participation in community employment schemes; if not, if it can be considered; and if she will make a statement on the matter. [4086/04]

Minister of State at the Department of Enterprise, Trade and Employment (Mr. Fahey):

As part of the Government's decision in 1999 to restructure community employment, future participation in community employment by an individual was capped at three years, effective from April 2000. This change was introduced to discourage repeated participation in community employment and to encourage unemployed persons to avail of training/education options where possible, which are shown to have more successful progression outcomes for individuals.

The three year cap was amended in August 2001 to allow particularly disadvantaged persons to remain on the programme for a further period. In the case of people aged over 50 years, the three year cap on participation has been removed where people in this age group, having spent three years on the programme, continue to experience difficulties in getting employment. Participants are considered for an extension if on reaching the end of their normal entitlements on community employment they are likely to experience difficulty in getting employment due to their age, literacy or numeracy problems or a lack of suitable jobs available locally. FÁS currently has discretion to offer up to 20% of the

total number of community employment participants a further period on the programme, on a case-by-case basis.

The structure of the community employment programme is currently under review. A decision on the future eligibility criteria for participants, including appropriate length of participation, will be taken when the current review process has been brought to a conclusion.

Health and Safety Regulations.

147. **Ms O. Mitchell** asked the Tánaiste and Minister for Enterprise, Trade and Employment if she intends to introduce legislation which would enable health and safety officers to enforce the smoking ban in line with the arrangements previously envisaged. [4087/04]

Minister of State at the Department of Enterprise, Trade and Employment (Mr. Fahey): The Minister for Health and Children has announced his intention to ban smoking in most places of work from the perspective of public health. Existing Irish legislation already prohibits or restricts smoking in many public places and protects a significant number of employees from passive smoking in the workplace.

The Health and Safety Authority's inspectors will be enforcing the smoking ban under the Safety, Health and Welfare at Work Act 1989 as part of their ongoing inspection activity.

Departmental Property.

148. **Ms B. Moynihan-Cronin** asked the Tánaiste and Minister for Enterprise, Trade and Employment the location, size and ownership of each land bank in County Kerry held by the IDA. [4088/04]

Tánaiste and Minister for Enterprise, Trade and Employment (Ms Harney): Decisions regarding location and size of land owned by IDA are day-to-day operational matters for the agency as part of their statutory responsibilities and not matters in which I have a function. All of the lands held by IDA Ireland are solely owned the agency.

IDA Ireland's current land holdings available for development in Kerry are as follows: in Brackloon in Dingle, IDA owns 0.51 hectares; in Terrnaboul in Killarney, IDA owns 4.66 hectare and 5.67 hectare sites; in Farrantoreen in Killorglin, IDA owns 0.82 hectares. These lands complement available space for development in Shannon Development's 35 acre Kerry Technology Park in Tralee.

Community Employment Schemes.

149. **Mr. Ring** asked the Tánaiste and Minister for Enterprise, Trade and Employment if she will amend the eligibility criteria for FÁS schemes to enable dependants of persons in receipt of social welfare to be eligible for a FÁS scheme. [3991/04]

Minister of State at the Department of Enterprise, Trade and Employment (Mr. Fahey): All adult dependants aged 25 or over of eligible

persons signing on the live register and in receipt of an unemployment payment from the Department of Social and Family Affairs may participate in community employment. The dependant may swap his/her entitlements with his/her spouse and thereby become eligible to participate in community employment. This procedure is known as spousal swap and ensures that no financial loss is incurred for the couple as a result of participation in community employment.

The structure of the community employment programme is currently under review. A decision on the future eligibility criteria for participants will be taken when the current review process has been brought to a conclusion.

Export Licences.

150. **Mr. M. Higgins** asked the Tánaiste and Minister for Enterprise, Trade and Employment if she will provide details of the dual use export licences for goods within the 3A001a7 category issued to Israel since 1 January 2000; and if any of the goods authorised for export were for incorporation into military systems. [4214/04]

Minister of State at the Department of Enterprise, Trade and Employment (Mr. M. Ahern): My Department issued 158 individual dual use export licences to Israel within the 3A001a7 category since 1 January 2000. Israel also featured as a country of final destination on nine global dual use export licences for goods within the 3A001a7 category during this period. This figure is broken down as follows:

Individual dual use export licences under Category 3A001a7

Year	Number of Licences issued
2000	7
2001	92
2002	45
2003	14
2004 (to 06/02/2004)	0
Total	158

Global dual use export licences under Category 3A001a7

Year	Number of Licences issued
2000	1
2001	0
2002	0
2003	8
2004 (to 06/02/2004)	0
Total	9

None of the stated end uses of the goods authorised for export by my Department were for incorporation into military systems. My Department is unable to disclose the names of the

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licensed exporters as all dealings with individual applicants for export licences, which can involve the disclosure of commercially sensitive information, are conducted on the basis that confidentiality will be maintained.

151. **Mr. M. Higgins** asked the Tánaiste and Minister for Enterprise, Trade and Employment if she will provide details of the end use monitoring her Department undertakes of dual use components that are authorised for export under the Community general export authorisation that have been incorporated into military systems. [4215/04]

Minister of State at the Department of Enterprise, Trade and Employment (Mr. M. Ahern): In order to avail of the Community general export authorisation, CGEA, an exporter must notify my Department in writing of his/her name and the address where export records can be inspected by officials of my Department. This notification must be made before, or within 30 days, of the first such export.

The exportation of dual use goods under the CGEA is subject to exporters meeting strict conditions and requirements as set down by Council Regulation (EC) No 1334/2000. The dual use goods in question must be non-sensitive and can only be exported to ten specified countries: Australia, Canada, Czech Republic, Hungary, Japan, New Zealand, Norway, Poland, Switzerland and the United States.

The CGEA may not be used if the items are or may be intended for a military end-use as defined in Article 4(2) of the regulation in a country subject to an EU, OSCE or UN arms embargo, or if the items are or may be intended for use in connection with chemical, biological or nuclear weapons or other nuclear explosive devices or missiles capable of delivering such weapons or if the exporter is aware that the items in question may be intended for such uses. This ensures that the use of CGEA is conducted in a manner that fully meets Ireland's obligations arising from membership of the EU and other international export control fora.

152. **Mr. M. Higgins** asked the Tánaiste and Minister for Enterprise, Trade and Employment the details of the exports since 1 January 2000 from Ireland of analogue-to-digital converters, ADC, to countries for incorporation into military systems. [4216/04]

153. **Mr. M. Higgins** asked the Tánaiste and Minister for Enterprise, Trade and Employment details of the exports since 1 January 2000 from Ireland to analogue-to-digital converters, ADC, to countries for incorporation into Apache attack helicopters. [4217/04]

Minister of State at the Department of Enterprise, Trade and Employment (Mr. M.

Ahern): I propose to take Questions Nos. 152 and 153 together.

My Department has not issued export authorisations for any exports from Ireland of analogue-to-digital converters, ADC, where the stated end use of the goods was for incorporation into military systems or Apache attack helicopters.

154. **Mr. M. Higgins** asked the Tánaiste and Minister for Enterprise, Trade and Employment the details of the dual use export licences for goods within the 3A001a5 category since 1 January 2000; and if any of the goods authorised for export were for incorporation into military systems. [4218/04]

Minister of State at the Department of Enterprise, Trade and Employment (Mr. M. Ahern): My Department issued five dual use export licences for goods within the 3A001a5 category since 1 January 2000 to date. These goods were for use in data acquisition and process control systems. None of the stated end use of the goods authorised for export by my Department were for incorporation into military systems.

My Department is unable to disclose the names of licensed exporters as all dealings with individual applicants for export licences, which can involve the disclosure of commercially sensitive information, are conducted on the basis that confidentiality will be maintained.

155. **Mr. M. Higgins** asked the Tánaiste and Minister for Enterprise, Trade and Employment if she will provide details of licences or authorisations issued since 1 January 1998 for the import of thumbcuffs, leg irons and shackles from the United States of America. [4220/04]

Minister of State at the Department of Enterprise, Trade and Employment (Mr. M. Ahern): The Department of Enterprise, Trade and Employment does not issue import licences for thumbcuffs, leg irons and shackles from the United States.

156. **Mr. M. Higgins** asked the Tánaiste and Minister for Enterprise, Trade and Employment if she will provide details of the dual use of goods exported to Myanmar under the 5E002 individual licence issued in 2000. [4221/04]

Minister of State at the Department of Enterprise, Trade and Employment (Mr. M. Ahern): The details of the above dual use goods, referred to by the Deputy, relate to technology for network security.

My Department is unable to disclose the names of the licensed exporters as all dealings with individual applicants for export licences, which can involve the disclosure of commercially sensitive information, are conducted on the basis that confidentiality will be maintained.

157. **Mr. M. Higgins** asked the Tánaiste and Minister for Enterprise, Trade and Employment

if she will provide details of the dual use goods exported to Myanmar under the 5D002c1 global licence authorisation in 2001. [4222/04]

Minister of State at the Department of Enterprise, Trade and Employment (Mr. M. Ahern): The details of the above dual use goods, referred to by the Deputy, relate to office software applications and software tools. My Department is unable to disclose the names of the licensed exporters as all dealings with individual applicants for export licences, which can involve the disclosure of commercially sensitive information, are conducted on the basis that confidentiality will be maintained.

158. **Mr. M. Higgins** asked the Tánaiste and Minister for Enterprise, Trade and Employment her views on exports of dual use goods within the telecommunications and information security category to China in light of Amnesty International's recently published report (details supplied) on the Chinese Government's repression of Internet and human rights activists. [4223/04]

Minister of State at the Department of Enterprise, Trade and Employment (Mr. M. Ahern): The Irish export control system is implemented in a manner that fully meets Ireland's obligations arising from membership of the EU and other international export control fora. The promotion and protection of human rights is at the heart of Irish foreign policy and, as such, is a significant factor that is taken into account when licence applications are being assessed.

Other factors taken into account by my Department when assessing export licence applications include the description of the goods, end use and end user of the goods, the reputation of the exporter, information made available arising from Ireland's participation in EU and other international export control regimes and obligations arising under sanctions imposed by the EU, UN or OSCE. The advice of the Department of Foreign Affairs is also consulted on certain sensitive dual use licence applications.

It is clear from the Amnesty report that many of its concerns regarding exports from Ireland of dual-use goods within the telecommunications and information security category arise in the context of end-use monitoring. These issues are the subject of ongoing consideration by my Department and the Department of Foreign Affairs in the context of Ireland's membership of the EU and other international export control fora.

159. **Mr. M. Higgins** asked the Tánaiste and Minister for Enterprise, Trade and Employment if she will provide details of the number of dual use of export licences issued since 1 January 2002, where the civilian end user has incorporated the components into systems for military or police use. [4224/04]

Minister of State at the Department of Enterprise, Trade and Employment (Mr. M. Ahern): My Department has not issued any dual use export licences since 1 January 2002, where a civilian end user stated that the end use of the goods authorised for export would be incorporated into systems for military or police use.

Naval Service Rations.

160. **Mr. Coveney** asked the Minister for Defence the reasons there has not been an increase in the naval service value based ration system since its inception (details supplied). [4075/04]

Minister for Defence (Mr. M. Smith): In 1998 the Defence Forces introduced a value based approach to the provision of rations for military personnel. Under this system the expenditure on foodstuff was based on the needs of the Defence Forces and the cost of the foodstuff.

Under Defence Forces regulation personnel can, under certain circumstances, avail of rations on repayment with the charge being set at the cost of the foodstuff plus an allowance for overheads. In 1998 the cost of foodstuff was €2.75 per man day while the daily ration charge was set at €3.81. In the intervening period the cost of foodstuff has increased to €4.10 and agreement has now been reached with the representative association to increase the daily ration charge to €5.75 per day with effect from 1 March next. This revised charge will apply to all branches of the Defence Forces, that is, the Army, the Air Corps and the Naval Service. As a result of this agreement, arrangements are being made to increase the cost of foodstuff allowance under the ration based system.

Military Inquiry.

161. **Mr. Ferris** asked the Minister for Defence if the evidence presented to the military inquiry held at Tralee on 7 April 1923 will be released. [4169/04]

Minister for Defence (Mr. M. Smith): The military authorities have advised that having conducted a search of their records at military archives they are unable to locate any material which refers to the incident in question.

Women in Agriculture.

162. **Mr. Ferris** asked the Minister for Agriculture and Food if he will make a statement on the EU report of June 2003 on the role of women in rural areas and on the proposals his Department will make in order to fulfil the report's recommendations on health care, retirement benefits, maternity leave and other benefits. [4173/04]

Minister for Agriculture and Food (Mr. Walsh): While the specific issues referred to by the Deputy do not come within my Department's

[Mr. Walsh.] remit, in 1999 I established an advisory committee on the role of women in agriculture. The report of the committee was published in September 2000 and contained 36 recommendations in total, covering a very broad range of policy and operational areas relating to women in rural communities generally.

The recommendations have been pursued and implemented in as far as practicable. A comprehensive progress report on all of the recommendations relevant to Departments has been finalised, and I have arranged for a copy to be sent to the Deputy.

Installation Aid Scheme.

163. **Mr. N. O’Keeffe** asked the Minister for Agriculture and Food when payment of installation aid will issue to a person (details supplied) in County Cork. [4287/04]

Minister for Agriculture and Food (Mr. Walsh): The above named person is an applicant under the installation aid scheme and submitted an application for payment, IAS 2, to my Department on 17 September 2003. However, following an examination of this application, the person concerned appears to have not yet fulfilled the educational requirements set out under the terms and conditions of the scheme. A final decision will be made on the matter shortly.

Grant Payments.

164. **Mr. N. O’Keeffe** asked the Minister for Agriculture and Food the position regarding an oral hearing of a person (details supplied) in County Cork in respect of an appeal that was held sometime ago. [4289/04]

Minister for Agriculture and Food (Mr. Walsh): Following the oral hearing held by the agriculture appeals office, my Department agreed to review this case. As a result of that review, full payment issued to the herdowner on 14 January 2004.

Milk Quota.

165. **Mr. N. O’Keeffe** asked the Minister for Agriculture and Food his views on the procedure that will have to be adopted and the criteria that will have to be met for farmers in milk production who have quotas; and the procedure that will be in place for compensation payments in relation to decoupling. [4329/04]

Minister for Agriculture and Food (Mr. Walsh): The dairy premium is designed to provide a level of compensation to milk producers for the reduction in support prices in the sector, the first part of which will be implemented on 1 July 2004.

The 2004 dairy premium is payable to milk producers based on the milk quota available on their holding on 31 March 2004. The dairy premium will be decoupled with effect from 2005

and the quota available on the holding on 31 March 2005 will determine the amount of dairy premium to be included in the single farm payment in 2005 and in subsequent years. The quota available on a holding on the 31 March includes quota owned or leased in, including that leased in under a temporary leasing scheme.

Telecommunications Services.

166. **Mr. Deenihan** asked the Minister for Finance the Government plans to offer its own telecom service requirements to the industry, in such a way as to ensure that the citizens and businesses of Ireland, as well as the Government itself, benefit through competition to Eircom; and if he will make a statement on the matter. [4340/04]

Minister for Finance (Mr. McCreevy): All Government bodies comply with EU procurement law by sourcing their telecommunication services requirements through open procurement competitions. As a result of taking this competitive approach, Government bodies currently avail of services provided by all of the major telecommunications companies offering services in Ireland.

The Government’s virtual private network, VPN, which facilitates a range of telecommunications services, including secure interconnectivity between public bodies, was awarded to a consortium comprising Eircom and Vodafone Ireland in 2002 on foot of an open EU procurement exercise. The VPN contract ensures that the public service receives maximum value for money and substantial savings in its telecommunications expenditure as a result of the significant discounts available. Because of this, all other major providers have also reduced their costs to public service bodies. Although fixed voice services and data services relating to eGovernment are mandatory under the VPN contract, all other services are entirely at the discretion of individual bodies. Consequently, my Department has ensured that all other major telecommunications service providers can connect to the Government VPN to allow for the maximum competition in the provision of these services to public bodies.

The contract is proactively managed by my Department. In addition, my Department has put in place a support and advisory service to help public bodies avail of the best telecommunications solutions for their requirements at best price points by actively encouraging the use of competitive measures in sourcing such solutions.

Garda Stations.

167. **Mr. Rabbitte** asked the Minister for Finance when a new headquarters will be ready for occupation by gardai at Tallaght; and if he will make a statement on the matter. [4356/04]

Minister of State at the Department of Finance (Mr. Parlon): The Department of Justice, Equality and Law Reform has determined the need for a new divisional headquarters for the gardaí in Tallaght.

On considering the options available to meet this need, the Commissioners of Public Works carried out a feasibility study on the redevelopment potential of the site which houses the existing Garda station in Tallaght. The commissioners have concluded that the existing Garda site has sufficient potential not alone for a new Garda divisional headquarters but also for a mixed development of private residences-offices and retail outlets.

The commissioners will be inviting joint venture proposals shortly from the private sector for the full redevelopment of the existing Tallaght site, to include a new divisional headquarters for the gardaí. On receipt of these proposals the timetable for completion will be clearer.

Disabled Drivers.

168. **Mr. J. Bruton** asked the Minister for Finance when he will release the details of the report re-evaluating the disabled drivers tax concessions scheme relating to VRT which was sent to his office in 2002; and if he will make a statement on the matter. [4089/04]

Minister for Finance (Mr. McCreevy): As I have indicated in replies to previous questions on this issue, the interdepartmental report of the review group on the disabled drivers' and disabled passengers' tax concessions scheme is under consideration in my Department. The report is a substantive one and needs to be studied carefully. On completion of this process, I envisage that the report will be made available publicly.

Departmental Staff.

169. **Mr. McCormack** asked the Minister for Finance the number of staff employed in the Office of the Ombudsman; and the number who have previously worked in Government Departments. [4090/04]

Minister for Finance (Mr. McCreevy): As at 6 February 2004 the number of staff employed in the Office of the Ombudsman, Office of the Information Commissioner and the Standards in Public Office Commission is 79, 74.1 whole time equivalents, of which 50 have previously worked in Departments.

Decentralisation Programme.

170. **Mr. Naughten** asked the Minister for Finance the criteria used to decide on the location of Government offices under his decentralisation programme; the reason the towns of Boyle, Ballaghaderreen and Castlerea fell short based on those criteria; if those towns will be considered

for the outstanding allocation of offices; and if he will make a statement on the matter. [4172/04]

Minister for Finance (Mr. McCreevy): Following my original announcement about decentralisation in December 1999, my Department received submissions, representations and inquiries on behalf of more than 130 centres throughout the country. The programme which I announced on budget day covered 53 centres and the criteria used to select these locations are set out in budget 2004.

As I indicated in my Budget Statement, decisions on location have yet to be made in relation to some 1,300 of the 10,300 jobs being decentralised. I also believe that the final total can be closer to 12,000 jobs and I intend to examine options in this regard once the new programme is well under way. The selection of locations for any future phases of decentralisation will be considered by Government at the appropriate time.

Tax Reliefs.

171. **Mr. O'Connor** asked the Minister for Finance if benefit in kind provision is planned in respect of Luas tickets; the position regarding same; and if he will make a statement on the matter. [4238/04]

Minister for Finance (Mr. McCreevy): The Finance Bill 2004, which was published last week, provides for an extension of the existing BIK tax exemption for employer provided travel passes to include Luas services which are due to commence from June 2004. Currently the exemption just covers CIE, or any of its subsidiaries, and those operators who have a licence under the Road Transport Act 1932. The Bill also clarifies that the exemption will apply where a pass-ticket covers more than one operator, for example, an integrated ticket covering Luas and Dublin Bus.

Decentralisation Programme.

172. **Ms F. O'Malley** asked the Minister for Finance the choices that are open to public servants who are subject to decentralisation but who are in a position to seek a transfer, an option available to civil servants. [4259/04]

Minister for Finance (Mr. McCreevy): The decentralisation programme will operate on a voluntary basis. Civil and public servants who do not wish to transfer to a decentralised location will be assigned to alternative posts in Dublin. The exact procedures which will apply in such cases will be dealt with as part of the implementation process and will be discussed with the public service unions.

Garda Stations.

173. **Mr. Rabbitte** asked the Minister for Finance if a decision has been made in respect of the provision of new headquarters for the Garda Síochána at Tallaght; the terms of that decision;

[Mr. Rabbitte.]
and if he will make a statement on the matter.
[4349/04]

Minister of State at the Department of Finance (Mr. Parlon): A feasibility study on the redevelopment potential of the Tallaght Garda station site was drawn up by OPW following consultation with South Dublin County Council in December 2003. A proposal to go to the market to acquire a development partner for the site is currently under preparation.

Any proposal to redevelop the Garda station site would require the agreement of the Minister for Justice, Equality and Law Reform having regard to the operational requirements of the Garda Síochána in the Tallaght area.

Foreign Conflicts.

174. **Caoimhghn Ó Caoláin** asked the Minister for Foreign Affairs if he has raised with his Israeli counterpart the continuing slaughter of Palestinian citizens, 142 of whom were killed by the Israeli occupation force during the period 1 October to 31 December 2003, and the ongoing destruction of Palestinian homes and land; when he last did so and the response he received; and his understanding of current Israeli intentions regarding their illegal occupation of the West Bank and Gaza Strip. [4160/04]

Minister for Foreign Affairs (Mr. Cowen): I visited Israel on 15 and 16 January and met the President, Prime Minister and Foreign Minister. I expressed my concern at the grave situation in the peace process and the continuing violence. The Israeli authorities are in no doubt as to Ireland's position on the conflict. Prime Minister Sharon has recently made some suggestions about a possible Israeli withdrawal from most settlements in the Gaza Strip and has made other suggestions about the future of the Israeli presence in the West Bank. My Department is monitoring the Israeli position closely and is working with both parties to the conflict to promote the implementation of the road map.

Human Rights Issues.

175. **Mr. Carey** asked the Minister for Foreign Affairs the practical response the Irish EU Presidency proposes to make to the Commission's communications on Article 7 of the Treaty on European Union, addressing the issue of EU level accountability for serious breaches of the EU's common values which may occur within a member state; if the proposal to establish a new human rights agency will be subject to full consultation with civil society as to its remit and role; and if he will make a statement on the matter. [4210/04]

Minister for Foreign Affairs (Mr. Cowen): The Commission communication regarding Article 7 of the Treaty on European Union was circulated in October last. Consideration of the

communication is at an early stage, with the Presidency examining ways in which the Council can take forward work on it.

The establishment of a human rights agency referred to by the Deputy relates to a European Council decision of 13 December. On that occasion, the Heads of State or Government decided to extend the European Union monitoring centre's mandate to embrace a human rights agency. The European Commission agreed to submit a proposal to give effect to the Council decision, and this is currently being considered within the Commission. The Council is currently awaiting the Commission proposal.

176. **Mr. Carey** asked the Minister for Foreign Affairs if, as part of the Irish EU Presidency, he will work to ensure their human rights as part of political dialogue at the highest level with the new neighbouring countries of the Union, and that human rights observance in these countries is the subject of effective monitoring and reporting; and if he will make a statement on the matter. [4211/04]

Minister for Foreign Affairs (Mr. Cowen): In June last year the General Affairs and External Relations Council expressed its wish to define an ambitious new range of policies towards its new neighbours based on shared values such as liberty, democracy, respect for human rights and fundamental freedoms and the rule of law. The countries involved in this initiative, which is now known as the European neighbourhood policy, are Ukraine, Moldova, Belarus and the countries of the Southern Mediterranean, Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestinian Authority, Syria and Tunisia.

The European neighbourhood policy will be implemented by the negotiation of action plans for each of the countries involved. These will be political documents, with clear conditionality on democracy and human rights. They will build on existing agreements with each of the countries, setting out clearly the over-arching strategic policy targets, common objectives, the political and economic benchmarks used to evaluate progress in key areas and a timetable for their achievement which will enable progress to be judged regularly. The Council has requested the Commission to draw up country specific action plans for each of the new neighbouring countries involved on this basis.

During the Irish Presidency of the EU, we will be working closely with the Commission to ensure that a number of action plans will be delivered in our Presidency and that the countries involved will be closely evaluated for compliance with human rights and political commitments. There will be meetings at the highest level with a number of the countries involved. The Deputy can be assured that human rights issues will be central to this dialogue.

177. **Mr. Carey** asked the Minister for Foreign Affairs if, as part of the Irish EU Presidency

programme, he proposes to advance the inclusion of human rights issues in the political dialogue with all Mediterranean countries, to complement and support the European Commission's current efforts to develop national action plans on human rights and democratisation for these countries; and if he will make a statement on the matter. [4212/04]

Minister for Foreign Affairs (Mr. Cowen):

Human rights are already to the fore in the EU's existing relations with our Mediterranean partners through the various Euro-Mediterranean association agreements, each of which includes an article stating that respect for democratic principles and fundamental human rights, as set out in the Universal Declaration of Human Rights, will guide the internal and international policies of the parties and will constitute an essential element of the agreement. These agreements also commit the parties to develop the rule of law and democracy, including the upholding of fundamental freedoms. The association agreements provide for regular exchanges between the parties and the Irish Presidency will avail of these opportunities to pursue dialogue on all the issues covered by the agreements.

This existing close engagement on human rights is expected to be improved and intensified by the implementation of the European neighbourhood policy. The policy will be implemented by the negotiation of action plans for each of the countries involved. These will be political documents, building on existing agreements with each of the countries and setting out clearly the over-arching strategic policy targets, common objectives, the political and economic benchmarks used to evaluate progress in key areas and a timetable for their achievement which will enable progress to be judged regularly.

We will work closely with the Commission to ensure that a number of action plans will be delivered in the Irish EU Presidency and that the countries involved will be closely evaluated for compliance with human rights and political commitments.

Industrial Relations.

178. **Mr. M. Higgins** asked the Minister for Foreign Affairs the situation following on from Parliamentary Question No. 46 of 22 March 2001, pertaining to a person (details supplied) regarding the protective measures put in place for Irish citizens to pursue grievances related to their employment in Irish embassies. [4213/04]

Minister for Foreign Affairs (Mr. Cowen): The Department of Foreign Affairs is committed to giving effect to the Labour Court's recommendation, No. LCR 16709 of 29 January 2001, regarding the establishment of a process by which members of the locally recruited staff at Irish diplomatic and consular missions may

pursue grievances relating to their employment. Draft grievance and disciplinary procedures are at an advanced stage of preparation. It is intended to submit these to the Labour Relations Commission in the near future, for observations and advice. Thereafter, the approval of the Department of Finance will be required before the new procedures are introduced, which it is hoped will be well before the end of the year.

Foreign Conflicts.

179. **Aengus Ó Snodaigh** asked the Minister for Foreign Affairs if he has received reports on the military incursion of Israeli forces into the Tal Al-Sultan neighbourhood in the west of Rafah in the Gaza Strip on 2 February 2004 which killed four Palestinians, one of whom was disabled; if he intends to raise the matter with the Israeli authorities or with his colleagues on the General Affairs and External Relations Council; and if he will make a statement on the matter. [4352/04]

Minister for Foreign Affairs (Mr. Cowen): I receive regular reports from our diplomatic missions in Israel and the Palestinian Territories on the activities of Israeli forces in the Gaza Strip. I am aware of the incident to which the Deputy refers. The Fourth Geneva Convention on the Protection of Civilian Persons in Time of War of 12 August 1949 is fully applicable to both the Gaza Strip and the West Bank and must be observed by the Israeli occupation forces. European Union concerns about Israeli activities in the Gaza Strip, and Rafah in particular, were the subject of a démarche by our ambassador in Tel Aviv to the Israeli Foreign Ministry on 27 January. The situation in the Middle East features regularly on the agenda of the General Affairs and External Relations Council and will be considered at the next Council on 23 February.

European Convention Draft Treaty.

180. **Mr. J. Bruton** asked the Minister for Foreign Affairs his views on the proposals for revisions of the convention draft treaty put forward by the Italian Presidency for the ministerial conclave in Naples. [4102/04]

Minister for Foreign Affairs (Mr. Cowen): The Italian Presidency made good progress across a range of issues in the IGC during its term in office. Some of its proposals were contained in the paper tabled ahead of the meeting of Foreign Ministers in Naples on 28-29 November. These proposals were refined and additional proposals were made in the paper it tabled ahead of the summit meeting in Brussels on 12-13 December. Many of these suggestions would probably have been acceptable to partners had a full discussion taken place in December.

While, as Presidency, we will seek to build on the work carried out by our predecessors in office, we are also proceeding on the principle that nothing is agreed until everything is agreed.

Schools Building Projects.

181. **Mr. Coveney** asked the Minister for Education and Science if he will give a detailed reason for the delay with proceeding with the promised new primary school in Ballygarvan, County Cork; the funding that has been committed to this project; and when he expects it to proceed. [4076/04]

Minister for Education and Science (Mr. N. Dempsey): The property management section of the Office of Public Works, which acts on behalf of my Department for site acquisitions, is exploring the possibility of acquiring a site for the provision of new primary school in Ballygarvan, County Cork. Due to the commercial sensitivities associated with site acquisition, I am unable to provide detailed information relating to specific site purchases.

With regard to the delivery of a new school building, when publishing the 2004 school building programme I outlined that my strategy going forward will be grounded in capital investment based on multi-annual allocations. My officials are reviewing all projects which were not authorised to proceed to construction as part of the 2004 school building programme, with a view to including them as part of a multi-annual school building programme from 2005. I expect to be in a position to make further announcements on this matter in the course of the year.

Higher Education Grants.

182. **Mr. Allen** asked the Minister for Education and Science the reason a person (details supplied) in County Cork has not received a third level grant from the city of Cork VEC despite the fact that they are doing a third level course for a diploma in child care at Cork College of Commerce, were initially informed that they would be entitled to a grant, but since then has heard nothing. [4077/04]

Minister for Education and Science (Mr. N. Dempsey): My Department funds three means tested maintenance grant schemes for third level education students in respect of attendance on approved courses in approved third level institutions and one grant scheme for students pursuing post-leaving certificate courses: the higher education grants scheme; the vocational education committees' scholarship scheme; the third level maintenance grants scheme for trainees; the maintenance grants scheme for students attending post-leaving certificate courses.

The statutory framework for the higher education grants schemes is set out in the Local Authorities (Higher Education Grants) Acts 1968 to 1992. The local authorities administer the schemes on behalf of my Department. My Department reviews the schemes annually. The other three schemes are administered, on behalf of my Department, by the vocational education committees.

The decision on eligibility for maintenance grants is a matter for the relevant local authority or VEC. These bodies do not refer individual applications to my Department except in exceptional cases where, for example, advice or instruction regarding a particular clause in the relevant scheme is desired. It appears that no such advice or instruction has, to date, been sought in the case of the student referred to by the Deputy.

If an individual applicant considers that she or he has been unjustly refused a maintenance grant or that the rate of grant awarded is not the correct one, she or he may appeal to the relevant local authority or VEC. Where an individual applicant has had an appeal turned down, in writing, by the relevant local authority or VEC and remains of the view that the body has not interpreted the schemes correctly in his/her case, a letter outlining the position may be sent to my Department. Alternatively, as already indicated, the local authority or VEC may itself in exceptional circumstances, seek clarification on issues from my Department. However, it is not open to me or my Department to depart from the terms of the maintenance grants schemes in individual cases.

Until such time as an application has been decided on by the relevant local authority or VEC, all inquiries regarding an individual application should be directed to the body concerned rather than to my Department.

Equality Issues.

183. **Mr. Allen** asked the Minister for Education and Science if he will make a statement on the decision by the authorities in University College Cork to take an equality awards decision made originally by the Labour Court and having lost their appeal at the High Court, are now taking the case to the Supreme Court; and if he will make a statement on the potential cost involved in taking this case which would go much of the way to paying the original award. [4078/04]

Minister for Education and Science (Mr. N. Dempsey): I am aware of the case in question. As the Deputy is aware, the Universities Act 1997 confers autonomous statutory responsibilities on universities in the day to day management of their affairs. Furthermore, it would not be appropriate for me to comment on any matters before the courts.

Schools Building Projects.

184. **Ms B. Moynihan-Cronin** asked the Minister for Education and Science the position regarding the provision of a new boys national school in Rathmore, County Kerry; and if he will make a statement on the matter. [4079/04]

Minister for Education and Science (Mr. N. Dempsey): The proposed large scale building project for the school referred to by the Deputy

is listed in section 8 of the 2004 school building programme which is published on my Department's web site at *www.education.ie*. This proposed project is at an early stage of architectural planning. It has been assigned a band 1 rating by my Department in accordance with the published criteria for prioritising large scale projects.

Indicative time scales have been included for large scale projects proceeding to tender in 2004. The budget announcement regarding multi-annual capital envelopes will enable me to adopt a multi-annual framework for the school building programme which in turn will give greater clarity regarding projects that are not progressing in this year's programme. I will make a further announcement in that regard during the year.

School Accommodation.

185. **Ms B. Moynihan-Cronin** asked the Minister for Education and Science the position regarding the provision of a general purposes room at Lough Guitane national school, Killarney, County Kerry; and if he will make a statement on the matter. [4080/04]

Minister for Education and Science (Mr. N. Dempsey): The school authorities of Lough Guitane national school recently informed my Department that they wish to change the application previously submitted for a general purposes room to an application for an additional classroom, due to an increase in pupil numbers.

The application is currently being considered by officials in the school planning section of my Department which will be in contact with the school authorities in this regard.

Special Educational Needs.

186. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia, that the Department of Education and Science should ensure that information and advice are readily available to parents and guardians of children with specific learning difficulties, including those arising from dyslexia, through the development of appropriate printed and electronic materials and through the distribution of such materials through schools. [4117/04]

187. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia, that the number of resource hours sanctioned for primary level students with specific learning difficulties, including those arising from dyslexia, should where necessary exceed the current limit of 2.5 hours per week. [4118/04]

188. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force

on dyslexia, that a pupil teacher ratio of 9:1 or equivalent should be implemented in special classes in mainstream primary schools and in special schools for students with specific learning difficulties, including those arising from dyslexia. [4119/04]

189. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia, that special needs assistants should be assigned to special classes and special schools for students with specific learning difficulties, including those arising from dyslexia, on a needs basis, so that teachers can better plan and implement programmes that address students' individual learning needs. [4120/04]

190. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that, in the absence of equitable access and contingent on the outcomes of relevant research, the Department of Education and Science should develop a strategic plan for the establishment of additional special classes in mainstream primary schools for students with specific learning difficulties, including difficulties arising from dyslexia. [4121/04]

191. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that in consultation with relevant bodies, including the National Educational Psychological Service, the Department of Education and Science should review and amalgamate current circulars dealing with the identification of specific learning difficulties, including those arising from dyslexia, to remove inconsistencies between circulars and to incorporate the phased model of identification and other changes recommended in this report. [4122/04]

192. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that the identification of dyslexia should be based on the phased model of identification outlined in chapter five of the report and should culminate in a review of the student's learning needs by a multidisciplinary team drawing on the outcomes of ability and achievement tests and on information on the student's response to planned changes in their class and learning support programmes. [4123/04]

193. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that emerging perspectives on the identification of specific learning difficulties, including current discrepancy based models, should be kept under review and should be adopted as appropriate. [4124/04]

194. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that in order to better meet the needs of students with learning difficulties arising from dyslexia, the Department of Education and Science should expedite implementation of its learning support guidelines, including the provision by a learning support teacher of intensive supplementary teaching to no more than 30 students in any instructional term. [4125/04]

195. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that the Department of Education and Science should appoint a national learning support co-ordinator and 50 regional learning support advisers to provide advice and support to schools and learning support teachers at the primary and post-primary levels. [4126/04]

196. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that the Department of Education and Science should sanction learning support posts on a needs basis in recognised private post-primary schools, thereby enabling recognised learning support teachers in such schools to attend in-career development courses in learning support sanctioned by the Department. [4127/04]

197. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that in view of recent equality legislation, the Department of Education and Science should refer to the director of equality investigations and the National Disability Authority the practice of appending explanatory notes to the certificates of candidates with specific learning difficulties, including those arising from dyslexia, who are granted certain accommodations in State examinations. [4128/04]

198. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that the Department of Education and Science should examine a range of accommodations that might be offered to all students with specific learning difficulties arising from dyslexia in State examinations, including the provision of test papers with enlarged print, and the option of listening to the examination questions on tape. [4129/04]

199. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that the Department of Education and Science should inform examination candidates with specific learning difficulties, including those arising from dyslexia, at least six months

beforehand whether their applications for reasonable accommodations have been successful so that schools can be supported in providing appropriate preparation and training. [4130/04]

200. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that the Department of Education and Science should commission the development of assessment and support materials in Irish so the needs of students whose first language is Irish can be effectively addressed. [4131/04]

201. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that in the context of an increasingly multi-ethnic society, the Department of Education and Science should consider the cultural appropriateness of testing and teaching materials in English for students with learning difficulties. [4132/04]

202. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that the inspectorate of the Department of Education and Science should, as provided for in the Education Act 1998, monitor and report on the implementation by schools of strategies designed to address the needs of students with learning difficulties arising from dyslexia, including learning support and special education services. [4133/04]

203. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that the Department of Education and Science should provide guidelines to learning support and resource teachers in Gaeltacht schools and Gaelscoileanna on the language through which additional support should be given to students with learning difficulties in those cases in which the language of the home is different from the language of the school. [4134/04]

204. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that the Department of Education and Science should commission a study to compare the relative effectiveness and appropriateness to the needs of individual students and their parents of the three models of special education provision that are in place for primary level students with specific learning difficulties, including those arising from dyslexia, resource teaching support, enrolment in a special class and enrolment in a special school. [4135/04]

205. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that the Department of Education and Science should commission a study on the operation and effectiveness of the learning

support and resource teaching services in post-primary schools, including the nature of provision for students with learning difficulties arising from dyslexia. [4136/04]

206. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that the Department of Education and Science should commission a review of existing research on the effectiveness of therapies and interventions that have been designed to address the neurological and perceptual capacities of students with learning difficulties arising from dyslexia. [4137/04]

207. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that the Department of Education and Science should arrange for the maintenance of a database of students with specific learning difficulties, including dyslexia, who are in receipt of special education services in primary and post-primary schools. [4138/04]

208. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that the Department of Education and Science should initiate the setting up of an interdepartmental committee that includes the representatives of the Departments of Enterprise, Trade and Employment, Health and Children, Social and Family Affairs, Justice, Equality and Law Reform, and Finance to ensure that the needs of students with learning difficulties arising from dyslexia are addressed in a co-ordinated manner and that administrative and professional boundaries do not hamper the delivery of appropriate services. [4139/04]

209. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that the Department of Education and Science should draw upon the expertise of approved and recognised voluntary organisations that provide assessment and teaching services for students with learning difficulties arising from dyslexia as new initiatives designed to tackle such difficulties are implemented; and if he will outline the mechanisms in place to allow for this. [4140/04]

210. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that teaching practice for pre-service teachers at the primary and post-primary levels should include a placement with a trained learning support or special education teacher that involves programme planning and implementation at the individual student level. [4141/04]

211. **Mr. Crowe** asked the Minister for Education and Science the progress that has been

made on the recommendation of the task force on dyslexia that educational psychology should be offered in colleges of education as a subject option in primary teacher education programmes leading to the Bachelor of Education degree. [4142/04]

212. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that the language acquisition and reading methodology courses offered to primary level pre-service teachers should incorporate information on the more systematic and detailed approaches required to teach reading and writing to students with learning difficulties arising from dyslexia. [4143/04]

213. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that pre-service teacher education programmes at primary and post-primary levels should include input on special education needs, both integrated within general courses and as an area of study in itself, and attention should be given to ways in which class and subject teachers can identify and meet the needs of students with learning difficulties arising from dyslexia. [4144/04]

214. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that the number of places on in-service courses for learning support and resource teachers should be increased to cater for recent and envisaged expansion of the learning support and resource teaching support services. [4145/04]

215. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that in-career development courses for learning support and resource teachers dealing with the identification of learning difficulties arising from dyslexia, and the planning and implementation of appropriate interventions, should be provided as a matter of urgency. [4146/04]

216. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that intensive in-career development courses dealing with the identification of learning difficulties arising from dyslexia, differentiated teaching and programme planning and implementation at the individual student level should be arranged for all class and subject teachers on an ongoing basis. [4147/04]

217. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that special schools for students with specific learning difficulties, including dyslexia,

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should be developed as resource centres for special class teachers and resource teachers working with students with learning difficulties arising from dyslexia, through the development of links with local education centres. [4148/04]

218. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that each primary and post-primary school should incorporate into its school development plan whole-school procedures and strategies for identifying and addressing the needs of students with learning difficulties arising from dyslexia. [4149/04]

219. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that each primary and post-primary school should involve parents of students with learning difficulties arising from dyslexia in the assessment of their child's learning needs, in the development and implementation of an individual learning programme and in making decisions on continuation and discontinuation of support services. [4150/04]

220. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that each primary and post-primary school should identify in the school development plan a named teacher with responsibility for the co-ordination of services for students with learning difficulties arising from dyslexia and other special needs and that this teacher's duties should include the maintenance of records, liaison with parents and with professionals outside the school, liaison between the students' teachers and the maintenance of links between students' primary and post-primary schools. [4151/04]

221. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that each primary and post-primary school should involve parents of students with learning difficulties arising from dyslexia in the assessment of their child's leaning needs, in the development and implementation of an individual learning programme and in making decisions on continuation and discontinuation of support services. [4152/04]

222. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that schools should monitor the effectiveness of interventions that are put in place to address the needs of students with learning difficulties arising from dyslexia, in the context of developing and evaluating implementation of the school development plan. [4153/04]

223. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that, where possible, schools should ensure continuity in the development of expertise and of support services by allocating the same teachers to learning support/resource teaching duties for a period of several years; and what the Department has done to make it possible for schools to allocate teaching staff in this fashion. [4154/04]

224. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that, where a student cannot study a subject because of a specific learning difficulty arising from dyslexia, schools should make appropriate alternative arrangements. [4155/04]

225. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia, that the number of third level places for the post-graduate training of educational psychologists should be increased in line with projected national needs and the projected needs of the National Educational Psychological Service. [4156/04]

226. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that the National Educational Psychological Service should be provided with resources to advise schools on such matters as implementing screening and early identification programmes and programme planning to support students, parents and teachers in addressing learning difficulties arising from dyslexia, to contribute to the continuing professional development of staff members in a school and to assist in monitoring the effectiveness of interventions implemented in the school. [4157/04]

227. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that the National Centre for Technology in Education, in the context of its work in the area of special needs and the development of Scoilnet, should be provided with resources to advise and support teachers on the use of software and assistive technology designed to address the needs of students with learning difficulties arising from dyslexia, and should make information on dyslexia available to teachers on its website. [4158/04]

228. **Mr. Crowe** asked the Minister for Education and Science the progress that has been made on the recommendation of the task force on dyslexia that grants or tax relief should be available to parents of students with learning difficulties arising from dyslexia who purchase assistive technology for their children where such

technology has been recommended by an accredited expert. [4159/04]

Minister for Education and Science (Mr. N. Dempsey): I propose to take Questions Nos. 186 to 228, inclusive, together.

The report of the task force on dyslexia contains over 60 individual recommendations ranging across a wide variety of issues from identification and assessment to models of service delivery, specialist training for service providers and issues relating to structural reforms. Since the task force reported, a number of initiatives have been taken in the area of dyslexia. These include: the introduction of the first ever on-line training course for teachers catering for pupils with dyslexia, the appointment of ten new learning support trainers to the primary curriculum support programme specifically to provide in depth support for the implementation of learning support guidelines for children with dyslexia and a reduction from 11:1 to 9:1 in the pupil teacher ratio applicable to special classes catering for children with dyslexia; the development, in association with the Department of Education in Northern Ireland, of an information resource on dyslexia to be made available in cd-rom, dvd and video format.

In addition to the above measures, a key focus of my Department has been on advancing the fundamental structural and legislative measures which are necessary to underpin the development and delivery of services for persons with special needs, including children with dyslexia. A key development on the structural front has been the Government's decision to approve the establishment of the National Council for Special Education.

The national council, which will have a local area presence, will play a key role in the development and delivery of services for persons with special needs, including children with dyslexia. It will have a research and advisory role and will establish expert groups to consider specific areas of special needs provision. It will also establish a consultative forum to facilitate inputs from the education partners and other interested parties. Arrangements for the establishment of the council are now well advanced. A chief executive has been appointed, the Oireachtas has approved an order establishing the council, the first meeting of which has already taken place, and the recruitment of council staff is in hand.

I have brought forward legislation, based on the Education for Persons with Disabilities Bill 2003, aimed at establishing the rights and entitlements of persons with special needs, including dyslexia, to an appropriate education service and providing the necessary framework for effective service delivery. My objective is to secure the passage of this legislation through the Oireachtas as quickly as possible.

229. **Mr. Timmins** asked the Minister for Education and Science the position of a person

(details supplied) in County Wicklow who was assessed by an educational psychologist in December 2002 that recommended an allocation of 3.5 hours weekly with a resource teacher and a full-time special needs assistant; if this can be sanctioned as a matter of urgency; and if he will make a statement on the matter. [4164/04]

Minister for Education and Science (Mr. N. Dempsey): At present the school has the services of a full-time and part-time resource teacher together with a shared learning support teacher.

My Department received an application for further special educational resources from the school. SER applications received between 15 February and 31 August 2003, including the one made by the school, are being considered. More than 5,000 applications were received. Priority was given to cases involving children that started school last September and all of them were responded to at or before the commencement of the current school year.

A dedicated team reviewed the balance of more than 4,000 applications. It comprised members of my Department's inspectorate and the national educational psychological service. The applications are being further considered in the context of the outcome of surveys of SER provision conducted over the past year. Account is also being taken of existing resource levels. The details were submitted by schools as part of the recent nationwide census of SER provision.

The processing of the applications is complex and time consuming. My Department is endeavouring to complete it as quickly as possible when my officials will respond to all applicant schools. Schools are advised to refer to circular 24/03 that issued last September. It contained practical advice on how to achieve the most effective deployment of resources already allocated for special educational needs within a school.

230. **Mr. Timmins** asked the Minister for Education and Science the position of 14 persons (details supplied) awaiting recommendations from their psychological assessments to be implemented; if the resource teaching hours can be sanctioned as a matter of urgency; and if he will make a statement on the matter. [4165/04]

Minister for Education and Science (Mr. N. Dempsey): At present the school has the services of a full-time and part-time resource teacher together with a shared learning support teacher. My Department received applications for further special educational resources from it.

Resources in respect of an emergency application for one of the persons have been approved on a temporary basis. SER applications received between 15 February and 31 August 2003, including the applications for the remaining 13 persons, are being considered. More than 5,000 applications were received. Priority was given to cases involving children that started school last

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September and all these cases were responded to at or before the commencement of the current school year.

The balance of more than 4,000 applications has been reviewed by a dedicated team comprising members of my Department's inspectorate and the national educational psychological service. The applications are being further considered in the context of the outcome of surveys of SER provision conducted over the past year. Account is also being taken of existing resource levels, the details of which were submitted by schools as part of the recent nationwide census of SER provision.

The processing of the applications is complex and time consuming. My Department is endeavouring to have it completed as quickly as possible and my officials will then respond to all applicant schools. Pending a response, schools are advised to refer to circular 24/03 issued last September. It contained practical advice on how to achieve the most effective deployment of resources already allocated for special educational needs in a school.

EU Presidency.

231. **Mr. O'Connor** asked the Minister for Education and Science if he will give details regarding the youth programme of the Irish EU Presidency; and if he will make a statement on the matter. [4230/04]

Minister for Education and Science (Mr. N. Dempsey): I am availing myself of the EU Presidency to further develop youth policy at home and to influence youth policy in Europe.

Progressing the EU Commission's White Paper, entitled *A New Impetus for European Youth*, is a priority for the youth agenda during the Presidency. I plan to hold a youth conference at ministerial level in County Clare from 4 to 6 March. While its overall theme reflects the youth Presidency priority of progressing the White Paper, it will focus particularly on two issues. These are young people and politics, a key dimension of youth participation, and the development of youth policy at EU level. Approximately 170 delegates are expected to attend the conference from both member states and accession countries.

At the January meeting of the Council of the European Union's youth working party, the Irish Presidency introduced a draft resolution on social inclusion with specific regard to young people. It will highlight their issues in many different areas of activity and concern. I intend to place this on the agenda of the EU Council of Education and Youth Ministers in May. A declaration on racism, violence and intolerance with regard to young people is also proposed for discussion at these meetings.

Léargas, the exchange bureau, is organising a meeting of the national agencies for the youth programme in Dublin in May. Its theme will be

the development of youth policies in accordance with the EU White Paper on youth. The National Youth Council of Ireland will also be involved in a meeting of the European Youth Forum in Dublin in May.

In June, during the Presidency, a meeting of directors general of youth from all of the EU member states will take place in Dublin. The discussion will focus on the possible contents of a new youth programme and further advancement of the principles contained in the EU White Paper on youth. The youth working party will also have an informal meeting in Dublin in June.

State Examination Fees.

232. **Mr. R. Bruton** asked the Minister for Education and Science the reason a decision was taken by the State Examinations Commission to increase the junior certificate examination fee from €75 to €82, nearly four months after schools had informed parents that the €75 fee was the correct fee for the year; his views on the inconvenience to parents who had already paid the original fee for the junior certificate examination; and if he will make a statement on the matter. [4231/04]

Minister for Education and Science (Mr. N. Dempsey): Last November I announced an increase of €10 in the standard leaving certificate fee and increased it from €76 to €86, an increase of 13%. Similar increases were applied to other examination fees. Last December schools were formally notified of the new amounts by the State Examinations Commission.

Any information given by schools to parents prior to this was not based on a formal notification from the commission. It is regrettable that this may cause parents some inconvenience. Examination entry fees are in existence in order to defray in part the costs of running the certificate examinations. Examination entry fees cover only part of the costs involved.

Candidates who hold a current medical card or are dependent on a parent or guardian who is the holder of a current medical card are not liable for examination fees. Medical cards will be accepted only if valid on 1 February, the due date for payment.

School Closures.

233. **Mr. M. Higgins** asked the Minister for Education and Science if his attention has been drawn to the fact that the Linguistic Institute of Ireland, or Institiúid Teangeolaíochta Éireann, will close as a result of the cessation of funding by his Department from 2004; if he can explain the decision; and if it is justified given that it is Government policy to support the research and development work associated with language and education here. [4253/04]

Minister for Education and Science (Mr. N. Dempsey): At an extraordinary general meeting of ITE, held on 18 July 2003, the company agreed

to initiate a process of voluntary liquidation. The decision was a matter for the members in accordance with their memorandum and articles of association and relevant company law. It was taken prior to the finalisation of my Department's Estimates for 2004 and was not related to financial considerations.

A meeting of the ITE's executive committee on 5 December 2003 agreed a timetable for the appointment of a liquidator, who was subsequently appointed on 9 January 2004. My Department has given a commitment to provide every assistance to the company in giving effect to its decision, in partnership with the staff of the institute. My Department is working closely with the liquidator in this regard. This includes exploring possible arrangements for the continuation of certain research activities previously carried out by the institute.

Also, in the interests of assisting with an orderly wind-up, facilitating appropriate redeployment or other appropriate arrangements for staff in line with general public service policy in these matters and subject to agreement with the Department of Finance. The entitlements of those employees for whom appropriate redeployment arrangements are not made will be determined in accordance with the terms of their contracts. I have asked to be kept informed of progress in these matters.

Special Educational Needs.

234. **Mr. Ring** asked the Minister for Education and Science when a person (details supplied) in County Mayo will be provided with the resource teaching support that they need; if his Department has received and reviewed all of their psychological reports; and the progress of the application. [4271/04]

Minister for Education and Science (Mr. N. Dempsey): The school has the services of a shared full-time resource teacher together with a shared learning support teacher. My Department received a further application for special educational resources from the school for the pupil.

SER applications received between 15 February and 31 August 2003, including the one made by the school, are being considered. More than 5,000 applications were received. Priority was given to cases involving children that started school last September and all of these cases were responded to at or before the commencement of the current school year.

The balance of more than 4,000 applications have been reviewed by a dedicated team comprising members of my Department's inspectorate and the national educational psychological service. These applications are being further considered in the context of the outcome of surveys of SER provision conducted over the past year. Account is also being taken of existing resource levels, the details of which were

submitted by schools as part of the recent nationwide census of SER provision.

The processing of the applications is complex and time consuming. My Department is endeavouring to have it completed as quickly as possible and my officials will then respond to all applicant schools. Pending a response, schools are advised to refer to circular 24/03 issued last September. It contains practical advice on how to achieve the most effective deployment of resources already allocated for special educational needs within the school.

School Rent.

235. **Mr. Naughten** asked the Minister for Education and Science when his Department commenced payment of rent for the Hodson Grammar School, Elphin, County Roscommon; the rent paid in each year since; the contractual agreement with the owners of the school; if the Department is exposed to a liability if the lease is broken; the cost involved; and if he will make a statement on the matter. [4276/04]

Minister for Education and Science (Mr. N. Dempsey): Responsibility for rental costs on the premises is a matter for County Roscommon Vocational Education Committee.

My Department contacted the VEC. I am advised that arising from the decision of the school's governors to close it at the end of the school year 1997-98, the VEC entered into a yearly rental arrangement with the governors of Bishop Hodson's endowment for the use of the former grammar school premises for school accommodation purposes. The rental agreement between the governors and the VEC is terminable by one calendar month's notice in writing by either party on any day of the month. There is no liability attaching to my Department arising from the rental arrangement.

The VEC's rental costs for the premises are as follows:

Amount	School Year
€	
13,300	1998-99
13,900	1999-00
14,600	2000-01
15,200	2001-02
15,600	2002-03
15,600	2003-04.

Schools Building Programme.

236. **Mr. Naughten** asked the Minister for Education and Science when his Department intends to announce the multi-annual framework for the schools building programme; and if he will make a statement on the matter. [4278/04]

Minister for Education and Science (Mr. N. Dempsey): Publication of a multi-annual programme entails a considerable detailed review

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of all large scale building projects that were not authorised to proceed under the 2004 schools building programme. As part of the process, consultations are under way with the education partners regarding the prioritisation criteria used for large scale building projects. The purpose of these consultations is to ensure that the criteria have optimum precision and are tuned to meeting the priority accommodation needs of the primary and post-primary sectors. When the consultations have been completed my Department's planning section will carry out a review of individual projects and frame a multi-annual programme. I expect to make further announcements on progress during the year.

Special Education Needs.

237. **Mr. Carey** asked the Minister for Education and Science when schools can expect notification of the results of their applications for resource and special needs assistance; and if he will make a statement on the matter. [4345/04]

Minister for Education and Science (Mr. N. Dempsey): Special education resource applications received between 15 February and 31 August 2003 are being considered at present. In all, more than 5,000 such applications were received. Priority was given to cases involving children starting school last September and all these cases were responded to at or before the commencement of the current school year.

The balance of more than 4,000 applications has been reviewed by a dedicated team comprising members of my Department's inspectorate and the national educational psychological service, NEPS. These applications are being further considered in the context of the outcome of surveys of SER provision conducted over the past year or so. Account is also being taken of existing resource levels, the details of which were submitted by schools as part of the recent nation-wide census of SER provision.

The processing of the applications is a complex and time consuming operation. However, my Department is endeavouring to have this completed as quickly as possible and my officials will then respond to all applicant schools. Pending a response, schools are advised to refer to circular 24/03, which issued in September, 2003. This circular contains practical advice on how to achieve the most effective deployment of resources already allocated for special educational needs within the school.

School Staffing.

238. **Mr. Carey** asked the Minister for Education and Science his views on whether a person (details supplied) would be entitled to a full-time permanent contract under the terms of the Protection of Employees (Fixed Term Work) Act 2003; and if he will make a statement on the matter. [4346/04]

Minister for Education and Science (Mr. N. Dempsey): The issue raised by the Deputy is a matter for discussion between the person in question and his employer, City of Dublin VEC.

Harbours and Piers.

239. **Mr. Coveney** asked the Minister for Communications, Marine and Natural Resources the level of funding available for the development of new piers and the upgrading of existing piers around the coastline; and if any funding will be made available for the development of improved pier facilities for Inch Island pier, County Donegal. [4074/04]

Minister for Communications, Marine and Natural Resources (Mr. D. Ahern): Under the National Development Plan 2000-2006, Exchequer funding of €21.840 million is allocated in respect of fishery harbours and related facilities for 2004.

In relation to Inch Island pier, the pier is owned by Donegal County Council and responsibility for its repair and maintenance rests with the local authority in the first instance. Donegal County Council submitted a proposal to my Department in respect of Inch Island pier. The works proposed for Inch Island pier can be split into two phases. Phase 1 involves widening the existing pier and access road at a cost of €650,000. Phase 2 mainly involves a pier extension at a total cost of €2,350,000. The question of funding development works at Inch Island pier in the 2004-2006 period will depend on the amount of funding available for works at fishery harbours generally and overall national priorities.

Electronic Communications Infrastructure.

240. **Mr. Naughten** asked the Minister for Communications, Marine and Natural Resources the approval, if any, which ComReg required from his Department, including orders or regulations, to change area codes which came into effect in November 2003; when approval was sought and approved; if his attention has been drawn to the fact that many personal alarms provided to the elderly are inoperable due to the recent change in phone numbers; the action taken by his Department or ComReg to address this issue prior to the changeover; if he will provide funds to community groups to have these alarms re-programmed, in view of the prohibitive cost facing many elderly people; and if he will make a statement on the matter. [4168/04]

245. **Mr. Ring** asked the Minister for Communications, Marine and Natural Resources if and when ComReg plans to change telephone numbering schemes; if his Department or ComReg will provide grants to elderly people who will have to re-programme their personal alarms as a result of the change; and if he will make a statement on the matter. [4342/04]

Minister for Communications, Marine and Natural Resources (Mr. D. Ahern): I propose to take Questions Nos. 240 and 245 together.

ComReg has sole responsibility for the overall management of the national numbering resource. No approval from the Department is sought, or is necessary, when ComReg initiates any changes and these are done only when absolutely necessary and after a considerable period of consultation. ComReg aims to implement any changes in a way that minimises disruption, cost and inconvenience for customers and service operators.

Any costs incurred directly or indirectly are traditionally carried by telephone subscribers in respect of their own numbers. Persons with particular difficulties should contact their service provider in the first instance, and also notify ComReg of difficulties created by any proposed changes.

Employee Shareholding Scheme.

241. **Mr. R. Bruton** asked the Minister for Communications, Marine and Natural Resources if the Government has a role in decisions by an employee share ownership trust to sell the holding in a former State owned company; and the restrictions on the sale of these holdings. [4170/04]

Minister for Communications, Marine and Natural Resources (Mr. D. Ahern): Eircom is a private company and neither I, nor the Government, have any role in any decisions made by the shareholders of the company.

Harbours and Piers.

242. **Ms F. O'Malley** asked the Minister for Communications, Marine and Natural Resources the future plans for Dún Laoghaire harbour in view of the fact that competition is a cornerstone of Government policy; his future plans for Dún Laoghaire Harbour; and if a merger with Dublin Port is not envisaged. [4261/04]

Minister for Communications, Marine and Natural Resources (Mr. D. Ahern): I have no proposals at present to merge Dún Laoghaire Harbour Company and Dublin Port Company.

In May 2003, I published the high level review of the State commercial ports operating under the Harbours Acts 1996 and 2000. The purpose of the high level review was to critically review the current model for the governance of the port companies.

Among its many findings and recommendations, the high level review noted that there is a conflict between the commercial and heritage obligations of Dún Laoghaire Harbour Company. The review recommended that responsibility for the cultural and heritage aspects should be transferred to Dún Laoghaire Rathdown County Council and that consideration be given, on commercial and economic grounds, to merging Dún Laoghaire Harbour Company

and Dublin Port Company to become Dublin Bay Company.

When I published the high level review, I also initiated a full public consultation process on its findings and recommendations. In response, my Department has received submissions from a number of parties, including the two port companies concerned, and Dún Laoghaire Rathdown County Council. All submissions are receiving careful consideration by my Department.

It is my intention to publish a comprehensive policy statement over the coming months, drawing on the high level review and the subsequent consultation process.

Electronic Communications Infrastructure.

243. **Mr. Deenihan** asked the Minister for Communications, Marine and Natural Resources the Government plans to ensure that there is a strong, vigorous competitor to Eircom that will bring the needed real broadband services to every community in Ireland; and if he will make a statement on the matter. [4338/04]

Minister for Communications, Marine and Natural Resources (Mr. D. Ahern): In my announcement of the broadband action plan in December last, I outlined the key elements of the scheme to bring broadband connectivity to over 350,000 people living in areas where broadband is not yet available.

The key elements of the plan are: connecting over 90 towns with a population of greater than 1,500 to broadband with community broadband exchanges and strategic fibre; a new group broadband scheme, similar to group water schemes, where smaller rural communities can join with service providers to put forward proposals for broadband infrastructure in their area; a committed spend of €35 million annually from Government between now and 2007; new policy directions to the Commission for Communications Regulation focusing on delivering competitive pricing, and the dedicated website www.broadband.gov.ie which will allow broadband consumers to register their interest and to see the details of prices and availability of broadband services in their area.

In addition, the Deputy will be aware that I also announced details of the new high-speed broadband offerings on the Esat BT and ESB fibre networks. Pricing on both these complementary offerings are on a par with the best available internationally. All of these announcements will assist in promoting availability and competition in the Irish broadband market.

244. **Mr. Deenihan** asked the Minister for Communications, Marine and Natural Resources if he will ensure that the newly constructed MANs, the only Government controlled telecom assets, will not come under the influence of Eircom, either directly or indirectly through

[Mr. Deenihan.] commercial relationships; and if he will make a statement on the matter. [4339/04]

Minister for Communications, Marine and Natural Resources (Mr. D. Ahern): Arrangements for the marketing, management, operation and maintenance of the metropolitan area networks — MANs — will be consistent with the Government's strategy of providing broadband infrastructure on an open access and carrier neutral basis.

It is intended that this 'open-access' principle will be enshrined in a code of practice for the use of the metropolitan area networks thus ensuring that access to the infrastructure is administered on fair, transparent and non-discriminatory terms to all interested parties.

Question No. 245 answered with Question No. 240.

Sports Capital Programme 2004.

246. **Mr. Ring** asked the Minister for Arts, Sport and Tourism if he will sanction funding to a centre (details supplied) in County Mayo under the sports capital programme 2004. [4332/04]

Minister for Arts, Sport and Tourism (Mr. O'Donoghue): The national lottery funded sports capital programme, which is administered by my Department, allocates funding to sporting and community organisations at local, regional and national level throughout the country. The programme is advertised on an annual basis.

The 2004 sports capital programme was advertised in the national newspapers on 30 November and 1 December 2003. The closing date for receipt of applications was 16 January 2004. A total of 1,302 applications were received before the closing date, including one from the organisation in question. All applications are currently being evaluated against the programme's assessment criteria, which are outlined in the guidelines, terms and conditions of the programme. I intend to announce the grant allocations for the programme as soon as possible after the assessment process has been completed.

EU Presidency.

247. **Mr. Deenihan** asked the Minister for Arts, Sport and Tourism if the work of a person (details supplied) will be included as part of the 250 pieces of art work by Irish artists, during the Irish Presidency; and if he will make a statement on the matter. [4335/04]

Minister for Arts, Sport and Tourism (Mr. O'Donoghue): There are no plans to include work by the artist in question as part of the cultural programme associated with Ireland's EU Presidency.

Smoking Ban.

248. **Ms O. Mitchell** asked the Minister for

Health and Children if his Department or the Office of Tobacco Control will be drawing up guidelines for the operation of the smoking ban in psychiatric hospitals, where many patients may have nicotine addiction; and if these guidelines will be available well in advance of the introduction of the smoking ban. [4092/04]

Minister for Health and Children (Mr. Martin): A national implementation committee has been established involving the Office of Tobacco Control, the Health and Safety Authority, environmental health officers, health board representatives and the Department of Health and Children. This committee will provide assistance on the implementation of the new health measures. Guidelines on the new smoke free workplaces regulations, including the proposed exemptions, will issue in the near future.

Hospital Services.

249. **Mr. S. Power** asked the Minister for Health and Children his plan to alleviate the situation in view of recent reports which highlighted serious overcrowding at Naas General Hospital; and if he will make a statement on the matter. [4093/04]

Minister for Health and Children (Mr. Martin): Responsibility for the provision of services at Naas General Hospital rests with the Eastern Regional Health Authority. My Department has, therefore, asked the regional chief executive of the authority to examine the matter raised by the Deputy and to reply to him directly.

Health Board Services.

250. **Mr. Allen** asked the Minister for Health and Children the number of applicants awaiting home help service in Cork city, Cork county and County Kerry and the maximum and minimum length of time they are waiting. [4094/04]

Minister of State at the Department of Health and Children (Mr. Callely): The provision of health services is, in the first instance, the responsibility of the Southern Health Board. My Department has, therefore, asked the chief executive of the board to investigate the matter raised by the Deputy and reply direct to him as a matter of urgency.

Hospital Accommodation.

251. **Mr. Murphy** asked the Minister for Health and Children when funding will be made available for the 12 extra beds for Kanturk Community Hospital promised two years ago. [4106/04]

Minister of State at the Department of Health and Children (Mr. Callely): As the Deputy will be aware, responsibility for the provision of health services in the Cork area rests with the Southern Health Board in the first instance.

The Southern Health Board has submitted a draft planning brief to my Department for an 18 bed extension to Kanturk Community Hospital as part of its national development plan 2000-2006. My Department is currently examining this submission and will continue to liaise with the board to progress this project in line with the board's capital development priorities and capital funding available to the board under the national development plan.

Hospital Services.

252. **Mr. J. Breen** asked the Minister for Health and Children if he will sanction the radiotherapy unit at the Regional Hospital, Limerick; and if he will make a statement on the matter. [4107/04]

Minister for Health and Children (Mr. Martin): I recently met with both the Mid-Western Hospitals Development Trust and the Mid-Western Health Board about their proposal for the development of a radiation oncology unit on the campus of the mid-western regional hospital, Limerick. The proposal is for a facility to be constructed on a site to be made available by the Mid-Western Health Board and to be operated by a private hospital, with funds provided by the Mid-Western Hospitals Development Trust. For this development to proceed, it does not require revenue or capital resources from my Department. My sanction is not therefore required. I have also advised the representatives of the Mid-Western Health Board of the establishment of a national radiation oncology co-ordinating group with the specific remit of agreeing quality assurance protocols, including guidelines for the referral of public patients to private facilities.

As the Deputy is aware, I launched the report on 'The Development of Radiation Oncology Services in Ireland' in October 2003. Its recommendations have been accepted by Government. The Government agrees that a major programme is now required to rapidly develop clinical radiation oncology treatment services to modern standards. Furthermore, the Government has agreed that the first phase of such a new programme should be the development of a clinical network of large centres in Dublin, Cork and Galway. The implementation of the report's recommendations is the single most important priority in cancer services in the acute hospital setting.

I am committed to seeking additional Exchequer resources to implement the report's recommendations. Specifically, I have approved the purchase of two additional linear accelerators for the supra-regional centre in the south and the necessary capital investment amounting to over €4 million to commission this service as rapidly as possible. In 2004, €1 million ongoing revenue funding is being made available for the development of these services which will improve services for cancer patients in the Southern, Mid-Western and South Eastern Health Boards. I will

also provide for the appointment of two additional consultant radiation oncologists to develop services to these boards. This means a doubling of the consultant manpower for the region.

I have also approved the appointment of a project team to prepare a brief for the rapid expansion of current capacity for this region from four to eight linear accelerators. This project team is meeting for the first time this week.

Concerning the supra-regional centre at University College Hospital Galway, I am making available €2.5 million ongoing revenue funding for this service this year. This centre is constructed and the equipment is currently being commissioned. I have provided for the appointment of three consultant radiation oncologists, one of whom will have significant sessional commitments to the Mid-Western Health Board. I have requested the Western Health Board to prepare a development control plan to facilitate the expansion from three to six linear accelerators in the medium term. I have also approved the establishment of a project team to plan this expansion in the region.

National Treatment Purchase Fund.

253. **Ms O. Mitchell** asked the Minister for Health and Children the cover which is available for private practice doctors performing surgery in a private hospital for national treatment purchase fund patients. [4108/04]

254. **Ms O. Mitchell** asked the Minister for Health and Children the personal injuries cover which is available to patients having surgery in a private hospital under the national treatment purchase fund. [4109/04]

255. **Ms O. Mitchell** asked the Minister for Health and Children the cover which is available to category two doctors and their support teams performing surgery in a private hospital for national treatment purchase fund patients. [4110/04]

Minister for Health and Children (Mr. Martin): I propose to take Questions Nos. 253 to 255, inclusive, together.

Procedures undertaken in private hospitals on behalf of the national treatment purchase fund are not covered by the clinical indemnity scheme. The hospitals undertaking these procedures are required to provide their own public liability insurance for themselves and their nursing and other staff. The consultants involved are required to provide their own professional indemnity cover through membership of one of the medical defence organisations.

Hospital Waiting Lists.

256. **Dr. Upton** asked the Minister for Health and Children when and where a person (details supplied) in Dublin 8 will have an urgently-needed hip replacement operation; and if this

[Dr. Upton.]

person is entitled to avail of the national treatment purchase fund. [4161/04]

Minister for Health and Children (Mr. Martin):

Responsibility for the provision of health services to persons residing in Counties Dublin, Kildare and Wicklow rests with the Eastern Regional Health Authority. My Department has, therefore, asked the regional chief executive of the authority to investigate the matter raised by the Deputy and to reply to her directly.

Hospital Services.

257. **Mr. Connolly** asked the Minister for Health and Children the action that was taken by the general manager of Cavan General Hospital and the executive management of the NEHB following the advice of the NEHB medical adviser by letter dated 3 September 2003 that all elective surgical activity should cease *pro tempore*; the period of time all elective surgical activity ceased; and when elective surgery will recommence. [4235/04]

258. **Mr. Connolly** asked the Minister for Health and Children if, with regard to the NEHB medical adviser's letter of 3 September 2003 regarding cancellation of all elective surgical procedures, it was his intention to have both in-house elective surgical procedures and all elective day surgery cancelled. [4236/04]

Minister for Health and Children (Mr. Martin):

I propose to take Questions Nos. 257 and 258 together.

Responsibility for the provision of services at Cavan General Hospital rests with the North Eastern Health Board. My Department has, therefore, asked the chief executive of the board to examine the matters raised by the Deputy and to reply to him directly.

I met with the North Eastern Health Board on 3 February 2004 and with representatives of the hospital's medical board, at its request, on 5 February 2004 to discuss the provision of acute hospital services within the Cavan-Monaghan hospital group. The medical board representatives tabled a number of proposals at this meeting which are the subject of discussion with the North Eastern Health Board.

Departmental Staff.

259. **Mr. P. McGrath** asked the Minister for Health and Children, further to Parliamentary Question No. 396 of 25 February 2003, the position with regard to the recruitment of health care professionals within the State, in particular speech and language therapists; his views on whether the strategy outlined in his previous answer is successful; and if so, the reason there are many areas in the State still experiencing long waiting lists and, in some cases, chronic lack of speech and language therapy facilities. [4239/04]

Minister for Health and Children (Mr. Martin):

Staffing requirements overall in the health service must be viewed in the context of the substantial increases in employment levels achieved in the health services over recent years. In this regard, the Deputy may note the increase of almost 28,000, 41%, in the approved employment level for the health service between end-1997 to end-2003, bringing the national employment ceiling to 95,800 in whole time equivalent, WTE, terms, excluding home helps. This significant increase in the human resources deployed in the health service has supported substantial increases in the volume of health and social care services provided to the public over the period.

Within the total increase, large increases in employment have been achieved for key health and social care professional staff, including growth of 22.2%, +6,063 WTEs, in nursing personnel, 36.8% more medical-dental personnel, +1,832 WTEs, and over double, 112%, the number of health and social care professionals, +6,971, now employed in the health services. This considerable achievement reflects the success of the steps taken to increase the attractiveness of employment in the health services and the ongoing measures being taken in areas experiencing shortages of fully trained and qualified staff.

Developments such as pay increases, improvements in career structure and enhanced opportunities for professional and career development have all played a part in increasing staffing levels through recruitment and improved retention. The full implementation of the pay recommendations of the public service benchmarking body is expected to reinforce this process. Overseas recruitment by health agencies in specific instances over recent years also contributed significantly to meeting the workforce needs of the health services. The ongoing implementation of these and similar developments will make an important contribution to strengthening the capacity of the health services to recruit and retain the high calibre professionals required in all disciplines to fill challenging and demanding roles central to the delivery of quality health and social care services to the public.

As far as speech and language therapists in particular are concerned, the initiatives outlined in the previous reply referred to by the Deputy have contributed to the increase of 83 WTEs from 399 WTEs at the end of 2001 to 482 WTEs at the end of September 2003. This represents an increase of in excess of 17% over the period, complementing the increase of 13.5%, 345 WTEs to 399 WTEs, which took place over the two year period from end-1999 to end-2001. The continued implementation of the recommendations of the report of the expert group on various health professions, which included new pay scales and career structures, the availability of the fast track working visa scheme and the streamlining of

procedures for the validation of overseas qualifications are designed to help sustain the improvements in staffing levels achieved for speech and language therapy services, both at local and national level.

In addition, three new speech and language therapy courses commenced in the 2003-04 academic year in UCC, NUIG and UL. In total, these courses will provide an additional 75 training places in speech and language therapy. This expansion in training numbers was identified in the Bacon report as necessary to meet the long-term demand and supply balance for speech and language therapists in Ireland.

In view of the large numbers of staff employed and the unique nature of the services being delivered in the health service, it is clearly imperative that a coherent, strategic approach to workforce and human resource planning be developed further and aligned closely with strategic objectives and the service planning process. Planning for the development of new and existing health and social services in the future must be soundly based on a robust and realistic assessment of the skill and human resource needs to deliver these services. As highlighted in the social partnership agreement, Sustaining Progress, better skill mix is also of paramount importance in meeting the human resource needs of the health service. Enhanced skills mix by matching skills to service needs benefits patients and empowers health personnel to reach their full potential and optimise their contribution to quality care.

In addition to effective planning to ensure the continued availability of a qualified, competent workforce, it is also necessary for the health service to become an employer of choice to further improve potential for recruitment and retention. The record number of staff recruited into the health service in the past number of years illustrates the progress that has been made in this regard.

Having recruited and developed such a large number of staff over recent years, it is a priority to retain them by offering a challenging and rewarding career path. In the human capital and skills intensive health sector, retention has been identified as a key issue in better people management. The continuing implementation of the "Action Plan for People Management" is playing a crucial role in improving retention and reducing turnover of skilled staff, while providing the opportunity for each member of the workforce in the health sector to maximise their contribution to the creation of a quality and patient centred health service in line with the objectives of the health strategy.

In conclusion, the chief executive officer of each individual health board has responsibility for the management of the workforce, including the appropriate staffing mix and the precise grades of staff employed within that board, in line with service plan priorities, subject to overall

employment levels remaining within the authorised ceiling. Hence, the recruitment of health service staff in 2004 will take place in the context of the implementation of each health board's service plan.

Health Board Services.

260. **Mr. Naughten** asked the Minister for Health and Children the funding made to each nursing home in County Roscommon under the winter initiative; the number of patients in each nursing home under this scheme; the rate charged per patient per week; and if he will make a statement on the matter. [4273/04]

Minister of State at the Department of Health and Children (Mr. Callely): The provision of health services is, in the first instance, the responsibility of the Western Health Board. My Department has, therefore, asked the chief executive of the board to investigate the matter raised by the Deputy and reply direct to him as a matter of urgency.

Hospital Waiting Lists.

261. **Mr. Deenihan** asked the Minister for Health and Children the number of public patients awaiting in-patient treatment in Tralee General Hospital, County Kerry, on 31 January 2004; and if he will make a statement on the matter. [4353/04]

262. **Mr. Deenihan** asked the Minister for Health and Children the number of public patients awaiting out-patient treatment in Tralee General Hospital, County Kerry, on 31 January 2004; and if he will make a statement on the matter. [4354/04]

Minister for Health and Children (Mr. Martin): I propose to take Questions Nos. 261 and 262 together.

The provision of hospital services at Tralee General Hospital is, in the first instance, a matter for the Southern Health Board. My Department has, therefore, asked the chief executive officer of the Southern Health Board to reply directly to the Deputy with the information requested.

Health Board Services.

263. **Mr. Carey** asked the Minister for Health and Children when he expects that appropriate speech and language therapy assistance will be made available to a person (details supplied) in Dublin 11; and if he will make a statement on the matter. [4355/04]

Minister of State at the Department of Health and Children (Mr. T. O'Malley): The provision of health related services, including speech and language therapy, for people with physical and/or sensory disabilities is a matter for the Eastern Regional Health Authority and the health boards in the first instance. Accordingly, the Deputy's question has been referred to the chief executive officer of the Eastern Regional Health Authority

[Mr. T. O'Malley.]
with a request that he examine the matter and reply directly to the Deputy as a matter of urgency.

Driving Tests.

264. **Mr. Kehoe** asked the Minister for Transport the position regarding a person being considered as a driving tester for the Department of Transport and the qualifications required; and if he will make a statement on the matter. [4097/04]

Minister for Transport (Mr. Brennan): While the Department has no immediate plans to initiate a competition for driver testers, the position is reviewed regularly having regard to current and future requirements of the driver testing service.

Recruitment to the Civil Service is carried out centrally by the Office of the Civil Service and Local Appointments Commissioners and interested candidates can register their interest by logging on to the *www.publicjobs.ie* website. Once registered, candidates will be notified automatically when a competition is announced. Any proposed competition will also be advertised in the *Irish Independent* on a Thursday or in *The Irish Times* on a Friday.

Details of qualifications which candidates were required to possess for the last competition conducted by the Civil Service Commission included: a good general education; a satisfactory knowledge of the rules of the road, road procedures and the law relating to road traffic in so far as it concerns the driver of a mechanically propelled vehicle; at least five years satisfactory driving experience within the seven years ending on 25 June 1998; a general understanding of the working of mechanically propelled vehicles; possess report writing skill with a particular reference to accuracy, clarity and conciseness; a clean driving licence, other than a provisional licence, valid in the State on the day of the test; possess excellent interpersonal skills including the ability to communicate clearly both orally and in writing, the capacity to remain calm and courteous in dealing with applicants; possess the requisite knowledge and ability and be suitable to enter on the discharge of the duties of the position.

Road Network.

265. **Mr. Sargent** asked the Minister for Transport the costs to date, and proposed future costs, of the archaeological works in the vicinity of Carrickmines Castle and elsewhere along the route of the proposed south eastern motorway in Dublin. [2964/04]

266. **Mr. Sargent** asked the Minister for Transport the nature of, and length of time associated with, delays to the proposed south eastern motorway in Dublin. [2965/04]

267. **Mr. Sargent** asked the Minister for Transport the reasons for, and construction costs associated with, the complete redesign of the Lehaunstown interchange one mile south of the Carrickmines junction on the proposed south eastern motorway in Dublin. [2966/04]

Minister for Transport (Mr. Brennan): I propose to take Questions Nos. 265 to 267, inclusive, together.

The implementation of the south eastern motorway project including issues in relation to the archaeological costs is a matter for the National Roads Authority, NRA, and Dún Laoghaire-Rathdown County Council. I am informed by the NRA that the original targeted completion date was September 2004 and that the current target for the completion of the full project is September 2005, subject to the satisfactory resolution of outstanding legal issues regarding national monuments. Expenditure on the project to date on archaeological investigations and excavations amounts to €10 million, including €6.5 million relating to the Carrickmines section. The cost of archaeological investigations and excavations yet to be undertaken is estimated at €2 million, including €1 million on the Carrickmines section.

The additional works proposed at the Lehaunstown interchange are being funded by the private sector with no public moneys involved. These works mainly involve increasing the capacity of the interchange bridge to accommodate three lanes of traffic in each direction by providing an additional bridge over the M50 at the Lehaunstown interchange. The purpose of the revised junction arrangement is to take account of current land zonings in the area and the traffic associated with that. Dún Laoghaire-Rathdown County Council has arranged with the company involved that the construction of the interchange will not interfere with the timetable for the completion of the south eastern motorway.

Proposed Legislation.

268. **Mr. O'Connor** asked the Minister for Transport if the quality bus corridors will be included in the Critical Infrastructure Bill; if his attention has been drawn to their clear importance; and if he will make a statement on the matter. [4237/04]

Minister for Transport (Mr. Brennan): The proposed critical infrastructure, Dublin metro, is concerned solely with the acceleration and streamlining of procedures for the delivery of a metro for Dublin. Traffic and parking regulations made in 1997 and 1998 provide the statutory basis for the provision and operation of all bus lanes, including quality bus corridors.

I am aware of the importance of quality bus corridors; they have been shown to have significant benefits in reducing journey times for commuters. In this regard, my Department has

allocated €40 million in traffic management grants to the Dublin Transportation Office for disbursement to transportation agencies in the greater Dublin area and the bulk of this will go towards QBC development. The QBN project office, established early in 2003 by Dublin City Council, is spearheading ongoing development of QBCs as part of a quality bus network, QBN.

Public Transport.

269. **Mr. N. O’Keeffe** asked the Minister for Transport the grant aid available from his Department to make privately owned commuter buses wheelchair accessible. [4285/04]

Minister for Transport (Mr. Brennan): Under the national development plan there is a provision of €13 million to part finance accessibility improvements to existing public transport infrastructure and facilities but this funding is not used to purchase buses. This funding is used in the main to improve access at bus and rail stations for people with mobility and sensory impairments. There is no provision within my Department’s estimate for grant aid to make privately owned commuter buses wheelchair accessible.

My Department has had preliminary discussions with the organisations representing private bus operators with regard to developing a policy on the introduction of wheelchair accessible vehicles for their scheduled services.

Airport Facilities.

270. **Ms F. O’Malley** asked the Minister for Transport his views on whether it is acceptable that public Irish airports charge for providing facilities for wheelchair users through their busy terminals; and if he will make a statement on the matter. [4374/04]

Minister for Transport (Mr. Brennan): Aer Rianta ensures that airport facilities are adapted to the needs of people with disabilities and that persons with disabilities have adequate access to air services. Airport by-laws require service providers, which include airlines, to provide such facilities as are necessary for passengers with disabilities to avail of airline and other services.

Aer Rianta does not provide passenger handling services at the State airports. Such services are being provided by the airlines or their ground handling agents. Accordingly, Aer Rianta does not charge for the use of wheelchair services at Irish airports. Airlines currently using the State airports will arrange to supply wheelchairs free of charge to their customers who are wheelchair users.

Importation of Firearms.

271. **Mr. M. Higgins** asked the Minister for Justice, Equality and Law Reform the details of any licences or authorisations issued since 1 January 1998 for the import of stun weapons into

Ireland from the United States of America. [4219/04]

Minister for Justice, Equality and Law Reform (Mr. McDowell): In accordance with the Firearms Acts 1925 to 2000, a stun gun and any other weapon for causing any shock or other disablement to a person by means of electricity or any other kind of energy emission is classified as a firearm. It is the current policy not to grant importation licences for these weapons. No importation licences have been granted since 1 January 1998.

Possession of this type of weapon would also require a firearm certificate granted in accordance with the Firearms Acts 1925 to 2000.

Registration of Title.

272. **Mr. Ellis** asked the Minister for Justice, Equality and Law Reform if his Department will complete a dealing in the name of a person (details supplied) in County Leitrim. [4174/04]

Minister for Justice, Equality and Law Reform (Mr. McDowell): I am informed by the Registrar of Titles that this is an application for a duplicate land certificate which was lodged on 22 December 2003. Application number S2003WS002034M refers. I am further informed that this application is associated with an application under section 49, that is, acquisition of title by virtue of long possession, of the Registration of Title Act 1964 which was lodged on 11 December 2003. Dealing number D2003WS012236J refers.

Due to their complicated nature, applications under section 49, which require detailed examination of claims for registration as owners, can take some time to process. Accordingly, it is not possible to estimate a completion date at this stage. This application is dependent on the completion of D2003WS012236J which was lodged prior to S2003WS002034M. However, both applications are receiving attention in the Land Registry.

EU Presidency.

273. **Mr. Carey** asked the Minister for Justice, Equality and Law Reform if, as part of the EU Presidency programmes, he proposes to place the proposal for a framework decision on combating racism and xenophobia on the Council agenda and to press for agreement on harmonisation of criminal laws against racism and xenophobia; if he will urge member states to sign and ratify the relevant Council of Europe instruments in the field of racism, xenophobia, discrimination and the protection of minorities; and if he will make a statement on the matter. [4225/04]

Minister for Justice, Equality and Law Reform (Mr. McDowell): I refer the Deputy to my reply to Question No. 47 of 29 January 2004 concerning the Irish Presidency’s position on a Council framework decision on racism and xenophobia.

[Mr. McDowell.]

Ireland and the EU have always attached the highest priority to the work of the Council of Europe in the area of human rights. As the Irish Presidency programme states, support for human rights is a core value which underpins the Union.

274. **Mr. Carey** asked the Minister for Justice, Equality and Law Reform if, as part of the EU Presidency programme, he intends promoting the transposing of existing EU legislation combating racism and discrimination into the national laws of member states, in particular the EU race directive which should have been implemented by 19 July 2003. [4226/04]

Minister for Justice, Equality and Law Reform (Mr. McDowell): The Equality Bill 2004, which is currently before the Seanad, amends a number of provisions of the Employment Equality Act 1998 and the Equal Status Act 2000, for the purpose of giving effect to Council Directive 2000/43/EC implementing the principle of equal treatment between persons irrespective of racial or ethnic origin.

Under Article 226 of the treaty establishing the European Community, it is a matter for the European Commission, and not for the Council Presidency, to take action if member states fail to comply with their obligations under the directive.

275. **Mr. Carey** asked the Minister for Justice, Equality and Law Reform the measures that will be taken under the Irish EU Presidency to ensure that the European arrest warrant system is implemented in all member states and accession states as quickly as possible with appropriate safeguards reflecting member states' international human rights objections; and if he will make a statement on the matter. [4227/04]

Minister for Justice, Equality and Law Reform (Mr. McDowell): The framework decision on the European arrest warrant was adopted unanimously by all member states in June 2002. Each member state thereby accepted certain obligations, including the requirement to take the necessary measures to comply with its provisions by 31 December 2003. It is, therefore, a matter for each member state to comply with the obligations it assumed when agreeing to the adoption of the framework decision.

Implementation of the framework decision required the enactment of national legislation in each member state. Eight member states, including Ireland, met the deadline and the European arrest warrant is now in force in relations between those member states. Draft legislation has been presented to the national parliaments in all the remaining member states and some are expected to finalise their legislation shortly. The accession states are required to apply the framework decision from their date of accession, that is, 1 May 2004. As current President of the European Union, Ireland has already convened a meeting of national experts

to review the state of implementation across the EU. Further meetings are scheduled.

The framework decision contains several safeguard provisions, including the obligation set out in Article 1.3 to respect the European Convention for the Protection of Human Rights and Fundamental Freedoms, the ECHR. In addition, Recitals 12 and 13 of the framework decision provide that a member state may continue to apply its constitutional rules relating to due process, freedom of association, freedom of the press and freedom of expression in other media. Those recitals also provide that a person may not be surrendered if the warrant has been issued for reasons connected with his or her sex, race, religion, ethnic origin, nationality, language, political opinions or sexual orientation or if there is a risk of the death penalty, torture or inhuman or degrading treatment.

The framework decision also contains several specific mandatory and discretionary grounds for refusal of a request to surrender, for example, if the person has not reached the age of criminal responsibility or has already been tried for the offence in question, and also provides that guarantees may be required from the requesting state, for example, about a retrial where the original was held *in absentia*, before a person is surrendered. Once arrested, a person has a right to a lawyer and an interpreter.

Member states are giving effect to these provisions in a manner that is consistent with their national legal systems.

276. **Mr. Carey** asked the Minister for Justice, Equality and Law Reform if, as part of the EU Presidency programme, he will promote the ratification of the UN protocol on human trafficking by all member states and the application of its principles in the EU approach to combating trafficking; if, as President, he will address the issue of trafficking effectively by tackling the problem of human rights protection for victims of trafficking through appropriate legislative measures; and if he will make a statement on the matter. [4228/04]

Minister for Justice, Equality and Law Reform (Mr. McDowell): The UN Convention on Transnational Organised Crime and two protocols to the convention — the protocol to prevent, suppress, and punish trafficking in persons, especially women and children and the protocol against the smuggling of migrants by land, sea and air — were signed by the European Community and all 15 member states when the convention and protocols were opened for signature in Palermo in December 2000. The convention entered into force on 29 September 2003 and the trafficking protocol entered into force on 25 December 2003.

The question of community accession to the UN Convention against Transnational Organised Crime and its protocols is being examined within the Council framework under the Irish

Presidency. At a recent meeting in Vienna from 2 to 6 February, the Irish Presidency, speaking on behalf of the European Union, welcomed the coming into force of the convention and two protocols and pointed to the highly significant role that these instruments will play in combating the global problem of organised crime. The presidency encouraged all countries, who have not already done so, to pursue the ratification process.

I am preparing legislation to enable Ireland to ratify the convention and the two protocols and I expect to publish this legislation in 2004.

Tribunals of Inquiry.

277. **Mr. Gregory** asked the Minister for Justice, Equality and Law Reform the cost to the Exchequer of each tribunal of inquiry for the year 2003; and the individual payments made to each legal representative or personnel participating in the tribunals for 2003. [4229/04]

Minister for Justice, Equality and Law Reform (Mr. McDowell): The tribunals of inquiry currently in operation are the responsibility of a number of Departments. The information sought by the Deputy about the tribunals of inquiry, which fall under the responsibility of my Department is set out below.

1. Morris Tribunal.

(a) Total staff costs for the Morris tribunal for 2003 was €673,945.00. It should be noted that one solicitor involved was paid from the Chief State Solicitor's Office Vote.

(b) Amounts paid to the legal teams to the Morris tribunal in 2003 were as follows: Morris tribunal legal team — Mr. Peter Charleton SC, €518,686; Mr. Paul McDermott SC, €583,974; Mr. Anthony Barr BL, €390,411; Mr. Shane Dwyer BL, €137,757; Ms. Kathleen Leader BL, €30,247; Garda Síochána legal team — Mr. Eamon Leahy SC (R.I.P.), €254,552; Mr. Patrick Marrinan SC, €549,943; Mr. Michael Durack SC, €207,817; Ms Nuala Butler BL, €243,814; Ms Tara Burns BL, €98,615; Mr. Paul Gormley BL, €93,923; Department legal team — Mr. Paul O'Higgins SC, €36,780; Mr. Fergal Foley BL, €25,908; Ms Mary Kerrigan BL, €46,224; Garda Síochána Complaints Board legal team — McGrath Gleeson and Baldwin, Solicitors, €21,477.50; Mr. David Barnville BL, €5,984.50.

2. Barr Tribunal.

Costs for Barr Tribunal in 2003

(a) Costs for miscellaneous expenses for witnesses, consultancies, stenographers and furniture: €1,197,829.68, £156,252 — sterling, \$51,916.07 — dollars.

(b) Total staff costs for Barr tribunal for 2003 was €232,202.50.

(c) Amounts paid to legal teams to the Barr tribunal for 2003 were as follows: Barr tribunal legal team — Mr. Michael McGrath SC, €449,212.50; Mr. Ray Comyn SC, €577,170.00; Mr. Pat O'Dwyer BL, €370,260.00; Mr. John Nolan, solicitor, €184,646.00; Ms Jenny Bulbulia, researcher, €141,350.00; Garda Síochána legal team — Mr. Diarmuid McGuinness SC, €36,300.00; Mr. Cian Ferriter BL, €175,147.50.

Vetting of Staff.

278. **Ms F. O'Malley** asked the Minister for Justice, Equality and Law Reform his views on having schools included in a designated agency so that they may avail of Garda vetting. [4263/04]

Minister for Justice, Equality and Law Reform (Mr. McDowell): The working group on Garda vetting is currently finalising its report and it is hoped that it will be submitted to the Garda Commissioner and myself in the coming weeks. Full consideration will then be given to the recommendations of the working group, including modes of implementation, where appropriate.

Drug Seizures.

279. **Mr. Crowe** asked the Minister for Justice, Equality and Law Reform the amount and estimated value of heroin seized in the Cabra area in each of the past five years up to 2003; and the number of such seizures. [4266/04]

282. **Mr. Crowe** asked the Minister for Justice, Equality and Law Reform the number of arrests arising from seizures of heroin in the Cabra area in each of the past five years up to 2003; and the number of such seizures. [4269/04]

Minister for Justice, Equality and Law Reform (Mr. McDowell): I propose to take Questions Nos. 279 and 282 together.

I am informed by the Garda authorities that the following is the information requested.

Heroin	Amount seized	Approx. value	Number of seizures	Number of arrests
		€		
1999	1/2 ounce	2,666	3	3
2000	Over 1 ounce	5,500	5	5
2001	1 ounce	5,332	8	8
2002	2 ounces	10,664	11	11
2003	1 ounce	5,332	4	4

280. **Mr. Crowe** asked the Minister for Justice, Equality and Law Reform the amount and estimated value of cocaine seized in the Cabra area in each of the past five years up to 2003; and the number of such seizures. [4267/04]

281. **Mr. Crowe** asked the Minister for Justice, Equality and Law Reform the number of arrests

Cocaine	Amount seized	Approx. value	Number of seizures	Number of arrests
		€		
1999	3/4 ounce	2,133	4	4
2000	1 3/4 ounces	4,977	5	5
2001	1 1/2 ounces	4,266	3	3
2002	Over 1/2 ounce	1,700	3	3
2003	Over 1/2 kilo (c. 18 oz.)	51,500	7	7

Question No. 282 answered with Question No. 279.

Crime Levels.

283. **Mr. Crowe** asked the Minister for Justice, Equality and Law Reform the house break-ins reported in the Cabra area in each of the past five years up to 2003; and the number of arrests that have been made as a result. [4270/04]

Minister for Justice, Equality and Law Reform (Mr. McDowell): I regret that it has not been possible in the time available to obtain the information requested by the Deputy. I will contact the Deputy again when the information is to hand.

Garda Strength.

284. **Mr. Rabbitte** asked the Minister for Justice, Equality and Law Reform the number of gardaí for Tallaght for 2001, 2002, 2003; and if he will make a statement on the matter. [4357/04]

Minister for Justice, Equality and Law Reform (Mr. McDowell): I have been informed by the Garda authorities, who are responsible for the detailed allocation of resources, including personnel, that the personnel strength of Tallaght Garda station as at 1 January 2001 was 159; on 1 January 2002, it was 159; on 1 January 2003, it was 159 and on 9 February 2004 it was 163.

The situation will be kept under review and when additional personnel next become available, the needs of Tallaght Garda station will be fully considered within the context of the overall needs of Garda divisions throughout the country.

Garda Stations.

285. **Mr. Rabbitte** asked the Minister for Justice, Equality and Law Reform the reason the 1997 decision to accord divisional status to Tallaght in the matter of policing has not been implemented; when the resources that

arising from seizures of cocaine in the Cabra area in each of the past five years up to 2003; and the number of such seizures. [4268/04]

Minister for Justice, Equality and Law Reform (Mr. McDowell): I propose to take Questions Nos. 280 and 281 together.

I am informed by the Garda authorities that the following is the information requested.

accompany divisional status will be made available; and if he will make a statement on the matter. [4358/04]

Minister for Justice, Equality and Law Reform (Mr. McDowell): I have been informed by the Garda authorities that Tallaght is eleventh on the Garda building programme priority list. It is proposed to construct a new divisional headquarters on the site as part of a joint development with South Dublin County Council. The Office of Public Works is currently considering a report on the feasibility of redeveloping the site at Tallaght. However, it is not possible to give a timeframe for the commencement of this project.

The personnel strength, all ranks, of Tallaght Garda station at 9 February 2004 was 163. The situation will be kept under review and when additional personnel next become available the needs of Tallaght will be fully considered within the overall context of the needs of Garda districts throughout the country.

Illegal Immigrants.

286. **Aengus Ó Snodaigh** asked the Minister for Justice, Equality and Law Reform if his attention has been drawn to the statement in January 2004 of the Minister for Foreign Affairs welcoming the US President's decision to regularise illegal immigrants and describing it as an important first step in addressing the situation of undocumented foreign workers in a pragmatic and compassionate way; if regularisation of illegal immigrants is now Government policy; and his plans in this regard. [4359/04]

Minister for Justice, Equality and Law Reform (Mr. McDowell): The Irish migration system in recent years has been very open, in particular for the purpose of labour migration. In 2003, over 48,000 work permits were issued, following over 40,000 issued in 2002, 36,000 in 2001 and 18,000 in 2000. In addition, there are people availing of the working visa and work authorisation schemes. In this system there are no nationality quotas and

migrants have arrived from a wide range of countries, 140 in total. While the work permit system encompasses the entire spectrum of work skills, those arriving in Ireland in recent years have been predominantly at the lower skill levels. In these circumstances, where the State has provided these legal opportunities for migrants, I do not know why any non-national wishing to work in Ireland in recent years would have done so illegally.

While providing ample opportunities for legal migration to Ireland, if we also reward people who have chosen not to take the legal option by “regularising” their situation, we will undermine our system of legal migration. Such a move would also reward any unscrupulous employers who may have used illegal workers to keep workers below legal wage levels or to deny them their employment or other rights. It would also reward those people who have abused the asylum system by entering the State under the guise of seeking asylum and who have tied up resources which should be devoted to those who are genuinely fleeing persecution. I could not justify rewarding this abuse of our system by “regularising” the situation of such persons. To do this would be contrary to the interests of the vast majority of employers and non-national workers who have used the legal channels to come to Ireland and contrary to the interests of refugees.

If a person who is illegally in Ireland wishes to regularise his or her position, he or she should leave the State voluntarily and seek to return through the legal channels.

Prison Visits.

287. **Aengus Ó Snodaigh** asked the Minister for Justice, Equality and Law Reform if his attention has been drawn to the fact that since January 2004, legal counsel have been barred from visiting their clients in Mountjoy Prison on Wednesdays; if this situation is the result of a ministerial order; and the actions he will take to ensure that legal counsel are permitted to meet with their clients on Wednesdays. [4360/04]

Minister for Justice, Equality and Law Reform (Mr. McDowell): In light of the revised financial budgets within which each prison has to operate, the management in Mountjoy Prison recently made the decision not to facilitate family visits to prisoners on Wednesdays. This decision was not intended to interfere with professional visits and no ministerial order prohibiting such visits has been issued.

There may have been some initial confusion on the part of prison staff as to the intent of these new procedures and a number of legal representatives were turned away from the main gate at Mountjoy Prison. Once he was made aware of these events, the governor of Mountjoy Prison instructed staff to ensure that professional visits are facilitated in the future. The governor has also indicated that if any member of the legal profession encounters difficulties in gaining

admittance to Mountjoy Prison, they should contact his office immediately.

Prison Staff.

288. **Aengus Ó Snodaigh** asked the Minister for Justice, Equality and Law Reform if he will provide a list of the research documents and other materials used by Government officials in the deliberations into transferring the management of Loughan House and Shelton Abbey from the Prison Service operations to outside the service. [4361/04]

Minister for Justice, Equality and Law Reform (Mr. McDowell): On 11 November 2003, the Government decided to implement, from 1 January 2004, a number of measures in the event of failure to reach agreement with the Prison Officers' Association in ongoing talks on the proposed change agenda aimed at eliminating overtime payments and reducing prison costs. These measures include the transformation of the open centres at Loughan House and Shelton Abbey into post-release centres for the reintegration into society of prisoners on conditional temporary release. The precise arrangements for the running of such facilities are being finalised in my Department.

The proposal to transform the open centres into hostel type accommodation took into account all relevant information. The idea of hostel type accommodation for prisoners in order to reintegrate them into society has been put forward in many reports, including the National Economic and Social Forum report on the reintegration of prisoners, forum report No. 22; the final report of the expert group on the probation and welfare service; the national crime forum report, 1998; the management of offenders — a five step plan.

I have made it clear on several occasions, both inside and outside the House, that I want the Prison Officers' Association to agree to a reasonable and sustainable cost structure for the continued involvement of prison officers in operating our prisons and open centres. However, if consensus is not possible, I will have no option but to continue to proceed with implementation of the measures decided by Government, including alternative arrangements for the operation of Shelton Abbey and Loughan House.

Privatisation of Prisons.

289. **Aengus Ó Snodaigh** asked the Minister for Justice, Equality and Law Reform the identity and details of all conferences and meetings that representatives of his Department and the Prison Service have attended at which privatisation of prisons and criminal justice services have been discussed since 1 January 2000, including the names and dates of the conference meetings and the names of the representatives. [4362/04]

Minister for Justice, Equality and Law Reform (Mr. McDowell): No member of my Department or the Irish Prison Service has attended any conferences about privatisation of the prisons or the criminal justice agencies over the period in question.

As part of a general review of the prisoner transport system in Ireland, officials of the Irish Prison Service, the Courts Service and the Garda Síochána visited the United Kingdom Prison Service in early 2000 to develop a general understanding of how that service manages the prisoner escort function. However, no detailed research was undertaken into the experience of privatised prisoner transport in other jurisdictions. The group also visited Securicor at Sutton, near London, on 7 February 2000 and Group 4 at Broadway, Worcester, UK, on 8 February 2000 on an operational information gathering basis regarding prisoner transport. No further contact was made following the visits.

While my Department is aware that the private sector has become involved, in varying degrees, in a number of penal systems in Europe, detailed research has not been conducted into the privatisation of the prisons or the criminal justice agencies. It has always been my priority, and that of the Government, to run a decent prison service as a State service. However, such a service must be operated within a containable budget.

Special Areas of Conservation.

290. **Mr. Connaughton** asked the Minister for the Environment, Heritage and Local Government if bog owners in the Ballinasloe, County Galway area, who recently had their properties designated as special areas of conservation will be allowed to cut their domestic supply of turf in 2004; and if he will clarify the matter as the turf season is fast approaching. [4252/04]

Minister for the Environment, Heritage and Local Government (Mr. Cullen): It has been the policy of my Department to allow turf cutting for domestic purposes to continue for the time being, including in 2004, in bogs which have been designated for conservation in the Ballinasloe area and in other parts of the country. However, the Department does not permit cutting by sausage machine in these bogs. Where it becomes necessary in a small number of particularly sensitive areas to further restrict domestic turf cutting, this will be notified to the parties concerned by the local conservation ranger.

Planning Issues.

291. **Mr. Kenny** asked the Minister for the Environment, Heritage and Local Government if he intends to scrap all county development plans as part of the Government's strategy to provide more one-off housing in the countryside; and if he will make a statement on the matter. [4082/04]

Minister for the Environment, Heritage and Local Government (Mr. Cullen): Overall Government policy on one-off rural housing is set out in the national spatial strategy, NSS, which was published in November 2002. The rural settlement policy framework contained in the NSS aims to sustain and renew established rural communities, while strengthening the structure of villages and smaller settlements to support local economies, ensuring that key assets in rural areas are protected to support quality of life and ensuring also that rural settlement policies are responsive to the differing local circumstances in different areas.

It is vital that there is certainty and consistency in the implementation by planning authorities of Government policy in this matter through their development plans and in the operation of the development control system under planning legislation. This is the purpose of the guidelines under the Planning and Development Act, which I intend to bring forward to deal with this issue. These are at an advanced stage of preparation and I hope to issue them as soon as possible. The guidelines should not entail that existing development plans will become obsolete. Planning authorities will need, however, to review their development plans to ensure that they fully reflect the provisions of the forthcoming guidelines.

292. **Mr. Kenny** asked the Minister for the Environment, Heritage and Local Government if he proposes to enable members of the indigenous population to access the planning process with fewer restrictions; and if he will make a statement on the matter. [4083/04]

Minister for the Environment, Heritage and Local Government (Mr. Cullen): I assume the question relates to the issue of facilitating, where possible, planning permissions for housing in rural areas for applicants who have roots in or links to the area.

Overall Government policy on rural housing is set out in the national spatial strategy, NSS, which was published in November 2002. The rural settlement policy framework contained in the NSS aims to sustain and renew established rural communities, while strengthening the structure of villages and smaller settlements to support local economies, ensuring that key assets in rural areas are protected to support quality of life and ensuring also that rural settlement policies are responsive to the differing local circumstances in different areas. While it has been a traditional feature of many local authority development plans that provision is made for accommodating the housing requirements of the rural community, there is a need for national guidance on this issue, working within the framework set out in the NSS.

Furthermore, it is vital that there is certainty and consistency in the implementation by planning authorities of Government policy in this matter through their development plans and in

the operation of the development control system under planning legislation. This is the purpose of the guidelines under the Planning and Development Act which I intend to bring forward. These are at an advanced stage of preparation and I hope to issue them as soon as possible.

293. **Mr. Kenny** asked the Minister for the Environment, Heritage and Local Government the way in which he intends to co-ordinate/synchronise a planning process at national, regional and local level; and if he will make a statement on the matter. [4084/04]

Minister for the Environment, Heritage and Local Government (Mr. Cullen): The Planning and Development Act 2000 provides for a structured hierarchy of plans at national, regional and local levels and these are now actively being put in place. A range of measures is under way to advance the implementation the national spatial strategy, NSS, which was published by the Government in November 2002.

At national level, my Department is co-ordinating a process for the integration of NSS considerations into the programmes and activities of Government Departments and agencies. At regional level, to support NSS implementation, regional planning guidelines are currently being prepared by all regional authorities, with the objective of having guidelines adopted in all regions by May 2004. Regulations made by me already provide that regional authorities must take account of the NSS in making regional planning guidelines.

At planning authority level, section 10 of the 2000 Act requires a development plan to set out an overall strategy for the proper planning and sustainable development of the relevant local authority functional area. Section 27 of the Act further provides that in making and adopting a development plan, a planning authority must have regard to any regional planning guidelines in force for its area. In terms of NSS implementation at local level, planning authorities are putting in place development frameworks and plans, at the gateway and hub level, that will support the achievement of a critical mass of development at strategic locations. These are already established in a number of locations, for example, Cork area strategic plan, Galway transportation and planning strategy, and are well advanced in others.

The Planning and Development Act also provides for statutory local area plans. Local area plans are mandatory for areas designated as towns in the most recent census of population, which have a population in excess of 2,000 and which are situated within the functional area of a county council. In addition, a planning authority may prepare a local area plan for any area within

its jurisdiction which it considers suitable, in particular for those areas that require economic, physical and social renewal and for those likely to be subject to large scale development within the lifetime of the plan. The Act requires that a local area plan must be consistent with the objectives of the relevant development plan.

Section 28 of the Act provides that the Minister may, at any time, issue guidelines to planning authorities regarding any of their functions under the Act and requires planning authorities and An Bord Pleanála to have regard to such guidelines in the performance of their functions. Such guidelines have been issued to date with regard to a variety of specific planning matters, for example, residential density, retail planning, telecommunication masts and so forth, to ensure the handling of such types of development by the planning system in a standardised manner that is fully aligned with national policy. Work is underway in my Department on the preparation of a number of further guidelines which I propose to issue during 2004.

Development Contribution Schemes.

294. **Mr. Kenny** asked the Minister for the Environment, Heritage and Local Government the proposed date the development levy will be enacted; and if he will make a statement on the matter. [4085/04]

Minister for the Environment, Heritage and Local Government (Mr. Cullen): A number of planning authorities have already adopted development contribution schemes, under section 48 of the Planning and Development Act 2000, which significantly revise the previous development contribution system. All development contribution schemes under the new provisions of section 48 must be made by 10 March 2004.

Dormant Accounts Fund.

295. **Mr. J. Bruton** asked the Minister for Community, Rural and Gaeltacht Affairs the procedures he has put in place to allow specialist community groups to apply for funds collected by the Minister for Finance from dormant accounts, to allow the specialist community groups to use the funds in local communities; if he has provided advisers to groups who are seeking funds under this scheme to assist the community groups in their applications and in the completion of any project evaluation to obtain such funds as are now available from funds collected from dormant accounts; and if he will make a statement on the matter. [4091/04]

Minister of State at the Department of Community, Rural and Gaeltacht Affairs (Mr. N. Ahern): The dormant accounts fund disbursements board published its first

[Mr. N. Ahern.]

disbursement plan on 7 November 2003. The plan sets out the board's priorities and provides for the distribution of funds to assist programmes or projects targeting three broad categories of persons — those affected by economic and social disadvantage, those affected by educational disadvantage and persons with a disability. A significant level of disbursements from the fund will be ring-fenced for programmes and projects within RAPID, CLÁR and drugs task force areas.

The board has engaged Area Development Management Ltd., ADM, to administer the initial round of funding on its behalf. Detailed guidelines outlining the application and appraisal procedures have been developed by ADM in consultation with the board. These guidelines, which are available from ADM or through the board's secretariat, set out clearly the criteria against which applications will be assessed and provide examples of eligible actions.

An invitation to organisations, groups and so forth to make applications for funding under the scheme was advertised in the national press on Friday, 21 November 2003. ADM is processing and assessing applications received and making recommendations to the board for decision on an ongoing basis. If any organisation or community group requires assistance in completing an application for funding, it should contact ADM directly.

Community Development.

296. **Mr. Crowe** asked the Minister for Community, Rural and Gaeltacht Affairs the progress of the Government's review of the community development programme, local development and social inclusion programme, the Leader programme, the national drugs strategy and the RAPID programme; if an agreement has been reached; and when those people expected to implement any and all decisions will be informed of what has been decided. [4114/04]

297. **Mr. Crowe** asked the Minister for Community, Rural and Gaeltacht Affairs the decisions taken by the Government in the course of the review of the community development programme, local development and social inclusion programme, the Leader programme, the national drugs strategy and the RAPID programme. [4115/04]

298. **Mr. Crowe** asked the Minister for Community, Rural and Gaeltacht Affairs if a Cabinet memo dealing with decisions taken in the course of the review of the community development programme, local development and social inclusion programme, the Leader programme, the national drugs strategy and the RAPID programme has been produced and

disseminated to various community development programme groups; and if all such decisions taken were communicated. [4116/04]

Minister for Community, Rural and Gaeltacht Affairs (Éamon Ó Cuív): I propose to take Question Nos. 296, 297 and 298 together.

I am assuming that the Deputy is referring to the review of local and community development structures that was initiated by myself and my colleagues, the Ministers for Environment, Heritage and Local Government and Justice, Equality and Law Reform, in February 2003. I refer the Deputy to earlier questions on this topic, in particular my reply to Questions Nos. 151, 153, 156, 163, 172, 173 and 185 on 4 February 2004, which give details of Government decisions arising from the review.

The decisions are being communicated to the various local and community agencies.

Community Support for Older People.

299. **Mr. Ring** asked the Minister for Community, Rural and Gaeltacht Affairs the number of elderly people and community groups in each county which have received grants from his Department for personal alarms; if his attention has been drawn to the fact that the personal alarms of many elderly people in the western region are now inoperable due to a change in telephone numbers; if his Department will provide funds to community groups to have these alarms re-programmed; and if he will make a statement on the matter. [4341/04]

300. **Mr. Naughten** asked the Minister for Community, Rural and Gaeltacht Affairs if his attention has been drawn to the fact that many personal alarms provided to the elderly and funded through grant aid from his Department are currently inoperable due to the recent change in phone numbers by ComReg; if he will provide funds to community groups to have these alarms re-programmed in view of the prohibitive cost facing many elderly people; and if he will make a statement on the matter. [4343/04]

Minister of State at the Department of Community, Rural and Gaeltacht Affairs (Mr. N. Ahern): I propose to take Questions Nos. 299 and 300 together.

The purpose of the scheme of community support for older people is to improve the security and social support of vulnerable older people. This funding is provided by way of grant aid to voluntary groups and organisations that have undertaken to identify those elderly people in need of assistance under the scheme. My Department has not received any complaints of the nature described by the Deputies. In light of the Deputies' inquiry, my Department has contacted the main service providers who have advised that they have not encountered any

particular difficulties with the changes in phone numbers. If the Deputies could furnish me with

details of the individuals affected, I will arrange for their circumstances to be investigated.

Scheme of Community Support for Older People, 2003

County	No. of groups funded	Amount funded	No. of people funded
		€	
Carlow	6	13,000	39
Cavan	19	84,750	311
Clare	10	66,620	142
Cork	52	230,094	693
Donegal	23	91,348	348
Dublin	35	1,090,929	3253
Galway	27	121,165	399
Kerry	14	38,900	116
Kildare	12	54,240	203
Kilkenny	9	54,265	161
Laois	6	32,998	114
Leitrim	11	45,263	153
Limerick	15	202,001	531
Longford	3	15,276	39
Louth	9	69,400	201
Mayo	22	99,412	310
Meath	14	70,500	263
Monaghan	8	14,442	55
Offaly	7	44,887	173
Roscommon	11	28,128	76
Sligo	18	44,856	164
Tipperary	18	72,274	219
Waterford	13	45,684	207
Westmeath	3	12,961	43
Wexford	16	46,735	133
Wicklow	11	166,938	423
TOTALS	392	2,857,066	8,769

Question No. 301 answered with Question No. 104.

Question No. 302 answered with Question No. 96.

Question No. 303 answered with Question No. 104.

EU Reports.

304. **Mr. Ferris** asked the Minister for Social and Family Affairs if she will make a statement on the EU report of June 2003 on women in rural areas; and the way in which her Department proposes to implement the report's recommendations on retirement, maternity, disability and other benefits. [4166/04]

Minister for Social and Family Affairs (Mary Coughlan): The report on women in rural areas of the European Union was developed by the European Parliament's committee on women's rights and equal opportunities to inform the mid-term review of the Common Agricultural Policy. The main issue of relevance to my Department

relates to the availability of social insurance and consequent benefits for women working in agriculture with particular regard to the situation of existing spouses.

In this country, the social insurance status of men and women engaged in a family business, including farms, varies with the circumstances of the case. The legislation provides that a person, man or woman, who is employed directly by his/her spouse is not covered by social insurance. Likewise, if a spouse participates in the business of a self employed contributor but is not a partner in the business, he/she is not liable for social insurance.

However, where both are engaged in a business partnership together, they are treated as individual self employed contributors. Both make social insurance contributions and enjoy social insurance benefits accordingly, including maternity benefit and old age pensions. Furthermore, where a family business is incorporated as a limited company, spouses in the business pay contributions either as employees of the company or as self employed persons if they are proprietary directors of that company.

[Mary Coughlan.]

A working group was established under social partnership, and is chaired by my Department, to “produce proposals for the development of a fully inclusive social insurance model which would facilitate combining work and family responsibilities in the context of changing working and social patterns”. The social partnership group is currently examining further the issue of insurability of spouses, including how to assist in promoting knowledge among farming communities of the availability of the partnership option. The social partnership group is expected to report in the near future.

International Day of the Family.

305. **Mr. Eamon Ryan** asked the Minister for Social and Family Affairs the input her Department will have in the international conference planned for 13 and 14 May 2004 with regard to the international day of the family; and if she will make a statement on the matter. [3817/04]

Minister for Social and Family Affairs (Mary Coughlan): The conference in question is being hosted by me as part of the celebrations of the tenth anniversary of the international year of the family and in conjunction with the EU Presidency. This conference, entitled “Families, Change and European Social Policy” will take place in Dublin Castle on 13 and 14 May and will mark, at EU level, the tenth anniversary in the run up to the international day of the family on 15 May.

This conference is being designed, in line with the objectives of the year, to focus on the demographic, economic, political and social changes affecting families, with particular reference to EU policies in this field. It will also provide a forum for exchanges on the latest policy developments. The conference will also be one of the first international social policy conferences of the enlarged Union, following formal enlargement on 1 May.

My Department, in co-operation with the EU Commission, is currently making the preparations for the conference and a draft programme is being prepared. The conference’s departure point is a view of the family as a valuable and key resource in society and will facilitate three types of discussion: the role of families in European societies, the nature of family life today, how it is changing and the positive contributions which the family makes to society and social life; the challenges facing contemporary social policy in Europe from the perspective of families and family change; how future social policy on families should be configured.

I am aware of the interest being raised in regard to the Irish Presidency in general and social policy issues in particular and I look forward to progressing this agenda actively during our Presidency. I will arrange for a copy

of the conference programme to be forwarded to the Deputy when it is finalised.

Social Welfare Benefits.

306. **Mr. Durkan** asked the Minister for Social and Family Affairs if she intends to improve the dental benefit scheme; and if she will make a statement on the matter. [4364/04]

307. **Mr. Durkan** asked the Minister for Social and Family Affairs if she has plans to improve the optical benefit scheme; and if she will make a statement on the matter. [4365/04]

Minister for Social and Family Affairs (Mary Coughlan): I propose to take Questions Nos. 306 and 307 together.

The treatment benefit scheme provides a range of benefits in the areas of dental, optical and aural treatment for qualified PRSI contributors and their dependent spouses where appropriate. The operation of the schemes is subject to ongoing monitoring by my Department and the question of further improvements would be a matter for consideration in a budgetary context and in the light of available resources. There are no immediate plans for changes to either the dental or optical benefit scheme.

Question No. 308 answered with Question No. 96.

309. **Mr. Durkan** asked the Minister for Social and Family Affairs if she has plans to extend the free telephone rental allowance; and if she will make a statement on the matter. [4367/04]

Minister for Social and Family Affairs (Mary Coughlan): The free schemes, including the electricity/gas allowance, telephone allowance and free television licence schemes, are generally available to people living in the State, aged 66 years or over, who are in receipt of a social welfare type payment or who meet the conditions of a means test. They are also available to all people aged 70 years and over, to carers and to people with disabilities under the age of 66 who are in receipt of certain welfare type payments. Widows and widowers aged from 60 to 65 whose late spouses had been in receipt of free schemes retain that entitlement to ensure that households do not suffer a loss of entitlement following the death of a spouse.

The telephone allowance scheme is provided as a cash credit to the value of €24.70 monthly, including VAT. To facilitate competition in the market, a hub operator system has been developed in consultation with my Department and the Commission for Telecommunications Regulation, ComReg, to facilitate the participation of other land line operators and mobile phone operators in the scheme. The current arrangements for the free schemes, including the telephone allowance, will be kept under review in the context of future budgets and available resources.

Question No. 310 answered with Question No. 84.

Question No. 311 answered with Question No. 96.

312. **Mr. Durkan** asked the Minister for Social and Family Affairs if she can identify means of expediting the processing of applications for entitlements where contributions from one or more countries are involved; and if she will make a statement on the matter. [4370/04]

Minister for Social and Family Affairs (Mary Coughlan): My Department has bilateral social security agreements with Austria, Australia, Canada, New Zealand, the United Kingdom, the USA, Switzerland and Quebec. EU regulations govern arrangements with other EU member states.

In 2002, as part of a review of the implementation of EU and bilateral arrangements, my Department examined the time taken to have social insurance records made available. The results indicated that my Department is not experiencing difficulty with any one country at this point in time. However, the situation is being monitored and further action will be taken if circumstances warrant it.

Most applications for short-term claims where contributions from one or more countries are involved, require a person's record for a single "governing contribution year", for example, for claims beginning after 1 January 2004 a person's 2002 contribution record would be required. In general these claims are dealt with in a reasonable length of time. For a long-term claim, since applications are based on a combination of Irish insurance contributions and contributions from another country, the process takes longer than normal for a variety of reasons.

Entitlement to a standard rate pension must first be determined. Where there is no such entitlement, the applications are then considered in the context of any EU contributions they may have. These cases are more complex than standard cases and involve checking insurance records from various sources. In cases where employment contributions have been made outside EU countries, entitlement may have to be tested under more than one agreement. In all cases the over-riding consideration is to ensure that customers receive their correct entitlement and, accordingly, decisions cannot be taken until all appropriate information is received and clarified. Delays in processing applications do not result in any losses to pensioners, the majority of whom are already in receipt of a basic pension. Those who qualify for additional payment on the basis of contributions in other countries have their claims backdated in accordance with the appropriate provisions.

This Department is currently participating in the work of the EU technical commission on data processing for the administrative commission on

social security for migrant workers. The main objective of the technical commission is to monitor and initiate projects aimed at simplifying administrative procedures in order to improve arrangements for the acquisition of rights and the award and payment of social security benefits. Officials from my Department are currently involved in a working group to draw up a plan of action for data exchange, to identify any obstacles to progress, both technical and administrative, and to propose measures to progress this work, including financial aspects. It is expected that a plan of action will be presented to the administrative commission before the end of 2005.

Social Welfare Budget.

313. **Mr. Durkan** asked the Minister for Social and Family Affairs the number of people who have been affected by the cutbacks announced by her Department in the budget; and if she will make a statement on the matter. [4372/04]

314. **Mr. Durkan** asked the Minister for Social and Family Affairs the extent of the savings accruing to her Department arising from cutbacks announced in the budget; and if she will make a statement on the matter. [4373/04]

Minister for Social and Family Affairs (Mary Coughlan): I propose to take Questions Nos. 313 and 314 together.

Following the publication of Estimates 2004 and the social welfare improvements announced in budget 2004, social welfare spending in 2004 will be a projected €11.26 billion, an increase of 7% over the outcome for 2003. The 2004 Estimates for social welfare expenditure, published last November, were framed so as to stay within the overall spending guidelines agreed by the Government.

In the 2004 Estimates, a number of measures were announced which will result in an estimated net savings in the social welfare spending of €55.8 million in 2004, representing 0.5% of social welfare total spend. In a number of cases the adjustments were made on the basis that the service in question is more appropriate to the remit of another Department and not in keeping with the underlying objectives of the social welfare scheme concerned. The associated social welfare savings and the number of recipients affected by each measure in 2004 are as follows.

The increase in the qualifying period for back to education allowance, BTEA, from six months to 15 months in respect of the third level option will affect approximately 1,200 claimants and the estimated gross savings will be €2.2 million. With regard to the abolition of the transition payment that currently exists for recipients of OPFP, the estimated average weekly number of persons affected is 350 and estimated savings are €1.3 million in 2004. The increase in the rate of the minimum contribution for rent supplement to be made by the recipient from €12 to €13 per week

[Mary Coughlan.]
will affect approximately 60,000 recipients and will result in savings of €3 million. Exclusion from rent supplement where either of a couple is in full-time employment will save €1 million and will affect approximately 150 recipients.

Entitlement to rent supplement, with certain exceptions, where the applicant has not already been renting for a period of six months is discontinued, with provision for exceptions such as the homeless and people who are at risk. It is expected that 2,000 applications for rent supplement will be affected by this measure with an estimated net saving of €10.5 million. With regard to referral of rent supplement claimants to the local authority to have their housing needs assessed and refusal of rent supplement where an applicant has left or refused offers of local authority housing, it is estimated that approximately 100 such cases may arise in the year which will generate savings of approximately €0.6 million. Discontinuance of the creche supplement scheme will affect approximately 1,600 supplements, generating savings of €2.3 million.

Discontinuance of the MABS supplement will affect approximately 370 supplements, generating savings of €0.7 million in the SWA budget. With regard to restructuring the diet supplement scheme to take account of changes in the level of social welfare payments generally, the expected savings are €1 million approximately, with 1,700 supplements affected. Entitlement to child dependant allowance, CDA, in respect of all unemployment benefit and disability benefit claims where the claimant's spouse/partner has gross weekly earnings in excess of €300 is discontinued. The estimated savings for this measure are €10.4 million. The weekly average number of recipients affected is approximately

16,800. There is an increase in the current weekly earnings threshold for the purposes of the payment of reduced rates of disability benefit, unemployment benefit and health and safety benefit, known as graduated rates, from €88.88 to €150 and, as a consequence, an increase in the thresholds for the three bands used for the purposes of these graduated rates. This measure is, in effect, an adjustment of the threshold in line with inflation. The gross savings are estimated at €14.3 million. The net savings, having regard to the number of persons who will otherwise qualify for UA or SWA, are €7.4 million. The approximate numbers of persons affected in 2004 will be 10,300.

The discontinuance of additional half rate payment of disability, unemployment and related benefits, where the recipient is already in receipt of widow/ers pensions, lone parent payments and so forth for new claimants will result in estimated savings of €5.8 million in 2004. The approximate number of persons affected will be 2,000. The increase in the underlying number of paid contributions required from 39 to 52 for entitlement to disability benefit, unemployment benefit and health and safety benefit will yield estimated gross savings of €2.5 million. The average weekly number of recipients affected will be approximately 400 in 2004. There is an increase in the period within which claims are linked with a previous claim from 13 weeks to 26 weeks. The estimated annual savings are €2 million and the average weekly number of persons affected is 275. There is a reduction in maximum duration unemployment benefit from 390 days to 312 days where less than 260 PRSI contributions have been paid since first entering employment. The estimated savings are €5.2 million. This measure will affect an average weekly number of recipients of approximately 700.