



DÍOSPÓIREACHTAÍ PARLAIMINTE  
PARLIAMENTARY DEBATES

DÁIL ÉIREANN

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

Wednesday, 10 March 2004.

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# DÁIL ÉIREANN

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### TUAIRISC OIFIGIÚIL OFFICIAL REPORT

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*Dé Céadaoin, 10 Márta 2004.*  
*Wednesday, 10 March 2004.*

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

*Paidir.*  
*Prayer.*

#### Leaders' Questions.

**Mr. Kenny:** Will the Taoiseach agree that the argument about particular persons being members of the IRA Army Council is irrelevant in the context that the IRA still exists, is involved in punishment beatings, extortion, abductions, information gathering, money laundering and organising robberies? Is he aware of these facts based on intelligence briefings? Will he confirm whether he has had intelligence briefings, as has the Minister for Justice, Equality and Law Reform? Is he aware, therefore, of the extent of criminal activities in Dublin Port? Does he accept his Government has a responsibility to act in a political sense in providing resources so that the Garda and the Criminal Assets Bureau can do their job?

Arising from that, has the Taoiseach had discussions with the Chairman of Dublin Port, former Fianna Fáil councillor, Mr. Joe Burke, under whose remit and in whose area the alleged criminality is taking place? Will he accept that he and the Government have a clear political responsibility to deal with these matters? Has he evidence of extortion, money laundering, public houses fronting for the IRA and that its existence destroys the democratic credentials of its political wing, namely, the Sinn Féin Party?

**The Taoiseach:** Deputy Kenny referred to various activities in which the IRA is involved. Recent events, including events which have been evident for a considerable time and the near execution of an individual, have focused on the fact that there is criminality and that these matters are linked to the IRA. During recent interviews, the Minister for Justice, Equality and Law Reform and I referred to criminality associated with Dublin Port and links to paramilitary activity. Incidents in the port area are linked to paramilitaries and are a cause for deep concern.

This is not a party political matter. No one is trying to score points, and I am not replying to Deputy Kenny in that way. It is a matter of the most serious criminality carried out by persons associated with paramilitary organisations, and that is not acceptable in a democratic society. It is a matter for the Garda to prove conclusively and for the DPP to be able to bring forward these cases. That is an ongoing difficulty that has existed for 30 years. There is a responsibility to pursue those involved and bring them before the courts if possible, and the Government will give its full support in doing so.

The activities of paramilitaries affect our efforts to advance the peace process. People are

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being brutalised and maimed on a daily basis in Northern Ireland. This does not make our job any easier. I do not want to raise these issues but I cannot convince other parties to do things when these crimes are taking place. I would appreciate Deputy Kenny not pushing me on the issue when all these crimes cannot be proved. Unfortunately, even when there is extremely good intelligence information, and I have been briefed, I cannot make it known. I have always asked why these matters cannot be proved, but that is a longer story which I cannot control. Paramilitary activity, whether in Dublin or Northern Ireland, must end, and the message is loud and clear. I am more interested in bringing an end to these activities and getting on with the political aspect.

The fact that the Minister for Justice, Equality and Law Reform and I have raised these matters, particularly on Dublin Port, has indirectly resulted in a lot of action being taken that might put an end to some of these criminal events or the linking of criminal gangs to those orchestrated elsewhere. There is good intelligence which indicates that the message is sinking home and some of these acts might end.

**Mr. Kenny:** I do not wish to interfere in the process of bringing criminals to justice. It is a matter for the DPP, the Garda and the courts to prove these cases. Will the Taoiseach repeat whether he has had individual intelligence briefings at the same information levels as are available to the Minister for Justice, Equality and Law Reform? I accept that the Taoiseach has put a great deal of effort into moving forward the peace process. However, the persistent claim that, prior to the 1997 general election, a member of the Fianna Fáil Party met members of the IRA Army Council to ask it to delay the implementation of a ceasefire has caused me concern over the years. Does the Taoiseach have knowledge of this matter so as to put it to rest for once and for all?

Is the Minister for Justice, Equality and Law Reform actively following the policy of allowing the Criminal Assets Bureau, and whatever resources the Garda needs, to deal with these criminal elements, be they public houses fronting for the IRA or whatever? The Fine Gael Party has never had a problem in dealing with the appeasement of the men of violence. We have never had any equivocation about it nor has the Taoiseach. However, these questions must be answered as they impact on the democracy in which we all live.

**The Taoiseach:** Deputy Kenny has asked three separate questions. First, criminality and politics do not mix in this jurisdiction, Northern Ireland or anywhere else, which is why we want to see the end of it. It is not a political point, it is just that we want to see the end of it.

To my knowledge, I do not believe that anyone in Fianna Fáil ever met the IRA Army Council

pre-1997. I do not believe any such meeting ever took place with anybody asking that the ceasefire be delayed. I am certain about this because I was deeply involved in that period. I am emphatic that no meeting in any form occurred.

The answer to the question on allocation of resources is an emphatic "yes". With whatever resources are necessary, we will continue to investigate these activities through the Criminal Assets Bureau and the various Garda intelligence units. There have been many suggestions about racketeering in petrol, vodka and so on of which the Garda is well aware. I have been given briefings about the matters we indicated recently, but I would rather not go into the specifics.

**Mr. Rabbitte:** The traditional exodus on St. Patrick's Day of Ministers to 25 different locations around the world where they will meet Irish immigrant communities and do the business of Ireland will occur again. In that regard, I wish to ask the Taoiseach about our less successful emigrants, many of whom have fallen on very hard times, especially in a number of British cities, living in unimaginable isolation and squalor, as was evident in a recent television programme. In that context, will the Taoiseach inform the House about the task force that reported to the Minister for Foreign Affairs on emigrants in August 2002?

The task force recommended the creation of an Irish agency abroad and the provision of €18 million in 2003, rising to €34 million in its entirety. Up to €8 million of this would go to welfare services for those in the most desperate conditions. These were the people, who in the bad days of the 1950s and 1960s, remitted moneys home, without which many families would not have been able to survive. Now, those people have fallen on hard times. The €8 million was a small amount of money during the Celtic tiger and the booming economy, yet the Minister for Foreign Affairs, Deputy Cowen, responded by cutting the €2.7 million that was paid to DION by 5% for 2003. On 27 January, during the debate on the Labour Party motion on the plight of Irish emigrants, Deputy Cowen said: "... I am determined that we can and will do better as quickly as possible." He also said: "I hope to be able to find additional funds through savings in my Department's Vote later this year."

Will the Taoiseach set up the agency for the Irish abroad as requested by Bishop Hegarty on behalf of the bishops' commission on our emigrants? Will additional moneys be provided? Will any of the 17 recommendations in the task force report, which were duly ignored by the Government on receipt in August 2002, be implemented?

**The Taoiseach:** Next week, Government Ministers will engage in the celebration of the national feast day throughout the world. We hope to link this, as always, with political, cultural and tourism work. Detailed briefs have been given by

the various Departments and agencies. Work has gone on since Christmas to ensure that the trips are not just for attending parades but also detailed meetings with tourism, political and business groupings.

On Deputy Rabbitte's substantive point on the task force report on Irish emigrants, there was a debate in the House some weeks ago and the Minister for Foreign Affairs, Deputy Cowen, referred during that debate to the report. Since 1997, €18 million has been provided in DION grants. That, by and large, goes to welfare services, services for the elderly and to assist people who are less well-off. As Deputy Rabbitte has outlined, many people left Ireland in previous years who worked abroad and who now have not got proper pensions or insurance schemes. Approximately two thirds of the recommendations made by the advisory group are already under way. The handling of DION grants has been moved from the Department of Enterprise, Trade and Employment to the Department of Foreign Affairs. It has been decided not to set up dedicated agencies but instead a unit in the Department of Foreign Affairs, chaired by the Secretary General, to decide on these issues.

Since the report was published, the Department has been meeting fortnightly, if not weekly, with emigrant groups to co-ordinate activities in assisting them. To assist on the ground in London, grants have been given to the Irish agencies in England. They are in the process of appointing development officers on the ground in the various regions to better use the resources allocated to Irish agencies and to leverage funds from local authorities in Britain so as to better co-ordinate welfare efforts for the elderly. It is believed that dedicating development officers on the ground will lead to better co-ordination of welfare activities.

Two thirds of the report's recommendations are already in place. The group is meeting fortnightly, if not weekly. There will be a dedicated unit set up in the Department of Foreign Affairs rather than an agency. The Government will continue to fund DION as I have outlined.

**Mr. Rabbitte:** I did not make any remark either way about the merits of the ministerial visits to 25 locations. I am not raising that point.

**The Taoiseach:** I accept that.

**Mr. Rabbitte:** I am raising the question of the provision this State is making for people whom we forced out in the 1950s and 1960s with little formal education, some of whom have fallen on hard times in British cities and who are living in the most unimaginable conditions, as was seen in a recent television programme. The two key recommendations in the report are Bishop Hegarty's call for the establishment of an agency for the Irish abroad and increased funding. They

recommended a provision of €18 million in 2003. The response of the Minister for Foreign Affairs was to cut the €2.7 million that had been provided to €2.5 million in 2003.

Will the Taoiseach set up the agency? He seems to say that he will not. How can a committee or unit in the Department of Foreign Affairs do the same job? How could the Secretary General of the Department of Foreign Affairs, preoccupied as he is with other duties, have been expected to have given the matter a higher ranking than it manifestly has had? The report of the task force was ignored and nothing was done. Is it a matter for the Secretary General of the Department of Foreign Affairs? If Bishop Hegarty and others who have worked with emigrants in poor conditions abroad recommend an agency, does that recommendation not have a great deal of merit? That is argued at some length in the report given to the Government.

On funding, the Taoiseach can provide €18 million to store the electronic voting equipment of the Minister for the Environment, Heritage and Local Government, which is more than it costs us to vote at the moment, but he cannot provide that kind of money for Irish people who, through their remittances, kept families alive in parts of Ireland in those years.

**The Taoiseach:** There are about 70 recommendations in the commission report. About two thirds of those, that is about 50, are being implemented. As soon as the report was received, an interdepartmental group was set up. The Minister for Foreign Affairs, Deputy Cowen, reported on that to the House in a recent Private Members' Business debate.

**Mr. Stagg:** No money.

**The Taoiseach:** There was additional——

**Mr. Stagg:** No money.

**An Ceann Comhairle:** If Deputy Stagg continues to interrupt, he will have to leave the House.

**Mr. Stagg:** Around the edges there is no money. The emigrants sent back €3.5 billion, and we have no money for them. The Taoiseach is miserable.

**An Ceann Comhairle:** Does Deputy Stagg wish to leave the House? The Chair will facilitate him.

**Mr. Stagg:** I think I do wish to leave the House.

**Mr. Rabbitte:** The Minister, Deputy Cowen, did not report; he was dragged in here on our Private Members' motion.

**The Taoiseach:** Additional resources were given to DION in the previous budget and, as I stated, in recent years DION has continued to receive additional resources. More importantly,

[The Taoiseach.]  
to help the individuals who were highlighted in the programme——

**Mr. Stagg:** The essentials are left out.

**The Taoiseach:** —development workers and their salaries are now being linked to the agencies at home and abroad to equip them as I indicated earlier.

**Mr. Stagg:** Rubbish. What was the report for?

**An Ceann Comhairle:** If Deputy Stagg interrupts once more, he will leave the House.

**Mr. Penrose:** We can all leave the house.

**The Taoiseach:** I will not point out how much money used to be given to DION. A substantial amount of money is being given now, but more than——

**Mr. Stagg:** Substantial money is not being given.

**An Ceann Comhairle:** Deputy Stagg will leave the House.

**Mr. Stagg:** Last year, €18 million was given to PuncHESTOWN and DION only gets something like €2.5 million.

**An Ceann Comhairle:** Deputy Stagg will leave the House.

**Ms Lynch:** The Taoiseach should be ashamed of himself.

**An Ceann Comhairle:** I am dealing with a point of disorder.

**Ms Lynch:** What about the people who are in need?

**Mr. Penrose:** The Ceann Comhairle is dealing with Deputy Stagg, but he is not dealing fairly.

**An Ceann Comhairle:** Deputy Stagg will leave the House. If he does not, I will have no choice but to name him.

**Mr. Penrose:** That is what we got from Fianna Fáil — a one-way ticket.

#### **Suspension of Member.**

**An Ceann Comhairle:** I move: "That Deputy Stagg be suspended from the service of the Dáil."

Question put.

**Mr. Rabbitte:** Shameful.

**Mr. Quinn:** Outrageous.

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

**Mr. Penrose:** Disgrace. That is exactly what Fianna Fáil wants.

**An Ceann Comhairle:** Under Standing Order 61, any division is postponed to take place immediately before the order of business the next sitting day. Deputy Stagg must now leave the House.

**Mr. Penrose:** It is an absolute scandal. The Taoiseach can find millions of euros for racing courses, but cannot find enough for a human being.

**Ms Lynch:** Deputy Stagg is going with honour, unlike the Taoiseach.

*Deputy Stagg withdrew from the Chamber.*

#### **Leaders' Questions (Resumed).**

**The Taoiseach:** I was making the point that, in recent years, €18 million has been given to DION and that additional money was given to it in the previous budget.

**Mr. Quinn:** The Taoiseach has given €15 million to PuncHESTOWN.

**The Taoiseach:** In addition to that, we are putting development officers into the communities to work in the areas and assist in them. Also, many of our old and not-so-old emigrants have returned home and many of our local authorities are now planning initiatives to house returned Irish emigrants. We have seen very good examples of that in the west or Ireland, where many such people who were living in poor accommodation in the United Kingdom are now returning to top quality accommodation back home. These are very welcome developments, never mind what we are doing in the areas of health and so on.

**Ms B. Moynihan-Cronin:** Many of them cannot afford to stay here.

**Ms Lynch:** Our local authorities cannot house them.

**Mr. Sargent:** Last week, the Minister for the Environment, Heritage and Local Government, Deputy Cullen, announced guidelines about one-off rural housing. It is suspected that was largely to curry favour in advance of the Ard-Fheis and the local elections.

Notwithstanding that, did the Taoiseach hear an interview with Mr. Jim Connolly, who did good work with rural resettlement in making use of houses that were left vacant due to the emigration that Deputy Rabbitte raised? In a radio interview in County Clare, he pointed out the large number of holiday homes that are lying



empty and bringing no life to rural communities in many parts of the country. The Simon Community has calculated that a €500 levy on second homes could bring in €13.5 million, which is €2 million more than the cost of bed and breakfast services for the homeless in Dublin alone and would pay for quite a number of affordable homes.

On that, the ESRI mid-term review contained a recommendation for a tax on second homes, which the Taoiseach rejected out of hand. Will he explain why he did so? Does he not acknowledge that there is a problem with the large volume of holiday homes, particularly in areas in which the water table is not able to withstand further housing and that that causes a problem for people who need to live in rural areas and cannot because of the number of holiday homes?

**The Taoiseach:** The guidelines on sustainable rural housing that the Minister, Deputy Cullen, published last week followed a long discussion on the matter, which took place over the past year at least. Those guidelines give planning guidance to the local authorities and to An Bord Pleanála regarding the provision of rural one-off housing. The guidelines provide that, subject to good planning practice, which is the most important issue in the debate, people with rural links are to be favoured for planning, as will any applicant applying for permission in an area suffering from population decline.

**Mr. Boyle:** Even for holiday homes?

**The Taoiseach:** I will answer the first part of the question first. We are talking about those were born in an area or who are from an area. We are trying to change the position in which those who have long been in an area, who have their heritage and roots in an area and who have a connection with the area were refused the chance of living in the area. This was a most extraordinary practice that we had in Ireland in recent years and it is still the practice in the many areas in which we still have population decline.

On the comment that I made about a tax on second homes, I reminded the interviewer of the difficulties I had as Minister for Finance and of the total lack of support in the House and elsewhere for the property tax. When I endeavoured to introduce that tax, I unfortunately could get little or no support for it in the House, the media or anywhere else.

**Mr. Rabbitte:** Taoiseach, that is a shame.

*(Interruptions).*

**An Ceann Comhairle:** Members should allow the Taoiseach to speak without interrupting.

**The Taoiseach:** Even those of the far left, who would almost fall off a cliff trying to show how far left they are, would not support the tax. I said to the interviewer that there was not much point

in a tax on second homes, that I did not detect that people had changed and that those who were of the far left and would not support the property tax when I was Minister for Finance had probably all moved to the centre and would therefore not support me now.

**Mr. Sargent:** It is amazing to hear the Taoiseach give the excuse that he could not get support from any quarter other than his own party and that that stopped him doing something. I presume that we therefore will not have electronic voting, because he is not enjoying an awful lot of support from the Opposition for that.

**Mr. Rabbitte:** Taxing property is the first priority of Deputy Sargent's party.

**Mr. Sargent:** The Taoiseach should consider the logic he is using because it is paper thin. Is he aware of the problems being stored up? There is no difficulty in many cases. A total of 18,000 houses was mentioned. When the Taoiseach says things are changing, what does he mean? There are many rural houses in this country, more than in other countries. What is his view on the fact that we are now the most car-dependent country in the world? The average distance travelled by Irish people in a year is 24,400 km., while those in the USA only travel 19,000 km. per year.

Why have none of the 10,000 houses agreed with the unions 14 months ago been built? Why has an architect not been appointed? Why are there so many derelict sites in towns and villages around the country? Is this not a case of failing to do a job that needs to be done?

**The Taoiseach:** This Government has endeavoured to encourage urban renewal and improvement schemes to bring people back to rural communities. That is the purpose of decentralisation and of the national spatial strategy. That is why we have given incentives for country cottages over the years — so people would be living in depopulated areas at least for some of the year.

**Mr. Gormley:** For how long? They might only stay for three weeks.

**The Taoiseach:** All over the world, people are trying to find ways of keeping people in rural communities. Franz Fischler, the Agriculture Commissioner, has continually stated that we should use agricultural policy to keep people in rural communities and regenerate these areas.

**Mr. Naughten:** The Taoiseach should tell that to the Minister for Agriculture and Food.

**The Taoiseach:** Far more Structural Funds and CAP funds are now helping to revitalise communities than has been the case in the past.

**Mr. Crawford:** It is a pity the Taoiseach is not getting any help from the Minister for Agriculture and Food.

**The Taoiseach:** The applications of 76% of the people who wanted to live in rural Ireland were being rejected. Even when the planning authority gave approval, 76% were then turned down by An Bord Pleanála.

**Mr. Sargent:** That is untrue.

**The Taoiseach:** This was the only country in the modern world where people who wanted to live in rural communities and people who came from those communities were being rejected. At the same time, there was a bizarre policy under which one could obtain planning permission to build in one's back garden and front garden in city and urban areas.

**Mr. Boyle:** Where are the 10,000 houses?

**The Taoiseach:** It is the most stupid policy ever and it is about time we changed it.

**Mr. Sargent:** I asked that question and I received no answer.

### Ceisteanna — Questions.

#### Legislative Programme.

1. **Mr. Sargent** asked the Taoiseach his Department's legislative priorities up to the summer recess; and if he will make a statement on the matter. [1284/04]

2. **Mr. J. Higgins** asked the Taoiseach the legislative priorities of his Department for the current Dáil session. [1832/04]

3. **Mr. Kenny** asked the Taoiseach his legislative priorities for the current Dáil session; and if he will make a statement on the matter. [2851/04]

4. **Mr. Rabbitte** asked the Taoiseach his Department's legislative priorities for 2004; and if he will make a statement on the matter. [2900/04]

5. **Caoimhghín Ó Caoláin** asked the Taoiseach his legislative priorities for 2004; and if he will make a statement on the matter. [5627/04]

**The Taoiseach:** I propose to take Questions Nos. 1 to 5, inclusive, together.

My Department has two items of legislation for the current Dáil session: the National Economic and Social Development Office Bill 2002 and the Interpretation Bill 2002. The National Economic and Social Development Office Bill is awaiting Committee Stage. The Interpretation Bill, which has passed all Stages in this House, is awaiting Second Stage in the Seanad. My Department also has one Bill included on the C list of the

Government's legislative programme. This is the statute law revision Bill 2004, which will repeal irrelevant statutes and will be published in 2004.

**Mr. Sargent:** The legislative priorities of the Taoiseach coming up to the summer recess will be of interest to many, particularly in an area which is relevant to a number of Departments but which he was asked about a couple of minutes ago, namely, electronic voting. There are statutory instruments to be published which must be in the Dáil for 21 sitting days before they can come into effect. Is this legislation expected to be passed and in effect before the June elections?

**An Ceann Comhairle:** We are speaking specifically about the Taoiseach's Department. Perhaps a question to the Minister for the Environment, Heritage and Local Government would be more appropriate.

**Mr. Sargent:** That will be done anyway.

**An Ceann Comhairle:** Perhaps the Deputy will wait for that.

**Mr. Sargent:** I want to ask the Taoiseach about this matter because, as Leader of the Government, he must deal with the area of elections, which is relevant to all Departments.

**An Ceann Comhairle:** The questions we are dealing with refer to the Taoiseach's Department, including the Deputy's own question, which is to ask the Taoiseach his Department's legislative priorities up to the summer recess.

**Mr. Sargent:** They are not very extensive, so it is important that we know the answer to the question I asked.

**The Taoiseach:** I answered that question yesterday on the Order of Business, when it was in order.

**Mr. Kenny:** The Taoiseach has already told us about his legislative programme. In accordance with the Ceann Comhairle's very strict ruling, I will not ask anything further.

**An Ceann Comhairle:** The Chair's ruling is in accordance with Standing Orders. If Deputies want to change the Standing Order they know how to do it.

**Mr. Sargent:** Apparently the Taoiseach does not think so.

**Mr. Rabbitte:** The Taoiseach said there was one Bill before the House and another pending. In the matter of the Laffoy commission and the suggested conflict whereby the sponsoring Department is at the same time being investigated, is there not a case for introducing legislation to ensure this matter is dealt with by his own Department rather than the Department

of Education and Science so that the commission may be successful?

**The Taoiseach:** Naturally I will help the commission and its work in every way but the relevant Department to bring forward legislation is the Department of Education and Science. I and my officials, along with the Office of the Attorney General, will be helpful in every way to the commission, as we have been over the last number of months.

**Caoimhghín Ó Caoláin:** In the Government's White Paper on regulatory reform there is a list of actions relating to the legislative process. There is a call for better information on new legislation. Can the Taoiseach state whether it is intended to follow through on the promise that Departments and offices will provide such improved information, including the heads of Bills to be published, where feasible and appropriate?

In the matter of legislation to implement the Hanly and Prospectus recommendations on the health service—

**An Ceann Comhairle:** The Deputy should address his question to the Minister responsible.

**Caoimhghín Ó Caoláin:** —is it intended that the heads of these Bills — including one about which I asked the Taoiseach recently, the statute law revision Bill — will be released in advance to Deputies so we can judge and assess the range and scope of the legislation under consideration?

**The Taoiseach:** The statute law revision Bill identifies 100 statutes to be repealed, subject to the consultation taking place, and a further 400 statutes that need further consideration as candidates for repeal, re-enactment, consolidation, restatement and other actions. Perhaps it would be useful if Deputies asked me about the heads. In a case such as this perhaps it would be useful to consult the Office of the Attorney General and the statute law revision unit about releasing at least the titles of Bills. In normal circumstances I would have no difficulty in releasing the heads of Bills. I know it can be helpful to the House. I will consult the Office of the Attorney General about this matter. It may be of assistance to us to release the list of the statutes identified as being in need of amendment.

**Caoimhghín Ó Caoláin:** Could the Taoiseach indicate whether it is intended to address any repressive legislation, such as the odious Offences against the State Act?

**An Ceann Comhairle:** The Deputy knows he is out of order. The questions we are dealing with are addressed to the Taoiseach's Department.

**Caoimhghín Ó Caoláin:** I am asking about the statute law revision Bill, which is under the remit

of the Taoiseach's Department. My question is in line with what the Taoiseach has said. I do not know the scope of what is being addressed in the preparation of this Bill and I am asking a reasonable question. The Taoiseach will recall that he has already made a commitment to repeal all repressive legislation under the terms of the Good Friday Agreement.

**The Taoiseach:** I am not responsible for the Offences against the State Act, but I would not repeal it anyway.

**Caoimhghín Ó Caoláin:** That is contrary to what the Taoiseach has previously indicated. I hope he is not rowing back on commitments that have already been made.

**The Taoiseach:** I intend to get rid of more than 100 old statutes.

**Caoimhghín Ó Caoláin:** The Offences against the State Act goes back to the 1930s.

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

**Caoimhghín Ó Caoláin:** I am also sorry. I am more sorry than the Ceann Comhairle realises.

#### **Tribunals of Inquiry.**

6. **Mr. J. Higgins** asked the Taoiseach if files have been requested from his Department by the Mahon tribunal. [1823/04]

7. **Mr. Kenny** asked the Taoiseach the number of files which have been requested from his Department by the Mahon tribunal; and if he will make a statement on the matter. [2849/04]

8. **Mr. Rabbitte** asked the Taoiseach, in respect of requests received from the Tribunal of Inquiry into Certain Planning Matters for files from his Department, the date on which each request was received; the date on which each requested file was forwarded; and if he will make a statement on the matter. [4628/04]

9. **Mr. Sargent** asked the Taoiseach the number of files requested from his Department by the Mahon tribunal; the number of those requests which were acceded to; and if he will make a statement on the matter. [5884/04]

10. **Caoimhghín Ó Caoláin** asked the Taoiseach the number of files requested of his Department by the Mahon tribunal; the number forwarded to the tribunal; and if he will make a statement on the matter [7660/04]

**The Taoiseach:** I propose to take Questions Nos. 6 to 10, inclusive, together.

It is a matter exclusively for the tribunal to determine how it will proceed with its inquiries, including whether by way of public or private inquiry, regarding any particular phase of its deliberations. I am also guided by the preliminary remarks of the Ceann Comhairle in advance of



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my statement on 10 February that there is a balance required between the sovereign right of the House to legislate and discuss matters of public importance and on the other hand ensuring that the judicial process, including tribunals, is not encroached upon.

As I indicated in this House on many occasions, most recently in my statement on 10 February, there is a requirement that requests for files and papers made by the tribunal to my Department be kept confidential. On this basis, as the tribunal itself requires that such requests are kept confidential, it would not be appropriate for me to inform the House about any aspect of the private phase of the tribunal of which I may have become aware by virtue of a request for files or other papers. It is a matter for the tribunal to determine if and when it will disclose such matters in public session.

**Mr. J. Higgins:** Has the Taoiseach received a request from the tribunal to supplement the files he has sent in by appearing in front of the tribunal and has he been given a date for that appearance? Does he agree he will have to dig deeper into his files and diaries in view of the clear recollection of Mr. Tom Gilmartin that he attended a crucial meeting with the Taoiseach, and the Taoiseach's inability—

**An Ceann Comhairle:** Sorry, Deputy, you cannot raise matters that are being discussed at the tribunal.

**Mr. J. Higgins:** The Taoiseach has just repeated the Ceann Comhairle's ruling about the sovereign right of the Dáil to legislate and discuss matters of major public interest and the balance in that regard.

**An Ceann Comhairle:** The Deputy is correct, the Chair pointed out clearly that it was allowing statements on that day but it was not to be taken as a precedent. It was without prejudice to any decision the Chair may take in the future. The circumstances today are much different from what they were then because at that time allegations were made about Members in this House and Members were given the opportunity to defend themselves. Today, evidence is before the tribunal and we cannot have a parallel tribunal here.

**Mr. J. Higgins:** I have no intention of embarking on a parallel tribunal. I do not want to spend the rest of my life in the Dáil like the tribunals. Nevertheless, we all have etched in our minds this morning a picture of a meeting—

**An Ceann Comhairle:** I am sorry, Deputy, that may well be but I think the Deputy is well aware that my predecessors in this House, particularly my immediate predecessor, since this tribunal was established made many rulings that it was not

appropriate to discuss matters that were being discussed at the tribunal.

**Mr. Kenny:** On a point of order, a Cheann Comhairle, I respect your ruling. However, just a short number of weeks ago this House debated and had questions about matters that are germane and relevant to the tribunal, including matters relevant to personalities who are in attendance at the tribunal this morning and are taking notes.

**An Ceann Comhairle:** That was allowed on the basis that the tribunal was not investigating those allegations. The House did not know when those allegations would come before the tribunal. They are now before the tribunal and the Chair has ruled. All my predecessors have ruled very strongly that we cannot establish a tribunal and then run a parallel tribunal here.

**Mr. Kenny:** We have never had circumstances like this before.

**An Ceann Comhairle:** That has been the ruling of my predecessors — it is in Standing Order 56. The ruling is there, it has been made and the House has accepted that ruling, that it cannot encroach on the functions of the court or a judicial tribunal.

**Mr. Rabbitte:** On a point of order, a Cheann Comhairle, obviously I accept your word but it would be helpful if you would draw the attention of the House, when the opportunity arises, to the rulings in question. It seems fair for you to rule that a certain type of question cannot be put in this House, either to the Taoiseach, one of the Ministers or whomsoever, but there is a blanket ruling to the effect that everybody in the country can discuss a tribunal, whatever tribunal, and you seem to be making an absolute ruling that we may never advert to it in this House.

**An Ceann Comhairle:** The Chair is just following the precedent through the history of this House, particularly since 1997. The rulings of my immediate predecessor are there, as is the Standing Order.

**Mr. Kenny:** He was not infallible either.

**Mr. Rabbitte:** I do not wish to ask the Taoiseach a question about his appearance before the tribunal or anything like that, I want to ask him a couple of questions about tribunals, if I may. I ask, Sir, that you send in writing to us the position in regard to the ruling. I remember many debates in this House during the lifetime of the beef tribunal and they were never ruled out of order. I cannot recall the rulings of your predecessor to which you refer, but the matters before the tribunal are not *sub judice* and the rule in this House relates to *sub judice* matters, as I understand it. The rule that we may not raise

matters that are being inquired into at Dublin Castle seems to be entirely unfair.

**An Ceann Comhairle:** We have never debated in this House matters that were before the tribunal.

**Mr. Rabbitte:** I am not trying to raise matters.

**Mr. J. Higgins:** I do not wish to argue about the substance but I wish to ask the Taoiseach a question. The picture which Mr. Gilmartin has etched on our minds of a meeting with several Cabinet Ministers—

**An Ceann Comhairle:** Sorry, Deputy, you cannot continue in this line.

**Mr. J. Higgins:** It is as clear as the Last Supper in my mind—

**An Ceann Comhairle:** You are even outside the remit of the question submitted to the Taoiseach.

**Mr. J. Higgins:** —but all the apostles are denying they were at the meeting.

**An Ceann Comhairle:** That is not an issue for the House at this time.

**Mr. J. Higgins:** Will the files that the Taoiseach submitted to the tribunal be of assistance in clarifying these matters and clearing up the conflict? Is the Ceann Comhairle ruling that I cannot ask that question?

**Mr. Sargent:** Mary Magdalen said she was there.

**Mr. J. Higgins:** Were it not for the fact that the Virgin Mary made an inadvertent entry to the meeting, the poor man would think that he had gone mad completely.

**An Ceann Comhairle:** Sorry, Deputy, that is out of order.

**Mr. J. Higgins:** The whole country is talking about this.

**An Ceann Comhairle:** Sorry, Deputy.

**Mr. J. Higgins:** Will the Taoiseach's files and his investigation throw light on who the panhandler and enforcer was who was wandering the corridors of Fianna Fáil in February 1989 and putting the arm on Mr. Gilmartin?

**An Ceann Comhairle:** Deputy, you are out of order. This line of questioning is out of order.

**Mr. J. Higgins:** Will you not allow me to make progress?

**An Ceann Comhairle:** I will not allow you to go outside the Standing Orders of this House,

either with regard to the Standing Order dealing with discussing matters before the tribunals or going outside the content of the questions, including your own question. Your question was to ask the Taoiseach if files had been requested from his Department by the Mahon tribunal.

**Mr. J. Higgins:** Will the Taoiseach go before the tribunal to clarify the issue of the files?

**The Taoiseach:** I hope so. I have been looking forward to that for five and a half years.

**Mr. J. Higgins:** When will he go?

**An Ceann Comhairle:** That does not arise either.

**The Taoiseach:** I wish I knew that too.

**Mr. Kenny:** You have reiterated your ruling several times, a Ceann Comhairle. The Taoiseach of the country, the Prime Minister of Ireland, is the leader of the Government that set up a tribunal, which is a creature of this House, to determine facts. I do not think it proper that the Taoiseach should have to wait for an indefinite period of time before going to a tribunal to say, "No, I was not there." This House is the supreme legislative body in the country and that tribunal was set up by this House. If the Taoiseach knows he was not at the meeting in question, he should be free to say so, and he can repeat it at the tribunal.

**An Ceann Comhairle:** Deputy, I ask you not to continue in that manner. As you rightly point out, this is a supreme legislative assembly. The House decided—

**Mr. Kenny:** This House set up the tribunal.

**An Ceann Comhairle:** Please hear the Chair. The House set up the tribunal and, having done so, it introduced Standing Order 56, which states: "A matter shall not be raised in such an overt manner so that it appears to be an attempt by the Dáil to encroach on the functions of the Courts or a Judicial Tribunal." That is clear. It is the ruling that all of my predecessors have insisted in following. It was put there by the supreme legislative assembly itself and the Chair has an obligation to ensure we follow the Standing Order.

**Mr. Kenny:** The Ceann Comhairle knows that the Taoiseach, if he wishes, can stand at the bar of one of his local public houses this evening and say, "You know I was not there".

**An Ceann Comhairle:** We cannot go on in this manner.

**Mr. Kenny:** The Chair is not going to allow it.

**An Ceann Comhairle:** I am not going to allow it.

**Mr. Kenny:** The Chair is restricting the Taoiseach from using the words, "No, I was not there".

**An Ceann Comhairle:** The Taoiseach would be out of order if he began to debate what is taking place in the tribunals at present.

**Mr. Kenny:** He is the Head of Government and Taoiseach of the country. He should be entitled to say it.

**An Ceann Comhairle:** I would not allow the Taoiseach to be out of order any more than the Deputy.

**Mr. Kenny:** Has the tribunal requested a specific number of files and, if so, was included among them the controversial file relating to the Golden Island business in Athlone, which was dealt with in 1994 when the Taoiseach left the Department as Minister for Finance?

**The Taoiseach:** During the past five or six years the Mahon tribunal has made eight or nine requests of my Department about various matters, all of which are in the public domain. As I understand the ruling, I am not allowed name them, but they are germane to all these issues. On the issue of the files which the Deputy recalls in the Department of Finance, I understand that all those files about designations, of which there are several hundred, have been given to the various tribunals over the years. The Deputy can take it that all those files have been with the tribunals for about seven years.

**Mr. Rabbitte:** Did the Ceann Comhairle undertake to circulate the written precedents to us?

**An Ceann Comhairle:** Yes. They will be circulated to the Deputy as soon as they are available.

**Mr. Rabbitte:** I thank the Ceann Comhairle. What did the Minister for Finance mean when he promised to bring proposals to Government in the near future to curtail the costs of tribunals?

**The Taoiseach:** As part of the discussions about the legislation before the House, the Government has examined more cost-effective, streamlined and quicker ways of trying to deal with tribunals. One of the issues with which the Minister for Finance has been seeking to deal for some time is the *per diem* fees. He feels strongly about this, has done so for some considerable time and has endeavoured to bring forward proposals. He believes that the daily fee was a system for short tribunals where people were taken from their private practice work for a period. When people are away for several years,

he believes the *per diem* system is an inappropriate way of dealing with it because the fees become enormous sums. He believes this was not the original idea. He has opposed this system throughout and is in the final stages of bringing forward revised proposals to deal with the matter.

My view is that this should be taken with the Bill before the House. It is difficult to change the rules for the existing tribunals because people have made their commitments on a specific basis. It would be difficult to change that basis for the work in progress. Inevitably there will be other investigations and tribunals in future and there should be a different way of dealing with them. I am supportive of a system that would have a quicker and simpler basis of investigation involving Members of the House. For the future, that would be much more efficient and effective. I will not refer to tribunals or break any rule in referring to my evidence other than to say that it is rather difficult when something is in the public domain for seven years to try to remember what one did 15 years ago. Fortunately, I have had a good memory so far, but it is difficult when one goes back 15 years. If we had a system for the future in the new legislation for commissions of investigation, which is not related to the current tribunals, it would be much simpler and the work could be done much more quickly. With respect to the public, it would be more interesting to find out the information more quickly.

**Mr. Rabbitte:** The Minister for Finance has been in office for almost seven years. Did the Taoiseach hear the interview he gave on Saturday in which he implied that all this has been imposed on him and that he inherited the tribunals? He did not. Is he not the same Minister for Finance who approved an increase in the *per diem* allowance of €800 per day. He gives interviews on RTE and informs the party faithful that he is horrified at the costs of the tribunals being out of control. He may well hold all the views that the Taoiseach has attributed to him about how expensive these tribunals are, but how can he reconcile his rhetoric with his performance?

Do I understand the Taoiseach to say that was just Ard-Fheis speak, that the Taoiseach thinks it is much more realistic to deal with it in the context of the Bill before the House, that one cannot change agreements already entered into with the Office of the Attorney General's and counsel concerned and that this was only Ard-Fheis blather to divert attention from tribunals by the Minister for Finance? Does the Taoiseach agree that the taxpayers of Ireland deserve a more truthful presentation from the Minister for Finance than going around winking and nodding.

**An Ceann Comhairle:** That does not arise out of this question.

**Mr. Rabbitte:** If the Ceann Comhairle had his way, nothing would arise out of this question. I am trying to be creative like the Minister for

Finance. He gives interviews implying that he will do something. I will put a specific question to the Taoiseach that does arise out of this. Does the Taoiseach know, or has he a view, whether, in the module referred to as the Gilmartin module, the three members of the Judiciary will continue to sit as a tribunal or will they at any stage branch off into three different sub-modules with each member of the bench having their own sub-module? Does the Taoiseach know about that or is it something about which perhaps the Minister for Finance knows? Is there anything real about the speech at the Ard-Fheis or was it just old malarkey and the kind of stuff that is for the troops?

**The Taoiseach:** There are two points to be made. It was not anything of the nature suggested by Deputy Rabbitte. The Minister has hard and firm proposals on this issue. If the Deputy tables a question to him, he will see that the Minister intends to deal with this issue. I have given my view. When people move into a particular position and play a certain role, the arrangements cannot be changed mid-course, but certainly changes can be made for the future. The existing arrangements have been followed since the beef tribunal. When there have been increases, they are the normal increases that people claim. In that business, the increases can be higher than in other areas. That is the reason they appear higher.

On the issue of the breakdown of the modules, the Deputy will be aware that, when I recommended the changes to the three judges, I thought that was going to work. I must be honest and say my thoughts then do not seem to be the position for this module nor will it be the position for other modules either.

**Mr. Sargent:** Does the Taoiseach agree there is considerable public interest in the Mahon tribunal as it appears there is standing room only? I am not sure whether he is correct in saying the public want this part wound up as quickly as he might wish.

**The Taoiseach:** I did not make that point.

**Mr. Sargent:** In regard to the files that have been requested and the costs of the tribunal, would it not be helpful or has it been requested that a floor plan of the Fianna Fáil offices be provided, given that Mr. Gilmartin wants to hire a draftsman, which would be an additional cost? Will it be possible to defray that cost somewhat by providing the room and floor plan so that—

**An Ceann Comhairle:** That does not arise on this question. The Chair has already ruled on the matter.

**Mr. Sargent:** I am trying to be helpful in the context of defraying the costs of the tribunal, which I know the Government wants to do. It is a practical suggestion.

**An Ceann Comhairle:** The question is out of order. I call the Taoiseach on the first question.

**The Taoiseach:** Which one of the questions is in order?

**Mr. Sargent:** I thought they were all in order.

**An Ceann Comhairle:** No, definitely not. What was the Deputy's first question?

**Mr. Sargent:** Was it about the floor plan?

**An Ceann Comhairle:** The Deputy knows it was not. What was his first question?

**The Taoiseach:** Was it about the landslide in Leinster House over the past 15 years?

**Mr. Sargent:** Given that the tribunal at Dublin Castle is packed with members of the public, my question concerned whether the Taoiseach was correct to say the public genuinely wants it wound up.

**The Taoiseach:** I did not say that. Referring to the future, I said that when issues are a source of conflict, it would be better to have a system to deal with that conflict quickly rather than dealing with it years later, for everybody's sake.

**Mr. J. Higgins:** Let me assist the collective Fianna Fáil memory for the future by suggesting that installing CCTV cameras in Fianna Fáil offices would perhaps remove problems for any future Taoisigh.

**The Taoiseach:** And in Socialist Party offices.

**Mr. J. Higgins:** We cannot afford them, unfortunately. We are not well financed by big business.

**An Ceann Comhairle:** The Deputy should not allow himself to be provoked. Does he have an appropriate question?

**Mr. J. Higgins:** When will the Taoiseach have his opportunity to be heard at the Mahon tribunal?

**An Ceann Comhairle:** The Taoiseach has already answered that question.

**Mr. J. Higgins:** He did not tell me when.

#### **Restatement of Statute Law.**

11. **Mr. Rabbitte** asked the Taoiseach the progress in the development by the statute law revision unit of the Attorney General's office of a programme of consolidation and revision of statute law, in consultation with all Departments, offices and the central regulatory reform resources unit in the Department of the Taoiseach, in accordance with the recommendations of Reducing Red Tape — An



[Mr. Rabbitte.]

Action Programme of Regulatory Reform in Ireland; and if he will make a statement on the matter. [1991/04]

12. **Mr. Rabbitte** asked the Taoiseach if the drafting of legislation has been subcontracted out by the Attorney General's office to outside bodies or commercial firms; the number of occasions on which this has been done in each of the past five years; if he will specify the legislation and the amount paid in each case; if he has satisfied himself that such bodies or firms have the required level of expertise to draft legislation; and if he will make a statement on the matter. [1993/04]

13. **Mr. Rabbitte** asked the Taoiseach the number of officers appointed by the Attorney General under section 6 of the Statute Law (Restatement) Act 2002, to perform functions under the Act; if a programme of statute law restatement has been drawn up; if so, the policies underlying the programme; if priority has been attached to any particular groups of connected statutes; if there is a time frame for the delivery of statute law restatements; if so, the number of restatements that can be expected within that time frame; and if he will make a statement on the matter. [1994/04]

14. **Mr. Kenny** asked the Taoiseach if he will report on progress in the programme of statute law restatement in the office of the Attorney General; and if he will make a statement on the matter. [2852/04]

15. **Mr. J. Higgins** asked the Taoiseach if the drafting of legislation has been subcontracted out by the Attorney General's office to outside bodies or commercial firms; and if he will make a statement on the matter. [3709/04]

16. **Mr. Sargent** asked the Taoiseach if the drafting of legislation has been subcontracted out by the Attorney General's office to outside bodies or commercial firms; the amount of legislation subcontracted during the term of the Government; and if he will make a statement on the matter. [5885/04]

17. **Caoimhghín Ó Caoláin** asked the Taoiseach if he will report on progress in the process of statute law restatement in the office of the Attorney-General; and if he will make a statement on the matter. [7661/04]

**The Taoiseach:** I propose to take Questions Nos. 11 to 17, inclusive, together.

Substantial progress has been made by the statute law revision unit on a programme of consolidation and revision of statute law. This work has been carried out in consultation with all Departments, offices and the better regulation unit in my Department. It has included the drafting of the Stamp Duties Consolidation Act 1999 and the Capital Acquisitions Tax Consolidation Act 2003, together with a number of other Bills and Acts involving consolidation

and law reform measures, such as the Industrial Designs Act 2001 and the Water Services Bill 2003. Other Bills which are being worked on include a consolidation of company law, a codification of liquor licensing law and a consolidation and reform of the law relating to archaeological objects and national monuments.

The statute law revision unit has been involved with my Department in work that has led to the publication of the White Paper, *Regulating Better*, and before that the OECD report, *Regulatory Reform in Ireland*. As a result, in 2003, the statute law revision unit undertook an audit of all pre-1922 legislation to identify legislation which is no longer useful and therefore suitable for repeal. The audit also looked at the statutes which remain with a view to re-enacting them while removing any anomalies in the process. The results of that audit will be the subject of consultation with Departments, offices and interested parties. As a result, the statute law revision unit is now in the process of drafting a Statute Law Revision Bill which identifies some 100 statutes to be repealed, subject to these consultations taking place, and a further 400 statutes that need further consideration as candidates for repeal and re-enactment, consolidation, restatement or other action.

This is the first step in an ongoing drive to streamline and simplify Ireland's statute book. This exercise, in reducing the size of the statute book and bringing greater clarity to its contents, will make it easier for people to understand where they stand under the law. I am informed that drafting of legislation has not been subcontracted out by the office of the Attorney General to outside bodies or commercial firms.

The Statute Law (Restatement) Act 2002 now makes it possible for the Attorney General to restate the law from related statutes and statutory instruments in one document. Because there is no change to the existing law, this can be done without having to prepare new Bills which would need to be debated in this House. This type of consolidation helps to make the statute book easier to use and understand. Two officers have been appointed by the Attorney General to perform functions under the Act. A programme of statute law restatement has been drawn up which gives priority to particular groups of connected statutes where restatement would improve the coherence of the law, for example, the Sale of Goods Act restatement.

The process of preparing restatements is extremely labour and time intensive and I understand the statute law revision unit is considering a number of policy options to improve the productivity of the process. Every effort will be made to restate as many groups of Acts as possible but for this year the priority of the unit will be to complete its work on pre-1922 legislation.

**Mr. Rabbitte:** Can the Taoiseach provide figures in respect of the cost of subcontracting the

drafting of legislation to commercial law firms? If he cannot provide the figures immediately, he might do so at his convenience. What is his assessment of the efficacy of subcontracting? Is it true that statutes contracted out come back in a fashion that does not meet with the approval of the Attorney General's office, that its staff must then start *de novo* to bring the work up to their standards, and that there is conflict in terms of the manner in which traditional draftspersons and commercial law firms draft a particular mandate?

**The Taoiseach:** My Department or the office of the Attorney General contract out drafting work. While I do not have specific information, I understand the Departments of Finance, Enterprise, Trade and Employment, Communications, Marine and Natural Resources, Transport and, perhaps, other Departments contracted out specific legislation. Work on the pre-1922 project was also contracted out. A consultant solicitor from Whitney Moore & Keller, solicitors, was contracted to the project at a cost of €43,439. Four researchers were also contracted for five or six months to assist, at a total cost of €34,387,000. The consultant originally engaged has been re-engaged to cover the period during which the consultation process of the Statute Law Revision Bill is in progress. While the office was updating the chronological tables in recent years, they brought in specialist indexers at a cost of approximately €30,000 for 2001, just over €78,000 for 2002, almost €15,000 for 2003 and approximately €19,000 to date for 2004.

I agree with the Deputy that specialist draftspersons do not love the work of outsiders. In some areas, there is now expertise within Departments, particularly among those working on Revenue and tax matters who are carrying out similar work all the time. I understand that such work is close to perfect and can be used substantively. However, in regard to the normal drafting of legislation, professional draftspersons, most of whom have long experience, do not like the contract work and feel they must do an amount of further work with it. While I am not as familiar with this area as I used to be, I am certain this is the view of the draftspersons.

The difficulty is that the process is slow if one has to wait. Therefore, Departments are trying to do as much of the preparatory work as possible. Some years ago, I asked that draftspersons give information sessions to outline the manner in which they want legislation prepared, which might help. There are many intelligent barristers working in Departments and outside. If they at least knew the kind of techniques required, it would help the system despite them not being professionals. I am not too sure how that is done but the professional draftsperson does it his or her way.

**Mr. Kenny:** I understood from the debate on the Statute Law (Restatement) Act that statute law restatements would be published on a regular basis. Now, 16 months after the Bill passed, we

have had only one. Has the statute law revision unit been staffed recently with only one drafter and one typist as the second drafter is on leave? If so, given the complexity of what the Taoiseach has read out, it is impossible to live up to the requirement of the Bill that statements on this work should be regularly made in the House.

**The Taoiseach:** This is an ongoing project. As I said, it is not work where one can have many people doing the core work. I gave Deputy Rabbitte the figures on researchers and consultants but two people are engaged in the core work. This year they have made a priority of trying to bring the Statute Book covering the period before 1922 up to date. Other work is also going on in consolidation. We are using technology to cover the period from 1922 onwards but it is also important to bring the pre-1922 material to a point where we can re-enact what we need to re-enact and interpret any changes. There are two experienced people dedicated to this work and they have the help of outsiders but one could not have any more people doing the work.

**Mr. Rabbitte:** My question is broadly the same as Deputy Kenny's. The obvious question on consolidation is that of resources, whether that work is on regulations or on statute consolidation. I am not clear from the Taoiseach's answer whether additional resources have been made available as a result of the commitment to embark on this work. Section 6 of the Statute Law Restatement Act 2002 permits the Attorney General to direct any of his officers to perform, on his behalf and in accordance with his instructions, any particular function conferred on him by the Act. I do not know if that section has been invoked by the Attorney General or if any such persons have been so appointed by him for the stated purpose.

**The Taoiseach:** Five consultant drafters are working in Departments, so they are fairly well up to their full staffing levels, although it took some time getting there. Two people are dedicated to this work, as I said. On Bills being prepared for restatement, one restatement Bill dealing with the Sale of Goods Act has been published, while another covering the Defence Acts is being printed. Six more, which are being reviewed by the appropriate Departments, cover unfair dismissals, citizenship, the Statute of Limitations, ethics, succession and freedom of information. The Attorney General's office is preparing a further restatement covering tourist traffic and will soon start work on three others dealing with corruption, arbitration and the European Community. That work is in addition to the pre-1922 legislation, where it is estimated that 400 Acts will have to be restated, while 400 others will also have to be examined. We are achieving good productivity on this.

### **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 under Standing Order 31. I will call on the Deputies in the order in which they submitted the notices to my office.

**Mr. Deenihan:** I seek the adjournment of the Dáil under Standing Order 31 to discuss the following urgent matter: the decision of the Supreme Court to lift the injunction on Pandoro Limited regarding the export of livestock, which will threaten the livelihood of thousands of Irish farmers.

**Mr. Sargent:** I seek the adjournment of the Dáil under Standing Order 31 to discuss the following urgent matter: to determine the need for cross-Border arrangements to prevent contamination in this jurisdiction from genetically modified maize which could now be planted in Northern Ireland following a decision by Minister Margaret Beckett of the UK Government, despite 80% opposition in the UK to this. We also need a debate here on that matter.

**Caoimhghín Ó Caoláin:** I seek the adjournment of the Dáil under Standing Order 31 to discuss the following urgent matter: the serious concern now being expressed that returning officers for the EU and local election polls will not have sufficient trained staff to oversee electronic voting in all polling stations, that as a result some polling stations may have to be closed and amalgamated with others, the severe inconvenience this will cause to voters and disruption of the electoral process, and the possible need for the Government to set aside plans to use the proposed electronic voting system throughout the jurisdiction on 11 June.

**Mr. Naughten:** I seek the adjournment of the Dáil under Standing Order 31 to discuss the following urgent matter: in light of the impending industrial action by SIPTU which will grind the country to a halt next Thursday and the impact this will have on the travelling public at the commencement of the tourist season, the urgent need for the Minister for Transport to report to Dáil Éireann on the progress to date of ongoing discussions with the transport unions and the action he is taking to avert this strike.

**An Ceann Comhairle:** Having considered the matters raised, I find they are not in accordance with Standing Order 31.

### **Order of Business.**

**The Taoiseach:** It is proposed to take No. 9a, motion re consideration of report of the Independent Commission of Inquiry into the Dublin and Monaghan Bombings; No. 18,

Finance Bill 2004 — Order for Report, Report and Final Stages; and No. 1, Equality Bill 2004 [*Seanad*] — Second Stage. It is proposed, notwithstanding anything in Standing Orders, that No. 9a shall be decided without debate, and the Report and Final Stages of No. 18 shall be taken today and the proceedings thereon shall, if not previously concluded, be brought to a conclusion at 7 p.m. by one question which shall be put from the Chair and which shall, in relation to amendments, include only those set down or accepted by the Minister for Finance. Private Members' business shall be No. 4, International Peace Missions Deployment Bill 2003 — Second Stage (resumed), to conclude at 8.30 p.m.

**An Ceann Comhairle:** There are two proposals to put to the House. Is the proposal for dealing with No. 9a without debate agreed?

**Caoimhghín Ó Caoláin:** No, I seek additional information before agreeing to this. Will the Taoiseach indicate whether an investigation has been ordered by the Minister for Justice, Equality and Law Reform into reports that key files on the Dublin and Monaghan bombings were removed from Harcourt Square on the orders of a senior Garda officer and were subsequently found under the seat of a Garda car? These reports were highlighted in the Sunday newspapers. Will this matter be investigated urgently and will the results of the investigation be forwarded to the Director of Public Prosecutions, Mr. Justice Barron and the Oireachtas committee investigating the findings of Mr. Justice Barron? I would like the Taoiseach to indicate this as a prerequisite to agreeing to this matter being allowed to proceed without debate.

**The Taoiseach:** The Deputy has made his point. I can pass on his comments to the Minister for Justice, Equality and Law Reform or the Deputy can table a question to the Minister. I will pass on what he said but this motion asks the Dáil to extend the period in which the committee can report back to the House as it has scheduled more meetings and analysis. That is all I ask, but I will pass on the Deputy's comments.

**Caoimhghín Ó Caoláin:** Will the Taoiseach indicate that this should be investigated?

**The Taoiseach:** I will certainly pass it on.

**An Ceann Comhairle:** We cannot have a debate on the matter. Is the Deputy agreeing to the proposal?

**Caoimhghín Ó Caoláin:** I agree to the proposal in the hope the Taoiseach will accede to my request.

**An Ceann Comhairle:** Is the proposal for dealing with No. 18 agreed?

**Mr. Kenny:** No. As we have consistently done in recent months, we oppose a guillotine in this case. There is a particular reason I would like the amendment tabled in my party's name and that of others, on the consideration of the credit for amateur sportspersons to be debated in full. For that reason, I am opposed to this matter being rushed through.

**Mr. Sargent:** The use of the guillotine has been debated in this House many times but if we were able to sit until 10 p.m. last night, I cannot see why we are not able to do so tonight in the interests of avoiding a guillotine on this Bill.

Question put: "That the proposal for dealing with No. 18 be agreed."

The Dáil divided: Tá, 71; Níl, 55.

#### Tá

Ahern, Bertie.  
Ahern, Dermot.  
Andrews, Barry.  
Ardagh, Seán.  
Brady, Johnny.  
Browne, John.  
Callanan, Joe.  
Callely, Ivor.  
Carey, Pat.  
Carty, John.  
Cassidy, Donie.  
Cooper-Flynn, Beverley.  
Coughlan, Mary.  
Cregan, John.  
Cullen, Martin.  
Curran, John.  
Davern, Noel.  
de Valera, Síle.  
Dempsey, Tony.  
Dennehy, John.  
Devins, Jimmy.  
Ellis, John.  
Fahey, Frank.  
Finneran, Michael.  
Fitzpatrick, Dermot.  
Fleming, Seán.  
Fox, Mildred.  
Glennon, Jim.  
Grealish, Noel.  
Hanafin, Mary.  
Haughey, Seán.  
Healy-Rae, Jackie.  
Hoctor, Máire.  
Jacob, Joe.  
Keaveney, Cecilia.  
Kelleher, Billy.

Kelly, Peter.  
Lenihan, Brian.  
Lenihan, Conor.  
McCreevy, Charlie.  
McDowell, Michael.  
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'Keeffe, Batt.  
O'Malley, Fiona.  
Parlon, Tom.  
Power, Peter.  
Power, Seán.  
Ryan, Eoin.  
Sexton, Mae.  
Smith, Brendan.  
Smith, Michael.  
Treacy, Noel.  
Wallace, Dan.  
Wallace, Mary.  
Walsh, Joe.  
Woods, Michael.  
Wright, G. V.

#### Níl

Broughan, Thomas P.  
Burton, Joan.  
Connaughton, Paul.  
Connolly, Paudge.  
Costello, Joe.  
Cowley, Jerry.  
Crawford, Seymour.  
Crowe, Seán.  
Cuffe, Ciarán.  
Deenihan, Jimmy.  
Durkan, Bernard J.  
Enright, Olwyn.  
Ferris, Martin.  
Gilmore, Eamon.  
Gormley, John.  
Harkin, Marian.  
Hayes, Tom.  
Healy, Seamus.  
Higgins, Joe.  
Higgins, Michael D.  
Howlin, Brendan.  
Kehoe, Paul.  
Kenny, Enda.  
Lynch, Kathleen.

McCormack, Padraic.  
McGinley, Dinny.  
McGrath, Finian.  
McGrath, Paul.  
McHugh, Paddy.  
McManus, Liz.  
Mitchell, Gay.  
Mitchell, Olivia.  
Morgan, Arthur.  
Moynihan-Cronin, Breeda.  
Murphy, Gerard.  
Naughten, Denis.  
Neville, Dan.  
Ó Caoláin, Caoimhghín.  
Ó Snodaigh, Aengus.  
O'Dowd, Fergus.  
O'Keeffe, Jim.  
O'Sullivan, Jan.  
Pattison, Seamus.  
Penrose, Willie.  
Perry, John.  
Quinn, Ruairí.  
Rabbitte, Pat.  
Ring, Michael.



Níl—*continued*

Ryan, Eamon.  
Ryan, Seán.  
Sargent, Trevor.  
Sherlock, Joe.

Shortall, Róisín.  
Timmins, Billy.  
Upton, Mary.

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

Question declared carried.

**Mr. Kenny:** The vote we have just had concerned the Finance Bill. Members of the Gaelic Players Association are meeting across the road to discuss the matter of tax relief for amateur sports persons, which was down for discussion here. Most of the Fianna Fáil Deputies had their photographs taken with the players.

**An Ceann Comhairle:** Do you have a question appropriate to the Order of Business?

**Mr. Kenny:** This is the Order of Business, a Cheann Comhairle, and it is very appropriate.

**An Ceann Comhairle:** We have not got around to discussing the Finance Bill yet.

**Mr. Durkan:** This is the Order of Business.

**Mr. Kenny:** All those Deputies had their photographs taken on the basis that they support the Gaelic Players Association having a tax credit of €2,000 for themselves—

**An Ceann Comhairle:** Do you have a question appropriate to the Order of Business, Deputy Kenny?

**Mr. Kenny:** —and for other top sports persons, yet they have voted against allowing the matter to be discussed in the House. That is typical of them but it is not right.

**Mr. McCormack:** It is an own goal.

**An Ceann Comhairle:** A question on the Order of Business, please.

**Mr. Kenny:** Following the Taoiseach's clarification yesterday that the heads of the Bill approved for the introduction of electronic voting, which were passed by the Government yesterday, will be debated here in a fortnight's time as part of a reintroduction of the Electoral (Amendment) Bill 2000, a number of issues have arisen regarding the election process in general. When the Bill is reintroduced in its expanded form in a fortnight, will Members of the House have an opportunity to address the entire Bill or will the debate be confined only to the heads of the amended section, as passed by the Government yesterday? This is a matter of fundamental concern and we do not expect a guillotine to be imposed since Opposition

Members, at least, will want to debate the matter fully.

**The Taoiseach:** Obviously, Members may discuss any part of a Bill that comes before the House.

**Mr. McCormack:** What is the Taoiseach saying? We cannot hear him.

**Mr. Durkan:** As usual.

**An Ceann Comhairle:** If there were fewer interruptions, Members could hear the Taoiseach.

**Mr. McCormack:** He just mumbled something but we did not hear him.

**The Taoiseach:** I think Deputy Kenny heard me.

**Mr. Kenny:** I did not.

**An Ceann Comhairle:** I call Deputy Rabbitte.

**Mr. McCormack:** In fairness, a Cheann Comhairle, we did not hear him.

**An Ceann Comhairle:** I am sorry but you were interrupting him.

**Mr. Rabbitte:** You have already deprived me of a Whip, Sir, and now I cannot hear the Taoiseach. What is happening here?

**Mr. McCormack:** He should repeat what he said.

**The Taoiseach:** I said that, obviously, any parts of a Bill that come before the House may be debated.

**Ms O'Sullivan:** Pardon?

**Ms McManus:** We cannot hear the Taoiseach.

**Mr. Durkan:** We cannot hear the Taoiseach, Sir.

**Mr. M. Smith:** Do not tell me I have another problem on my hands.

*(Interruptions).*

**Mr. Quinn:** We did not know he was a member of the army council too.

**An Ceann Comhairle:** Please allow the Taoiseach to reply, Deputy McManus. If you wish to hear the reply, please keep silent.

**Ms McManus:** That is exactly what I want.

**An Ceann Comhairle:** Right, well keep silent.

**The Taoiseach:** Deputy Kenny asked me if only the sections concerning electronic voting would be debated but, as I said yesterday, almost the entire Electoral (Amendment) Bill has to be re-enacted. He asked me if the debate would be only on limited sections or on the entire Bill and I am stating, for the third time, that it will be on the entire Bill.

**Mr. McCormack:** We thought the Taoiseach was trying to get away with something.

**Mr. Rabbitte:** Irrespective of when we enact this promised legislation, will the Taoiseach tell the House before it rises for the St. Patrick's Day recess that he will not proceed to implement electronic voting for the forthcoming elections, as indeed was requested by all his tallymen? It was the only *vox pop* I have ever heard where everybody was opposed to it for a variety of reasons. Given the widespread disquiet outside the House, among the electorate, the Taoiseach's own backbenchers and his supporters, what is the rush in proceeding with this on 11 June? If we cannot count the European ballot until Sunday evening, what is the point of electronic voting?

**An Ceann Comhairle:** You have made your point, Deputy.

**Mr. Rabbitte:** Whenever the legislation is to be introduced, will the Taoiseach tell the House that the Government will not proceed with electronic voting on 11 June?

**The Taoiseach:** I have no more to say. The Bill will be before the House in a few weeks' time.

**Mr. Howlin:** Will the Taoiseach make up his mind then?

**Mr. Sargent:** Will the Taoiseach join me in congratulating the people of Latvia in electing the first Green Party Prime Minister in Europe to head a coalition with the Union of Farmers and Christian Democrats?

**Mr. Quinn:** Is the Deputy changing his vote on the Nice treaty now?

**Mr. Martin:** Does that mean "Yes" to the Nice treaty?

**Mr. Sargent:** I refer to the level playing field for housing and the building control Bill. Fingal County Council is adamant that private and social housing should be built to the same standards in

terms of space and so on. Could this issue be addressed under the building control Bill?

**An Ceann Comhairle:** The substance of the Bill is not appropriate to the Order of Business.

**The Taoiseach:** The Bill will be introduced in the middle of the year.

**Mr. F. McGrath:** That is another victory for the Technical Group and positivity.

**Mr. Naughten:** Pandoro Limited is talking about withdrawing from the live export trade, which will make a farce of the EU Single Market and threaten the livelihoods of almost 100,000 cattle farmers in Ireland. When will the mercantile marine (amendment) Bill be taken so that this issue can be debated? The Minister for Agriculture and Food also wants to respond to the question.

**The Taoiseach:** I do not have a date. The heads of the Bill have been approved.

**Mr. M. Higgins:** I thank the Taoiseach for his communication regarding the continental shelf Bill and his confirmation that it will be taken separately to the foreshore Bill. When will the Bills be introduced?

**The Taoiseach:** The continental shelf Bill will be introduced in 2004.

**Mr. Gormley:** It is on the shelf.

**The Taoiseach:** The coastal zone management Bill will be incorporated in the marine services Bill. My latest information is that the Bill will be introduced in late 2004.

**Mr. Timmins:** Deputy Naughten raised an important issue, which is the threat to live cattle exports. This trade is worth €200 million annually. In addition, the Minister for Agriculture and Food is chairman of the Council of Ministers and proposals have been made to ban staging posts in the EU.

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

**Mr. Timmins:** Will the Taoiseach ask the Minister to sort out these problems and to desist from engaging in soft photo opportunities? When will the land Bill be introduced?

**The Taoiseach:** This session.

**Mr. Timmins:** Will that be before St. Patrick's Day? What about the difficulty with the live cattle trade? Opposition Members have been up and down non-stop raising this issue.

**An Ceann Comhairle:** That issue does not arise. I call Deputy Upton.

**Mr. M. Smith:** The Minister is doing a good job on it.

**Mr. Crawford:** What has he done? What about Spain?

**An Ceann Comhairle:** It would be helpful if the Minister for Defence would not interrupt so that the House can hear Deputy Upton.

**Mr. Timmins:** The Minister for Agriculture and Food said he would solve all the problems. There is complete silence.

**Dr. Upton:** What action does the Taoiseach propose to take to ensure the live cattle export trade will not be seriously hampered?

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

**Mr. G. Mitchell:** A short time ago, the Cheann Comhairle allowed a Private Notice Question regarding the deaths of people following an accident involving Dublin Bus. Yesterday, a parliamentary question regarding deaths on the Luas line was ruled out of order because the Minister for Transport claims he has no responsibility to the House. I protest the inconsistency of the ruling. People have died in my constituency. I am entitled to raise this issue.

**An Ceann Comhairle:** If the Deputy wishes to discuss the matter——

**Mr. G. Mitchell:** This is a matter of life and death. The Minister for Justice, Equality and Law Reform has raised the safety of Luas in his constituency and I have raised it in mine.

**An Ceann Comhairle:** It is a matter for the Chair to rule in accordance with Standing Orders.

**Mr. G. Mitchell:** Two people died last week and another man fell off his bicycle last Friday.

**An Ceann Comhairle:** If the Deputy wishes to discuss the ruling, he is welcome to come and discuss it in my office.

**Mr. G. Mitchell:** I am protesting the inconsistency of the ruling. I tabled a question for written reply

**An Ceann Comhairle:** I call Deputy Gormley.

**Mr. G. Mitchell:** Given that Report Stage of the Road Traffic Bill is due since last April, I ask that it should be brought forward so that I can raise this issue. I am aghast that my question was ruled out of order.

**An Ceann Comhairle:** The Deputy should resume his seat. I call Deputy Gormley

**Mr. G. Mitchell:** I asked about Report Stage of a Bill. I do not like to be fobbed off. Two people died on the Luas rail line in my constituency and another man fell off his bike last Friday and could have been killed.

**An Ceann Comhairle:** The Deputy has made his point. The Chair ruled on the matter and I ask him to obey the ruling. When will Report Stage be taken?

**The Taoiseach:** Amendments are still being considered and, therefore, I do not have a date.

**Mr. Durkan:** On a point of order, Deputy Gay Mitchell is correct. He referred to an inconsistency.

**An Ceann Comhairle:** The Chair has ruled on the matter. We cannot have a debate on it.

**Mr. Durkan:** The Chair may have erred in its ruling. Deputy Gay Mitchell has raised a valid point.

**An Ceann Comhairle:** The Chair has not erred on the ruling.

**Mr. Durkan:** On one day a question on safety was valid but, on another, it was not. This has also happened to me today. Let us have consistency. If a question is ruled out for one person or group, it should be ruled out for everyone.

**An Ceann Comhairle:** The Deputy will find there is consistency.

**Mr. Durkan:** There is not consistency.

**An Ceann Comhairle:** If the Deputy wishes to pursue this in the appropriate manner, he will be facilitated. He has made his point. I call Deputy Gormley, who has been patient.

**Mr. Durkan:** I accept the Chair is calling Deputy Gormley and I am sorry to interrupt but this matter must be resolved once and for all.

**Mr. Gormley:** I have been patient. The Minister for Health and Children has set up yet another task force, which will deal with obesity.

**Mr. G. Mitchell:** No. 163 and climbing.

**Mr. Gormley:** When will the task force report? Will the House have an opportunity to debate it?

**The Taoiseach:** Yes, if the Deputy tables a question to the Minister for Health and Children, he will obtain the details in the first instance.

**Mr. Gormley:** That is not an answer. When will the report be published?

**Mr. Martin:** In 12 months. The Deputy sought the task force.

**Mr. Gormley:** It is yet another task force. The Minister did nothing with the task force report on alcohol.

**An Ceann Comhairle:** It is not appropriate for the Minister for Health and Children to debate this issue.

**Mr. Crawford:** Given that hospitals such as Temple Street Children's Hospital depend so much on charitable donations, when will the charities Bill be introduced so we can ensure that institutions that deserve money get it?

**An Ceann Comhairle:** I call Deputy Sherlock.

**Mr. Rabbitte:** The Ceann Comhairle is on automatic today. He has had a number of victories.

**An Ceann Comhairle:** I do not see it that way.

**The Taoiseach:** With regard to the charities Bill, public consultation was formally launched on 16 February, with a deadline for responses of 28 May. The outcome of the consultation will be made public and it will inform the preparation of the draft legislation. The heads of the Bill are expected at the end of 2004.

**Mr. Sherlock:** Given the imprisonment of large numbers of people for the non-payment of fines, when will the enforcement of fines Bill be introduced to end imprisonment for such charges?

**The Taoiseach:** Work is at a preliminary stage of examination. I do not have a date for the legislation.

**Caoimhghín Ó Caoláin:** The Civil Liability and Courts Bill is expected to be published this session to amend the law on personal injuries cases and the *in camera* rule in family law cases. Can the Taoiseach confirm the Bill will be published this session and before the beginning of the next session, as committed to in the Government's legislative programme?

**The Taoiseach:** The Bill was published on 13 February and Second Stage was ordered for 11 March.

**Mr. Gilmore:** Some time ago the Government indicated legislation would be introduced to amend the Electoral Acts, arising from the Kelly judgment. Since the entire Electoral (Amendment) Bill will be re-introduced, is it intended to address the issues raised in the Kelly judgment when it is presented or does the Government intend to introduce amendments on Committee Stage?

**The Taoiseach:** To the best of my knowledge, I gave the answer to the Deputy yesterday and

that has not changed today. I said there would be no other changes to the Acts.

**Mr. Rabbitte:** The Taoiseach will not get away with it a second time.

**Ms Lynch:** Will the Taoiseach take a second look at the social welfare Bill and ensure it complies with the Government's policy on poverty?

**An Ceann Comhairle:** That does not arise on the Order of Business. Has the Deputy a question on legislation?

**Ms Lynch:** I have, the legislation is the social welfare Bill and——

**An Ceann Comhairle:** What is the question on the social welfare Bill?

**Ms Lynch:** Does it comply with the poverty proofing policy which the Government has taken on board?

**An Ceann Comhairle:** I suggest the Deputy submit a question to the Minister for Social and Family Affairs.

**Ms Lynch:** Unfortunately, a Cheann Comhairle, the Minister for Social and Family Affairs has not been in the Chamber for a number of weeks

### **Dublin-Monaghan Bombings: Motion.**

**Minister of State at the Department of the Taoiseach (Ms Hanafin):** I move:

That Dáil Éireann, notwithstanding the order of 10 December 2003 requesting the Joint Committee on Justice, Equality, Defence and Women's Rights, or a sub-committee thereof, to consider, including in public sessions, the Report of the Independent Commission of Inquiry into the Dublin and Monaghan bombings, and to report back to Dáil Éireann within three months, now requests the joint committee, or a sub-committee thereof, to report back not later than 1 April 2004.

Question put and agreed to.

### **Finance Bill 2004: Report Stage.**

**Mr. R. Bruton:** On a point of order, this morning I received a nice letter from the Ceann Comhairle, but the news was not very favourable as the Chair is disallowing four of my amendments. I can understand why two were disallowed, but not the other two. It is suggested that my amendment to restrict a proposed ministerial provision is in some way imposing a potential charge on the people. Since the House has not yet made a decision to introduce the



[Mr. R. Bruton.]

Minister's proposal, I am entitled to restrict its provision until such time as the House makes its decision. All I am seeking to do is to set conditions on the Minister's proposal, I am not introducing a charge in respect of a concession that is already in place and enjoyed by the Irish people. I question the Chair's——

**An Ceann Comhairle:** I will give a more detailed ruling when we come to the amendment, Deputy.

**Mr. R. Bruton:** We may not reach the amendment.

**An Ceann Comhairle:** It is not appropriate to discuss all the amendments now.

**Mr. R. Bruton:** It is important to put down a marker in respect of the ruling. I do not think——

**An Ceann Comhairle:** You have put down your marker. To which amendment are you referring?

**Mr. R. Bruton:** Amendments Nos. 31 and 33. Will the Chair communicate with me on this issue?

**Ms Burton:** I object also to the letter I received indicating that a number of my amendments are out of order, in particular amendment No. 1. In that amendment, I call for a new commission on taxation, 20 years after the first commission.

**An Ceann Comhairle:** The Deputy will have an opportunity to debate that on amendment No. 1.

**Ms Burton:** I want to make a point of order. The amendment has been ruled out of order on foot of it constituting a charge on the Exchequer. How can it constitute a charge on the Exchequer when we have not made a decision to do that?

**An Ceann Comhairle:** We cannot have a debate on that here.

**Caoimhghín Ó Caoláin:** In the same vein as the previous two Deputies, I received a letter this morning indicating that five of my amendments have been ruled out of order because they may involve a charge on the people. I refer to one in particular, amendment No. 75, on page 18 of the amendment list, which seeks an extension of the levy on certain financial institutions. At no time in my deliberations on the Finance Bill was I seeking to impose a further charge on the people. The financial institutions are a very different body entirely.

**An Ceann Comhairle:** The Deputy has made his point.

**Caoimhghín Ó Caoláin:** I am asking the Chair to revisit the ruling.

**An Ceann Comhairle:** All amendments were carefully considered and the Chair ruled in accordance with Standing Orders.

**Caoimhghín Ó Caoláin:** On what basis can an extension of the levy on banks and other financial institutions be viewed as a charge on the people? That is not the case.

**An Ceann Comhairle:** There are 83 amendments on Report Stage and a small number have been ruled out because they are not in accordance with Standing Orders.

**Caoimhghín Ó Caoláin:** You have not explained why the amendments have been ruled out of order.

**An Ceann Comhairle:** The Chair does not intend to start explaining why amendment No. 75 has been ruled out of order.

**Caoimhghín Ó Caoláin:** I have put a great deal of work into preparing to engage in this debate and I am pointing out the reasons——

**An Ceann Comhairle:** I am sure you did and if you have a problem, I ask you to come to my office.

**Caoimhghín Ó Caoláin:** I only received this letter when I came to the Dáil this morning.

**An Ceann Comhairle:** I ask the Deputy to resume his seat.

**Caoimhghín Ó Caoláin:** I had no sight of that letter prior to coming in here. I strongly object to the ruling, the banks are not the people.

**An Ceann Comhairle:** Amendment No. 1 has been ruled out of order as it involves a potential charge on the Revenue.

Amendment No. 1 not moved.

**Ms Burton:** I move amendment No. 2:

In page 7, between lines 16 and 17, to insert the following:

1.—The tax bands, exemption limits and tax credits relating to income tax set out in the Finance Act 2003 are hereby increased by 7 per cent with effect from the tax year 2004.”.

Before I deal with this amendment I repeat that I regret the Chair's ruling on my first amendment because a new commission on taxation, which would seek to give parity in taxation matters to ordinary PAYE workers who in increasing numbers will pay tax at the 42% rate, would not constitute a charge on the people.

In amendment No. 2 I propose to give back to PAYE taxpayers moneys taken in stealth tax. In the December 2003 budget the Minister perpetrated theft and the greatest con trick ever

on ordinary taxpayers, the workers of Ireland. People who in earlier decades avoided paying their due by putting money off-shore are now paying up and that tax money is being returned to the State coffers. The Minister is choosing to give it away in tax breaks to hotel owners, private sports injuries clinics, private hospitals and in very generous pension tax breaks for the owners of small self-administered pension schemes. By the choice of Fianna Fáil and the Progressive Democrats, the only section not sharing in this bonanza from tax returns by people who had invested money abroad to avoid paying tax in this country is the ordinary hard-pressed PAYE taxpayer. In this budget the Minister chose to give the most miserable tax breaks to ordinary PAYE workers so that his friends, the lobbyists, builders and owners of private hospitals could enjoy a tax bonanza on the backs of compliant taxpayers.

The tax structure is riddled with loopholes and tax breaks for the super wealthy. At the same time, contrary to the promises made by the Government in the course of the last election campaign, at the end of this year more than 50% of PAYE taxpayers will pay tax at the top tax rate. This constitutes the greatest silent theft of tax by a Minister for Finance from the back pockets of ordinary workers. It is a painless form of taxation because nothing was mentioned about it in the budget. The Minister is the "Oliver" McCreevy of the Irish tax system, dipping into the back pocket of every taxpayer. Like a good pickpocket, it is done silently and one does not work out what he has lifted until one sits down at the end.

Compare what the Minister is doing for the ordinary taxpayers with the special tax breaks that have been extended in spite of the report of the Revenue Commissions. We were solemnly told during the debate on the Finance Bill a year ago that the tax breaks were being brought to a close. The Minister told us the shutters were being brought down on property based tax breaks because they were poorly designed, some had run their course, some were badly targeted and in some areas they had a negative effect, for instance, the tax breaks for nursing homes.

The Minister has been told time and again, although the supply of nursing home beds are increasing, it is not making the cost of beds any cheaper. In spite of the introduction of this tax break it has coincided with nursing home chargers in the Dublin area increasing to between €600 to €800 a week on average. Many families do not benefit from the nursing home subvention for one reason or other. This is taking money from the ordinary compliant taxpayer to give it to people who are sufficiently wealthy to be in a position to invest in property and benefit from one of the Minister's pet schemes. It is Robin Hood in reverse.

Like other Members of the Opposition, I had the opportunity a half hour ago to witness as nauseating a display of political theatre as I have

seen in a long time. It involved the cream of Fianna Fáil Deputies, including Deputies Glennon and Keaveney, the latter of whom was actually carrying a hurley. Rather than intending to bring the hurley to the House to hit the Minister for Finance on top of the head, she was on the plinth for a photo opportunity with a couple of Gaelic players. They were being told that Fianna Fáil backbenchers were pleading for some kind of tax justice for them and their colleagues. I hope my Opposition colleagues agree that there will be an opportunity for Deputy Keaveney and other Fianna Fáil Pharisees to vote in this House in favour of the very modest proposals put forward by the Gaelic Players' Association.

The dilemma of the association which involves people who have given a professional commitment to sport is a microcosm of what is wrong with our taxation system. As I told the Ceann Comhairle earlier, this is why I am so disappointed by the rejection of the Labour Party's reasonable proposal of a fresh commission on taxation to examine the system. The question should be how to establish a fair system of lower taxes in which everybody pays his fair share. If we maintain tax breaks, it should be as a system of necessary incentives for the State to encourage additional projects which would not otherwise be undertaken by private investors or individuals. I have welcomed the proposal on research and development, though I fear they may be open to abuse. We want a commission on taxation which brings fairness and sanity back to our taxation system to ensure that honest, compliant taxpayers are not ripped off by Deputy "Oliver" McCreevy.

The provisions on sport are typical of the approach of this Minister. No amateur sport, be it rugby Gaelic games or soccer, benefits from the Minister's tax breaks. The Minister has chosen to give significant tax breaks to professional athletes in respect of their professional sports earnings if they are resident in Ireland. These considerable tax breaks amount to a recoupment of up to 40% per annum of the professional sports earnings of the professional sports person for the best ten years of his or her sporting career. It is not untypical for golfer or jockey to have taxable earnings from sport of €200,000 or more per annum during their highest paid years. Assuming the sportsman is using some of the Minister's tax breaks, he might have an effective tax rate of 20% and, in his best years, be paying, conservatively, between €30,000 and €200,000 in tax. Under the Minister's scheme, the sportsman will receive on retirement from sport a refund recoupment of 40% of the tax paid during his best ten years. The recoupment figure will be from €30,000 to well over several million if the sportsman is in the top earning sports category.

This scenario should be contrasted with the circumstances of GAA players who, when they reach the highest level of county football and hurling, train four to five nights per week and

[Ms Burton.]

travel long distances to training. During the playing season, these players are heavily committed to their sport. Most of these sportsmen work at club, community and, in particular, school level. Nobody denies that great numbers of these players contribute significantly to their communities. A GAA player's career will, like that of a professional, last over an eight to ten year period. They have to forego other earnings to devote themselves to their sports careers and the enjoyment they bring to fans everywhere. Their reward is modest grants from cash-strapped county boards or the national system.

The players have made a proposal. I said on Committee Stage that while it is flawed, the idea behind the proposal is reasonable. With the agreement of all parties, we could work it out. We should look at what GAA players actually get. They are given hints by this morning's hurley wielders in Fianna Fáil to the effect that the party will look after the GPA. The Minister is invited to rub shoulders at the annual general meeting to provide the lads with the good news. However, when it comes to the Finance Bill, the very wealthy are well ahead of the Gaelic Players' Association in the queue. Fianna Fáil says that it is sorry and, while its heart is in the right place, there is nothing it can do for players. That is to give them the two fingers.

Like other taxpayers, members of the Gaelic Players' Association are entitled to feel they have received exceptionally shabby treatment from the Minister. Fianna Fáil Deputies rushing to embrace the players to say they are in favour of a degree of fairness of tax treatment for them *vis-à-vis* professional athletes is a farce. The Minister, as "Oliver" again, has to say he can provide for the multi-millionaire golfers and a couple of multi-millionaire jockeys, but not for dedicated players who are *de facto* professionals in terms of the commitment they give their game. This is a small example of the unfairness which underpins the Minister's approach to this year's Finance Bill.

The Minister was in confident form at the shindig which took place at Citywest at the weekend. The tax money is flowing in. Due to the campaign waged for 20 years by the trade union movement, the Labour Party and others, people who have dodged their taxes are now being asked to pay back their fair share, which is only right. The Minister is sitting pretty and smiling in the knowledge that the result over the next five years will probably be a bonanza of between €0.5 billion to closer to €2 billion. The latter sum is more likely in my estimation when the accounts people established in Northern Ireland to which money was not transferred through institutions in this jurisdiction are assessed.

My first amendment suggests that the Minister's Finance Bill this year is fundamentally unfair. It represents a series of extended tax breaks for the rich and able in society. There are

tax breaks for private hospitals and a scheme which makes it easier to avail of tax breaks for sports injuries clinics. There are tax breaks for people who own, rebuild or refurbish hotels. The latter breaks were provided on the basis of a one-page letter from the Irish Hotels Federation which I displayed to the Committee on Finance and the Public Service.

More tax breaks have been provided for people involved in pension schemes. Permission to borrow will allow some of the small, self-administered pension schemes to be more efficiently levered from a tax point of view. The cost to the Exchequer will be high. There are 2,500 such schemes operated by the most well off in society. While everyone believes in people providing for their pension requirement, why should someone on a modest wage that cannot invest such money in a pension be disadvantaged *vis-à-vis* a company director or owner? It is similar to what President Bush is doing in the United States. There are small, niggardly concessions to workers contained in the small print while in the large print there are multi-million euro concessions to the wealthy.

The Labour Party amendment seeks to engender a sense of equity and fairness. Ireland is now a more prosperous country and all parties in this House laid the basis for this. People made sacrifices to ensure the economy prospered. The proceeds of this sacrifice have not been given to widows, for example. The few additional cent they receive in the sad period when they change over to widowhood was clawed back by the Minister for Social and Family Affairs, Deputy Coughlan. This was one of the mean cuts she made in the overall €48 million cut in social welfare. The Minister did not deign to give us detailed figures of the cost of the bonanza he has given to the wealthy in this Finance Bill.

I urge my Opposition colleagues to support the amendment. It suggests an increase of 7%. The Minister did nothing either last year or this year and therefore owes ordinary PAYE workers on the double. The allowances he gave them were niggardly in the extreme.

Last year, the Minister moved to introduce PRSI and PAYE for benefits-in-kind. This reform move has been signalled for a long time and is correct in principle. Who does it impact on most? It impacts most on lower paid workers such as those in multinational companies that received bonus bonds to spend in certain shopping centres. The Minister has failed to reform PRSI in this Bill. As a consequence, the extension of PRSI and PAYE to benefits-in-kind means workers who are not particularly well paid are heavily hit. Our tax system is now crying out for reform. The Minister's mantra for the past seven years is that he favours lower personal direct taxes. While he favours lower PAYE rates and lower capital gains tax rates, the implication of this is the better-off are the biggest beneficiaries. The Minister does not say that he has consistently favoured the highest VAT rates in Europe. People on low

incomes that must spend much of their money on fuel and electricity are hit by the Minister's high VAT rate. When the Government says it favours low taxation, it is low taxation for wealthy people and high indirect taxation for ordinary people.

Our system is adrift. The Minister has received a good press until now. The press is only now cottoning on to what has happened when it realises how many ordinary workers now pay the top rate of tax. In the run up to the previous general election, the Minister for Enterprise, Trade and Employment, Deputy Harney, promised that only 20% of workers would pay the top rate of tax. The figure is now more than 50%. This figure is to be found at the back of the budget booklet and states how many more people the Minister expects to pay tax at the top rate of 42%.

The 42% rate is not a low rate of tax for someone with a marginal income who moves into the top rate because of overtime worked.

**Mr. McCreevy:** The Deputy's party opposed every reduction to the top rate in the past five years.

**Acting Chairman (Dr. Cowley):** Deputy Burton has the floor.

**Ms Burton:** As the finance spokesperson for the Labour Party, I have told the Minister that I favour low marginal rates of taxation as they are effective in reducing poverty traps. However, people have not been told that the lower rates are not low for someone who earns €28,000, which is not a large salary, and who, having worked a few weeks' overtime, moves onto the 42% marginal rate. The headline low rates are great for our new class of millionaires, bloodstock breeders, etc. While the rates are great for the Minister's pals, they are not great for ordinary workers.

As I have already pointed out, in a series of unprecedented mean cuts, the Minister for Social and Family Affairs took €48 million from the weakest and most defenceless in society. What is the response of the Minister for Finance? He hopes that, in the run-up to the next general election, he will have a sufficiently large fund built up by which he can tell people that he is giving them back some of their money. However, people should beware. When the Minister returns the money, he will return it to the wealthy and those on modest incomes will receive less.

The tax system is facing serious structural problems. The Minister has promised to introduce a carbon tax next December. We have had no detailed debate on this. Five different senior Ministers have spoken about carbon taxation and I hope these five different opinions will converge into a strategic position. This decision has major implications for employment, tax costs and the environment. What have we heard from the Minister? We have heard nothing. If I know the Minister, the impact of carbon taxes will simply lead to an increase in fuel prices,

especially the price of coal, turf and briquettes. Who will then suffer most? It will be old age pensioners and other elderly people, people living in uninsulated and badly heated homes, and those living in rural areas.

One does not have to be Einstein to work out that we are drifting towards a system where, because of the Minister's failure to act on carbon taxation, multi-million euro industries, such as the cement industry, will be the major beneficiaries from permits for trading emissions. These will be worth many tens of millions of euro on their balance sheets. As with intellectual property rights and milk quotas, they will be saleable values that will be handed out free by the Exchequer. On the other hand, elderly persons in rural areas living in badly insulated homes will end up paying significantly increased fuel costs. Will there be any counter-compensation? In the meantime there will be a crisis in some of our existing industries and the jobs therein. There will also be a crisis in inward investment which has high energy requirements, and we are getting nothing from the Minister.

There is need for a commission on taxation to have a detailed look at the tax system which will provide an efficient and effective system and give a fair deal to PAYE taxpayers, widows and pensioners. The tax concessions the Minister presented to the PAYE sector in the budget are little short of disgraceful. The purpose of the Labour Party amendment is to provide, even at this late hour, some justice to the PAYE sector.

**Mr. R. Bruton:** It is ironic that we are going to have a very truncated debate on the Finance Bill on the eve of Cheltenham. To adopt that theme in regard to this amendment, one can be sure it will not be ordinary workers who will get the beef or salmon. It will be the best mates of the Minister and other colleagues who will reap the benefits of the Finance Bill. A week before Cheltenham, we are already making clear our preferences on where the winnings should go from the Finance Bill.

The process in which we are engaged of consideration of the budget and the subsequent Finance Bill is almost wholly designed to prevent proper scrutiny of the decisions being made here. One might ask why ordinary taxpayers have been left without any increase in their allowances in the last two years. One would have to consider the very poor scrutiny of spending and tax decisions in the Oireachtas. In the 24 months prior to the last general election, the Government increased spending by 48%, an incredible increase in spending in a very short time, and it secured nothing of value to match it. It is the ordinary punters who will pay the price for this, as we have seen in the last two budgets.

We have also seen the poor way in which we scrutinise tax proposals. The Comptroller and Auditor General had to call attention to the fact that of 91 allowances which the Minister generously provides, only 48 have any proper



[Mr. R. Bruton.]

costing done, and none have been the subject of a cost benefit analysis.

We must look seriously at our attitude to tax expenditure. During last year's Finance Bill, the Minister came riding in on his charger at the very last minute of Report Stage with a tax concession which was uncoded. No one knew the benefits of it but it was possible within the financial procedures to do this. No doubt the Minister was doing what many of his predecessors did. We must grow up in regard to our attitude to tax expenditure. The Comptroller and Auditor General pointed out that tax expenditure is worth approximately €4.8 billion. If one were spending even €1 million in one of the Departments, one would have to produce an estimate and bring it to this House for scrutiny. One would have to produce an estimate again after the budget. One would go before the estimates committee to, at least, examine it, even though it would be a bit late to examine it half way through the spending year. One would then have to account for it in the appropriations account. The Comptroller and Auditor General would crawl all over the spending to ensure it was proper and right. As far as tax expenditure is concerned, it is dished out and there is no scrutiny. We need to wake up and adopt more modern and strategic ways of examining the decisions being made.

I support the trust of the amendment. It is important to get away from the approach whereby the Minister uses inflation as his hidden tax collector. He has done that by abandoning indexation, not just in respect of income tax, but in respect of capital gains tax. It is a general decision the Minister has made that inflation is to be the ally of the Government in raising taxes. This is a very retrograde step. It means that paper money rather than real earnings is being taxed. It means people will get poorer as a result of this type of tax code, which is why we need to move away from it.

There will be plenty of time to deal with this during the debate on the amendments. The way we handle the debate on the budget and the Finance Bill is out of the ark. It kills off proper scrutiny of spending. It encourages a system whereby a very narrow range of choices are considered by Ministers on the day. The bureaucracy goes on. All the schemes go on and there is no proper debate on the strategic choices we need to make. What passes for serious debate about the economic future in this House is often a sham. We need to move away from that and provide proper content in a timely way to this Oireachtas in order to make mature decisions on the matter. The Minister, who is a reforming Minister — perhaps we do not agree with everything he does — should make one mark in the remaining period he has as Minister for Finance. He should begin reforming the financial procedures so we can have a more intelligent debate on the choices we face as a community.

**Mr. Boyle:** It is interesting that there are 83 amendments on Report Stage of the Finance Bill which followed a budget speech that must have been the slightest in years in terms of its content and size. In fact, it needed to be padded out with the Minister's announcements on decentralisation or, as I prefer to call it, his "once-off Government Department programme coming to a town near you." Some 30% of the amendments are tabled by the Minister, which bears out what Deputy Bruton said on the scrutiny and decision-making process in formulating financial legislation. If a bit more thought was put into the original budget speech and the Finance Bill as initiated, I do not think there would be 83 amendments to be discussed at this stage, 25 of which are in the name of the Minister. The Minister appears to have accepted one of my amendments on the tax break for research and development and its effect on small and medium sized-enterprises.

On the amendment itself, the arguments have already been well made in regard to the refusal to increase the bands over the last two years. This is the Minister's revenge for benchmarking. The large-scale payments for low and medium paid public servants will immediately be eaten up by moving them into the higher tax bracket as a result of the Minister's inaction in this area.

As Deputy Bruton said, there is a need for future Ministers for Finance when introducing future finance Bills to have legislative control which would automatically take into account the rate of inflation. One of my amendments seeks to do this in terms of tax band exemption limits and tax credits. This measure, which already exists in other jurisdictions, needs to be adopted here, not only in terms of legislative control over automatically increasing the band exemption limits and tax credits, but also in terms of further fiscal controls over the type of accelerated spending that could be engaged in. Three months before the local and European Parliament elections, we see on a smaller scale the same process that took place two years prior to the last general election. This type of stop-go expenditure for political purposes should not be allowed. In other jurisdictions legislation has been put in place to prevent people from politically abusing the process.

I support Deputy Burton's amendment and I hope that by 7 p.m. we will have come close to debating most of the 83 amendments. Amendments Nos. 81 to 83, inclusive, in my name are the last three on the paper. I have an interest in ensuring that Report Stage progresses as speedily as possible.

**Caoimhghín Ó Caoláin:** I will certainly assist my colleague, Deputy Boyle, to reach his 1 o'clock amendments.

I support Deputy Burton's amendment which seeks the increase of exemptions, tax bands and tax credits in line with inflation. I hope that the Minister for Finance, Deputy McCreevy, will yet

surprise us by acceding to this proposition. On Committee Stage, I asked him to explain the Government's view on what the taxation system is about. There is a clear dichotomy between the Minister's view of what taxation is intended to achieve and my view. I view tax revenue as a key resource of all the people which should be designed to ensure the just distribution and use of the nation's wealth. The use of tax revenue is as important as its distribution.

As a result of the budget for 2004, more than 50% of taxpayers in the State will be pay tax at the higher rate of 42%. This is not reflective of any major or magical increase in income levels or earnings. It is not that people are earning so much that they suddenly find themselves in the 42% rate. The reality is that many continue to struggle to make ends meet, especially those supporting families. That 50% ranges from ordinary industrial workers on average industrial wages to the highest paid people in the State. However, on an examination of the 400 top earners, we find that those who should pay their fair share only pay as little as 18% in tax. They are able to exercise and mould the measures that the Minister for Finance has introduced over a succession of budgets to their advantage when ordinary workers cannot even consider accessing these.

Inequality is perpetuated by the Minister. If he decides not to support this amendment, under the administration of taxation, he will continue to perpetuate the inequalities that have become inherent in society. It is important to recognise that the burden of tax is shouldered disproportionately by the PAYE sector. Many people on average and below average incomes are the ones who suffer most. They suffer because of the Minister's unwillingness to address the important issues of tax bands and at what various points people are brought into the system.

Amendment No. 3 addresses this issue for those who live on and below the minimum wage. It also refers to the constant introduction of new stealth taxes which have been a feature of the Government's approach to compensate for the loss of earnings from corporation tax. Through the steady introduction of stealth taxes, the Government has increased its tax intake. Those who shoulder these stealth taxes are those who can least afford to pay. They are the people who are already suffering in society, especially those who are slightly above the minimum wage but still in the tax bands and for whom medical cards, for example, are not accessible. The Minister for Finance must be conscious that these people are suffering, especially those bringing up families. These are the people who would benefit by the adoption of this amendment and the subsequent amendments Nos. 3 and 7.

I support Deputy Burton's amendment. I encourage the Minister for Finance to recognise that these are not just exercises in arithmetic. It is not a case of tweaking here and changing there but about recognising the daily reality with which

ordinary people must contend. I assure the Minister that this reality is a far cry from that to which he will be exposed at Cheltenham in the coming week. The people to whom I refer will have no such option as to how they will spend next week. It will be a challenging and worrying week, like every other, as they continue to wrestle with the concerns and responsibilities of child upbringing in this unequal society.

**Mr. McCreevy:** This amendment requires a general increase of 7% to be applied to all tax bands, exemption limits and tax credits for 2004. The cost of this measure at €440 million in 2004 and €605 million in the full year is more than double the cost of this year's budget income tax package of €287 million in the full year.

This year, as last year, it was decided that the available resources would be focused on the lower paid and the elderly. It is fully in line with the commitments contained in An Agreed Programme for Government to deliver further real improvements to pensioners and people on low incomes. Over the next five years, it is intended to achieve a position whereby all those on the national minimum wage are removed from the tax net.

Since 1997, the Government has made significant improvements as resources have permitted. The income tax system is in a much better position than in the past. Both the top and higher rate of tax are six percentage points lower than they were in 1997. The standard rate band has been significantly increased and the tax credit system is fairer than the allowances system. Since 1997, average tax rates have fallen for all categories of taxpayer. For the person on or below the average production wage, Ireland has the lowest tax rate in Europe and the OECD. The burden of income tax on the average worker has dropped significantly over the past seven years. The average tax rate for a single worker on the average industrial wage has dropped by ten percentage points from 27% to 17%. In addition, it is expected that, in 2004, those earning at or under the average industrial wage will contribute about 6% of the total income tax take. The equivalent percentage in 1997 was 14%.

An increasing proportion of those on the income tax record — more than 35% of all income earners — pay no tax. They are outside the tax net as a result of tax changes introduced over the past seven years. The number in the exempt category of income earner has increased by more than 75% from around 380,000 persons in 1997-1998 to 669,000 in 2004.

The Government is committed to sustaining economic growth, strengthening and maintaining the competitive position of the economy and maintaining full employment. Responsible fiscal policies are central to the achievements of these aims and the proposal outlined by the Deputy would be inconsistent with such an approach.

Regarding the amount of money contributed by high income earners, the Revenue projections

[Mr. McCreevy.]

for 2004 indicate that the top 1.7% of income earners — those earning more than €150,000 per annum — will contribute more than 28% of the total income tax yield.

I point out that 35% of all income earners are now exempt from tax and 90% of the national minimum wage is free of tax at higher minimum-wage levels. We have cut the standard rate of tax to 20%. We reduced the lower rate by 6% and cut the top and standard rates by 6%. As I recall, every decrease in the top rate was opposed tooth and nail by the Labour Party in particular — I think Deputy Ó Caoláin is in that camp as well. I find it a bit ironic that Deputies are criticising the 42% rate when, in every budget and Finance Bill, it was opposed time after time. That should be borne in mind.

For Deputy Boyle's information, the purpose of Report Stage is to allow consideration of the matters that were raised on Committee Stage. Of the 25 Government amendments, some respond to issues that were raised by Opposition amendments on Committee Stage, and the Deputy should hardly suggest that I should not respond. I think that about half of those 25 amendments respond to suggestions the Opposition made. Some respond to technical issues that outside groups raised following the Bill's publication and a small number relate to drafting mistakes, which are normal in any Bill. For a Bill of the size of the Finance Bill, the number of Government amendments is not unusual. Indeed, it is smaller than that for many Finance Bills in the past and very much smaller than for other Bills.

**Ms Burton:** I thank the Minister for responding to some of the Labour Party's proposals. I hope we have time in the debate to reach amendments Nos. 27 and 77, which are to do with the preparation of tax returns and under which taxpayers will be obliged to give information about the use of various capital allowances. I welcome that. I would like a detailed examination of it because it is an important development. I am glad the Minister has acceded to the Labour Party's request to start compiling that information because it is disgraceful that the Revenue Commissioners indicated in the survey of the top 400 taxpayers that, in the survey year a couple of years ago, those 400 taxpayers benefited to an inordinate extent from property-based tax breaks but, in many cases, there was no information on the cost of those breaks. I thank the Minister for acceding to the request I made as Labour Party finance spokesperson to get tax returns to cost fully, but I would like an opportunity to discuss how that will operate and I hope we will have time for that.

I also thank the Minister for referring to the Revenue Commissioners' summary of who pays tax. The Minister has many civil servants working for him. I found the Revenue Commissioners' report on who pays tax tough. I am only an

accountant; I know that the Minister is as well, but he has others to crunch the numbers for him. The Minister mentioned that high-income earners are people who earn more than €150,000 and that they are now paying about 28% of tax. We should go behind those figures. I would like to know how many of those are dual-income couples. I suspect many of them are. Two senior civil servants who are married to each other would have an income way over €150,000. I see Deputies smiling. Those civil servants might not be married to each other after decentralisation is completed. We are again talking about the PAYE sector, that is, the top-paid public employees, paying most of that tax. I would like more detailed information on that from the Minister because the Revenue Commissioners' summary of those figures is done not statistically but in gross figures, and it is awfully difficult for someone such as me, who is doing that work on her own, to work out who pays that level of tax, because I do not get any research back-up.

I welcome the Minister's bringing out the figures because we could have a good debate about who pays what tax. Deputies should bear in mind that two senior teachers, gardaí or civil servants who are married to each other, if the civil servants stay married after the Minister has completed decentralisation, would be in the top-earners bracket. We cannot therefore simply say that such people, who are all traditional PAYE workers, are paying their fair share of tax. I hope that they are paying their fair share of tax because they ought to be, but what about the non-residents who are at every race meeting and fair in the country, the horse breeders, who have tax exemption, and the new super-elite sportspeople, who will get a 40% rebate on their best ten years? Such provisions are the reasons the tax system is skewed against ordinary PAYE workers, even if they are earning relatively good incomes.

I hope that what the Minister has just said is the beginning of a debate in which we show that, although what he has done appears to be headline tax breaks for everyone, when one reads the small print, it becomes clear that those breaks really benefit the super-well-off in Irish society and do not benefit ordinary PAYE taxpayers. That is why I call on the Minister to accept the Labour Party's amendment to acknowledge the impact of inflation. By failing to increase the tax bands and credits, he is, like *Oliver Twist*, dipping silently and stealthily into the back pockets of every ordinary PAYE worker in the country. What is more, as he has indicated, he is confident that he is getting away with it, but I think that people are catching up with him.

**Mr. Boyle:** I ask the Minister for further information about the statistics that he has just given us. He says it is anticipated that 1.7% of the top income earners for 2004 will pay 28% of the income tax that will be received. We are in lies, damned lies and statistics territory because we do



not know whether that 28% corresponds to the share that those taxpayers already have of the national wealth. The Revenue Commissioners' report of 1999-2000 on the top 400 earners indicated that the proportion of income that those earners paid in income tax was much less than the proportion that the average taxpayer paid. We need to be informed of whether that is the case. As Deputy Burton said, that statistic does not take into account all the income that has been earned in Ireland as a result of the loose residency laws that we continue to have.

The second statistic the Minister supplied was that, in 1997, those on average incomes and less contributed 14% of the total payment of income tax and that that had reduced to 6% in the past reckonable year. I argue that that is a direct result of an increase in the distance between those on the highest and lowest incomes. It is, in effect, the result of McCreevy economics. The ability to pay tax on average and lower incomes has been affected because the proportion of the national wealth that those on such incomes have has reduced. That is why the discrepancy arises.

**Mr. McCreevy:** The Deputy is not correct. It is more a factor of an increase in the number of people getting out at the bottom of the scale.

**Mr. Boyle:** The fact that 90% of the national wealth——

**Mr. McCreevy:** That is the reason for that. If Deputy Boyle does the sums, he will work that out.

**Mr. Boyle:** The reality is that 90% of those on——

**Mr. McCreevy:** If Deputy Boyle does a little maths, he will realise it.

**Mr. Boyle:** I argue that it shows the growing discrepancy between those with and those without in our society. It is a fairly shallow statistic to quote, and the first statistic is the more important. We need to know what share of the national income those on the highest incomes, above €150,000, have and what their average tax payment is compared to the average taxpayer. That would be real information that the taxpayers of Ireland deserve to know.

**Caoimhghín Ó Caoláin:** In his reply to Opposition Members' contributions, the Minister made the point that average taxes have dropped over the period of his stewardship of the Department of Finance, but — this is a big but — what is the reality for, in the first instance, those on average incomes and below who depend on their own transport to access their work? Have they benefited from the so-called average tax drop over the period? No, they have not.

Taxation has a wide application. The Minister should consider the increases in vehicle registration tax, VAT and motor tax. The excise

duties on petrol and diesel were increased again in the most recent budget. All of this has an effect on ordinary people. These are stealth taxes. What about the increases in VAT that have applied across the board over the same period? These affect everybody because we all pay tax on consumables. Everybody in our society is a taxpayer from the cradle to the grave. Everybody is caught up in the tax system. That is a fact of life.

The stealth taxes being proposed will affect people in a range of different areas. The first-time buyer's grant was done away with more than a year ago and now a development charge is being introduced across the board. The Minister may wash his hands, Macbeth-like, of responsibility, saying it is a matter for local government, but the effect is exactly the same no matter whose signature is on the order. Whether it is a managerial order or a ministerial order, the net effect is to decrease dramatically the spending power and room to manoeuvre of ordinary people who are struggling to survive. Those are the people for whom I am most concerned.

The Minister made an observation about my and my party's reactions to previous changes in taxation. He should make no mistake: while I do wish to see fewer people at the lower end of the income scale within the tax bracket, I have clearly stated to the Minister in one budget submission after another that a further, higher tax band should be introduced for incomes of more than €100,000. The Minister will need to consider this seriously in the future if he has not already done so. He should not be afraid of it. People are prepared to pay. The Minister needs to effect change in the delivery — in how the money is spent on people's behalf. If they receive services in the areas of health, education and infrastructure, which have been neglected in the past, they will be far more tax-compliant. Throwing money at problems is not enough.

**Mr. McCreevy:** I do not wish to go over the discussion about taxation again in the manner of a wide-ranging Second Stage debate. Even organisations such as the Combat Poverty Agency, in its analysis, said that the 2004 budget was redistributive and benefited most of the lowest income deciles.

**Mr. Boyle:** By 3%.

**Mr. McCreevy:** Other independent commentators have made the same points over the last few budgets.

The average industrial wage is not the same as the average income. As I stated on Committee Stage, the average tax rate for a single worker on the average industrial wage has dropped by ten percentage points, from 27% to 17%. I made the point earlier that 1.7% of income earners — those who are earning more than €150,000 per annum — will contribute about 28% of the total



[Mr. McCreevy.]  
income tax yield for 2004. That is the projection of the Revenue Commissioners for 2004.

**Mr. Boyle:** What is their share of the national income?

**Mr. McCreevy:** I am giving the figures supplied by the Revenue Commissioners regarding the revenue profile and statistics of people who earn more than €150,000 per annum. If the Deputy obtains the reports he can see a breakdown of the returns for income tax purposes. We had a debate on Second Stage about taxation and I am sure this will continue. I disagree with most of the Opposition's opinions about taxation — that is no secret.

**Ms Burton:** The Minister's approach to taxation is deeply unfair. He made reference to the Combat Poverty Agency. This agency and others, commenting on poverty and related issues in Irish society, are all on record as saying one of the developments of deepest concern during the years of economic advancement is the widening gap between rich and poor. We all played a part helping Ireland to progress economically and are happy to share in the results. We are rightly proud of our achievements. Certainly, the Labour Party is proud of the role it played in making Ireland more prosperous.

We are not so far removed from the days in which people had to head for the boats. My colleague, Deputy Stagg, was obliged to leave the House this morning because he sought justice for those people who were sent off like cattle by Fianna Fáil in the 1950s and 1960s with nothing. Now that they are old and living in various towns in the UK, the Government will not even throw them a few bob, although Ministers are jetting off around the world. A few cuts in the Ferrero Rocher provision at embassy parties would finance some provision for looking after our emigrants who have fallen on hard times.

The Combat Poverty Agency and other similar commentators have pointed out that during the years of the Celtic tiger and the seven years Deputy McCreevy has spent as Minister for Finance, only in one of his budgets did the Minister narrow the widening gap between the very rich and the very poor. In terms of the overall health of our society — not just our economy, but Ireland as a social structure and a series of communities — we must look after the people who lack economic power because they are ill, have special needs or are unemployed or because they come from families who have particular needs. The Minister should not be proud of having widened the gap between these disadvantaged people and our multimillionaires who have done exceptionally well.

The Minister has spoken before of how he admires the USA and the tradition of giving that exists there. In that country, very wealthy people give back to society between 2% and 3% of GDP

through donations and contributions to various not-for-profit good causes. Their counterparts in Ireland contribute quite a lot to the society pages of our various newspapers but their rate of monetary contribution is only about 0.1%. This is far below the rate of contribution of American philanthropists. The Minister has created a society in which we are all supposed to look up and admire these wealthy people. Of course we are happy they have succeeded, but we should not create a dog-eat-dog society in which the gap between those at the bottom end of the scale and the very wealthy grows wider, as has happened in all but one of the Minister's budgets. That is wrong. Combat Poverty and the Society of St. Vincent de Paul are on record as stating this.

Organisations such as the Combat Poverty Agency, the Society of St. Vincent de Paul, Fr. Healy's organisation and CORI spend much time and money making representations to the Minister and to me, as finance spokesperson of the Labour Party, suggesting ways in which the problem of the widening gap between the very rich and the less well-off could be addressed. The actions they suggest are fair and would not disadvantage the country economically. However, they got nothing in this budget. They got €48 million of miserable cutbacks from the Minister's colleague, the Minister for Social and Family Affairs, while the Minister granted about 14 additional or extended tax breaks which will cost our society tens of millions of euro in the years to come. Only in the case of two of these tax breaks was an argument put forward about how they make economic sense. The Minister's budget was deeply flawed. He is producing a more unequal, more divided society. This is one of the reasons people sometimes feel that as a social community, although we are better off, we are losing our way. This week we have listened to parents express their distress about what is happening to some young members of their families. Some of this is the result of the materialistic society we have created. What the Minister has done is wrong.

Debate adjourned.

*Sitting suspended at 1.30 p.m. and resumed at 2.30 p.m.*

## Ceisteanna — Questions (Resumed).

### Priority Questions.

#### Social Welfare Benefits.

91. **Mr. Ring** asked the Minister for Social and Family Affairs if the new restrictions in social welfare payments and EU enlargement undermine the stated commitment to the free movement of labour between EU member states;

if the new restrictions are legally sound; if these restrictions affect the Irish emigrants who have lived abroad for a number of years returning here; if these restrictions will affect the children of Irish emigrants; and if she will make a statement on the matter. [7966/04]

93. **Mr. Boyle** asked the Minister for Social and Family Affairs if a prior investigation was undertaken by her Department with her counterpart Departments in the Governments of the EU accession states, regarding the likely number of their citizens who would avail of the right to transfer their social welfare payments after 1 May 2004. [8027/04]

**Minister for Social and Family Affairs (Mary Coughlan):** I propose to take Questions Nos. 91 and 93 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 does not only concern workers, but other categories of people such as students, pensioners and EU citizens in general.

While the EU treaties provide for full freedom for citizens of the accession states to move freely through the enlarged EU they do not provide for automatic access to labour markets. Under the accession treaties, the EU has put in place a transitional measure by which existing member states will be able to exercise discretion as to the extent of access of persons from the new members states to their respective labour markets.

Unlike other member states, Ireland is not imposing any restrictions on the numbers of people from the new member states who wish to come here and work. I emphasise that this Government gave a commitment that EU citizens who wish to come and work here from 1 May are very welcome to do so and we will honour that commitment.

The Government has decided to put in place a number of measures which will restrict access to qualification for certain social welfare payments by introducing a habitual residence test which will act as an additional condition to be satisfied by a person claiming a social assistance payment or child benefit. The new condition is designed to safeguard our social welfare system from abuse by restricting access to social assistance and child benefit payments for people from other countries who have little or no connection with Ireland.

The new condition will require a claimant for social assistance to be habitually resident in the State or the rest of the common travel area which is the UK, Channel Islands and the Isle of Man, for a substantial continuous period. If they have been present in the State for less than the two year period it shall be presumed that they are not habitually resident. The onus will be on persons to prove otherwise. Even if a person is more than two years in the State, he or she will still be required to satisfy the general requirements

relating to habitual residence. People who claim welfare payments but do not satisfy the habitual residency test will be assisted to return home and the necessary arrangements will be made in co-operation with the Department of Justice, Equality and Law Reform. I emphasise that these measures are being introduced to ensure our social welfare system does not become overburdened which is a prudent and sensible measure. All other countries in the European Union impose residency restrictions on entitlement to social welfare benefits. The new residence condition will apply to social assistance payments and child benefit. However, it will not apply to social insurance-based payments such as disability benefit, retirement pensions and where entitlement is gained by the payment of social insurance contributions.

A person must establish a degree of permanence to be considered habitually resident in the State. The term "habitual residence" is well known in other jurisdictions and in EU legislation and has been clarified in EU court judgments. It is intended to convey a degree of permanence in the person's residence, clearly the duration and continuity of their residence would be important factors and also their intentions. The factors, as set down by EU case law, to be considered in determining whether a person satisfies the habitual residence test would include: length and continuity of residence; employment prospects; reasons for coming to Ireland; future intentions; centre of interest, for example, family and home connections. People who have resided in the common travel area, the UK, Channel Islands and the Isle of Man, will be regarded as habitually resident for the purpose of the new test. Each case will be examined on the facts and the person's degree of permanence in the State and no single factor will be conclusive.

With regard to Irish emigrants returning from abroad, it is expected that the vast majority will be able to prove habitual residence without difficulty because of, for example, their strong family ties with this country, previous residence in the State, etc. It is also possible that such emigrants will qualify for social insurance-based entitlements.

My Department has not been in contact with the competent institutions in the new member states regarding the likely numbers who may wish to avail of their rights to transfer their social welfare payments after 1 May 2004. However, under EU Regulation 1408/71 it is possible for an unemployed person under certain conditions to "export" their unemployment benefit for up to three months while seeking work in another member state. The regulations also allow people to exercise their right to free movement within the EU and to have their social insurance-based entitlements such as contributory pensions exported to another member state. These arrangements are not affected by the habitual residence condition.

**Mr. Ring:** Will the Minister assure the House that her proposals and those of the Government are in line with EU legislation? Will she assure the House that the social welfare payments of Irish emigrants who have been working abroad who return to live here will not be affected nor will their child benefit payments be affected? On the question of free movement of labour in and out of Europe, does the Government propose any other restrictions? The Minister comes from a county like mine where there has been a great deal of emigration over the years. Mayo and Donegal are like many other parts of Ireland in that regard. We were glad that other countries took our people in and assisted them in any way they could. Many Irish emigrants suffered abroad in jobs with bad pay. Many of them worked on the lump system which meant they did not pay for a stamp and are now suffering when they reach pension age.

This legislation worries me. I believe there will be a legal challenge to the Government either through the Irish courts or through the European Court. I ask the Minister to assure the House that there will not be a legal challenge and that the Government is operating within the law? Britain is in contravention of EU legislation. When the British legislation was introduced it was decided that it would apply only to the ten accession states. The Minister now states that any EU citizen who comes to Ireland and has not been in residence for two years, will not qualify for social welfare payments. There is no evidence that thousands upon thousands of people will come here. If a single person came here he or she would get €134 and the child dependant would get €19. One would not live well on that. I want the Minister to give me an assurance with regard to the questions I have asked.

**Mary Coughlan:** No more than the Deputy, I cannot give a guarantee that a legal action will not be taken on anything. I am not able therefore to answer that question.

**Mr. Ring:** I will not be as lucky as some down at the tribunals.

**Mary Coughlan:** The proposal is within EU law.

Changes in social welfare qualification regulations can be made as long as they are applicable to all EU members. That is what I have done, unlike the British Government. For the first time we are introducing an habitual residency requirement. This is a permanent change. It is not a transitional matter and is not part of the accession treaties. There has been no change in the Government's view about the free movement of labour. It is important to emphasise that. People are more than welcome and are entitled to come here to seek work and to participate in our work force. We have been glad to have 47,000 people here on work permits.

Equally, we will welcome new EU members to our shores to participate in the labour force.

With regard to the impact of the changes on Irish immigrants who return home, as I indicated in my reply, this will be examined on a case by case basis. The issue of habitual residence is not a conclusive decision. People could be here for less than two years and could prove to be habitually resident under the guidelines which I have outlined to Members. In normal circumstances, those who go abroad to work bring their contributions with them if they have participated in the work force within the EU, or where there are applicable bilateral agreements. If they have not and they are waiting for an assistance scheme they can apply. With the residency test, those who are returning home will satisfy that test if they are coming back to reside, for example, if a family decides to come and puts their children into school. An indication of permanency for those returning home will in itself be a determination of habitual residence. Everyone has to satisfy the normal parameters and criteria for application to any of the assistance schemes. This is a new criteria to be introduced. The measures are prudent and capable of being realised.

I am not sure whether somebody will take an action against the Government. The Attorney General has advised me he is satisfied that this works within the parameters of EU law.

With regard to the changes in Britain, I had the opportunity to meet the Minister and I discussed the changes with him. We have agreed that any changes will not extend outside the habitual residence requirement in the common travel area and the reciprocity that we have between ourselves and the British, which is a special agreement between the British and Irish Governments. On the issue of whether the British changes are within the parameters of EU law, I am not a lawyer and I would not wish to comment on the floor of the House on those issues.

**Mr. Ring:** It is discrimination.

**Mary Coughlan:** I had the opportunity to meet the new commissioner. We discussed these issues casually, not formally. The Commission does not have to be notified of any changes although from an information point of view the commissioner considers it prudent to bring together all the changes within the EU for the benefit of those who wish to come.

**Mr. Boyle:** I am disappointed the Minister has chosen to take these two questions together because they are two separate areas, one dealing with the nature of the policy she is making and my question which asks how she has informed herself in reaching that policy decision. Nothing in her reply indicates to me that she has spoken to any of her counterparts in the social welfare departments of the governments of the EU accession states. At the very least, if we are



anticipating the danger of thousands coming here to use our social welfare system, there must be a mirror-like image in each of the EU accession states of the numbers likely to leave their shores and consequently save a social welfare payment in their own countries. That the Minister has not asked and that the information does not appear to exist indicates to me that this is a problem that does not exist and is not likely to occur. Figures have been given in debates here which indicate that less than 2% in the EU live and work in countries other than their national countries. The report from the EU indicates that within five years of their coming into the EU, the likely movement of people from the new EU accession states will be 1% of their total population. On these grounds there was no need to make this decision. Neither the Minister nor her officials have done anything to inform themselves of the likely problem that exists in this area, when there is none.

This has proved to be a convenient smokescreen on the part of the Minister in that she can seem to be resolute in regard to a problem that does not exist while real problems for her Department are manifesting themselves in the cuts she announced in November and December about which we hear daily on our national radio.

**Mary Coughlan:** If the Deputy was present he would have heard my reply, which was that I did not and did not need to——

**Mr. Boyle:** I heard the answer.

**Mary Coughlan:** There are a couple of issues here. An interdepartmental committee is *in situ*, discussing the implications of accession on a number of issues, one of which has been the impact on benefits and free access of labour. The question asked the likely number of their citizens who would avail of the right to transfer their social welfare payments after 1 May 2004. I cannot answer that, on the basis that I do not know how many people will transfer, nor does anybody else——

**Mr. Boyle:** Did the Minister speak to her British counterpart?

**Mary Coughlan:** ——know how many people will transfer their entitlements.

**An Leas-Cheann Comhairle:** The time has expired for dealing with these questions.

**Mr. Boyle:** The likely number?

**Mary Coughlan:** No one knows that. I cannot even tell the French Government how many people here will travel to France and export their entitlements because I do not know.

**Mr. Boyle:** Less than 2%.

**Mary Coughlan:** I am sorry, I cannot see into people's minds. We have not been able to get an estimate. Some 1% appears to be the likely number who will transfer within the EU. It would be wrong, illogical and inconsiderate not to have imposed certain changes given that Ireland is the only country in the EU that has not protected its social welfare system. If nothing happens, nothing happens.

**An Leas-Cheann Comhairle:** The time has expired for dealing with these questions. We must move on to the next question.

**Mary Coughlan:** If there was an overburdening on our social welfare system, I am sure the Deputy would do his duty by advising the Minister she had not done her job and had not prepared.

**An Leas-Cheann Comhairle:** The Minister will have to conclude.

**Mary Coughlan:** I have prepared fairly.

92. **Mr. Penrose** asked the Minister for Social and Family Affairs if her attention has been drawn to the severe difficulties created for persons in seasonal, term or limited contract employment, such as school wardens, as a result of the decision of her Department not to pay unemployment benefit award for any period in which they are laid off, such as Easter or Christmas or periods in the summer; if there are holiday days accrued; the steps she intends to take to deal with this anomaly in view of the hardship it can create for persons on low incomes; and if she will make a statement on the matter. [7965/04]

**Mary Coughlan:** Social Welfare legislation provides for the payment of unemployment benefit in respect of days of unemployment. Any day on which a person either receives or has an entitlement to holiday pay is not regarded as a day of unemployment and a person has no entitlement to unemployment benefit in respect of that day.

With the exception of people in school-related employment, people in seasonal, term or limited contract employment who claimed unemployment benefit have always had to supply details of all holiday pay entitlements due during each temporary lay-off period. Unemployment benefit is not paid in respect of any day for which there is an entitlement to holiday pay.

These longstanding arrangements were extended to people in school related employment in 2003 following the application of the Protection of Employees (Part-Time Work) Act 2001 in their case. The new procedures are designed to ensure that all persons on temporary lay-off from their employment are treated in a similar manner. Full details of holiday pay entitlements must be provided in respect of each



[Mary Coughlan.]  
school vacation period, so that the level of entitlement, if any, can be determined.

A person can only have an entitlement to unemployment benefit for any day of unemployment which forms part of a period of interruption of employment, that is, where he or she is fully unemployed for a period of at least three days in any period of six consecutive days. In addition, payment of unemployment benefit is not made for the first three days of unemployment which are known as waiting days. However, where a person had a recent claim in respect of certain schemes, payment may be made from the first day of the claim.

The position is that unemployment benefit is payable to those who are laid off from school-related employment, on the same basis that applies to those in all other seasonal, term or limited contract employment. I do not accept that there is any anomaly in this.

**Mr. Penrose:** January is normally a cold month for the citizens of the State. This January was savage, bitter and sour for a large number in receipt of unemployment benefit and social assistance, not least the widows, who were affected by the savage 16 cuts which we highlighted here, who were to lose disability and unemployment benefit. Was this not another memo which emanated from the Minister's Department on 15 January 2004 to all its offices? Paragraph 3.1 stated that unemployment benefit is not paid in respect of any day for which there is an entitlement to holiday pay, and that this applies to school wardens and people in seasonal, term or limited contract employment. This was nothing more or less than a circular intended to implement another sneaky cut.

Is the Minister aware how difficult it is to get personnel to take up work as school wardens and of the importance of their work in terms of ensuring the safety of young school children? Surely, she is not blind to that reality. Some local authorities and school wardens have made agreements that accumulated holiday pay for three weeks per annum will be paid in full in June when the school year ends, as they are entitled to do under sections 19(3) and 20(3) of the Organisation of Working Time Act 1997.

Why was this decision taken? The Minister should be aware that this is vital and systematic part-time work. School wardens are not free to take up other offers of employment as they must be available to schools. Moreover, the Minister has made an important error and has been wrongly advised. Despite school wardens being classified by the Department of Social and Family Affairs as being in school-related employment, they are employed by county councils and local authorities, not by the schools or the Department of Education and Science — an interesting point.

On behalf of the many thousands of school wardens providing valuable work, I ask the Minister to reverse this decision. Is holiday pay not a statutory entitlement?

**Mary Coughlan:** It is.

**Mr. Penrose:** Why should school wardens be penalised throughout school terms when they are not receiving accrued holiday pay at that time? It is wrong. The Minister should tear up this circular and put it on a bonfire with the rest of the circulars which have been implemented as part of a savage 17 cuts. How many more cuts are there that we know nothing about? People in all parts of the country are complaining about the cuts and that must be reflected in this House. There will be a campaign to eliminate this cut because, otherwise, we will not have the personnel to carry out this vital work.

**Mr. F. McGrath:** The Minister should answer that.

**Mary Coughlan:** I will. The Deputy was a teacher and values school wardens, as we all do. However, this measure comes under particular legislation. Perhaps it should have been raised in the context of the Protection of Employees (Part-Time Workers) Act 2001. The situation is that if one is entitled to holiday pay, one is not entitled to unemployment benefit. The Deputy is correct that agreements are locally made with local authorities for particular reasons, often personal, where school wardens accrue their holiday pay. The problem is that we cannot deal with accrued holiday pay on the basis that people had entitlements to certain days. In the main, if wardens were paid their holiday pay at Easter, Christmas and in the summer, they would not be entitled to unemployment benefit. However, when becoming unemployed, as a consequence, they would be entitled to unemployment benefit.

Local decisions between local authorities and school wardens are in some way skewing the imposition of the eligibility criteria for unemployment benefit. The situation concerns accrued holiday pay entitlements which are often paid in a lump sum at the end of the school year instead of at each temporary lay-off period, and I must implement the measure according to the legislation. This seems to be what school wardens often want to do. If they were advised that if they took their holiday pay at the time at which they were entitled to it, perhaps they would not find themselves in this situation. This does not concern every school warden as a number of them do not have agreements with local authorities. It would be a matter for local authorities to advise their school wardens of the implications of accruing lump sums of money.

*Question No. 93 answered with Question No. 91.*

### **Fuel Poverty.**

94. **Mr. Ring** asked the Minister for Social and Family Affairs if her attention has been drawn to the fact that according to a recent report by the Combat Poverty Agency, fuel poverty could be a factor in as many as 2,000 deaths per year; and if she will make a statement on the matter.  
[7967/04]

**Mary Coughlan:** The report to which the Deputy refers is Fuel Poverty and Policy in Ireland and the European Union, which was published in 2003 by the policy institute at Trinity College, Dublin, and the Combat Poverty Agency. The aim of the research was to analyse key policy issues regarding fuel poverty in Ireland and across the European Union. The data used in the report refer to the period 1994-97.

In general, the number who die in winter in western countries is higher than during the rest of the year. Much of the difference is attributed to cardiovascular and respiratory diseases. It is not possible to disaggregate definitively the contribution made by fuel poverty *per se*. The report does not show that 2,000 people die each year in Ireland because they cannot afford to adequately heat their homes during the winter months. Indeed, the claim of inability to afford adequate heat in the home was the category which attracted the lowest percentage of responsibility for fuel poverty in the course of the study. However, I recognise the importance of ensuring that people on low incomes can afford adequate fuel and I accept this is an important aspect of countering fuel poverty.

The extent to which people on social welfare can afford fuel is kept under review in my Department. The objective of social welfare provision in this regard is to ensure that the combined value of weekly social welfare payments and fuel allowances rises in real terms, after compensating people for inflation, including fuel price inflation. Giving people a real increase in their primary payment for 52 weeks of the year is a more expensive option than increasing the fuel allowance payment rate for part of the year. However, I believe it is the correct approach to take as it gives people greater flexibility in meeting their needs. That, coupled with programmes to improve the fuel efficiency of the housing stock, will bring about the reduction in poverty levels, including fuel poverty levels, that I am working to achieve.

The report does not call for improvements in fuel allowances. It states that fuel allowances are not a sufficient measure to combat fuel poverty in Ireland. Improvements in energy efficiency in dwelling houses are also necessary. The report contends that the eradication of fuel poverty

requires investment in capital stock and the introduction of energy efficiency programmes. The report recommends that the State should introduce a programme targeted at certain groups with the aim of eradicating fuel poverty through domestic energy-efficiency improvements. As the Deputy will appreciate, responsibility for such a programme does not come solely within my remit.

### *Additional Information not given on the floor of the House*

My Department is currently in discussion with Sustainable Energy Ireland with a view to planning a fuel poverty project. It is proposed to carry out an action research project in designated geographical areas where eligible persons will have an energy audit carried out in their homes. The audit will include energy advice to the household as well as minor remedial work such as the installation of roof space insulation, draft proofing, fitting of hot water cylinder lagging jackets and energy efficient light bulbs. The project proposes to target persons over 65 years and long-term disabled persons, who are in receipt of a fuel allowance from my Department. The project will evaluate the effects of the measures undertaken from the point of view of comfort levels, health effects as well as changes in fuel costs and carbon dioxide emissions.

**Mr. Ring:** This report and its suggestion of 2,000 deaths per year because of fuel poverty is damning of the Government and society in general in that we cannot look after our pensioners. It is daft to have a fuel allowance for 29 weeks as there are 52 weeks in a year. The climate of this country means that the poor and old in poor accommodation need a fire every day of the year. There were not many days last summer when people did not need a fire. The Government has suggested it will introduce a carbon energy tax in the next budget. Has the Department of Social and Family Affairs made a submission to the Minister for Finance to protect those on low incomes? What proposals or recommendations has the Minister or her Department made? This proposal will create further fuel poverty, particularly for those on low incomes. The Minister should extend the fuel scheme for the full 52 weeks of the year. This would not cost a fortune and would go a long way towards helping those in fuel poverty.

I agree with the report that this issue is not simply concerned with giving people money to buy coal, gas or otherwise. Much of the problem is in regard to the condition of housing. The Minister should draw up a scheme for the elderly in conjunction with the health boards, the Department of the Environment, Heritage and Local Government and her officials. This scheme would be to educate the elderly about the energy

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[Mr. Ring.] deficiencies in their homes, which is a big problem, and to allow health boards to assist those on low incomes to improve their homes. Elderly people always ask for safety and heat in their homes. The Minister should look into that.

**Mary Coughlan:** It is very eye-catching to say 2,000 people died. That is factually incorrect.

**Mr. Ring:** I did not say it. It is in the report.

**Mary Coughlan:** It is not. I went to the bother of reading the report because it was part-funded by my Department through the Combat Poverty Agency. There are 270,000 people receiving fuel allowance and I spent €83.7 million last year.

**Mr. Ring:** That is €9 per week.

**Mary Coughlan:** It is €83.7 million.

**Mr. Ring:** It is means-tested.

**Mary Coughlan:** I did not have the chance to read the entire answer but I can do so now. I am engaged in a fuel poverty project with Sustainable Energy Ireland which covers the issues raised by the Deputy. We are looking at energy advice to the householder as well as minor remedial works such as roof space insulation, draft-proofing, fitting hot water cylinder lagging jackets, energy efficient light bulbs and so on. Deputy Ring and I both agree those issues are important.

We are looking at targeting those over 65 years of age and the long-term disabled. We are participating in a fuel energy project with Sustainable Energy Ireland, which has been excellent in supporting people at a local, voluntary level. We are also looking at comfort levels and health effects as well as fuel costs and carbon dioxide emissions. We have set up a project, we are carrying out an audit and we are looking at the best way to spend any resources we will have.

The Deputy will appreciate that I cannot pre-empt a Government decision on carbon tax, but I have been in consultation with my colleagues about discussions which are taking place at present.

### **Carer's Allowance.**

95. **Mr. Penrose** asked the Minister for Social and Family Affairs the steps she intends to take 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 carer's allowance; and if she will make a statement on the matter.  
[7798/04]

**Mary Coughlan:** The provision of support to carers has been a priority Government objective since 1997. Since then we have significantly

improved the position of carers through improvements each year in the scheme, and this will continue to be a priority. The long-term care agenda is an important aspect of social policy with major financial and other implications, and I am also determined to progress this agenda by developing a framework for the future of long-term care in this country.

The report of the joint committee, which I welcome, makes a range of recommendations, many of which relate to my Department and a number of which concern the Department of Health and Children. I am always prepared to consider changes in existing arrangements where these are for the benefit of recipients and financially sustainable within the resources available to me. The abolition of the means test for the carer's allowance could cost in the region of €180 million. This is not feasible in present circumstances and, in any event, it is questionable whether it would be the best use of such resources in the light of other competing demands.

The joint committee also proposed in respect of carer's benefit, which is a social insurance payment for persons who leave employment to care for another person and which lasts for up to 15 months, that the 15 months limit should be waived where the person continues to provide care. The present arrangements include the provision of job-protected leave of absence for up to 15 months with employers being obliged to maintain the employee's employment rights for this period. Any extension of carer's benefit would, in addition to the direct cost implications, have implications for carer's leave as well.

I consider 15 months to be a reasonable period of leave in the circumstances. If there is an ongoing care requirement, a person may be entitled to carer's allowance. The joint committee also recommended payment of partial carer's allowance where a carer is in receipt of another payment. As a general rule, however, only one social welfare payment is payable at any one time and persons qualifying for two payments always receive the higher payment to which they are entitled.

The joint committee made a number of specific recommendations on the respite care grant which will be considered in light of future improvements in the scheme in a budgetary context. The joint committee also made proposals for the administration of the scheme and, in particular, the provision of improved information to carers, which I am having examined.

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

Regarding the long-term care agenda, I note that the joint committee has examined the study I launched last year on the future financing of long-term care. My Department is preparing a consultation document which will aim to focus interested parties on the specific complex issues we need to address which include benefit design,



delivery, cost and financing which are discussed at length in the report. I intend to issue the consultation document to all interested parties shortly.

A consultation process on the financing of long-term care will then take place. I envisage that the feedback from this process will be the starting point for meeting the commitment in Sustaining Progress on examining the strategic policy, cost and service delivery issues associated with the care of older people. I hope that the working group to conduct this examination could be established in mid-2004.

**Mr. Penrose:** Is it not the case that we have approximately 150,000 carers, depending on the definition of carers, and that, of that number, only 23,000 or so receive any sort of carer's allowance and only 16,000 to 17,000 receive the full carer's allowance? Is it not the case that, as a nation, we have got away with caring for our elderly and disabled on the cheap? We have behaved disgracefully by failing to recognise the work and role of carers, some of whom receive approximately 80 cent per hour. That is the height of it for the work they are doing.

This is not about money. It is about recognition. Many people accept it might be difficult to abolish the means test, although our party is committed to that. An array of forms is needed for this scheme and more money is spent on the administration of the scheme than is allocated to recipients. That is why we will abolish the means test. If I am ever in Government, there will be no ifs, buts or maybes. It will be out with the means test which is only a way of making sure people do not avail of the scheme.

If a person becomes a widow or widower at 40 or 42 years and must look after a child who is disabled or handicapped from then until the age of 65, surely we could give such people half the rate of carer's allowance, which is approximately €70. That would not buy a person a treat but surely we could give such people the respite care allowance. Those are little matters.

I know there are difficulties with the carer's allowance. I am not so pigheaded that I cannot appreciate difficulties but I am pigheaded about the fact that we have let down the people who have cared for the elderly. They are not in it for money. If they were, they would throw the carer's allowance back at the Minister because it is an insult to the work those people have done. The money gives recognition but 130,000 people receive no recognition. I applaud the Carers' Association and the others involved in this work over the years.

In the upcoming review will the Minister take cognisance of some of the 15 recommendations of the joint committee's report? I compliment Deputies Dan Wallace, Ring and the others who worked very hard on this matter. It meant a great deal to them and, on their behalf, I ask the Minister to incorporate some of the

recommendations at the next available opportunity, which is next year.

We are awash with cash and the Minister for Finance will have to find more racecourses to which he can give money. We are talking about €180 million out of €430 million. Let us give that to the people. Let us put humans top of the agenda and leave the horseflesh for another day.

**Mr. Ring:** The Minister for Finance will be in Cheltenham next week.

**Mary Coughlan:** We will stick to the subject here, which is not horses. I am not the Minister with responsibility for sport, although sometimes there are blood sports in the House.

I can give the Deputy a simple answer. I will take into consideration many of the recommendations. At the end of the day we want to see carers and those they care for being looked after. I agree that, if one took an economic perspective on the investment of human capital by carers, one would see a huge imbalance between institutional care and care in the home. That is why I and the Minister for Health and Children want to look seriously at long-term care issues, as we have 20 years to address this before we have an ageing population.

It is almost the unanimous view of Members that home care should be progressed. On that basis I am actively considering future possibilities and, in the next budget, I will consider what I can do, within the budget that will be made available for me, to ensure carers receive that additionality. We increased the respite care grant again last year and we also increased the disregards. They are now up to €500 for a couple and €250 for a single person. We are working on this issue and, for the first time, we have real statistics from the Central Statistics Office on the numbers of carers. All that information and the good work of the joint committee will be evaluated and considered.

**An Leas-Cheann Comhairle:** I remind Members that supplementary questions and replies are limited to one minute on each question.

## Other Questions.

### Fuel Poverty.

96. **Mr. Morgan** asked the Minister for Social and Family Affairs her views on the figure that there are 2,000 premature deaths every year as a result of fuel poverty. [7893/04]

133. **Mr. Crowe** asked the Minister for Social and Family Affairs her proposals to tackle fuel poverty in this State. [7891/04]

**Mary Coughlan:** I propose to take Questions Nos. 96 and 133 together.

A report entitled, Fuel Poverty and Policy in Ireland and the European Union, was published



[Mary Coughlan.]

in 2003 by the policy institute at Trinity College Dublin and the Combat Poverty Agency. The data used in the report refer to the period 1994 to 1997. The report suggests that as many as 2,000 excess winter deaths in Ireland are associated with fuel poverty and domestic energy inefficiency.

In general, the number of people who die in winter in western countries is significantly higher than during the rest of the year. Much of the difference is attributed to cardiovascular and respiratory diseases. It is not possible to disaggregate definitively the contribution made by what is known as fuel poverty.

As I stated earlier, the report does not show that 2,000 people die each year in Ireland because they cannot afford to adequately heat their homes during winter months. The claim of inability to afford adequate heat in the home was the category which attracted the lowest percentage of responsibility for fuel poverty in the course of the study. I recognise the importance of ensuring that people on low incomes can afford fuel and I accept that this is an important aspect of countering fuel poverty. The fuel allowance scheme is important in that regard.

However, giving people a real increase in their primary payment for 52 weeks of the year is a more expensive option than increasing the fuel allowance payment rate for part of the year. That is the correct approach to take as it gives people greater flexibility in meeting their needs. That, coupled with programmes to improve the fuel efficiency of the housing stock, will bring about the reduction in poverty levels, including fuel poverty, that I am working to achieve.

The report recommends that the State should introduce a programme targeted at certain groups with the aim of eradicating fuel poverty through domestic energy efficiency improvements. The report does not call for improvements in fuel allowances. In fact, the report states that fuel allowances are not a sufficient measure to combat fuel poverty in Ireland. Improvements in energy efficiency in dwelling houses are necessary as well.

My Department is planning a fuel poverty project to be carried out in conjunction with Sustainable Energy Ireland. It is proposed to carry out an action research project in designated geographical areas where eligible persons will have an energy audit carried out in their homes and will receive energy advice and have minor remedial work carried out.

As far as social welfare provision is concerned, the commitments which the Government has given to increases in social welfare payments will further protect the position of vulnerable groups and improve their income situation in a substantial way.

**Mr. Crowe:** Is the Minister aware fuel poverty most adversely affects people belonging to the

lower socio-economic classes and that this State's record on the matter is one of the worst in Europe? Almost one in four employed persons, one in five tenants and one in five lone parents suffers from fuel poverty. The Minister referred to discussions between her Department and the Department of the Environment, Heritage and Local Government on the issue of sustainable energy and so on. About how many people is the Minister talking? Is there a timescale for the implementation of this work for people who are over 65? In what areas will this be implemented?

Is the Minister aware that, in 1985, the fuel allowance was £5, or €6.35? It has increased by €3 since. The price of fuel, ESB and everything else has also increased over those 20 years. I accept parties on all sides of the House have been in Government during that time. The situation has worsened and people on the fringes of society and who are most disadvantaged are suffering. The Minister said she is looking at the situation of those over 65, but there does not seem to be a plan. We have talked about joined-up Government.

New houses have heating but many houses in which people live are sub-standard and they are literally dying of the cold in their own homes. We have all gone into houses which are freezing and in which people experience poverty. Unfortunately, the days of people throwing the coat over the bed have not gone away and people still live in freezing conditions. We do not seem to have a plan to try to deal with it. The Minister spoke about the current response, which is timely, but is there a timescale for implementation? Are there figures?

**Mary Coughlan:** I hope to finalise this shortly. We have been working with Sustainable Energy Ireland which has a track record. When we thought of this idea, we had to look at the best way to implement it. A number of other agencies should be involved such as the Combat Poverty Agency, the Economic and Social Research Institute, the money advice and budgeting service and the Institute of Public Health as well as the Department and Sustainable Energy Ireland. A few minor details need to be ironed out so that we can reach an agreement between both agencies. We discussed this recently and there are some modifications which are acceptable to my Department. We will be able to reach an agreement shortly.

The target group at which we are looking are those over 65 and people on long-term disability allowance as they are seen as the people who are most vulnerable. Housing aid for the elderly, the essential repairs grant and the disabled person's grant do not deal with the small important matters such as draught exclusion. They are not part of any of the other grant aid schemes. We will look at the energy efficiencies to fill in the gaps in those schemes.

**Mr. Penrose:** I take the Minister's point about the 2,000 deaths referred to in the study. It is sober reading. Even if there were only one death, it would be an indictment on us as a society that we are wealthy in so many ways but so poor and bereft of compassion for others that somebody would die because he or she did not have enough money to heat his or her home.

The unemployed form the largest socio-economic group at risk of fuel poverty and are followed by tenants, lone parents, as referred to by Deputy Crowe, the separated, those living in large multi-unit dwellings and the elderly living alone. Are they not the people hardest hit by the savage 16 cuts? Those are the people who bore the brunt of some of those cuts.

The Minister introduced a pilot scheme and cold alert cards so that older people would know when their homes were too cold. That, however, misses the point. Realising one's home is too cold is not the problem; it is not having enough money to heat one's home sufficiently. That is the critical question. We can hold rhetoric. The provision of sufficient funds to ensure adequate heating is a basic right and must be treated as such by the Government. Will the Minister ensure the fuel allowance is increased and over an extended period as Deputy Ring has said? That is the way to combat this problem.

**Mr. Ring:** As the Minister knows, this is the only one of the free schemes that is means-tested. People who worked for the county council or for a semi-State company would have a small pension but are debarred from the fuel scheme because they exceed the income limit. That is something the Minister should examine. The fuel scheme should be given to pensioners even if they have a pension from the county council, the health board or State agency and for which they have paid. They may get €60 or €70 extra per week but they find they lose that as a result of not getting the free fuel. Will the Minister examine that when producing her report?

**Mr. Boyle:** Has the Minister had any discussions with the Minister for Finance on his proposal in last year's budget on the introduction of a carbon tax? Is she aware of the proposals of the Economic and Social Research Institute that if, or when, such a tax is introduced, most of the money should be recycled into greatly increased social welfare payments and not into the Exchequer? Has she made any moves to make sure the Minister for Finance does not act other than in that direction?

On the review of the fuel allowance, what measures are being put in place to make sure the most effective use of the money can be made by the recipient? Solid and fossil fuel is largely used and most of the heat provided goes up chimney stacks rather than into the rooms where it is needed. Some houses are poorly insulated, damp and not well-designed. Surely capital expenditure

is what is needed to make sure the fuel allowance has the greatest effect.

**Mary Coughlan:** It is my intention that, not only will we provide advice, we will also provide for some capital remedial works. I agree with Deputy Boyle in this regard. The fuel card was initiated in County Mayo and seemed to be popular. The county development board worked under the social inclusion measures in which the county councils are not involved. That will link into the sustainable energy project. A project is taking place through some of the voluntary agencies, the partnerships and the Leader programmes. There are small programmes but we need to encompass them fairly rigorously within a proper fuel poverty initiative. I am getting a lot of co-operation on the matter, which I see as fundamental in addressing the issues of fuel poverty and fuel efficiencies.

With respect to the disregards and the means test, I did change the situation slightly this year. We would hope to change it every year and, in particular, we changed the disregards for fuel allowances under the income and capital disregard. Every year these are examined fully. We will examine the possibility of changing the eligibility criteria for a number of the schemes, but it is a means-tested scheme.

The other issue raised was whether I should increase the fuel allowance or whether it would be better to give a full €10 to pensioners. I considered that the €10 for pensioners was the best option because that is available to them 52 weeks per year, whereas the fuel allowance is specifically a winter scheme. It is an exciting proposal and a good initiative. I agree it is not solely a monetary issue, but also a minor capital works issue. As I told Deputy Crowe, I anticipate that we will have a roll-out fairly quickly on this matter.

**Mr. Boyle:** What about the carbon tax?

**Mary Coughlan:** I have had discussions about that matter. As the Deputy will appreciate, when the draft memorandum was circulated, Ministers forwarded their observations to the Minister for the Environment, Heritage and Local Government and the Minister for Finance. I assume I will have to battle for the other issue on my own. I can tell the Deputy that I will be doing my best on that one.

#### **Social Welfare Benefits.**

97. **Mr. Penrose** asked the Minister for Social and Family Affairs the estimated additional cost to her Department of increases in telephone charges for pensioners and welfare recipients; when the telephone rental allowance will apply to mobile phones which qualifying applicants hold; and if she will make a statement on the matter. [7808/04]

**Mary Coughlan:** 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, which is €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 the CPI, which is 1.9%. Some technical restructuring of the social benefits scheme was also agreed which removed some additional call unit value. To offset this, Eircom offered to give low-use customers up to €10 worth of free calls 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-month bill. The other revisions to call costs by Eircom should be broadly beneficial to social welfare customers.

There has not been a significant demand to date from social welfare customers to have the allowance transferred to mobile phones. This may be due to the fact that most customers who have a mobile phone also have a land line. I am committed, however, to the development of the telephone allowance scheme to respond to the expanding telecommunications 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. These arrangements 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.

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

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 telephone 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 telephone provider companies develops into active participation, then I would expect that the necessary technical arrangements could be finalised between my Department, the individual companies concerned and ComReg. On that basis, I would expect that the option of applying the telephone allowance to mobile telephone bills could be made available to social welfare customers before the end of this year.

**Mr. Penrose:** What was the reaction of the mobile telephone network's licence providers to the Minister's attempts to ensure that they would accommodate this request? The problem with many of the schemes in many Departments, including the Minister's, is that they are not brought to public attention as widely as possible. I realise that some Ministers may be criticised for having their photographs taken, but it is important to propagate the news that the rental allowance will be available for mobile telephones. It is essential for that to be done because mobile telephones are of great value to elderly people who will be using them for their own safety. In addition, if they fall ill they can easily summon help without having to leave home.

Eircom seems to be making some concessions but, in view of the many elderly people who lost a lot of money after the company's flotation, I suggest that those poor unfortunate people should receive ten years' free rental for every telephone they have.

**Mr. Ring:** Double or nothing.

**Mr. Penrose:** It would be some way of paying compensation and it would not be charity.

**Mr. Ring:** Exactly. It would be compensation.

**Mr. Penrose:** It is what people deserve. I notice many people are now making money out of it, but the poor are not.



**Mr. Ring:** The Minister promoted this matter over the Christmas period and I have also been following it on Committee Stage of the Social Welfare Bill. It is a natural scheme to introduce because everybody has mobile telephones now. I presume that people will not be able to have both, so that the allowance will be either for a mobile or a fixed-line telephone?

**Mary Coughlan:** Yes, that is right.

**Mr. Ring:** I received a query about the free schemes arising from an article in a newspaper last week. Is the Department currently reviewing the free schemes? People are worried that, given all the cutbacks, some of the free schemes will be lost. I received a telephone call from somebody in Dublin this morning asking me if the Department was getting rid of the free schemes. I replied: "No, not that I know of but I suppose we will be the last to be told."

**Mr. Durkan:** Absolutely. It never changes.

**Mr. Ring:** It will probably be announced in the newspapers first and we will hear about it afterwards. Will the Minister confirm that her Department is reviewing the free schemes? Are they facing any danger?

**Mary Coughlan:** I want to reassure people about that, because when there is a media frenzy, people start going off at a tangent and they pick up things incorrectly. There will be no change to the free schemes.

**Mr. Ring:** That is good.

**Mr. Penrose:** Other than improvements.

**Mary Coughlan:** Exactly. I agree with the Deputy that was the reason we wanted to include mobile telephones in the allowance scheme. Many people buy them for their parents who find them very handy. They provide security apart from being useful for normal calls. My Department has been in contact with one mobile provider and is meeting two other providers this week to negotiate with them. One of the issues arising from the opening up of the telecommunications market is that we must provide choice. We have always had an agreement with Eircom but ComReg has instructed my Department to invest in providing choice. Arising from that provision of choice for land line telephones, we will now be in a position to provide choice for mobile telephones also. When agreement has been reached on this matter, Members of the House will be informed of the decision.

#### **Anti-Poverty Strategy.**

98. **Mr. Quinn** asked the Minister for Social and Family Affairs when it is intended to commence publishing annual reports of progress

towards the achievement of anti-poverty indicators; and if she will make a statement on the matter. [7822/04]

100. **Mr. Quinn** asked the Minister for Social and Family Affairs the progress made to date with regard to achieving the target set in An Agreed Programme for Government of reducing consistent poverty to below 2%; the percentage in consistent poverty at the latest date for which figures are available; if the results of the national survey carried out in 2003 are available; and if she will make a statement on the matter. [7821/04]

**Mary Coughlan:** I propose to take Questions Nos. 98 and 100 together.

The most recent data on the levels of consistent poverty is contained in a report published recently by the Economic and Social Research Institute, entitled *Monitoring Poverty Trends in Ireland: Results from the 2001 Living in Ireland Survey*. The report shows that the steady downward trend in consistent poverty has been sustained with a rate of 5.2% being recorded in 2001 compared to 15% in 1994. Accordingly, we are continuing to make steady progress towards the achievement of the target set out in the revised national anti-poverty strategy, NAPS, of reducing the level of consistent poverty to below 2% by 2007 and, ideally, eliminating it altogether.

The 2001 Living in Ireland survey was the final such survey undertaken as part of the European Community household panel or ECHP. This statistical instrument is now being replaced with a new instrument, which is known as EU-SILC — the European survey of income and living conditions. The Central Statistics Office is responsible for EU-SILC, as it has a statutory basis in EU statistical law. The earlier ECHP had no formal legal basis. I understand that the Central Statistics Office expects to be in a position to publish the initial results from the 2003 survey by the end of this year, and that the latest information on consistent poverty will be included in these initial results.

The office for social inclusion within my Department has overall responsibility for monitoring progress towards the implementation of the targets set out in NAPS and in the national action plans against poverty and social exclusion. The current NAPS/inclusion covers the period from 2003 to 2005 and was submitted to the EU Commission on 31 July 2003. The plan provides for the following: an assessment of the major trends and challenges in the area of social inclusion; reviews the progress achieved in the previous two-year period; sets out the strategic approach to meeting the challenges; identifies the key targets and the measures in place to achieve those targets; sets out the institutional framework in place to address the issues of poverty and social exclusion; and identifies a number of examples of best practice.

The plan, together with similar plans submitted by the other member states, also provides the basis for a joint inclusion report which will be



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discussed at the forthcoming spring European Council. The joint inclusion report includes a synthesis report on the challenges facing all member states in tackling poverty and social exclusion, as well as a critique of the individual plans of each member state.

In order to provide continuity in the process, it is planned to publish the first annual report of the office for social inclusion in autumn 2004, covering the year to end July 2004. It is envisaged that this report will provide an analysis of progress towards the achievement of the targets set out in the NAPS and NAPS/inclusion. It will also provide an update on the range of other activities being undertaken by the office.

**Mr. Penrose:** Is it not the case that amid all the wealth there is deep seated poverty, that a huge cohort of young and elderly people have been left behind by the Celtic tiger and have been forgotten? Is it not a fact that approximately 300,000 children live in relative poverty? This is not just a figure thought out by the Society of St. Vincent de Paul when they mentioned this in November. This is the figure of the Combat Poverty Agency who had to take issue with the Taoiseach regarding the figure because he did not seem to understand it.

Is the agency incorrect that 300,000 children live in relative poverty? Relative poverty is defined as a household where the income is less than 60% of the average industrial wage. Approximately, 70,000 children live in consistent poverty, which means they do not get basics such as a hot meal daily or necessary clothes. Is that not the position? Why do organisations say 25% of such children live in households with an income of less than €138 per week? Is that sustainable? Is that poverty?

Why does the National Economic and Social Council say child poverty is not being addressed? The Minister will argue but the NESC says poverty in the early years leads to low levels of educational attainment, no skills, vulnerable employment, low levels of participation in the work force and high dependence on the State. Is it not only morally right but economically right to intervene and invest adequate resources in this area? The benefit of such investment would permeate all stratas of society in the longer term. Has there been discussions with the social partners on Sustaining Progress? What has happened in regard to the other national agreements? Are they real, radical or redundant in terms of achieving the elimination of poverty, which must be the aim of everybody in this House?

**Mary Coughlan:** There is no denying there is poverty. Nobody would be silly enough to fail to recognise that. Poverty trends have changed significantly and consistent poverty has reduced significantly, for example. Much of this can be attributed to the increase in social welfare rates

and the provision of other health and education supports. I agree child poverty is a most disturbing issue. That is why a special initiative was agreed under Sustaining Progress. I hope to meet the social partners shortly, if I ever get away from debates in the Dáil and Seanad, to discuss the implementation of the initiative because I am interested in addressing that issue. That is why child benefit has been examined. The interaction of CDAs with FIS and how child poverty can be addressed properly is a hot potato.

A number of Government initiatives deserve great credit. The national anti-poverty strategy provides a holistic approach to tackling poverty, as it encompasses housing, education, health and income supports. None of those areas is exclusive of the other because a holistic, inclusive approach must be taken to address poverty.

Astronomical resources have been provided to my Department. It has been allocated €11.3 billion, which is the highest allocation to a Department. We will strive to address the issue of consistent poverty on an ongoing basis. I wish to eliminate such poverty and to at least, attain the targets outlined in NAPS. The Department has been commended by the European Commission on a number of its initiatives, such as the Money Advice and Budgeting Service, which is unique.

It is difficult to compare like with like. Ireland provides for pensioners, for example, whereas the British Government does not provide the same income support for pensioners. The Department provides income support and free schemes and these must be taken into consideration when comparing statistics within the EU.

Groups are often criticised for not being independent in their advisory roles.

**Mr. Penrose:** That is good.

**Mary Coughlan:** The Combat Poverty Agency, the ESRI and the NESC do their job and that is important. I meet the CPA on a regular basis to discuss these issues.

**Mr. Ring:** The Minister will be aware more than 300,000 children live in households with a weekly income of less than €175. Is she concerned by the recent report by the Society of St. Vincent de Paul that, over the past year, it has been inundated with requests from people in difficulty, many of whom are on low incomes? The Minister says she have provided welfare increases with one hand but the trouble is the Government takes them back with two hands. The cost of electricity has increased three times in the past year. The minute local authority tenants received their welfare increases on 1 January, the local authorities sent them income queries and part of the increase was taken away immediately. The councils have also introduced stealth taxes such as increases in refuse removal charges.

The Minister increased child benefit by €2 per week. It would not buy a loaf of bread in

Mullingar or Navan. There is no point pretending——

**Mr. Penrose:** We give good value.

**Mr. Ring:** Is the Minister worried about the increase in the number of people contacting the Society of St. Vincent de Paul and the increase in poverty? That is sad given that the racing industry gets away without paying a penny in tax. A total of €300 million goes out of the economy on a yearly basis in stud fees and so on while poor people on social welfare are targeted by the Government.

Over the past fortnight, one would think there was not a shortage of money in the State because the local elections are coming up in June. The Minister threw out €1 million yesterday. We should wait until the Minister for Community, Rural and Gaeltacht Affairs gets his hand on the slush fund relating to dormant accounts. All that money should be programmed and invested in people on low incomes who are suffering, particularly those with children who are experiencing difficulties because their social welfare payments do not sustain them.

**Mr. Boyle:** The Minister and I regularly disagree about the value of consistent poverty as an indicator and the greater value of relative poverty. However, the ESRI has developed a third indicator, persistent poverty, which measures those who have lived in relative poverty for more than three years. The Minister must accept anyone who lives in such a household is living in poverty. The most recent ESRI report highlighted that the number of people experiencing persistent poverty had increased. The Government parties have been in power for seven years and the increasing disparity between wealth and disadvantage has been brought about largely by policies they have introduced. The Minister has a thankless job running, uphill backwards trying to counteract the effect of policies introduced by the Minister of Finance, the Tánaiste and Minister for Enterprise, Trade and Employment and other right wing ideologues in the Cabinet.

**Mary Coughlan:** I am delighted I am getting such great support from the Opposition benches.

**Mr. Ring:** We are doing our best.

**Mary Coughlan:** I am running up hills at this stage.

**Mr. Boyle:** I would like to run some of the right wingers out.

**Mary Coughlan:** If only we had the opportunity to run up and down any hill, it would be good exercise for us.

Deputy Boyle and I are not going to agree on the issue between consistent and relative poverty. I agree that if relative poverty persists, one has to

deal with it. Why is there relative poverty? During the past five years many people have taken up employment, which is very important when we had vulnerable people on unemployment assistance or benefit trying to seek work. I am not the only one to hold the view that being employed and having access to work and supporting people in work and upskilling is very important to the economic well-being of people. It not only gives people an income but it develops self-esteem. The issue of employment is very important in counteracting the issue of poverty. From an academic and policy of view, if relative poverty continues over a long period, it becomes an issue of persistent poverty. What we are dealing with is a consistent poverty level, that is where people are actually in poverty. In spite of all the indicators, my view is that one has to deal with those people first.

**Mr. Boyle:** The Minister should see what the European indicators say.

**Mary Coughlan:** Yes, the European indicators are for those at risk of poverty, but we are not comparing like with like. We are not comparing our taxation systems or the additionality within our income supports. They are not being taken into consideration. Many other issues are totally different. The Deputy is right. I have been very much involved in European issues and the “at risk” which is equivalent to “relative” poverty indicator would show that we are very low. That does not take into consideration the policy framework at this time in addressing the issue of consistent poverty, that is people who are in poverty. The “at risk” group may or may not find themselves in poverty. There are other issues in addressing the issue of “at risk” in trying to ensure that people do not fall into poverty and ensuring that people go beyond the level of “at risk” and move into an income median that supports families.

**Mr. Penrose:** Deputy Boyle is right. Over the seven budgets Deputy McCreevy introduced, he allocated 6.3 times more resources to the top 30% in society than to the bottom 30%. One does not have to be Einstein or a mathematical genius to realise that this widens the gap between the rich and the poor, between those who have plenty and those who are at the bottom and do not have enough. In that bottom group, we have 300,000 children who are stuck in a level of consistent poverty. The Minister may argue that consistent poverty has fallen. That is a point. However, as the Human Rights Commission and NESC show, child poverty is not being addressed. Resources are needed to deal with child poverty. We are not investing adequate resources and we will reap the whirlwind of our failure to do so in the not too distant future.

**Mary Coughlan:** It is easy to have a go at the Minister for Finance and that is done in every

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parliament. If it changes, something will be wrong. Major investment has been made in supporting rates and changes in the social welfare benefit scheme

**Mr. Crawford:** Including widows.

**Mary Coughlan:** Members agree that the changes have been tremendous in providing additionality. We have established a number of schemes that have been expanded many times over. It is incumbent on us that we expand the schemes. The Government decided that a child poverty initiative was very important and that is why we are working with the social partners, the community groups and the NGOs to ensure that we address the issue of child poverty. The issue of indicators is irrelevant to the people we represent. They do not care what indicators are about.

**Mr. Boyle:** They care if they are poor.

**Mr. Crawford:** They care if the Minister has taken money out of their pockets.

**Mary Coughlan:** Exactly. It is on that basis that we are supporting people who are in consistent poverty. We are trying to address their social needs and not only their income-related needs. We will continue that investment over the next number of years. The Minister for Finance, who is present, agrees with me.

*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 Finian McGrath — the need for a rights-based disability legislation and for urgent action; (2) Deputy Ó Snodaigh — the four murders in the Dublin south-central area which took place within the last month, the most recent of which took place over the weekend, which indicate the urgent need for the Minister to set up a task force to deal specifically with the high incident of drugs-related killings within Dublin south-central which also has the highest murder rate in the State; (3) Deputy Ring — to ask the Minister for Health and Children to instruct the Western Health Board to appoint a medical officer to oversee and re-open the hospice beds in the Sacred Heart Hospital in Castlebar, County Mayo, which are presently closed; (4) Deputy McManus — the obligation to reduce the working hours of junior hospital doctors to an average of 58 hours per week by 1 August; (5) Deputy Sargent — to ask the Minister for Education and Science to report on his visit to Loreto secondary school, Balbriggan, and indicate the actions he now proposes to take to address the wholly inadequate opportunities for PE and sport at this

fast-growing school of 1,027 students in the European Year for Education through Sport; (6) Deputy Eoin Ryan — the statement by the Minister for Justice, Equality and Law Reform that Sinn Féin members from Northern Ireland have been involved in organised criminal activity in Dublin; (7) Deputy Shortall — the urgent need to defer the closure scheduled for this weekend of the ERHA's City Lodge facility until such time as equivalent care services can be assured for the vulnerable homeless children that are currently resident there; (8) Deputy McGinley — an ghéarchéim fostaíochta ar an Eastát Tionscail, Gaoth Dobhair, de bharr 1000 post a cailleadh le cúpla bliain anuas; (9) Deputy Twomey — the possible formation of a port authority for the three ports in the south-east considering the serious detrimental effects this move could have on County Wexford; (10) Deputy Durkan — the reply to Parliamentary Question No. 258 of 2 March 2004; (11) Deputy O'Sullivan — the need for the Minister to intervene to ensure the 54 school children in Limerick who have no second-level school place are accommodated in a school for 2004-05; (12) Deputy Ferris — the possible implications for Kerry Airport of the recent report by DKM on regional airports; (13) Deputies Hayes and Healy — the need for the Minister to address the capping of numbers attending Rathkeevin national school, County Tipperary, and the consequences and hardship which this is causing to many families in the locality; (14) Deputy Morgan — the necessity for the Minister to address the unacceptable situation whereby the town of Drogheda does not have a full postal service because An Post management has initiated unofficial industrial action; the necessity to appoint an industrial relations expert to put a system in place to ensure postal workers are paid their hard earned wages and the necessity for the Minister to investigate how An Post management allowed a situation to develop where residents and businesses in Drogheda must travel to Slane in County Meath and Balbriggan in County Dublin to post their mail; and (15) Deputies Timmins and Deenihan — the plans to assist the live cattle export industry in view of the court decision which has lifted the requirement from Pandoro to transport live animals.

The matters raised by Deputies Timmins and Deenihan, Twomey, McManus and Eoin Ryan have been selected for discussion.

#### **Finance Bill 2004: Report Stage (Resumed) and Final Stage.**

Debate resumed on amendment No. 2:

In page 7, between lines 16 and 17, to insert the following:

1.—The tax bands, exemption limits and tax credits relating to income tax set out in the Finance Act 2003 are hereby increased by 7 per cent with effect from the tax year 2004.”.

— (Deputy Burton).



**Ms Burton:** The purpose of this amendment is to ensure the budget is amended to return to ordinary workers some of the money the Minister for Finance is taking by stealth from their pay packets. The Minister and Fianna Fáil are refusing to address the unfairness at the heart of our tax code. The Minister looks after his friends, the very wealthy, those who own bloodstock, and are breeding stallions and those who are non-resident for tax purposes but are able to attend every race meeting and glitzy social function in the country. However, the person on PAYE may look out. We heard the Minister for Social and Family Affairs acknowledge the relative gap between the rich and the poor in Ireland has increased incredibly during the period of the Minister for Finance's seven budgets. Now there are many more well-off people and the Labour Party is very proud to have been part of the critical moves made to make the country prosperous and to increase employment, but that has not benefited everyone. Unfortunately the relative gap has grown between rich and poor people, such as widows, those on low incomes and those who are unemployed or disabled. Children are also living in poverty. We are trying to ensure that our tax system is reformed in a realistic way so taxpayers have a fair deal. Everyone should pay his or her fair share.

In moving this amendment I want to fire a warning shot across the Minister's bow. At the Fianna Fáil Ard-Fheis last weekend, the Taoiseach, the Minister and other Fianna Fáil Ministers were very arrogant. They are assuming with the relatively favourable economic outlook that people will forget what the Government has done in cheating people of a fair share of the country's prosperity. We have a mad scramble for wealth which is having negative consequences for society. As we have seen in recent court cases, it is producing a society for parts of which over-consumption is having negative consequences. It makes family and community life very difficult. The only people to whom we are supposed to look up are the Minister, Deputy McCreevy's friends among the super-wealthy and tax exiles. They are to be lauded at every street corner if they give a few bob to charity, yet they give nothing like wealthy American philanthropists who donate between 2% and 3% of US GDP. In Ireland it is poorer people who contribute in the greatest numbers to charities like the Society of St. Vincent de Paul, Trócaire and Concern.

The Minister and his Fianna Fáil colleagues are very proud of having created a two-tier society. The Minister spoke about people on incomes of over €150,000 contributing 28% of the income tax take. As the Revenue Commissioners' figures are gross rather than statistical, they are very difficult to analyse. As I said before the suspension, the Minister's €150,000 figure relates in many cases to two-income families. A married couple consisting of two civil servants above principal officer level would have an income in excess of that amount and therefore would count among

the wealthiest for tax purposes. The reason is that the income for tax purposes of many well-off people is significantly reduced because it is not taxable as in the case of stallion and stud fees. Such people also take advantage of schemes such as self-administered pension schemes, contributions to which are deducted with the effect that their reported income is much lower.

I hope Fianna Fáil agrees to amendment No. 2 to restore some sense of equity to the tax system.

Amendment put and declared lost.

**An Leas-Cheann Comhairle:** Amendments Nos. 3 and 7 are related and may be discussed together, by agreement.

**Caoimhghín Ó Caoláin:** I move amendment No. 3:

In page 7, between lines 16 and 17, to insert the following:

1.—From 1 May 2004 the exemption limit for income tax shall be increased to a level equal to the hourly rate of the minimum wage for the time being multiplied by 40 multiplied by 52.”.

The Minister will recall that I moved an amendment to the same effect on Committee Stage and a lengthy discussion on this very important matter followed. The effect of the amendment I once again request the Minister to adopt would be to remove all those on and below the minimum wage from the tax net. This is a very important step which the Minister should take. There are those who share the Minister's political outlook who believe it is desirable. It is impossible that every Member on the Government benches could be unaware of how difficult it is for ordinary families to cope in today's very straitened financial circumstances. The people my proposed measure would affect are those who have to carry the worst effects of the ever-increasing list of stealth taxes which have applied over recent years, particularly in the past 12 months.

It is people on or below the minimum wage who fare worst in our health services. I referred to this fact earlier today as well as on Committee Stage. I must point out some of the salient facts in this regard because it is in the area of health that I am most concerned. I tell the Minister time after time that my critical concern is the terrible choice many families and single parents coping with children have to make between an essential item for their daily life needs and a visit to a general practitioner to secure an assessment and a prescription with the consequent pharmacy visit. This is a terrible reality in today's society.

A worker on the current minimum hourly rate of €7 who works for 40 hours per week earns in the order of €280 before tax. That is nearly twice the income limit for a medical card. We are talking here about a single person living alone. The situation is even worse for those who have



[Caoimhghín Ó Caoláin.]

to cope with dependants, in particular children. Out of this meagre weekly income rate, a worker must pay for doctor's bills and medicine costs. Despite the fact that the medical card qualification chart raises the figure for a couple aged up to 65 years to €206.50 and for children under 16 years by €26, a husband, wife and two children with an income of €280 before tax will fail to qualify for a medical card. I know many families trying to cope on that level of income who do not qualify for a medical card. Clearly, they cannot afford private medical insurance.

With every stealth tax that is introduced, such families must shoulder the same burden as those at the highest levels of income earning in this jurisdiction. There seems to be no relief. My amendment seeks to offer relief to these families by removing from the tax net those people who are on or below the minimum wage. Many of these people were promised by the Government prior to the May 2002 general election that they would be among the 200,000 additional persons to whom medical cards would issue. Given the current facts and figures, that simply will not happen. Fewer people hold medical cards today, which statistic is kinked as they are automatically offered to people over 70 years of age. When the figures for the over 70s are taken out of the overall number holding medical cards, it will be seen that many fewer people in earned employment hold medical cards than at any time previously.

That is a damning indictment of the Government's failure to address the needs of the hardest pressed members of our society. Its pre-election promise was worthless. The Government owes it to those people to take effective action now to address the very serious financial straits in which they find themselves. This should be contrasted with the Government's refusal to adopt my amendment heretofore and take those on the minimum wage out of the tax net altogether despite the fact that it has been signalled as an aim. In my view, it is but an aspiration. The commitment in the Government's manifesto to allocate a further 2,000 medical cards should be contrasted with its commitment to those affected by corporation tax.

In each step along the way, the Minister remains solid to his stated position — his promise to the corporate sector to reduce corporation tax.

The Minister reduced the  
4 o'clock corporation tax rate to 12.5% even though the ESRI said Ireland would remain buoyant and competitive at rates of up to 17.5%. The Minister did not let down the corporate sector. The contrast in the Minister's disposition to certain sectors in society is what most underscores the inequality of his approach and that of the Government. He has presided over years of plenty and, while he kept his promise to certain sectors, he was prepared to let those who most needed his help and assistance perish at the end of the heap. I think of people

who need medical cards and the relief those earning at or below the minimum wage would receive in being removed from the tax net. The Minister has dropped this and let these people flounder. He has made a calculation, however it is explained, that they mattered least. The constituency I represent tells me that they matter most.

The quality of our democracy will be judged on how we address those most in need. It is those on low wages who are worst hit by stealth taxes, particularly those imposed in the past year. The VAT increase was immediately passed on to consumers. Each member of this society is a tax contributor by virtue of the tax on consumables. There have been increases in the price of fuel, public transport, television licences, ESB rates and in many more sectors. We have seen substantial increases in professional fees. The professional fee increases most affecting life for ordinary people are those applied by general practitioners. While I mean no slight on GPs, that is a fact. I am deeply concerned about the terrible choices that parents bringing up children have to make.

Rental levels for private accommodation are another area that we have repeatedly addressed in this House. Rents continue to spiral upwards. However, there is a rental threshold that must be observed if an applicant is to qualify for rent supplement. This threshold is so far removed from the reality of rented private sector accommodation that it poses the question, who is kidding whom? The Minister for Social and Family Affairs vexatiously introduced further obstacles in the rent allowance scheme. People may not now qualify for months. Some of these people may have already been in rented accommodation, found employment and then found that their employment ceased or was significantly reduced and will not now be readmitted. I recently documented individual cases such as this to the Minister for Social and Family Affairs. In addition, the Government has allowed local authorities to abolish maximum rents for local authority housing. Measures such as these hit the low paid worst of all.

On Committee Stage, the Minister indicated that the cheaper option would be to increase the exemption limits. He went on to say that this would create a poverty trap. I disagree with the Minister because poverty traps exist and a method must be found to relieve the families and individuals that are caught in them. No amount of word play or making a virtue of doing nothing will in any way address their needs. I commend amendment No. 3 to the Minister. He should think seriously about the arguments I have offered. He has heard them made before by other Deputies and by me. He must have some sense of this reality within the wider community that he represents. Surely this cannot only be a reality in Cavan, Monaghan and other constituencies with which I am familiar. There must also be people within this catchment within the Minister's

constituency. They will look to the Minister to employ measures that will bring necessary relief to them in their straitened circumstances.

**Ms Burton:** I want to move amendment No. 7.

**An Ceann Comhairle:** It is not necessary to move the amendment at this stage. However, the Deputy may speak on the amendment and when we reach the amendment it can be formally moved.

**Ms Burton:** May I speak on it now?

**An Ceann Comhairle:** Yes.

**Ms Burton:** I would be happy if the Chair would indicate to me when five minutes have elapsed. I will try to keep my contribution brief.

**An Ceann Comhairle:** If Members confine themselves to the amendments before the House we might get through more of them.

**Ms Burton:** The purpose of amendment No. 7 is to exempt those on the minimum wage from income tax. Despite the progress that has been made by the Minister in this area, far too many people on the minimum wage still pay income tax. The Minister has a number of options through which he could improve the position of the most lowly paid. One of the options is to completely remove the low paid from the tax net. The Minister appears to be arguing that this is too expensive to do. However, there are other options. By allowing inflation and not indexing bands and credits etc., as the minimum wage increases the Minister is drawing those on marginal and low rates of pay back into the tax net. Arising from his failure to reform the PRSI system, a distinct poverty trap is being created. There is also a distinct incentive for the return and growth of the black economy, particularly regarding employees who come near the minimum wage level of €240 per week. Such employees may seek to be paid this amount legitimately and have additional payments such as overtime paid off the books.

The Minister is as aware as I am that the way in which he has structured his budgets has given a rebirth to the black economy in a way that has not been seen for 15 years. This is a retrogressive step and is part of the faulty architecture of the Minister's budgets. Unfortunately, it is poorer families that are paying the cost.

I profoundly disagree with the third element of the Minister's budget and financial strategy. In it, we have a PRSI trap, a minimum wage and overtime trap, and worst of all we have a serious medical card trap for low paid families. If someone is earning at or near the minimum wage, grossing approximately €240 per week, they will become liable for the low level of PRSI on all this income and if they have two children or fewer they will lose qualification for a medical card.

International statistics indicate that, like the United Kingdom, we have high rates of childhood asthma. It is caused by either climate and environmental change or a lack of appropriate heating and air systems in our homes. Many families with two or three children under the age of seven or eight may have one or more children with an asthmatic condition.

**An Ceann Comhairle:** The Deputy is moving well away from her amendment.

**Ms Burton:** No, I am talking about the minimum wage and the Minister's budget strategy *vis-à-vis* low-paid families. He has created a series of traps for low-paid families. He could have taken them out of the tax net but he chose not to do so. Equally, he chose not to compensate them by way of the other budgetary and finance mechanisms available to him. As a consequence of the Minister's flawed budget architecture, families on or close to the minimum wage pay tax. There is a return to the black economy because people who earn small amounts of overtime come into the tax net. Someone in that situation does not qualify for a medical card. People who do not qualify for a medical card reduce the amount of work they do to fall below the medical card and the tax thresholds. They end up making decisions on how to avoid the impoverishment of their families.

The Minister's budget architecture is deeply flawed. It makes life worse, especially for families on the lowest income scales. Lone parents, many of whom are women, must choose between remaining at work or getting a medical card, especially for their asthmatic children. A visit to the doctor plus medicine will cost €50 to €60 out of their net income. The Minister should do the arithmetic with me. If their gross income is approximately €240 and a visit to the doctor and medicine costs €50 a week, what percentage of their gross income does this amount to? If he cannot accept the Labour Party's amendment, how does he propose to eliminate the poverty traps to which I have referred. I cannot understand how his colleague, the Minister for Social and Family Affairs, was so coddled by him in the changes she made to social welfare payments. She has failed to see the return of income poverty traps, overtime traps and, in particular, medical card traps for low-income families.

**Mr. R. Bruton:** I support the amendment, even though it is not ideally drafted. It is flawed in that it creates a high marginal tax rate of 40% on very low incomes. I am sure the Minister will indicate that this creates problems. On the other hand, addressing the needs of the low paid at work is something we looked to the Government to address but it is one of the areas it overlooked.

I recognise that low tax regimes have promoted growth in the economy. One of the bonuses of this has been greater employment. We have

[Mr. R. Bruton.]

succeeded in addressing poverty by getting more people into work. Equally, we must look at the position of those at work on low pay. The Government has undermined their position in many ways. Other Deputies adverted to the failure to increase medical card limits. This year the Government made an explicit decision that anyone on low pay at work, who previously could apply for rent supplement, now cannot do so by virtue of the fact that they are working. One must be unemployed to get rent supplement, which is a retrograde step. There is also a family income supplement which is not being taken up. Many of the low paid at work do not receive their entitlements under the scheme, yet the Government has failed to allow a tax refund that would be paid automatically to such eligible people.

I contrast the treatment of the low paid at work in private rented accommodation with someone who is either unemployed and drawing a rent supplement or someone in a local authority house. The truth is that the low-paid person at work gets a subsidy from the State of no more than 4% of their rent, whereas the rent supplement or home ownership relief gives substantial subventions to people in the same position on the same income. We are creating a significant disadvantaged group in the private rented sector which receives just €4 a week in tax relief. This is real discrimination. There is a substantial and increasing group of poor families in private rented accommodation struggling to get by. The Minister, together with the activities of the Minister for Social and Family Affairs, has hindered their cause and not helped it. Political awareness of the fact needs to be raised.

Children who drop out of school early almost invariably come from low-paid backgrounds where families struggle to get by in private rented accommodation. This is a perfect scenario for early school drop-out. There is no special educational supplement to help these children stay in school and thrive. The family income is not made available to them. They are prevented from getting medical care and they are told they are not eligible for rent supplement. This is discrimination against a group in need. I do not subscribe to the view that the Minister is hard-hearted, conservative and always wanting to disadvantage the poor, but he has overlooked an important group which needs to have its concerns met. While the amendment will not resolve the issue, it points the signpost in the direction the Minister and his colleagues need to move.

**Mr. Boyle:** The fact that people are paying income tax while still on the minimum wage is a direct result of the lack of real progress in the tax system with just two tax rates. People are coming into the income tax net and subsequently going from the standard to the higher rate of tax on a medium to low level of income. We could remove those on the minimum wage in the context of a

total reform that would have people entering into the tax net at a much lower tax rate. There could be an introductory tax rate of approximately 10%. Some taxation experts say the most progressive tax system would have up to five different rates, beginning at a very low rate and increasing to approximately 45% at the top rate.

The Minister has cited the cost involved and the different priorities in dealing with the elderly and social welfare payments in this year's budget as reasons for not removing all minimum wage earners from the tax net this year. It need not have been a cost. It could have been achieved by way of a re-allocation of taxes throughout the system. There should have been the political will to ask those at the higher end who should be paying more to pay more. This might not have even involved an adjustment to the tax rate. It could have involved some type of tapering with tax credits and tax bands. Given how little was said in the budget in terms of new initiatives and how much was left unchanged, which continues to bring about inconsistencies and injustices for those on low wages, it is unfortunate that this opportunity has not been taken this year.

I agree with Deputy Richard Bruton's argument that a real change to the family income supplement could have been brought about through refundable tax credits. While some on the minimum wage pay tax, others do not but instead receive a tax credit from which they do not receive the full benefit. Direct payments have to be applied for and are costly in terms of administration. It would be better if direct payments were paid automatically, as a refund of credits already allocated would be a more efficient and fair way of dealing with poverty at this level. It is unfortunate that this has not been taken up.

Deputy Richard Bruton made an analogy on the inconsistencies of the accommodation assistance given to people on a low wage as opposed to those on social welfare entitlements. Another inconsistency is that many of the tax incentives put in place by the Minister, which he inexplicably continues, allow people to develop rented properties in such a way that income received from such properties is not liable for tax, the result of which is that they are rented out at high rents. Those who rent are advantaged in terms of their own income and they subsequently get a tax benefit. When we have these inconsistencies, especially in the housing area, it is no wonder people continue on the minimum wage. Such people are still in the tax net but carry a higher burden of their income than the average burden for most taxpayers. This is a disproportionate burden to those who are on the highest income within our tax system and yet another Finance Bill leaves this inconsistency intact.

**Mr. McCreevy:** As I pointed out on Committee Stage I cannot accept these amendments as



proposed by Deputies Ó Caoláin and Burton for a number of reasons.

The Government has a clear policy on exempting those on the minimum wage from taxation. An Agreed Programme for Government sets out the achievements of this objective as a priority over the next five years. This is subject to the overarching requirement for sound economic and fiscal policies and keeping the public finances in order. Sustaining Progress endorsed this approach and states:

To the extent that there is any scope for personal tax reductions, progress will continue to be made over the three budgets contained within the lifetime of this Agreement towards removing those on the minimum wage from the tax net.

This is consistent with the Government's broader economic strategy for sustaining growth, strengthening and maintain the competitive position of the economy and sustaining employment.

Section 3 of the Bill which provides for a 13% increase in the value of the employee credit, raised the entry point to taxation to 90% of the new increased minimum wage, which came into effect at the beginning of last month. This means that for a single PAYE person the first €12,800 per annum, or €246 per week, of earnings will be tax free as compared with €198 in 1997. Over the last two budgets and despite tighter resource constraints, the Government has demonstrated its commitment to fulfilling its policy of exempting the minimum wage from taxation, as resources permit.

On Committee Stage I outlined in some detail the difficulties with the particular mechanisms suggested by the Deputies for exempting the minimum wage from taxation, that is the use of a general exemption limits. I stated that the option was there in the last two budgets to exempt the minimum wage fully using the exemption limits, which would be less costly than the route chosen. However, I decided against doing so on both occasions because it would not have been the correct thing to do. Such an approach would be complex to implement not only for the Government but also for employers because 146,000 people would be brought into the system of marginal relief. It would cost €160 million in a full year. In addition, it would run contrary to the thrust of Government policy over recent years.

This stems from the recommendation of the expert working group on the integration of the tax and social welfare systems. It aims to move away from the use of the general exemption limits as a means to remove lower paid individuals from the tax net. The expert working group highlighted two particular difficulties associated with the use of exemption limits, namely, poverty traps arising from the interaction of the limits with the family income supplement scheme and large numbers of income earners on a high marginal rate of tax. With regard to the high numbers of income

earners on marginal relief, the group noted that the main disadvantage of the exemption limit marginal relief system is one of principle. It can also evolve a second income tax system for those on low and middle incomes.

Since 1997 I have increased exemption limits for those aged 65 and over by 130%. As the Deputies will appreciate, work disincentive issues do not arise to any significant extent for elderly income earners. For 2004, it is estimated there are 14,200 income earners in marginal relief but all of these are aged 65 and over.

The Deputies have suggested a course of action which if followed would result in lower cost to the Exchequer but would be contrary to the policies I have pursued as Minister for Finance. As the expert working group indicated, the general exemption limits can have a central role in the creation of poverty and employment traps with consequences for employment. Completing the process now of exempting those on the minimum wage to the preferred route of increasing their personal credits, would be prohibitively expensive. For example, to complete the process using the increase in the personal credit alone would cost €460 million in a full year. To achieve the same result with an increase in the PAYE credit alone would cost €350 million in a full year and to do so using equal increases in the personal and PAYE credit would cost €390 million in a full year. Against this scale of cost, the Government prudently set itself the more realistic target of exempting the minimum wage over the full period of its present term of office.

For a married couple with one PAYE income and a carer in the home, the first €466 per week is tax free, an equivalent of €24,250 per annum. A single parent or married couple with income less than the minimum wage have no tax liability because of the credits. A single person has a 90% exemption.

Deputy Ó Caoláin referred to the corporation tax commitment and reduction. It was the rainbow Government that made the commitment to the 12.5% rate but left the Fianna Fáil-Progressive Democrats Government to deliver on it with the EU. We must also be conscious of the international environment because reneging on a commitment to corporation tax rates would have appalling consequences in terms of uncertainty and a detrimental effect on foreign direct investment. I do care about employment, even if Deputy Ó Caoláin does not. Corporation tax reduction has been delivered on a phased basis and we are delivering our exemption on the minimum wage in exactly the same way. No one can doubt that the Government has delivered on personal tax reductions for everybody.

**Caoimhghín Ó Caoláin:** I very much care about the opportunities for employment for our citizenry. The Minister for Finance has no monopoly on that but I wonder if the bona fides of his claim would stand up to real scrutiny. I am concerned that the Minister for Finance indicated



[Caoimhghín Ó Caoláin.]

in his reply that this process will occur over the next five years. Is that the reply he would have offered in 2002 following the May general election or is it five years from now which goes beyond the term of this Government? Judging by the recent focus on the Government's past performance and some of its senior members, 2007 might be well beyond this Government's term.

The Minister did not claim on this occasion that it was this Government that introduced the minimum wage. This is important. However, it was introduced belatedly and it was only increased recently. The logic of all the signals that were given when the minimum wage was introduced is to follow through and ensure that all who are on or below it are taken out of the tax net. However, the Minister indicated in his reply that, although that is the cheapest, most affordable choice, he is prepared to do nothing because of A, B and C in terms of exemption limits and because he has provided for no further removal from the tax net of those on or below the minimum wage in his most recent budget and Finance Bill. He makes no allowances for further improvement in that area, but says that there will be an incremental exemption over the Government's term. It is an essential part of any overall real tax reform, and such reform is absolutely necessary. We need to get down to the nuts and bolts of real and substantive tax reform, but there is nothing to prevent the Minister from proceeding with exemption now. The proposal in amendment No. 3 is within the Minister's gift and can make a real difference to ordinary families that depend on the minimum wage. I urge him again to adopt it.

**Ms Burton:** If the Minister's defence on the points that I made on taxation of the minimum wage is family income supplement, it is a poor defence because family income supplement has not been reformed since my time as Minister of State at the then Department of Social Welfare. It has been increased somewhat, but the take-up of it is extremely low. A number of other tax benefits are available to those on low incomes, for instance, tax relief on rent, but they too have a relatively low take-up. FIS is a particularly awkward benefit to deal with. I know that some lower-paid civil servants and public servants are able to avail themselves of FIS because there is a better structure to assist take-up in those areas of employment. However, in reality, many of those on lower incomes have difficulty accessing FIS and have enormous difficulty trying to

understand it. It is also beyond many ordinary employers to understand FIS unless they employ accountants. That applies even to some of our larger shops in town centres. I have several times had to help relatively large employers negotiate the difficulties that are associated with FIS.

The Minister is not a reforming Minister when it comes to people on the lower end of the scale. His colleague, the Minister for Social and Family Affairs, Deputy Coughlan, is a disgrace. She allowed miserable cuts to be made in the lowest rates of social welfare.

**An Ceann Comhairle:** The Deputy is going well outside the amendments.

**Ms Burton:** Those cuts, together with the refusal of the Minister, Deputy McCreevy, to draw up his budget so as to benefit those on lower incomes and in work in Irish society mean that the budget is a bad deal for those on low incomes.

When I was Minister of State at the then Department of Social Welfare, I dealt with poverty issues and introduced provisions that allowed employers to employ people at the lower end of the scale. The Minister has not dealt with that and has not answered our questions.

**An Ceann Comhairle:** The Deputy is well outside the two amendments before the House.

**Ms Burton:** I am not.

**An Ceann Comhairle:** I will put the question.

**Caoimhghín Ó Caoláin:** I wish to make a further point. As the mover of amendment No. 3, I point, as I did on Committee Stage, to the fact that the date on which I propose that the measure in amendment No. 3 should commence is 1 May 2004. I hope the Minister will mark that date appropriately as it is the accession day for ten new member states of the EU, of which Ireland currently has the Presidency. It is also international workers day and on behalf of the lowest-paid workers throughout the jurisdiction, I appeal to the Minister to acknowledge that he owes it to those workers, their dependants and their children to give them some help to get out of the poverty trap that is perpetuated generation after generation by the failure of successive Governments to offer a release. I urge the Minister to accept at this late stage the arguments before him and adopt amendment No. 3, which is worthy of support by every Member of this House.

Amendment put.

## The Dáil divided: Tá, 49; Níl, 65.

## Tá

Boyle, Dan.  
 Broughan, Thomas P.  
 Bruton, John.  
 Bruton, Richard.  
 Burton, Joan.  
 Connaughton, Paul.  
 Connolly, Paudge.  
 Coveney, Simon.  
 Crawford, Seymour.  
 Crowe, Seán.  
 Deenihan, Jimmy.  
 Durkan, Bernard J.  
 Enright, Olwyn.  
 Ferris, Martin.  
 Gilmore, Eamon.  
 Gormley, John.  
 Gregory, Tony.  
 Harkin, Marian.  
 Healy, Seamus.  
 Higgins, Joe.  
 Higgins, Michael D.  
 Howlin, Brendan.  
 Kehoe, Paul.  
 McCormack, Padraic.  
 McGrath, Finian.

McGrath, Paul.  
 McHugh, Paddy.  
 McManus, Liz.  
 Mitchell, Gay.  
 Mitchell, Olivia.  
 Morgan, Arthur.  
 Moynihan-Cronin, Breeda.  
 Naughten, Denis.  
 Neville, Dan.  
 Ó Caoláin, Caoimhghín.  
 O'Sullivan, Jan.  
 Pattison, Seamus.  
 Penrose, Willie.  
 Perry, John.  
 Quinn, Ruairi.  
 Rabbitte, Pat.  
 Ryan, Eamon.  
 Ryan, Seán.  
 Sargent, Trevor.  
 Sherlock, Joe.  
 Shortall, Róisín.  
 Timmins, Billy.  
 Twomey, Liam.  
 Upton, Mary.

## Níl

Ahern, Michael.  
 Andrews, Barry.  
 Ardagh, Seán.  
 Brady, Johnny.  
 Browne, John.  
 Callanan, Joe.  
 Callely, Ivor.  
 Carey, Pat.  
 Carty, John.  
 Collins, Michael.  
 Cooper-Flynn, Beverley.  
 Coughlan, Mary.  
 Cregan, John.  
 Cullen, Martin.  
 Curran, John.  
 Davern, Noel.  
 Dempsey, Tony.  
 Dennehy, John.  
 Devins, Jimmy.  
 Ellis, John.  
 Fahey, Frank.  
 Finneran, Michael.  
 Fitzpatrick, Dermot.  
 Fox, Mildred.  
 Glennon, Jim.  
 Grealish, Noel.  
 Hanafin, Mary.  
 Harney, Mary.  
 Haughey, Seán.  
 Healy-Rae, Jackie.  
 Hoctor, Máire.  
 Jacob, Joe.  
 Keaveney, Cecilia.

Kelleher, Billy.  
 Kelly, Peter.  
 Kirk, Seamus.  
 McCreevy, Charlie.  
 McEllistrim, Thomas.  
 McGuinness, John.  
 Martin, Micheál.  
 Moloney, John.  
 Moynihan, Donal.  
 Moynihan, Michael.  
 Mulcahy, Michael.  
 Nolan, M.J.  
 Ó Fearghaíl, Seán.  
 O'Connor, Charlie.  
 O'Dea, Willie.  
 O'Donnell, Liz.  
 O'Donoghue, John.  
 O'Donovan, Denis.  
 O'Keeffe, Batt.  
 O'Malley, Fiona.  
 Parlon, Tom.  
 Power, Peter.  
 Power, Seán.  
 Ryan, Eoin.  
 Sexton, Mae.  
 Smith, Brendan.  
 Smith, Michael.  
 Wallace, Dan.  
 Wallace, Mary.  
 Walsh, Joe.  
 Woods, Michael.  
 Wright, G.V.

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

Amendment declared lost.

**An Ceann Comhairle:** Amendments Nos. 4 and 18 are related and may be discussed together by agreement.

**Mr. R. Bruton:** As the issues involved in amendment No. 4 have been dealt with in the

discussion of the earlier amendments, I do not propose to move it.

Amendment No. 4 not moved.

**Mr. R. Bruton:** I move amendment No. 5:

In page 7, between lines 20 and 21, to insert the following:

[Mr. R. Bruton.]

“2.—With effect from the end of 2004, and annually thereafter, the Revenue Commissioners shall lay before the Houses of the Oireachtas a Report detailing in respect of any relief, other than an amount however described which is excluded in the calculation of tax by a body corporate, partnership, or individual if calculating tax—

(a) an estimate of the number who availed of the relief and of the range of the value of benefit;

(b) an estimate of the total cost of the relief to the Exchequer on a geographical breakdown by tax districts; and

(c) a statement of the social and economic benefits of the relief.”.

The purpose of this amendment is to provide that the Revenue Commissioners lay before the Houses of the Oireachtas a report detailing in respect of any relief other than standard reliefs given to people in respect of their own personal or business position. There would be an annual statement to give an estimate of the number of people who availed of the relief, the range or the value of benefit to those who availed of the relief, an estimate of the cost of the relief to the Exchequer on a geographical breakdown by tax districts and a statement of the social and economic benefits of the relief.

As I stated both on Second and Committee Stages, we need to move forward with regard to the way in which we look at tax expenditures. The sum total of tax expenditures in the tax code comes to billions of euro. It is important that we have before us the sort of documented evidence to have a sensible and mature debate about it. Unfortunately, in the past, many reliefs have entered into our tax code which no doubt at the time they were brought in were seen to be beneficial but which have continued to remain in the tax code long beyond their useful life.

I know that the Minister has begun to erode some of those tax reliefs, especially some of the property-based ones which are difficult to defend at a time when the property sector and construction industry are booming like never before. Nonetheless, it is important that we put a legislative obligation on the Revenue Commissioners to provide the Oireachtas with the sort of information to allow us to decide, year on year, which allowances and reliefs are fulfilling their purpose and which are not. We can decide then to remove those which have ceased to fulfil their purpose.

The spending Estimates equally use taxpayer's money and we already at least have some element of information provided. There may not be enough proper evaluation by Departments of the value of their programmes. The Minister, with many on this side of the House, has expressed dismay that, in the area of health, we have succeeded in more than doubling the health

expenditure yet strategic issues facing the health service, such as how to deal with the working time directive that will take the man years of 2,500 junior hospital doctors out of the hospital service, have not been addressed.

What is required is a change in the financial procedures, a more sensible presentation of information to the Oireachtas to allow a proper debate and a proper social and economic evaluation of the tax reliefs. The Minister has, by his own amendment, indicated that he is willing to commence a more systematic collection of the information. The Comptroller and Auditor General pointed out that, of 91 allowances in the code, only 48 had proper firm estimates of cost. The Minister's actions will begin to change this.

My amendment would certainly complement the Minister's move to collect more information. It would also move us to a position where the debate on the Finance Bill would not be solely the sort of debate which we have every year where we focus solely on a limited number of changes proposed by the Minister but rather where there would be an opportunity on a rolling basis to examine different elements of the tax code and the extent to which they continue to fulfil their usefulness.

Deputy Burton has sought the establishment of a tax commission and I have no problems with that proposal. However, the Oireachtas should consistently and regularly receive information so that we can make our own mature judgment on the value of different tax reliefs. Will the Minister accept this proposal as a positive reform of the way we approach tax business? I commend it to the House.

**Ms Burton:** I support Deputy Bruton's amendment. This amendment is complementary to the Labour Party's amendment No. 27 which would require that tax returns be coded to include information which would allow the Revenue Commissioners and the Department of Finance to price the cost of tax expenditures. The Revenue's survey of the top 400 taxpayers shows that, while the Revenue is able to make guess estimates of the likely cost of certain tax breaks for the very wealthy, in some instances it is impossible to gauge the value of these tax breaks.

I am pleased that the Minister's amendment No. 77 to a significant extent accepts the Labour Party position on this. I have stated consistently since I was appointed finance spokesperson that, if we are to make rational economic decisions in budgets that do not excessively favour one group over another, we need the financial information on which to make rational decisions and to see what they cost in terms of expenditure and the cost of tax forgone. We need to know whom they help, what sectors they do not help and whether those expenditures and tax breaks should be continued indefinitely.

I am concerned that the Minister is setting up such an artificial tax break structure. I hope the sun is setting on the structure of tax evasion

which has been the high-water mark of the tax system for the past 20 years and the key root cause of its unfairness. Unfortunately, the Minister is opening up a potentially even more lucrative tax breaks industry. It is difficult for the Opposition, the Comptroller and Auditor General and the Revenue Commissioners if the data are not collected and put before us at the time of the budget. Tax forgone is just as much a financial expenditure as money paid out for the health service. Tax forgone means that less money is available to pay for sectors such as the health service.

It is unlikely we will reach amendments Nos. 27 and 77, but I thank the Minister for introducing amendment No. 77 and I welcome it. I am aware that the members of the Institute of Chartered Accountants are concerned about the amendment to tax returns, but I believe we have a good computerised system. The self-assessment system is incredibly generous to the self-employed and a boon for accountants. The on-line filing of tax returns has worked very well.

Deputy Bruton's amendment, with amendment No. 27 tabled by the Labour Party to introduce the compilation of this information, and the Minister's amendment No. 77, are all  
 5 o'clock of a piece. They are part of the maturation of our tax culture where lower taxes encourages everyone to pay their fair share and for the education and health systems and other desirables. I support Deputy Bruton's amendment and welcome the concessions made by the Minister on Report Stage.

**Mr. Boyle:** I support Deputy Bruton's amendment. It would be valuable to have this information available on a regular basis to identify whether the tax reliefs that have been provided have an economic and social benefit. Many of them are of questionable value and have been debated in this House. This Finance Bill seeks to extend unnaturally many of those same reliefs. It may also give access to information that perhaps the Minister and the Department do not wish us to know, such as the extent of small-scale reliefs that are not being availed of and the potential costs that could arise if they were to have the greater take-up that their potential allows them. I have in mind the relief in respect of service charges or the relief in terms of donations to charitable organisations. The likelihood is that many these smaller-scale reliefs, which are three figure sums, have a minuscule take-up but, if taken up to the extent that the practice happens within the economy, might bring about a far greater expense to the State that is not being properly monitored or measured at present. Deputy Bruton's amendment would play a particular role.

On a related matter, we have argued about the extension of the particular reliefs in this and other Finance Bills. It is unfortunate that some of the subsequent amendments seek to extend the period in which many of these reliefs become

eligible to the end of this calendar year. This is an exercise in opening up the floodgates to reliefs that have already had their day and have wreaked their damage in an environmental, social and economic sense. I support Deputy Bruton's amendment and hope the Minister sees the value of such information being available for the benefit of Members and taxpayers in general.

**Caoimhghín Ó Caoláin:** I support Deputy Bruton's amendment No. 5 and acknowledge the Minister's amendment No. 77. As I said on Committee Stage, while the Minister is bringing in this amendment to give a breakdown under the various categories, nevertheless, its effect will not be seen until the coming year and yet he has already provided for the extension of many reliefs up to and including 2006. He did so, as I pointed out on Committee Stage, without any cost-benefit analysis, appraisal or even knowledge of the cost to the Exchequer or the benefit to those who proposed to develop their private hospitals, sports clinics, hotels, holiday camps, holiday cottages, multi-storey car parks and other such developments.

While we all want to see these developments, in terms of the priority needs of society, there is a lack of investment in real terms in health. I make no apology for referring again to health. The Minister will say more money is being invested in health than at any time previously. That is true. However, fundamental reforms are necessary to ensure real value for money and an equitable health care delivery system. That has not yet happened.

In line with the questions I put to the Minister last month, to which I referred on Committee Stage, I support Deputy Bruton's amendment. I am surprised he used the word "estimate" in paragraphs (a) and (b) of his amendment because I had hoped the Revenue Commissioners would have given us more than that. Given the extent of its presumed computerisation, we should have been able to expect delivery of information on the numbers who would have availed of these reliefs and the range of the value of benefit. Information on the geographical location of those who are beneficiaries should be readily available through the Revenue Commissioners' system.

Reporting to the Dáil is important. The detail and information required in terms of the social and economic benefits of the relief is what I sought in my questions to the Minister last month. He acknowledged that neither he, the Department nor the Revenue Commissioners had any idea of the cost of these reliefs or their net benefit, if any, to society. I hope he will recognise that amendment No. 77 does not answer all the needs highlighted in that series of questions and that amendment No. 5 offers a formula by which we can see real and substantive detail presented not only to the Minister but to the Houses of the Oireachtas with open access to all Members, as it should be.



**Mr. McCreavy:** This amendment proposes to insert a new section 2. The purpose of the new section is to require the Revenue Commissioners to make an annual report to the Houses of the Oireachtas giving, in respect of each tax relief, apart from tax reliefs deducted by persons in calculating their income for tax purposes, details of the numbers who avail of each tax relief, the range of value of the benefit to those availing of each relief, the cost of the relief to the Exchequer on a geographical breakdown by tax districts, and a statement of the social and economic benefits of the relief.

The Revenue Commissioners already publish an annual statistical report which includes some information on the cost of tax reliefs. Copies of this report are sent to the Oireachtas Library. Table IT6 of the Revenue's annual statistical report gives the cost of tax allowances and reliefs. This table does not give any figure for either the numbers availing of particular reliefs, geographical breakdown or the range of the value of the benefit.

On the matters the Deputy's amendment seeks to be included in a report, I am informed by the Revenue Commissioners regarding the numbers availing of a particular relief that, to the extent that information is available in respect of particular reliefs, they will examine positively the possibility of including such details in future statistical reports. Regarding details of the range of the value of benefit for each relief, while such a level of detail may be difficult to achieve in many instances, the Revenue Commissioners are prepared to look at what may be achievable in this area.

In this regard, the measures I am taking in section 86 to require taxpayers to include additional information on tax returns in respect of certain specified reliefs should enhance the range and detail of the information available to the Revenue Commissioners. This, in turn, should allow them to consider ways in which they can increase the amount of detail on tax reliefs to be reported in their statistical report.

Regarding a geographical breakdown by tax district, I do not believe it would be a good use of resources to create a statutory compulsion to have a case by case procurement of statistics on the numbers availing of reliefs and exemptions broken down by geographical area. The cost and resources expended in assembling this information for every relief and exemption would be disproportionate to the value of the information obtained from such an exercise. We need to consider the appropriateness of the information to be gathered in the various cases.

Regarding the provision of a statement by the Revenue Commissioners as to the social and economic benefits of each tax relief covered by the report, I do not think they are equipped or qualified to make any such judgement. The role of the Revenue Commissioners is to collect fairly and impartially the taxes and duties imposed by the Oireachtas and to administer the tax code by

providing the best possible service to the compliant taxpayer and pursuing all forms of tax evasion. The assessment of the policy implications of fiscal matters generally is a matter for my Department and, ultimately, the Government.

Regarding the collection of information tax expenditures, I have had concerns for some time about the need for better data. This issue has been discussed between my Department and the Office of the Revenue Commissioners for several years as well as on more than one occasion by the tax strategy group. In addition, the Comptroller and Auditor General wrote to my Department and the Office of the Revenue Commissioners about this matter, partially in the light of the work already under way. Following preliminary exploratory work, a senior level group, chaired by an assistant secretary in my Department, convened last year to discuss the practicalities of data captured via the tax return forms. Following this, I introduced a Committee Stage amendment to give effect to certain changes in the penalties and surcharge regime. This was necessary to enable the requirement to include the specified information on the returns. In the interim, having listened to concerns expressed on Committee Stage by Deputy Bruton and taken soundings from the tax practitioners, I am including, in amendment No. 86, a legislative clarification to ensure that penalties and surcharges will not apply in cases of genuine error.

Deputy Boyle raised the issue of the extension of the planning deadline in a later amendment. These changes respond to a request on Committee Stage in the form of a Fine Gael amendment. When I suggested a solution, as set out in the amendment, none of the Opposition spokespersons present objected. Accordingly, I tabled it for Report Stage.

**Mr. R. Bruton:** I welcome the Minister's positive attitude towards getting better data capture. I acknowledge the move between the Comptroller and Auditor General, his Department and the Revenue Commissioners to begin to get a handle on these issues. Where I part company with him is on the belief that this is essentially a matter between the various voices of Government, albeit that the Comptroller and Auditor General is there also. This is inherently the property of the Oireachtas. While I have faith in the Minister's officials to explore these issues and put value on economic costs and benefits, from experience I do not see that his Department has that type of grasp on many of these reliefs. If the Minister were to accept my amendment, I would be happy to drop the phrase "on a geographical breakdown by tax districts" to accommodate his concern and to amend paragraph (c) to read "the statement of the social and economic benefits would be provided by the Department of Finance in consultation with the Revenue Commissioners".

**Mr. McCreevy:** We will shortly be able to see more relevant statistics on this matter as a result of the changes I brought forward with this Bill and further work carried out by the Revenue Commissioners. I disagree with Deputy Bruton in that it is the job of the Government and Minister of the day to decide on the appropriateness or otherwise of a particular relief or incentive, and to make decisions on that basis. That is the democratic process.

**Mr. R. Bruton:** I do not dispute that. The issue is one of equality of access to information for those who must decide whether a proposal made by Government should be accepted by the House. While, obviously, the Government makes decisions and the Oireachtas ratifies or fails to ratify them, the Oireachtas should do so on the basis of proper judgement, having been party to information which should not be solely confined to Ministers.

I suggest an amendment to amendment No. 5 by dropping the phrase in subsection (b), "on a geographical breakdown by tax districts", and enlarging subsection (c) to read "a statement of the social and economic benefits of the relief provided by the Department of Finance in consultation with the Revenue Commissioners". I seek the provision of information not to usurp the Government's right to make decisions.

**Mr. McCreevy:** We will have the information in a better form in years to come as a result of the changes I have made. I am not prepared to accept the amendment.

**Mr. R. Bruton:** If the Minister accepts my amendment, we can be sure of having that information. It would be worthwhile for both sides of the House.

**An Leas-Cheann Comhairle:** Is the amendment being pressed?

**Mr. R. Bruton:** In the amended form. I ask the Minister to accept it but, if necessary, I will press the amendment.

**Mr. McCreevy:** I am not accepting the amendment.

Amendment put and declared lost.

**Mr. R. Bruton:** I move amendment No. 6:

In page 7, between lines 28 and 29, to insert the following:

"(2) Section 472 of the Principal Act is amended in subsection (4)—

(a) by inserting 'or proves that he or she is a home-carer' after 'purposes referred to in that section',

(b) by inserting the following paragraph after paragraph (b):

'(c) in the case of a home-carer, a credit of the amount referred to in paragraph (a) will be provided against the income of the employed spouse.'".

The amendment seeks to introduce a provision whereby the value of the home carer's allowance would be linked to the PAYE allowance. The home carer's allowance was introduced by the Minister when he introduced his proposals on individualisation. There was a widespread belief on the Government back benches as well as elsewhere in the House that we needed to acknowledge those who chose to stay at home, and that the home carer's allowance was an appropriate way of doing so. In the intervening period, although the benefits of individualisation have been substantially increased and run now to several thousand euro for those on top pay, there has been no effort to increase the home carer's benefit.

We need to encourage home caring in the community, to encourage people to look after their dependents, whether young or elderly. Moreover, we need to begin to recognise that caring is genuine work and, just as we acknowledge employment through the PAYE allowance, should acknowledge that carers, under the terms of the home carer's provision, are gainfully employed. This would be a useful step forward. It would also ensure that, as the Minister focuses tax relief on the PAYE allowance, as he has done, this was not solely of benefit of those opting to work outside the home. Those who work within the home would also have an opportunity to gain recognition.

While the Minister is keen on the individualisation process, public policy also demands that we are conscious of the importance of family caring as part of the society we want to produce. Individualisation fuels the economic engine more effectively than previously but we must be conscious that society is more than just jobs and wealth creation. It is also about creating sound social circumstances in which people and families can take on the various duties which present themselves throughout the life cycle.

I hope the Minister will accept the amendment as a way in which we would at least ensure that home carers get a regular increase, as occurred this year in regard to the PAYE allowance, and that it was linked to an allowance that recognised the reality of work in the home in the same way the PAYE allowance recognises earning a living in paid employment.

**Ms Burton:** I have spoken about the flawed architecture of the Minister's budget and how unfair it is. Some people are winners due to getting additional tax concessions, some very valuable, whereas others are losers and treated relatively harshly by the budget and the tax system. The Minister has now designed seven successive budgets. Two matters absent from this budget were policies in regard to families and children. As it was international women's day

[Ms Burton.]

some days ago, it struck me that one of the things which should be important to the Minister, following his weekend jamboree in the Citywest hotel, was that the reality for many families was that both parents were anxious to continue work as they had to pay a mortgage. This is particularly the case for families with three or more children. However, while parents with two children might just about manage child care and crèche costs, it is impossible for those with three children because the cost is greater than a second mortgage.

While the home carer's allowance is not the solution to the problem, the Minister referred to the Revenue Commissioners report on what he described as higher income earners — individuals and couples who have an income of more than €150,000. For many such couples with three children or more, one party, normally the woman, is increasingly stepping out of work or taking part-time work because crèche, child care and after-school minding costs are so incredibly high. While I do not support the detail of the amendment, I sympathise with the financial and political objectives behind it.

As a society, we must support families with children and, in particular, parents anxious to be actively involved in bringing up their children and in their children's community. Unfortunately, the Minister's budgets are not making this possible. They and the general policy towards house prices are driving up costs which are a must for most families in order to put a roof over their heads. The Minister's policies are also sending people out to Kinnegad and elsewhere, forcing them to make long journeys, which are expensive, and to pay child care costs which are more than the cost of a second mortgage. In the context of the next budget, fairness to different people within the tax code is a critical political issue. I support Deputy Bruton's raising of these issues in his amendment, although I do not agree with all elements.

**Caoimhghín Ó Caoláin:** I support the thrust of the amendment. We must recognise that there is a lack of recognition of the great work done by home carers, of which we all have experience. Many from my generation know more about that reality, in terms of the ongoing unfolding of each day in our younger years compared to the situation for many today, because of the ever-changing patterns of work, financial need and the demands being placed on families.

There is a real lack of appreciation of the important roles played by home carers. They occupy multiple roles, not least in nurturing young children who will be part of the education system and, ultimately, our workforce and future. It is important to have acknowledgement, recognition and appreciation built into legislation which can have a direct, positive impact on the role of home carers. It is a very important area and while this amendment does not go as far as I would wish regarding the important role of home

carers, it is nevertheless another element in an overall package of recognition and acknowledgement. I commend the amendment to the Minister and support the arguments already presented.

**Mr. McCreevy:** This amendment proposes changing section 472 of the Taxes Consolidation Act 1997 to extend the employee or PAYE tax credit to home carers, with the credit to be given to the working spouse. Under section 466A of the Taxes Consolidation Act 1997, the home carer's tax credit is granted to married couples where one spouse stays in the home to care for a dependent person. The Deputy tabled an amendment which proposed increasing the amount of the home carer's tax credit to an amount equal to the maximum of the employee tax credit. This would have raised the home carer's tax credit from €770 to €1,040, which is an increase of €270 per annum. It would have cost approximately €23 million in 2004 and €33 million in a full year.

It now appears the Deputy proposes to extend the scope of the employee tax credit by making it available to a group to which it does not apply at present — home carers. While not defined, presumably the home carers in question are those currently within the ambit of section 466A. To extend the employee tax credit in the manner proposed would be a departure from the essential purpose of the credit, which takes account of the position of employees compared to the self-employed. To extend the availability of the employee tax credit in this way would cost some €82 million in 2004 and €118 million in a full year.

As I indicated in my Budget Statement last December and as I repeated on Committee Stage, the resources available for tax deduction this year are limited. Accordingly, I made limited changes in the area of personal taxation and those will cost an estimated €297 million in a full year. The increase I made in the employee tax credit was to ensure that tax is not payable on 90% of the minimum wage and over 39,000 persons were removed from the tax net.

Apart from this and the increase in the income tax exemption limits for those aged 65 years and over, there were no increases in the generality of personal tax credits nor in the standard rate band. The budgetary position would not have allowed it. Therefore, I am not in a position to accept the amendment.

**Mr. R. Bruton:** I thank my colleagues for their support for the principle of this amendment and accept it is not properly drafted. However, it is important that more attention is paid in public debate to the needs of families, particularly when it comes to many aspects of our tax and welfare codes. Put bluntly, we have repeatedly overlooked the needs of children. As Deputy Burton said, we have no relief for child care, we have no proper system for developing child care and the system in the Department of Justice,



Equality and Law Reform is extremely patchy. We are far behind many other countries and when we look at countries like France we see they are struggling because of declining birth rates. Our economic dynamism in recent years is largely due to the dynamic population demographic we have enjoyed. It is right and proper that the State should support good environments in which children are reared, but we are failing to do so.

The Minister has been far-sighted in providing for pensions. He has taken a vow to do something in that area but if he wants to know what the upcoming challenges are, they are clearly related to caring for children and the elderly. We need to make changes in many areas. Many of the means tests for the most basic schemes disregard the costs of having a second person in the home; means testers are very strict on what one might call traditional families, where a couple is together.

We also have an extraordinary feature in our tax code whereby if a couple separates their tax allowance doubles. That is a very unusual provision which is hard to square with the pro-family policies we like to advocate.

I do not propose to press the amendment as the Minister is correct in saying it is not properly framed. However, there are important issues involved here which the Minister, his officials and officials from other Departments need to address or we will rue the day we failed those who are trying to be responsible and do the right thing in rearing children. It is important to have that debate and it is particularly important the Minister for Finance participates in it, rather than leaving the matter to other Departments.

Amendment, by leave, withdrawn.

**Ms Burton:** I move amendment No. 7:

In page 7, after line 30, to insert the following:

“4.—From a date prescribed by the Minister, the exemption limit for income tax shall be increased to a level equal to the hourly rate of the minimum wage for the time being multiplied by 40 multiplied by 52.”.

I have already spoken on this amendment. It is not necessary to repeat the debate.

**Mr. McCreevy:** I oppose the amendment.

Amendment put and declared lost.

**Mr. Deenihan:** I move amendment No. 8

In page 7, after line 30, to insert the following:

“4.—(1) Chapter 1 of Part 15 of the Principal Act is amended by inserting the following section after section 480A:

‘480B.—(1) In this section—

“the Act of 1999” means the Irish Sports Council Act 1999;

“amateur sportsperson” means a sportsperson that receives no salaries, fees, wages, bonuses or perquisites as a direct consequence of their participation in an approved sport;

“approved sport” means a sport specified in Appendix 23B;

“the Council” means the Irish Sports Council;

“carded athlete” means an athlete in receipt of funding through the Council carding scheme in the relevant year;

“doping in sport” has the same meaning as set out in section 2 of the Act of 1999;

“high performance amateur sportsperson” means an amateur sportsperson properly affiliated with one of the sports bodies specified in Appendix 23B, that competes at a level that is subject to any measures taken by the Council, in fulfilling its obligations under section 6(1)(d) of the Act of 1999, to combat doping in sport;

“qualifying sportsperson” means a high performance amateur sportsperson that meets the criteria set down by the Council in conjunction with each sports body and not registered with the Council as a carded athlete;

“the sports body” means the relevant body that governs the conduct of each approved sport.

(2) Notwithstanding any other provision of the Income Tax Acts, this section applies where in the year of assessment 2004 or any subsequent year of assessment an amateur sportsperson who is resident in the State for that year of assessment proves to the satisfaction of the Revenue Commissioners that he or she has in that year of assessment been a qualifying sportsperson.

(3) Where this section applies, a qualifying sportsperson shall, on the making of a claim in accordance with subsection (6), be entitled to a tax credit (to be known as the “qualifying sportsperson tax credit” of €2000).

(4) Relief from income tax under this section shall in all cases be given by means of a tax credit.

(5) Where any relief has been given to a qualifying sportsperson under this section and he or she is not entitled to that relief, as the case may be, that relief shall be withdrawn by whatever means is deemed appropriate by the Revenue Com-



[Mr. Deenihan.]

missioners (including an adjustment to that person's tax credits or the making of an assessment to income tax under Case IV of Schedule D for the year of assessment for which that relief was given).

(6) Any claim for relief under this section—

(a) shall be made in such form as the Revenue Commissioners may from time to time provide, and

(b) shall contain such information and be accompanied by such statement in writing as may be indicated in the said form as the Revenue Commissioners may reasonably require for the purposes of this section.

(7) If a qualifying sportsperson qualifies for the relief under subsection (3) in relation to more than one approved sport, either at the same time or at different times in a year of assessment, he or she shall be treated, for the purpose of the relief under this section, as if he or she qualifies for that relief in respect of one approved sport only in that year of assessment.'.”

There was an extensive debate on this amendment on Committee Stage. The motivation behind it comes from the special concession given by the Minister in 2002 to professional athletes. Elite amateur athletes were ignored, which was unfair. The concession discriminated against people who are professional in every way but who are not paid for their efforts. This amendment would include GAA players but would also include those involved in boxing, sailing, canoeing and a range of other sports. It would mean that those elite athletes would be granted a tax credit of €2,000, which, over a year, would cost the Exchequer approximately €12 million.

There are 6,000 athletes on the drug testing system operated by the Irish Sports Council, which means the athletes who would benefit are ring-fenced; those currently on the drug testing programme would qualify. Half of those athletes would be inter-county Gaelic footballers or hurlers. The Gaelic Players Association had a professional body draw up an actuary's report which quantified a players' loss of wages, in missing out on overtime opportunities and so on, as representing anything from €100,000 to €150,000 in loss of earnings over the normal lifetime of a sportsperson. That is a considerable loss to an individual starting off in his professional career, who may be married or getting married and who would probably take out a loan to buy a car and a mortgage to buy a house. While trying to do all these things that everybody else can do, he is also providing entertainment for the public.

We know of the millions of people who watch Gaelic games each year and of the amount of

funding they generate for Revenue through various taxes. They provide revenue for many towns all year round. These players are contributing to that and, in most cases, everybody benefits but the players. The people who provide hospitality, transport, insurance or whatever benefit but those who perform and who generate this interest and wealth receive little compensation as a result.

I know from personal experience of the loss of time and earnings. People accept it because they love the game and want to play it. They have pride in their village and county but that only goes so far. If people are going to lose out considerably, both materially and financially, some time during their sporting career — perhaps half way through — they will decide they cannot afford to continue, especially players playing on county teams who are not successful. They train and put in the same effort as successful athletes in counties which win and athletes in other sports but they do not achieve the success and they lose money. This amendment would compensate these performers and encourage them to keep playing.

There will be more competition for players from all sports. People who are athletic and who can play and handle a football will be much sought after by rugby. As the Minister knows, the Australian rules people are seriously considering taking more Irish people over to Australia. Those who have gone in recent years have been successful. There will be a big demand for Gaelic players and for people who can handle a football. If they are compensated in other sports, but not in Gaelic football, Gaelic football may lose them. It is on that ground that I tabled this amendment.

I realise a number of Members are anxious to address this matter. Today, more than 80 Deputies went to Buswell's Hotel to a briefing session organised by the Gaelic Players Association. The Deputies were from all political parties and I will not question their bona fides. Deputies were most enthusiastic about supporting this amendment, including members of the Minister's party who had connections with the GAA in the past.

**Mr. P. McGrath:** They will be tested in a few minutes. We will test their loyalty.

**Mr. Deenihan:** I have never seen a measure receive such universal support in this House. I have been at several lobbies organised by various organisations in Buswell's Hotel but I have never seen a lobby get so much support as I did today. That speaks for itself.

I brought the Minister's attention to the arts. Artists in this country, whether international, national or local, are exempt from tax. That has encouraged numerous artists in various art forms, whether literature or performing or visual arts, to stay at home. I am sure more of our writers would have left but for this incentive. That measure costs the Exchequer approximately €37 million. These elite amateur performers make as much of

a contribution to the Exchequer and to this society as artists who make a worthwhile and positive contribution to the wealth of this country.

I look forward to hearing the Minister's response. I tabled this amendment in good faith. The Minister is, and always has been, a strong supporter of Gaelic games, and I appeal to him to look at this proposal rationally. It is a tightly structured proposal, it is not what the Minister might call a "daft" proposal. It was structured by the GPA on the professional advice of experts, and that is why I intend to push this amendment. I appeal to the Minister to accept it because of the effect it will have. The people across the sporting spectrum, whom this amendment represents, deserve this recognition and treatment.

**Mr. R. Bruton:** I support the amendment. Unlike Deputy Deenihan, I have never played sport at an elite level but I am a keen follower of all sports. Looking at the development of sport, I see chronic commercialisation taking over in the sporting area. Like the tallest pines, this commercialisation tends to kill everything underneath. There is a genuine crisis in many sports about how to maintain the amateur participative ethos in a more commercial world.

There is public interest in promoting a measure which would support amateur organisations and sportspeople remaining amateur even at high levels of performance. The Minister may say this is a matter for the GAA or for the organisations in these different fields but I do not believe that is the case. These organisations should not be forced down the professional road where they see their future in an amateur ethos. There is an important public interest that we should seek to support the retention of an amateur ethos in sport to the maximum extent possible. I have seen it in clubs with which I have been associated where the professional upper echelon of the club has almost brought the voluntary school boy dimension of the club to its knees. If we allow commercialisation to continue to take hold in more areas of sport, there is a real risk that we will damage sport, which is the crucial element of this society. Deputy Deenihan and those who worked on this proposal deserve credit for bringing it forward.

There is considerable debate at present about Croke Park and I will not try to tell the GAA how to make decisions, although I am a member and perhaps I will be consulted. However, the huge asset of Croke Park has been built through the enormous contribution of amateur sportspeople who have played so many games to such high standards over many years. There is a certain irony in the fact that we have a tremendous monument to the success of sport in this country, but those who helped to create it do not receive any proper recognition. This is an opportunity for us to give them some recognition by starting to ease the pressures on amateur

players who are trying to perform to the highest standards. They should be given an opportunity to avoid taking the commercial route, while continuing to play their sports as amateurs.

**Ms Burton:** When I spoke on a number of occasions during the budget debate, I outlined the Labour Party's budgetary theme of fairness and how, in many respects, the Minister had not been fair to different sectors in society, including families with children. The element that strikes one as being distinctly unfair, however, is what has happened with regard to different types of sports people. From a fiscal viewpoint, the Minister has chosen to make a clear distinction between two different types of sports people: one is the professional sports person who often earns large amounts of money, while the other is an amateur sports person who makes significant personal sacrifices in time, income and family commitments. What does the Minister do? He chooses to create tax breaks for the professional sports people, some of whom are very high earners. He does nothing to assist amateur sports persons, however, who, like many others in society, are under significant additional pressure when purchasing a house, looking after the family and keeping their jobs and career prospects afloat during their best sporting years. The Gaelic Players Association has put forward a considered and reasoned argument as to why they, alongside professional sports people, are deserving of the Minister's consideration through some sort of tax break or direct supplement.

The Minister seems to have consciously allowed the players to be misled into believing that some form of assistance was on its way. The Gaelic Players Association made the Minister a welcome guest at its annual general meeting. On Committee Stage, the Minister indicated that he was happy to attend the GPA annual meeting to break bread, or perhaps break ball, with the players—

**Mr. P. McGrath:** Break wind.

**Ms Burton:** —while having various discussions and leaving them with the clear impression that he was minded to mark their contribution to amateur sports. These people are not fools, however. Subsequently, in recent weeks, a number of the Minister's party colleagues led a deputation of players to the Department of Finance where not only did they get tea and biscuits but sympathy also. Who can blame the players for feeling that the Minister was so minded, having done what he did for professional sports people earning far more money than those who play inter-county Gaelic football? The Minister led the players to believe that Fianna Fáil would see them right. However, some "Mr. No" in the Department of Finance appears to have met them also and said that because of flaws, including a possible leakage in the scheme to others seeking tax relief, such relief

[Ms Burton.]

was off the table. No alternative has been put forward by the Minister. I can understand the players being enraged because they have been treated in an extremely shabby way. They were led to believe the Minister was giving serious consideration to the points they had made. Having received good advice from accountancy firms, the players did their figures and came up with an actuarial cost of somewhere between €100,000 and €150,000 for the loss of earnings for GAA players at top level, who are fully committed to training, travelling and playing. Such players provide enjoyment to hundreds of thousands of people across the country every year.

I am disappointed by the Minister who has shown ingenuity on tax breaks for private sports injury clinics. Many GAA county boards are struggling to survive financially. If inter-county players fall ill or are injured and have to attend a private sports injury clinic, they will be delighted to know that the Minister has looked after the builder of the clinic from a tax viewpoint. He has not done anything to help GAA players, however, who will swell the coffers of sports injury clinics that are already in receipt of tax breaks. It is ironic that the Bill extends relief for the construction of private sports injury clinics and private hospitals. The legislation makes it easier for investors to take advantage of that relief because the measures the Minister introduced last year were not generous enough for builders.

The Minister has led the Gaelic Players Association up the garden path. Despite all the back slapping at the GPA's annual general meeting and the invitation to tea at the Department of Finance, the Minister has said, "Sorry lads, we can't do anything for you at all." That is not good enough. The Labour Party thinks the Department of Finance should examine the proposals from the Gaelic Players Association and other amateur sports codes. The Minister may argue that from a taxation point of view the situation is not perfect. The drafting of tax legislation is difficult but we can all understand what lies behind the GPA's proposal. The Labour Party supports the spirit of the proposal. We do not mind if the Minister puts forward an alternative proposal whereby this matter can be worked out, as long as it achieves the same end and will not damage other areas of the tax code. We do not have a problem if the Minister has an anti-avoidance difficulty with the proposal and, thus, wants to design it in such a way that it is confined.

In drawing up the proposal, the players have tried to ring-fence it by confining it to those who are subject to the drug-testing regime, while also confining it to the scheme identified by the Irish Olympic Council and the Sports Council for what are termed "elite amateur sports people", and who carry that card. The players have done their homework on those aspects. The Labour Party

urges the Minister to identify ways and means in which he can deliver on the kind of promises that were intimated by him when attending the GPA's annual meeting, as well as by a number of his colleagues.

I did not know whether to laugh or cry today when I met some of the players who were lobbying politicians. There were members of the Minister's party in serious danger of injuring themselves in the rush to be photographed with the illustrious members of the GPA, who took the day off to visit Leinster House.

**Mr. P. McGrath:** One of them is on the radio at the moment.

**Ms Burton:** One of the Minister's colleagues had a hurley. I hope she is present for the vote later. I also hope the hurley was not meant to threaten the Minister if he turned down the players' reasonable request. She had a hurley, another Member had a sliothar while yet another was photographed with a football. Following last weekend's jamboree, the Taoiseach wanted party members to beat everybody else to the photo opportunity. There is hypocrisy and hypocrisy. I acknowledge I do not know remotely as much as the Minister about sport but, nonetheless, I recognise the justice in this cause and ask him to devise a system for players.

I refer to tax breaks applied to professional sports people. The tax break introduced two years ago for such persons allows them to knock 40% off their earnings when they retire and claim relief for a ten year period. Deputy Penrose says it is not unusual for professional sports people to earn at least €100,000 directly from their sports. The marginal tax rate is applied on a sum of €40,000 per year for ten years, which equates to tax relief of €168,000. Top golfers and jockeys earn much more than this. It is reasonable to assume their earnings might be €200,000 a year during their best years. Therefore, the Minister is giving them a tax break worth €336,000. This is not peanuts. If the relief sought by the GPA was applied to its members over an equivalent period, it would amount to €20,000 compared with sums of €168,000 and €336,000. The highest paid sports people will earn much more than this in relief.

It is estimated by the Revenue Commissioners the artist's exemption cost €37 million last year. A young female author received a great deal of publicity recently. She was interviewed on many radio programmes and I listened to her with interest. She is an author of so-called "chick lit", popular with my daughter and many others. Good luck to her but she did not deny she had received €1 million under contracts for her first book. The artist's exemption is worth €420,000 to her and ongoing royalties will be exempt at the 42% rate through the years. What is the difference between the pleasure she provides for those who read "chick lit" books on the bus, DART or holidays and that provided by GAA players in major hurling and football games? The



Minister has given them nothing but the young woman who is satisfying a market for certain literature is the subject of incredible largesse on his part.

I recently read an article on the dispute between Mr. Ferguson and Mr. Magnier which has been happily settled. A nomination for Rock of Gibraltar costs €120,000. If that stallion or others generate ten nominations per year, the tax break is worth €500,000 to the owner. I ask the Minister to compare his generosity to the “chick lit” author, top golfers and jockeys and stallion owners to his failure to provide for amateur sports people. I am surprised at Fianna Fáil not having the ingenuity or wit to examine the case made by the GPA and not recognising that people who provide so much for our communities through amateur sports should deserve similar consideration. I accept the amendment may not be perfect for tax purposes but the Labour Party and the rest of the Opposition is prepared to work with him on it. I commend Deputy Deenihan’s amendment.

**Mr. Boyle:** The amendment introduced to benefit high performance professional sports people has resulted in the Minister being hoisted on his own petard. I accept it was introduced for the best reasons. Perhaps it was thought to be the sporting equivalent of Charles Haughey’s artist’s exemption when he was Minister for Finance and it would add to the social and cultural cachet of the nation. However, serious questions need to be asked about how the proposal was drafted and implemented. The logic that sporting careers comprise a short period of an athlete’s life is sound on the surface but it does not hold true for golfers and jockeys. Golf careers are long and, even when golfers finish on major tours, they can graduate to seniors tours, which are lucrative. Many Irish golfers earn significant sums participating in such tours.

Similarly, while there are risks in terms of injury and death, jockeys such as Pat Eddery and Lester Piggott have enjoyed long careers, although Lester Piggott is probably not the best example in terms of tax reliefs. They were at the top of their profession for 30 to 35 years. In addition, many top sports people progress from participation to administration, training and management in their respective sports. This tax relief is open to abuse.

Can individuals who declare for Ireland in various sports avail of the tax relief? A grand parentage rule is in place for soccer internationals for instance and recently the highly skilled golfer, Mark McNulty, who had political difficulties in his native Zimbabwe, changed citizenship from there to Ireland and is designated as Irish for world golf tournaments. Can he avail of the professional sports tax relief? That is a potential abuse.

**Mr. McCreevy:** That does not apply to him. One must be tax resident in Ireland. The relief

relates to those who pay tax in Ireland. It is to do with paying tax in Ireland, not where one represents.

**Mr. Boyle:** I am not sure where he is resident. He may have residency status.

**Mr. McCreevy:** It will not do any good. He was not tax resident for the past ten years because he did not pay tax during that time.

**Mr. Boyle:** Given that Ireland has the greatest golf course network in the world, it should be a good place for a golfer to establish residency.

**Mr. McCreevy:** Perhaps.

**Mr. Boyle:** The amendment relates to the treatment of high performance professional sports people as opposed to amateur sports people who are no less committed in terms of their performance than those who get paid for their performance. This inequity in the tax system has to be addressed. I question whether tax relief for professional sports people should continue but in spite of this, the contribution of amateur sports people to the cultural life of the country should be recognised in the tax code in the ways proposed in the amendment. This has to be done for a number of reasons. First, GAA sports people are totally amateur. Second, sports involving women are, in the main, amateur rather than professional. The tax code has a discriminatory effect on female more than male sports people.

**Mr. McCreevy:** Why?

**Mr. Boyle:** It is a fact of life. It tends to be the media, television companies and so on which decide which sports are well paid. The proportionate number of women involved in highly paid sporting activity is far less than the number of men. We need to recognise this. As regards amateur sport——

**Mr. McCreevy:** We are always looking for players in Kildare. If there are any women who are willing to play for us, we will take them also.

**Mr. Boyle:** The Minister may have to put that to the GAA council first.

**Mr. McCreevy:** Perhaps Cora Staunton——

**Mr. Boyle:** The Minister makes an interesting point because we met the lobby from the Gaelic Players Association today. This is equally applicable to the sport of camogie. The all-Ireland final between Tipperary and Cork which went the wrong way was a highly skilled and enjoyable occasion. The commitment of young women to the sport, in time, income forgone and commitments to family and other aspects of life, needs to be recognised in some way.



[Mr. Boyle.]

There are sports which have both a professional and amateur element. For example, basketball is largely amateur but most teams which take part in the national league have one or two professional players, largely brought in from outside the country but who are resident for long periods. There may be a situation on a team where some players are benefiting from tax relief while others are not being recognised by the tax code. There are sports where participants are paid a minuscule sum which makes the effect of any tax relief irrelevant, for example, League of Ireland division one football where players are paid minimum wages for the joy of playing in the sport, yet with some financial recognition for participating at the same time.

All of these issues are evident — the difference between men and women in professional sport; the existence of sports with both a professional and amateur level within the same team; and the stipend to cover the cost of being involved in the sport, that otherwise has a near voluntary ethos. The Minister is helping to perpetuate an inequity as to how different sports people are being recognised and rewarded through our tax system.

I am fully supportive of the amendment proposed by Deputies Deenihan and Bruton and believe many who should be behind the Minister are similarly inclined and if tempted to face the ravages of their Whip, would vote accordingly when we decide on the amendment later in the day.

**Caoimhghín Ó Caoláin:** I record my support and that of my colleague, Deputy Ferris, our spokesperson on sport, and all Sinn Féin Members for the text of the amendment presented by the Gaelic Players Association and tabled by Deputies Deenihan and Bruton. It highlights an anomaly in tax law, to which Deputy Boyle alluded. Tax allowances are provided for professional sports people but not for amateurs of any sport at any level.

The Sinn Féin Party is prepared to support the amendment as an interim measure because we believe the amateur-professional anomaly needs to be addressed. The major contribution to Irish life made by people involved in high performance amateur sport must be recognised. This would obviously include our inter-county Gaelic sports players, both football and hurling. Coming from County Monaghan, it would also include those who are and have given us great joy on the sports field in inter-county women's GAA which has proven to be very popular in many counties and growing in strength throughout the land.

It has to be emphasised that sacrifices are made year after year in order to strive to the highest possible standards and the highest levels of achievement by those whom we love to cheer on both in domestic games and international competition. These sacrifices deserve recognition in real terms. It is our view that the amendment

offers real recognition, something we want to see implemented.

I will give the Minister a moment before I continue — it would be very appropriate if the amendment was adopted in this the year of the Olympic Games which will be held in Greece. Many Irish amateur sports people will make significant personal sacrifices to represent the country and various sports organisations at the highest level internationally. Many of them, particularly those representing a number of the less well supported sports efforts, have few resources by comparison with their international competitors. It would be very appropriate in this year to recognise them as the amendment seeks.

The GPA is the amendment's author and sponsor. It is clearly designed to recognise those playing at the highest level in all codes and disciplines in sport. This is very important. I commend the effort of those behind the proposition. Let us be under no doubt that our Olympic sports representatives going to compete in Greece are deserving of the best support and encouragement, not only the cheers in front of the television or the preserve of the well-off, to attend the competitions.

We support the measure pending thorough tax reform for which I have argued both today and on Second and Committee Stages as well as year in, year out since 1997. We are seeking reform of the way sport is funded or, in reality, underfunded in the State. The Minister has heard the earnest appeals of those who want to have this measure adopted. Note the attendance in the Chamber from the various parties. There is multiple representation from Fine Gael which sponsored the amendment, the Labour Party and Sinn Féin. However, the Minister has sat alone on the opposite side throughout the entire debate. Where are all his backbenchers in Fianna Fáil who earlier this afternoon were pushing and shoving to get themselves into the photograph that will be recorded in tomorrow's daily newspapers? Where have they been?

**Mr. McCreevy:** Training, I suppose.

**Caoimhghín Ó Caoláin:** Where has their interest been in this debate and where are their contributions to the arguments in support of the amendment?

**Mr. McCreevy:** They have gone to train for Sunday's match.

**Ms Burton:** The Minister looks very lonely.

**Caoimhghín Ó Caoláin:** They may very well come flocking in from in front of the television on which they have been hoping to watch themselves on "Six-one". They are not here to support the amendment. We know very well what buttons they will choose to press when they trundle in after the division bells ring. I earnestly appeal to the Deputies in question. It is time for

them to act if the Minister is unprepared to accept the value of this amendment and the contribution it could make to the encouragement of participation in sport by young men and women. The amendment would ease the sacrifices they have to make to give of their best for our entertainment and pleasure. They bring honour to their country by representing it internationally.

There is much that can be done. I encourage the Minister to adopt the amendment. If he is not prepared to do so, he should remove the Whip from his colleagues to allow them the opportunity to vote in support of an amendment they have publicly embraced on the plinth and outside the doors of this House. I commend it to the Minister and strongly recommend it to every Member.

**Mr. P. McGrath:** I will be brief. I am very conscious that time is passing and it is important to vote before 7 p.m. to see if the people who earlier today signed a document in support of the thrust of this amendment in Buswells Hotel will support it. We will see their hypocrisy as they come to the House to vote against what they signed to this morning. It will be ridiculous. Only a few minutes ago a Deputy supported the idea on national radio.

**Ms Burton:** Which Deputy?

**Mr. P. McGrath:** Deputy Tony Dempsey.

**Ms Burton:** It was Deputy Tony Dempsey who led the deputation to the Department of Finance.

**Mr. P. McGrath:** On radio he supported the idea of tax breaks for amateur athletes, yet within half an hour he will come to the House to vote against them.

**Mr. Deenihan:** The Deputy should not pre-empt the Minister's decision.

**Mr. P. McGrath:** It is hypocrisy.

**Ms Burton:** The Minister may change his mind.

**Mr. R. Bruton:** He will turn out for the Lillywhites yet.

**Acting Chairman (Mr. McGinley):** Deputy Paul McGrath to continue without interruption.

**Mr. P. McGrath:** The case has been well made for each tax break the Minister is providing for the arts, professional athletes and even buildings. At the stroke of a pen, he gives more tax breaks for a hotel than he is prepared to provide for athletes who give of their all week in, week out. Why cannot he face up to this today and provide athletes with the break they so badly need?

The amendment is a re-run of a proposal made two years ago by the late Deputy Jim Mitchell and me. We tabled a similar amendment which was not as well thought out as the one before us,

though it gave the matter an airing. Unfortunately, on that occasion the idea did not take off. I recall the Minister saying he would not do anything about it at the time. Perhaps, given the fact that in the intervening two years he has met the Gaelic Players Association and heard its side of the story, he will have changed his mind.

I compliment the Gaelic Players Association on its work. It is past the time players had a body to represent them. Mr. Farrell is doing a fine job. It is important that the voices of players are heard given that for so long we have heard only management. There is now an alternative. I hope the association will further strengthen the GAA. I appeal to the Government to support the amendment and live up to the commitment its Deputies so publicly made this morning.

**Mr. Penrose:** Like the Minister, I grew up on a diet of Gaelic football and hurling. I had the pleasure of playing with his brother on the sports field. I am somewhat flabbergasted at the Minister's position as he has adopted innovative stances throughout his life. He was very honourable in the stances he took during his career with the result that he failed to achieve high office as early as he should have. I am amazed that he is not agreeing to the amendment, although I acknowledge that he might well have to put in place some restrictions. The GPA's amendment imposes restrictions and outlines qualifying criteria to be put in place involving the Sports Council and drug testing.

Those who reach the top in amateur games come from small, rural areas like the ones from which we come. Their precocious talent is nursed and developed before they rise to elite status to which every one of us aspired in early life. As young people, we all followed role models and icons and wished to achieve. Those who achieve elite status do so at great personal cost and sacrifice. I was not surprised to hear today about a man with young family who is involved in the GAA. His working wife had to hire help in the evening to look after their children. There is a tremendous financial cost imposed on any player or participant in sport. As Deputy Ó Caoláin said, we laud their achievements at the Olympics and wrap the flag around us. We have an opportunity to recognise them and abandon rhetoric and hypocrisy. I was stunned by the level displayed this morning.

I have been involved in politics long enough to know there are different views on different sides. It is in this Chamber that we must make our voices heard and vote in favour of or against the amendment. I am beginning to wonder why the Minister has not agreed to this proposal. I admire his fortitude, although I have disagreed with him. My perspective is that of the left of centre whereas the Minister is on the right of centre. Politics is about different arguments on how to get to the same place.

The Minister is hamstrung in some way on this matter. He should break the deadlock imposed

[Mr. Penrose.]

on him. Somebody is inhibiting him when it is not his nature to be inhibited. Many of us have a lot about which to be grateful to him. Some of my own colleagues have failed to demonstrate the same level of innovation. He cannot be responsible. I appeal to him to support the amendment.

I am very familiar with members of the GAA having come up through its ranks. I was lucky enough to be involved with the association in my county. In the 1970s and 1980s one might have got the odd meal after a game before being sent packing. Thankfully, the advent of the players' representative association has meant that matters have improved. However, there is still no recompense for the outlay and sacrifices players make to cover their out-of-pocket expenses. They had to fight very hard for the small gains they have made. They are still trying to secure additional gains and I hope they are successful. I applaud them for having retained their amateur ethos. Some of the biggest stars have always said they would like to remain amateur and I applaud them for this. They have given us great entertainment over the years. We have a plethora of tax breaks for animals, buildings etc. This one would be for people who are role models and have given us pleasure. I applaud the GPA in that it did not confine this to players from within its association and has widened the ambit to include other sports persons. It is thought that between 5,000 and 6,000 would fall into this category.

In County Westmeath we can call on Dessie Dolan, Martin Flanagan or other players to attend functions. My daughter is chairperson of the young pioneers and she was able to call upon people like this to attend a function. They gave their time for free and spoke to the young people, encouraging them not to drink alcohol and to follow sporting and other recreational pursuits.

Sunday is the only night sports people, particularly dual players, are at home. Dual players train six nights a week. This is not only a personal sacrifice, it puts considerable strain on players bodies. I saw Conal Keaney, a dual player, playing with Dublin last Sunday. He is a tremendous player and a great athlete. Such players give great dedication, commitment and discipline and are good ambassadors. Surely if we can do this for the better off, we can do it for those that are less well off. As Deputy Ó Caoláin said, many of these players only have a playing career from the age of 20 to 32. Other sports can go on forever but Gaelic games, and many other sports, are physical and the players cannot play forever. I know the Minister's heart is with this, he should not let his head rule and should accept the amendment.

**Mr. Connolly:** I support the amendment and agree with the comments that have been made. I attended the briefing in Buswells Hotel this morning and sensed an air of defeatism among the sports people regarding it. They felt that they

had lost before the game had even commenced. They predicted that the game would be up before the final whistle this evening. While it is unlike sports people to be so minded, they faced reality at the briefing.

The Finance Act 2002 made provision for a 40% claim back of tax over ten years of a sports person's life and this was welcomed. We should encourage sports people. However, amateur sports people were discriminated against in this. They are professional in all but name; they have the same training, dietary and discipline routines. They must also juggle a job with these demands and often must seek time off. While they play sport in their family time, professionals do it during their working time. Amateur sports people make major sacrifices at weekends. Weekends away and booking family holidays abroad are non-runners. This cannot be done until a team is knocked out of the championship. Many players feel they cannot make such booking until after the first or third Sunday in September.

We get tremendous pleasure from watching amateur sports. We take great pride when people from abroad attend our games and see the level of commitment in all-Ireland finals or Ulster championship matches. They ask whether the players they are watching are really amateurs. We are proud to say that the players are amateur and one might wonder whether we are abusing this. Unedited coverage of top-level professional soccer matches on television often leaves much to be desired and does not compare with the level of amateur sport that we have in this country.

I am concerned about other discriminatory aspects of this. For example, professional jockeys can benefit under the 2002 Act while an amateur jockey, who does the same job and jumps the same fences, does not. I have no doubt that we will cheer such jockeys, hopefully Irish ones, across fences at Cheltenham next week.

Amateur sports people often become injured and we do not have a great track record of looking after them. Amateurs do not seem to have the same level of medical back up that professionals have. I know of many people who left sport early and have not been properly cared for. One would be shocked to see great sportsmen in this position, even those from Deputy Deenihan's time, now almost in wheelchairs. It is indicative of the level of commitment these people give. However, we toss them out to grass when their sports careers are over.

I am sure that in other debates we will discuss ways of bringing young people off the streets and encouraging them to partake of sports. We rely on ex-sportspeople for this. If we treat sports people well when they are in their prime, they will then feel that they have something to give back to sport at youth level. Many already feel that they will give something back.

The gatekeeper of this scheme would be the Irish Sports Council. The council proposes that only amateurs liable to drug testing would be



subject to these provisions. While I know that this amendment will probably be defeated, there will always be another budget. The Minister is innovative and I ask that he consider this measure in the next budget.

**Mr. Ring:** I support Deputy Deenihan's amendment and the players that we met this morning, such as Dessie Farrell, that have given loyal service to the GAA. I have always believed that the GAA should play its players. While they are amateurs, these players give a full-time commitment. Former Dublin player Kevin Moran was fitter than his new team-mates when he joined Manchester United.

The GAA is moving with the times and matches are now played on Saturday and Sunday evenings. The championship now allows defeated teams to return to the competition. The Mayo team is much like the Minister's Kildare team; while we were never much good with forwards we have women that can win all-Irelands. I wish that we could put Cora Staunton at full-forward on the Mayo senior team. If we had, we would have won three all-Ireland titles in the last five years.

The Minister has always been a sportsman. Can he tell me how he, the Taoiseach and other members of Fianna Fáil can get tickets for all-Ireland finals? When one looks up at the Ard Comhairle in Croke Park one can see the Taoiseach and every Fianna Fáil Deputy and Minister. Even if he does so privately, will the Minister let me know how they can get such tickets? I fail to get them, even when my county is involved.

**Mr. McCreavy:** The Deputy could try paying for them.

**Mr. Ring:** I have sent cheques to the GAA and it has sent them back to me. The GAA should change the name of the Ard Comhairle to the Fianna Fáil comhairle. I cannot get tickets when Mayo is playing. I have paid for every ticket I have got from the GAA. I have sponsored my team in every way I can.

The Minister was never afraid to take a decision. I have great time for him because he is not a man that will listen to his officials. He should do the right thing tonight and back the players for which he would be remembered by the GAA. I would not begrudge him when he was at the All Ireland final and had his own seat in the Ard Comhairle box. I would say I knew the reason he got it and that he deserved it.

**Mr. Ferris:** Just one week ago the whole country was in shock following the death of Cormac McAnallen. It brought home to everyone the enormity of the sacrifices players made to provide entertainment for all of us. The profile of his life from the age of 15 and 16 years indicated the amount of work he put in, his dedication and

determination to reach a performance of excellence.

I commend the GPA for advocating the amendment and the Deputies who tabled it. What Cormac McAnallen endured in his lifetime and the amount of work he put in to reach his standard of performance are exemplified throughout the country. Young players in each county put in the same effort and make many sacrifices to reach a performance of excellence. They must give up their social life, observe a very strict diet, which is very costly, and, in many instances, give up overtime to supplement their income. Those who are self-employed must get people to cover for them while they are in training to represent their county and so on.

Due to the severity of training, many inter-county players, including those who played with Deputy Deenihan such as Seán Walsh, John O'Keeffe and so on, have long-term injuries from which they suffer terribly. One player has a plastic hip at the age of 42 years as a result of the terrific performances they must give to entertain us.

Glen Ryan, whom I am privileged to know, has made an enormous effort for his county. The Kerryman, Mick O'Dwyer, helped Kildare to win two Leinster finals. He has been a tremendous example to young people. I ask the Minister to consider the amendment in a positive light. It is no more than the players, including those in minority sports, who are high performance athletes deserve. They are amateur sports people who train as professionals to bring success to their respective counties. They do their utmost to provide the entertainment we are all privileged to witness.

I commend Deputies Deenihan and Bruton for tabling the amendment and all those who supported it. I hope the Minister will accept it and not put many of his colleagues who support the GPA through the turmoil of having to stand by him on the issue. It would be a disgrace and an affront to what they and all of us wish to see.

**Mr. McCreavy:** The amendment proposes a scheme of annual tax credits for elite amateur sportspersons resident in the State. The tax credit of €2,000 would be used against the person's non-sport income, since being amateurs, they do not have income arising directly from the sport itself. This proposal for a tax credit for elite amateur sportspersons has been promoted by the Gaelic Players Association whose members are not paid in respect of their direct participation in Gaelic games. In effect, it means taxpayers should subsidise certain amateur sportspersons when their own organisations are unwilling to do so. This is the nub of the matter.

The Government has made substantial sums of money available to the GAA at national and local level for the development of facilities which provide the appropriate arenas in which these great national games are played. The GAA has also been exempt from income tax for the past 75



[Mr. McCreevy.]

years, since 1928. This special relief should not be overlooked by those seeking even more favourable regimes. In the last two years alone the organisation has been allocated no less than €68 million in Exchequer funding, including €1.5 million a year in current funding for the governing body. I am not just talking about Government funding for Croke Park, in respect of which I took more than my fair share of criticism, but for a whole range of GAA facilities built with assistance under the sports capital programme which is administered by my colleague, the Minister for Arts, Sport and Tourism. The record shows that no Government has been as generous to Irish sport as this Administration.

I am fully conscious and appreciative of the efforts of GAA players at the top level. As a lifelong supporter of the games, I am well aware of the pleasure and benefits followers derive from the efforts of the players wearing the club and county colours. It should be a matter of pride to put on a county jersey, not a matter of monetary calculation. Many amateurs in all walks of life have been honoured to represent their country many times at their own expense.

I said on Committee Stage, as I had previously, that over the years the needs of players had often been neglected and it was shameful that it was only in recent times players' concerns had been heard. The GPA is to be complimented on its role in that regard. However, the provision of a new tax credit for each player in recognition of the efforts of GAA players is an entirely different matter. The GPA argument appears to be that because the GAA refuses to pay players for participation in the games, or even reimburse them adequately for legitimate expenses incurred directly as a result of their involvement in games and training sessions, the Government, that is, the taxpayer's, should pick up the bill. It is not an argument with which I can agree under any circumstances.

I note with interest official comments in recent days from GAA circles in support of the GPA's submission. It is ironic that while the GAA regards the GPA as some form of maverick group with suspect motives that must be kept at arm's length, it has no problem issuing edicts of support for this same group when it appears the Government could be the solution to the thorny question of "pay for play". The GPA problem is a GAA one. It is not my intention that individual players should be given generous tax exemptions to compensate for the difficulties of the GAA on this issue. The resolution of the problem of player compensation is a matter for the GPA and the GAA, not the GPA and the Government.

The proposed tax credit of €2,000 per annum per sportsperson is more than the total tax credit available to a non-PAYE single person which stands at €1,520, while the PAYE tax credit of €1,040 is almost half of what the GPA proposes should be granted to a select group of players. A

tax credit of €2,000 is the equivalent of exempting €10,000 of income from tax for a standard rate taxpayer.

Bearing in mind that there is already State funding for sports organisations and sportspeople, if it was ever considered desirable to grant €2,000 per annum to all elite sportspersons, a direct grant mechanism would be more appropriate and a fairer measure. A tax credit would not benefit many of these athletes who, due to the levels of commitment and time demands of their respective training regimes, are often not in a position to hold down full-time employment.

The GPA has claimed there is discrimination in the treatment of the players represented by it. Two years ago I introduced a scheme of tax relief for certain professional and semi-professional sportspersons. It was given by way of a repayment of tax which could be claimed in the year in which the sportsperson retired from active participation in the sport. The relief relates solely to direct sports income, not from sponsorship or other income. However, the position of GAA players *vis-à-vis* professional sportspersons who can avail of the retirement relief is quite different. In general, specific allowances or credits in the tax system are put in place to compensate taxpayers for necessary expenses incurred in the process of earning an income, not for expenses incurred while undertaking a voluntary activity.

The introduction of this credit would set an unwelcome precedent and other voluntary workers may well demand a similar credit on equally supportable grounds. If the players were to be offered a special tax credit to acknowledge their expenses relating to activity and their contribution to the community, it would be near impossible not to extend it to other categories of individuals who give of their time and incur expenses in a wide variety of community youth and other voluntary work. Many of the organisations to which they contribute are less likely to be able to meet the expenses of these individuals than the GAA. It is my experience where reliefs are given in one area, pressure tends to be extended by equally deserving categories elsewhere.

**Mr. Sherlock:** Is that the reason the Minister is refusing to accept the amendment?

**Mr. McCreevy:** I discussed this matter in detail on Committee Stage and have no intention of going over that ground again. As Deputy McGrath reminded the House, two years ago this matter was debated on Committee Stage when he and the late Deputy Jim Mitchell made these points.

I wish to clarify a number of points. I attended the AGM of the Gaelic Players Association in 2002 at its request, in particular, at the request of one of its members who is a long time friend of mine and a well-known county footballer. He asked me to oblige the association because it was

considered to be a *persona non grata* within GAA headquarters at the time and it would give it a boost if I turned up.

**Mr. Ring:** Did the Minister tog out with them?

**Mr. McCreevy:** Between the time I had accepted the invitation and the night of the meeting, I was put under considerable pressure from the higher echelons of the GAA not to go to the meeting in Portlaoise so as not to recognise the association. In my customary fashion, I also ignored this.

**Mr. Penrose:** The Minister was right to go.

**Mr. McCormack:** The Minister is not in favour of the amendment.

**Mr. McCreevy:** At that meeting and subsequently the Gaelic Players Association was recognised. However, if the GAA was ever to pay the players, the same tax concession I made in 2002 would be available to them in respect of earned direct income.

The Deputy's amendment is not the mechanism to do this. The more appropriate mechanism would be to give direct grants to leading sportspersons. The tax system for professional sportspersons relates to the income they derive from being professional sportspersons. If we were to extend the tax system to give relief against tax credits, it would be the same as handing a person a direct grant.

**Mr. Sherlock:** The Minister wants to change the amateur status of the GAA.

**Mr. McCreevy:** As the tax credit system now applies, if we were to give a GAA sportsperson a grant, it would be a relief and a tax credit not related to their earning activity. That is what it would amount to. The tax system is not the appropriate mechanism.

I recognise more than most the contribution elite sportspersons make, particularly GAA

players. I have always acknowledged this. It is a matter for the GAA if it wishes to reward its footballers and hurlers. It can do whatever it wishes. I never held out to the Gaelic Players Association, even in 2002, the possibility that there would be a tax break in this area. I met the association on a number of occasions because I liked the individuals involved. I responded to requests from Deputies in my party to meet them but stressed to the Deputies concerned that I was not in a position to make this change.

Deputy Penrose referred to himself and a brother of mine. They both played football on the same college team many years ago. However, this issue has nothing to do with officials in my Department. The Deputy claims he did not put the question but he did. The tax system will not be used in this way. Deputies will have to wait for a new Minister for Finance to be nominated before they see this change.

**Mr. Deenihan:** I would like to refute the Minister's arguments. However, due to time restraints, I just wish to say there is no way the GAA can pay the players. Technically, up to 19 county boards are insolvent.

**Mr. Penrose:** It would wipe it out.

Amendment put.

The Dáil divided by electronic means.

**Mr. Durkan:** In view of the sporting involvement of many Members of the House, it is only appropriate that a little further exercise be undertaken in walking up to the lobbies for a manual vote. As a teller, under Standing Order 69 I propose that the vote be taken by other than electronic means.

**An Ceann Comhairle:** As Deputy Durkan is a Whip, under Standing Order 69 he is entitled to call a vote through the lobby.

Amendment again put.

The Dáil divided: Tá, 57; Níl, 67.

Tá

Boyle, Dan.  
Broughan, Thomas P.  
Bruton, Richard.  
Burton, Joan.  
Connaughton, Paul.  
Connolly, Paudge.  
Costello, Joe.  
Coveney, Simon.  
Crowe, Seán.  
Cuffe, Ciarán.  
Deenihan, Jimmy.  
Durkan, Bernard J.  
English, Damien.  
Enright, Olwyn.  
Ferris, Martin.  
Gilmore, Eamon.  
Gogarty, Paul.  
Gormley, John.  
Gregory, Tony.

Harkin, Marian.  
Healy, Seamus.  
Higgins, Joe.  
Higgins, Michael D.  
Howlin, Brendan.  
Kehoe, Paul.  
Kenny, Enda.  
Lynch, Kathleen.  
McCormack, Padraic.  
McGinley, Dinny.  
McGrath, Finian.  
McGrath, Paul.  
McHugh, Paddy.  
McManus, Liz.  
Mitchell, Gay.  
Mitchell, Olivia.  
Morgan, Arthur.  
Moynihan-Cronin, Breeda.  
Murphy, Gerard.

Tá—continued

Naughten, Denis.  
Neville, Dan.  
Ó Caoláin, Caoimhghín.  
Ó Snodaigh, Aengus.  
O'Dowd, Fergus.  
O'Sullivan, Jan.  
Pattison, Seamus.  
Penrose, Willie.  
Perry, John.  
Quinn, Ruairi.

Rabbitte, Pat.  
Ring, Michael.  
Ryan, Eamon.  
Ryan, Seán.  
Sargent, Trevor.  
Sherlock, Joe.  
Shortall, Róisín.  
Timmins, Billy.  
Twomey, Liam.

Níl

Andrews, Barry.  
Ardagh, Seán.  
Brady, Martin.  
Browne, John.  
Callanan, Joe.  
Callely, Ivor.  
Carey, Pat.  
Carty, John.  
Collins, Michael.  
Cooper-Flynn, Beverley.  
Coughlan, Mary.  
Cregan, John.  
Cullen, Martin.  
Curran, John.  
Davern, Noel.  
de Valera, Síle.  
Dempsey, Tony.  
Dennehy, John.  
Devins, Jimmy.  
Ellis, John.  
Fahey, Frank.  
Finneran, Michael.  
Fitzpatrick, Dermot.  
Glennon, Jim.  
Grealish, Noel.  
Hanafin, Mary.  
Haughey, Seán.  
Hoctor, Máire.  
Jacob, Joe.  
Keaveney, Cecilia.  
Kelleher, Billy.  
Kelly, Peter.  
Kirk, Seamus.  
Lenihan, Brian.

Lenihan, Conor.  
Martin, Micheál.  
McCreevy, Charlie.  
McDowell, Michael.  
McEllistram, Thomas.  
McGuinness, John.  
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'Keeffe, Batt.  
O'Malley, Fiona.  
O'Malley, Tim.  
Parlon, Tom.  
Power, Peter.  
Power, Seán.  
Sexton, Mae.  
Smith, Brendan.  
Smith, Michael.  
Treacy, Noel.  
Wallace, Dan.  
Wallace, Mary.  
Walsh, Joe.  
Woods, Michael.  
Wright, G. V.

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

Amendment declared lost.

**An Ceann Comhairle:** I am now required to put the following question in accordance with an order of the Dáil of this day: "That the

amendments set down by the Minister for Finance and not disposed of are hereby made to the Bill, Fourth Stage is hereby completed and the Bill is hereby passed."

Question put.

The Dáil divided: Tá, 67; Níl, 53.

Tá

Andrews, Barry.  
Ardagh, Seán.  
Brady, Martin.  
Browne, John.  
Callanan, Joe.  
Callely, Ivor.  
Carey, Pat.  
Carty, John.  
Collins, Michael.  
Cooper-Flynn, Beverley.  
Coughlan, Mary.  
Cregan, John.  
Cullen, Martin.  
Curran, John.

Davern, Noel.  
de Valera, Síle.  
Dempsey, Tony.  
Dennehy, John.  
Devins, Jimmy.  
Ellis, John.  
Fahey, Frank.  
Finneran, Michael.  
Fitzpatrick, Dermot.  
Glennon, Jim.  
Grealish, Noel.  
Hanafin, Mary.  
Haughey, Seán.  
Hoctor, Máire.

Tá—continued

Jacob, Joe.  
Keaveney, Cecilia.  
Kelleher, Billy.  
Kelly, Peter.  
Kirk, Seamus.  
Lenihan, Brian.  
Lenihan, Conor.  
McCreevy, Charlie.  
McDowell, Michael.  
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'Keeffe, Batt.  
O'Malley, Fiona.  
O'Malley, Tim.  
Parlon, Tom.  
Power, Peter.  
Power, Seán.  
Sexton, Mae.  
Smith, Brendan.  
Smith, Michael.  
Treacy, Noel.  
Wallace, Dan.  
Wallace, Mary.  
Walsh, Joe.  
Woods, Michael.  
Wright, G. V.

Níl

Boyle, Dan.  
Broughan, Thomas P.  
Bruton, Richard.  
Burton, Joan.  
Connaughton, Paul.  
Connolly, Paudge.  
Costello, Joe.  
Crawford, Seymour.  
Crowe, Seán.  
Cuffe, Ciarán.  
Deenihan, Jimmy.  
Durkan, Bernard J.  
English, Damien.  
Ferris, Martin.  
Gilmore, Eamon.  
Gogarty, Paul.  
Gormley, John.  
Harkin, Marian.  
Healy, Seamus.  
Higgins, Joe.  
Higgins, Michael D.  
Howlin, Brendan.  
Kehoe, Paul.  
Kenny, Enda.  
Lynch, Kathleen.  
McCormack, Padraic.  
McGinley, Dinny.

McGrath, Finian.  
McGrath, Paul.  
McHugh, Paddy.  
McManus, Liz.  
Mitchell, Gay.  
Morgan, Arthur.  
Moynihan-Cronin, Breeda.  
Murphy, Gerard.  
Naughten, Denis.  
Neville, Dan.  
Ó Caoláin, Caoimhghín.  
Ó Snodaigh, Aengus.  
O'Sullivan, Jan.  
Pattison, Seamus.  
Penrose, Willie.  
Perry, John.  
Quinn, Ruairí.  
Rabbitte, Pat.  
Ring, Michael.  
Ryan, Eamon.  
Ryan, Seán.  
Sargent, Trevor.  
Sherlock, Joe.  
Shortall, Róisín.  
Timmins, Billy.  
Twomey, Liam.

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

Question declared carried..

accordingly to allow all who wish to speak to contribute?

#### Private Members' Business.

**An Ceann Comhairle:** There is no order before the House.

#### International Peace Missions Deployment Bill 2003: Second Stage (Resumed).

Question again proposed: "That the Bill be now read a Second Time."

**An Ceann Comhairle:** I call Deputy Ó Fearghaíl who has 30 minutes.

**Mr. Boyle:** On a point of order, given that we have eaten into Private Members' time is the Government supportive of extending the time

**Mr. Boyle:** Is the Government willing to extend the time accordingly?

**Mr. M. Smith:** No.

**Mr. M. Higgins:** My party would be in favour of extending the order if such a proposal was made.

**Mr. Durkan:** It is not agreeable.

**Mr. Gormley:** It is not acceptable to the Government.



**Mr. Ó Fearghail:** I wish to share time with Deputies Nolan, Devins, and the Minister of State at the Department of the Taoiseach, Deputy Hanafin.

**An Ceann Comhairle:** Is that agreed? Agreed.

**Mr. Ó Fearghail:** It is interesting to see that the recent outbreak of unity on the Opposition benches has completely dissipated with this Bill put forward by the Fine Gael Party. We have been led to believe in recent weeks that a realistic alternative comprising the proponents of tonight's Bill aligned with the Labour Party and the Green Party was available to give the electorate a real choice. There can be little doubt that as in so many other policy areas, there is little common ground on this issue among the disparate groups across the House.

**Mr. M. Higgins:** The Labour Party position is that it welcomes this debate.

**Mr. Ó Fearghail:** I welcome this debate and I congratulate Deputies Gay Mitchell and McGinley on their constructive approach. It is refreshing to see an Opposition party using Private Members' time to propose alternatives rather than simply indulging in the usual politics of empty condemnation. As the Taoiseach said at the National Forum on Europe, we encourage an open and healthy debate on security and defence issues, and I see the Fine Gael proposals in that context.

Ireland has a proud record of peacekeeping and a strong commitment to collective security. The vehicle for both has for long been the United Nations. The United Nations has the primary role to play in the maintenance of international peace and security. As the United Nations has no standing military forces of its own, it is obliged to depend on the provision of such resources by willing members. We have always supported co-operative multilateral arrangements for collective security through the development of international organisations, notably the UN. Since joining the United Nations in 1955 Governments of every stripe have confirmed Ireland's position regarding the UN as the international authority for co-operative arrangements for collective security. Complementary to this we have acknowledged and defended the primary role of the Security Council in the maintenance of international peace and security on the basis of the UN Charter.

Sovereignty is a fundamental underlying principle of participation in the European Security and Defence Policy. Participation in any specific operation by member states is decided on a case by case basis and in accordance with respective national decision-making procedures.

The Defence (Amendment) (No. 2) Act 1960, as amended by the Defence (Amendment) Act 1993, outlines the provisions relating to participation of members of the Defence Forces

in overseas missions. These provide that a contingent of the Permanent Defence Force may be despatched for service outside the State as part of a particular international United Nations force. Our participation in an overseas operation requires UN authorisation, a specific Government decision and, where the level of participation is to exceed 12 members of the Defence Forces, the approval of Dáil Éireann.

At a time when we are experiencing a high degree of geopolitical instability and change, it is imperative that the international community continues to support the United Nations in building and promoting peace and stability. I support the previously stated position of the Minister for Defence, Deputy Smith, that he would not wish that our laws would prevent the Defence Forces from participation in missions which support Ireland's underlying principles of providing support in the areas of international peacekeeping, humanitarian missions or peace support operations. It is important at this time that our decision-making process continues to reflect our support for the United Nations.

Fine Gael often refers to the situation in the former Yugoslav Republic of Macedonia. In this regard, the circumstances which arose in relation to the participation of the Defence Forces in the first EU peace support operation are unlikely to recur. It will be recalled that these circumstances related to the fact that while United Nations Resolution 1371 welcomed international efforts, including the efforts of the EU, to support the implementation of the Ohrid Peace Agreement in Macedonia, it did not authorise an international United Nations force as required by the Defence Acts. This was a unique situation and it is likely that future EU task missions will have the required UN authorisation, thereby enabling the

Government to consider Defence Forces participation on a case by case basis. Therefore, the question of legislative change in this regard does not arise. This is not just the position of the Government. The EU high representative for the common foreign and security policy, Mr. Javier Solana, pointed out to Deputy Gay Mitchell at the National Forum on Europe that Macedonia was the only such example he could bring to mind. He pointed out that it is a very untypical example.

There are two fundamental principles, the first of which is the democratic position under which we have the Defence Acts which set limits we must observe. The second question relates to the UN itself, in that the further one goes away from requiring a UN mandate, the less important the UN becomes. It is important for the international community that there is an independent, forceful and resourceful organisation, authorising mandates and getting involved. We must avoid undermining the authority of the United Nations. The UN may have its critics but no-one can say we would be better off if we did not have an organisation like it.

I welcome the Government's aim to protect and uphold the authority of the UN. The Macedonian situation may well be a one-off and it is right to give wholehearted support to the possibility of the UN maintaining its authority on the international front. It is just 18 months since we finally ratified the Treaty of Nice. Successive referenda have seen the issue of Irish neutrality and participation in military ventures become a major issue.

In an Adjournment debate on the Seville declaration on neutrality on 19 June 2002, the Government made it clear that there was no plan to change the basis on which Irish troops participate in peacekeeping and conflict prevention operations. This declaration reaffirmed that we will take our own sovereign decision on whether Irish troops should participate in humanitarian or crisis management tasks mounted by the EU, based on the triple lock of UN endorsement, Government decision and Dáil approval. The Seville declaration was a central plank in the Government's campaign for ratification of the Nice treaty.

Notwithstanding the problems the United Nations has experienced in the past few years, there remains little doubt that there is strong support nationally and internationally for its function as the international body to uphold peace and security. Its stamp of approval confers a legitimacy on operations and I have no doubt the vast majority of Irish people would be very reluctant to see our Defence Forces engage in activities not sanctioned by the Security Council, even if the operation was compatible with the Charter of the United Nations, as suggested by Deputy Gay Mitchell.

We must acknowledge that at times the UN is less than satisfactory — its Secretary General has said as much. However, I do not believe we should turn our backs on its decisions and processes. We must work to support the UN in its endeavours. The end of the Cold War and the bipolarisation it represented has naturally resulted in a more fluid and unstable situation. While we may be a neutral country, ours is an active not a passive neutrality. We work for peace and we seek international collective action to achieve it.

We should also bear in mind that the European Union is a union of liberal democracies. While liberal democracy may seem a normal state of affairs to us, it is still a club that is viewed with suspicion in some quarters of the globe. The United Nations and the Security Council recognise the reality of the world as it is. At times that may be unsatisfactory but we need consistency of approach. We would ignore the wishes of the United Nations at our peril and possibly at the peril of our Defence Forces. I oppose the Bill but, in doing so, I again compliment the Fine Gael Party for its constructive proposal.

**Mr. Nolan:** I am pleased to speak on the Bill. It is well intentioned and I compliment the Opposition on putting it before the House. However, implied in the Bill is severe criticism of the United Nations, which is not the way we should go about our business. We all accept that the United Nations as constituted is anything but perfect. Most UN members agree and are trying to improve it. If we were to approve this legislation, it would be more of a reflection on the members of the United Nations than on the organisation itself.

Ireland currently participates in 19 overseas missions. We have been an active and full member of the United Nations since joining in 1955 and our first overseas mission in the early 1960s. The Defence Forces have brought great honour to Ireland through their participation in peace support operations. Their commitment and dedicated service in overseas missions reflects not alone on the Defence Forces but on the nation as a whole, and contributes to the excellent reputation which Ireland holds among peacekeepers throughout the world.

However, participation in peacekeeping operations is not without risk. It is important to recall that over 84 members of the Defence Forces have lost their lives in peacekeeping operations. Before sending forces overseas, it must always be to the forefront of the thinking of the Defence Forces, the Department of Defence and the Government that the safety and security of our personnel is paramount.

I compliment the Minister for Defence, his Department and the Government on their investment in the Defence Forces over the past five years, particularly on new equipment. Two new ships have been acquired for the Naval Service, 40 new APCs at a cost of €1 million each have been acquired for the Army and the Air Corps will begin receiving new aircraft this summer. Morale is improving in the Defence Forces, training is up to international standards and there is a well-educated, professional officer corps. The Defence Forces are respected internationally and the experience of overseas service is to the benefit of our Army personnel. We are currently involved in over 19 overseas missions, which provides experience that cannot be taught to soldiers, NCOs or officers in courses at the Curragh.

While the Bill is well intentioned, it is not the correct way to undertake our business and would send the wrong message to the United Nations and to our international partners, the members of the UN. The Bill is as much a comment on the failure of members as it is a comment on the organisation of the United Nations. There are limitations and deficiencies to the existing system, which everyone recognises. The Bill as proposed implies there are serious flaws within the United Nations, although nobody is trying to suggest that the organisation is perfect. Nonetheless, the Minister is correct to oppose the Bill as there are

[Mr. Nolan.]

other ways in which we can do our business in a better and more efficient manner.

**Dr. Devins:** I am delighted to have this opportunity to speak on this important motion proposed by the Fine Gael Party. It is timely that such an important issue is discussed in the House. Ireland is a small country yet we have had an influence on world affairs disproportionate to our size. The Defence Forces have played an important role in representing the country abroad. It is generally recognised that they are trained and equipped to the highest level and have acquitted themselves with distinction while on overseas duty.

This country became a member of the UN in 1955 and it was only three years later that we were called upon to make our first contribution to a peace support mission when we sent personnel to the Lebanon as observers. The first deployment of our troops was to the Congo in 1960 and, since then, the Defence Forces have served all over the world. This service represents nearly 25,000 man and woman years of effort on the part of the Defence Forces and all of it has been with UN-led or UN-authorised missions. The basis for Ireland's participation is firmly grounded in the UN. The UN has been recognised by successive Governments as the international authority for collective security, and the role of the Security Council is as the prime driver in the maintenance of international peace and security, which is in accordance with the Charter of the United Nations.

At all times, the role of any United Nations force and, by extension, Irish forces serving under the umbrella of the UN, has been that of peacekeepers. In more recent times, however, this task has become more complex and involves a full range of responses to crisis situations.

Peacekeeping is now a much more holistic function and involves responses which are based on respect for international law and human rights. In all that time our Defence Forces have acted in a fully professional manner and at times they have unfortunately paid the ultimate price with their lives. As speakers said last night, since 1960 82 members of our Defence Forces have lost their lives on these missions. I knew some of those brave soldiers personally, and their courage and dedication to the ideals of our country will never and must never be forgotten. They made the ultimate sacrifice while working on our behalf.

As we speak, members of our Defence Forces are serving in Liberia on a very dangerous mission and many soldiers from Sligo and Leitrim are involved. I know they are proud of their important role in bringing peace to that war-torn country. Before their departure many issues, such as the conditions they would encounter, were raised with me and I congratulate the Minister who responded to all my queries on their behalf in a straightforward and commendable way.

Those Irish soldiers are equipped in the best possible way to meet whatever challenges they may encounter in Liberia. Their families are all looking forward to their safe return and it is only natural that there is a degree of apprehension until they come back. The dedication of those brave men and women will help allay their families' concerns.

Previous speakers pointed out that our soldiers cannot be sent abroad unless the triple lock is in place — approval by the Dáil, the Government and the UN. In light of the dangers our Defence Forces face on peacekeeping duties, at times the UN seems somewhat unwieldy, cumbersome or slow in action, but if the forces are to have legitimacy they must work under the umbrella of the UN. It is better that Ireland works within the UN structure to help remove road blocks to justifiable action rather than ignoring the UN and taking action unilaterally. There are rumblings among some people that the EU or bodies such as NATO may substitute for the UN as an external guarantor of overseas action by our Defence Forces. I do not subscribe to that view. No other body in existence has the moral or legal standing of the UN, which represents nearly all the countries of the world. Since our Defence Forces first joined UN missions they have served all over the world and I hope they will continue to do so. The only legitimate body which can authorise such action is the UN, with the prior approval of the Dáil and Government.

Given what Ireland stands for on the international stage, ignoring the need for a UN mandate would remove an essential component of the balancing mechanism and might expose our soldiers and, by extension, this country to dangers which might have horrific consequences.

The triple lock mechanism should remain in place. Let us try to improve the internal workings of the UN rather than abandoning that which has worked so well to date.

**Minister of State at the Department of Defence (Ms Hanafin):**

I welcome the chance to speak on this topic as we rarely get the opportunity to speak on matters of defence and our international peace missions. I thank Fine Gael for tabling this as its Private Members' Business. It is always opportune to discuss something we are proud of, like Ireland's participation in world events. Our history of involvement in UN mission goes back to the 1960 Congo mission. Our Defence Forces have participated in missions all over the world, in Europe, the Middle East, the Far East, Africa and South America, and the Irish people are very proud of them. There have been 50,000 different tours of duty on UN-led or UN-authorised missions, which make up a tremendous contribution by the Irish people.

That contribution is based on our approach to international relations, which is based on maintaining international peace and security, and which is founded on the principle of international co-operative multilateralism. We give effect to



our policy through our participation, commitment and support for international organisations and in particular the United Nations and the European Union. In that regard Ireland fully recognises that global security can only be achieved through collective action by the international community as a whole.

The UN is founded on this principle, bringing together the nations of the world in a co-operative organisation which has at its core the prevention and resolution of conflict. The UN Charter gives to the Security Council the primary responsibility for the maintenance of international peace and security. For the international community, the United Nations, despite all its recognised flaws — and at times its failures — provides the chief source of legitimacy in the conduct of international relations. The legitimacy of the actions of member states and regional organisations in responding to conflicts is grounded in the UN Charter and in particular in the resolutions of the Security Council. Support for such a rules-based international order has long been a fundamental element of Ireland's foreign policy.

Ireland's policy on the deployment of its troops in peace support operations requires that an effective UN authorisation be in place. This requirement is grounded in the fact that Ireland accepts the legitimacy and the primary role of the Security Council in the maintenance of peace and security. That policy has found favour and resonance among successive Irish Governments and more particularly among the Irish people in their adoption of the Nice treaty.

Despite assertions to the contrary, Ireland's commitment to the UN system has not in practice impeded Ireland's participation in and support for the new developments in the area of peacekeeping, peace enforcement, conflict prevention and the increasing use of regional organisations. The reality is that the demand for peacekeepers of the high calibre of the Irish Defence Forces for service on UN-authorised peace support operations is significantly in excess of what we can reasonably support within our available resources. Our current contribution to UN-authorised peace support operations is at its highest level since our withdrawal from UNIFIL in 2001.

It has been asserted that the use of regional organisations for enforcement action in the event of threat to international peace and security is fully envisaged in Article 53 of the UN Charter. However, it should be noted that any enforcement action taken by such organisations is still subject to the approval of the Security Council. In that context Ireland continues to participate in missions in Kosovo, Bosnia-Herzegovina and Afghanistan, which have either been under the leadership of a lead nation or a regional organisation. Ireland also participated in the EU-led mission in the Democratic Republic of the Congo, Operation Artemis.

Ireland's support for the UN is fully in line with EU policy and with the developing ESDP. In its recently adopted security strategy, the EU makes it clear that the UN is the crucial organisation in relation to international collective action in response to international crises. In addition, the primary responsibility of the UN Security Council for international peace and security is clearly endorsed by the EU. The EU supports the principal of multilateralism and works closely with the UN on crisis management issues.

At a time when the EU is endeavouring to enhance its relations with the UN, as I outlined, it is vital, as a member of the UN, as a member of the EU and as holder of the Presidency, that our decision-making process continues to reflect fulsome support for the UN.

This Bill does not do that. If anything it undermines and represents a turning away from the UN and from the primacy of the Security Council. Section 3 of the Bill provides that, subject only to a resolution of Dáil Éireann, a contingent of the Defence Forces can be deployed on peacekeeping or enforcement duties on a mission which accords with the purposes and the principles of the UN Charter. Deputies will recall that in proposing the war on Iraq, the United States and the United Kingdom used this argument, stating that their actions were not alone in accordance with the purposes and the principles of the UN Charter but were for the purpose of enforcing specific standing UN Security Council resolutions.

**Mr. G. Mitchell:** The Minister of State supported them.

**Ms Hanafin:** This Bill does not require that there be any UN authorisation, good, bad or indifferent. Leaving aside the major change which this would communicate in relation to Ireland's support for the UN and its institutions, it would also remove from any such missions the legitimacy and protection of the UN and would inherently change the nature of our approach to peacekeeping.

The Bill proposes that we cast aside multilateralism and pursue our own actions solely on the basis of sovereign decisions and our interpretation of the UN Charter. At a time when the EU and the international community are promoting and arguing the case for greater collective responsibility, more effective collective decision-making and for multilateralism, this Bill is promoting a form of unilateralism. It ignores the increasing international recognition that it is the UN which provides the widest legitimacy to action by the international community.

The Bill is out of step with what is happening at international level. It serves to erode rather than bolster the primacy of the United Nations in regard to the maintenance of international peace and security. It also puts at risk the legitimacy and protection which UN authorisation conveys



[Ms Hanafin.]

on overseas peace support operations and the people who serve on them.

In May of this year, I look forward to going to Kosovo to visit our troops there. I am especially interested in seeing the contribution female members of the Defence Forces are making, not only here but in our peacekeeping missions of which we have begun to see more over the years. Having the triple lock system gives them and Ireland a security we should not undermine. By opposing the Bill, I would not like the Opposition to think we did not appreciate the opportunity to discuss the issue but, unfortunately, as I said, we feel it is out of step with what is happening at international level.

**Mr. Gormley:** I welcome the opportunity to speak on this important Bill. Unfortunately for Deputy Gay Mitchell and Fine Gael, I will oppose it. My party is committed to neutrality, the UN and international law. Unfortunately, it appears this legislation would undermine that commitment. The Government operates the triple lock system, something the Green Party has always supported. Unfortunately, the Government has also overseen the dismantling of Irish neutrality. However, if we were to accept this legislation, we would undo it in its entirety and give away what is left of it.

The Fine Gael Party is perhaps correct in assessing the thinking in the European Union. It is a member of the European People's Party and I think it understands current thinking in the European Union. There are many people there — I have worked on the defence working group on the Convention on the Future of Europe — who believe neutrality is simply not compatible with membership of the European Union. The Minister of State referred to the EU's commitment to peacekeeping, etc. One can read the various treaties but one will not see the words "neutrality" or "UN mandate" mentioned. Over various treaties, we will find ourselves going down the road towards militarisation.

Deputy Ó Feargháil is no longer present and I wanted to talk to him about this idea of active neutrality. We saw in the Amsterdam treaty, the commitment to the Petersberg Tasks and in the Nice treaty the incorporation of the Western European Union into the EU. We are moving towards further militarisation, so Deputy Ó Feargháil's concept of active neutrality is out the window. It was not applied when it came to Iraq. One hundred thousand people marched on the streets of Dublin but I did not see much active neutrality in the Fianna Fáil stance at that stage because it ignored those people. I did not see much active neutrality when Hans Blix was not allowed to do his job and when the inspectors were not allowed to complete inspections. We know now that no weapons of mass destruction existed. I did not see active neutrality when Fianna Fáil allowed the US to use Shannon Airport to carry out the war in Iraq. That is not

active neutrality; it is a strange type of neutrality. It is not the type of neutrality practised in other countries. In fact, this was the only so-called neutral state that allowed its facilities to be used for this war. That is incompatible with any international concept of neutrality.

I pay a great compliment to our service men and women who have performed well under the UN flag. They have a proud record and, as has been said by previous speakers, some have paid the ultimate price. The Green Party has given its full support to the Defence Forces. We recently spoke about sending troops to Liberia and to East Timor. We know they are capable of doing a superb job and we wish them well. However, it is not helpful for us to remove the need for a UN mandate. That UN mandate serves as a means of protecting our troops. If we are really serious about the UN, we should support the idea of SHIRBRIG, a rapid reaction force for the UN. That is where we should emphasise our military capabilities and the area into which I would like us to move. This legislation does not merit support.

**Aengus Ó Snodaigh:** Sinn Féin's support for a constitutional underpinning for military neutrality and its policy of positive neutrality in action are well known. Approximately one year ago, we introduced a Bill in this House that would have brought this issue to the people in a referendum, and I again thank those parties and Independent Deputies who supported the Sinn Féin proposal. It will, therefore, come as no surprise that Sinn Féin opposes this Fine Gael Bill which seeks to involve Ireland even more deeply in the EU's evolving role as a military superpower and as a militarised alliance acting as a NATO surrogate with the result of further undermining the beleaguered United Nations.

The EU does not have a valid role in international security. The United Nations, as the only fully inclusive multilateral forum, is the only legitimate body to control and direct international peacekeeping efforts and to enforce international law. The fact the UN lacks the capacity to fulfil this role effectively is not in dispute and is the reason UN reform is urgent and must go to the top of the international agenda. However, this need for UN reform is not reflected anywhere in the Fine Gael Bill nor is it a priority for the Government which has wasted the opportunity provided by the EU Presidency to show leadership on this issue.

The Fine Gael Bill cannot be supported because it is based on a number of fundamentally flawed premises and I only have time to deal with two of them. The first false premise is that building EU military capacity is supportive of the UN and good for UN peacekeeping missions. The opposite is true. The drive to increase the EU's military capacity and involvement in international security is having a detrimental effect on the United Nations. Three years ago, before the major push to enhance the EU's role in

international security operations really began, the report of the panel on United Nations peace operations found that European developments had depleted UN peacekeeping capacity. One must remember that the UN is an organisation that has been financially strangled and starved of billions in member states' dues over the past two decades and its peacekeeping capacity has been deliberately diminished accordingly. That is the context for its recent failures. Effectively, the UN has been held to political ransom, and this is what needs to be addressed urgently.

This Bill has the potential to do enormous damage to UN peacekeeping. Ireland is consistently one of the highest UN peacekeeping contributors. What will happen once Irish UN peacekeepers are siphoned off for EU rapid reaction force missions? Far from enhancing capacity, the outsourcing of peacekeeping missions to regional military alliances could eventually spell the end of UN-led missions by making them redundant. If passed, this Bill would mean that Ireland would contribute to this scenario. This is not what we want.

The second fallacy is that there is no problem allowing a third organisation, state or alliance of states, such as the EU, to decide what is in keeping with the UN Charter and to proceed without express UN authorisation. This is the rationale that allowed the United States and Britain to circumvent the United Nations when they could not get their way on Iraq.

That brings me to another Fine Gael fallacy, that is, the pathetic and laughable notion that a deeper involvement in EU defence and lesser involvement at the UN level will somehow enhance independence in Irish foreign policy. To take but one example of EU developments that prove the opposite is true, the effect on the State's military spending decisions of the evolving EU common armaments policy includes a military harmonisation deadline of 2010 and the EU security doctrine's imperative that member states spend more on armies.

The Bill imposes hidden costs to the State because it implies greater participation in EU-led missions and a reduction in participation in UN-led missions. Whereas UN-SAS missions are partially reimbursed to the contributing state, rapid reaction force commitments must be absorbed by its members, so this may also contribute to rising net defence costs.

**Mr. Healy:** I am happy to have a few minutes during which to express my opposition to the Bill. We are all rightly proud of the work our peacekeepers continue to do throughout the world, and have done since the first peacekeeping force left for the Congo in 1960. I remember it well, coming as I do from a town with a military barracks. It was a big event in the life of the town and more recently we have seen parades of peacekeeping forces leaving the country under UN mandates. We should commend and thank the men and women who have taken part in those

peacekeeping forces, some of whom made the ultimate sacrifice in laying down their lives.

The Bill is very dangerous. It is vitally important to have in place all elements of the triple-lock mechanism, involving the approval of the House and the Government, in addition to the authorisation of a UN mandate, before any of our troops can be sent abroad on peacekeeping missions. Peacekeeping is the operative word because the term "peace-enforcing" is really a pseudonym for aggression. The Bill before us undermines totally the UN, which is the only such organisation with an international moral and legal standing, albeit that it suffers from deficiencies, mainly through lack of funding from some of its largest member nations, including the United States.

If the Bill had been enacted prior to the invasion of Iraq a year ago, it is perfectly possible and even probable that Irish peacekeepers could

8 o'clock have ended up there, fighting side by side with US and British troops. The

fact that no UN mandate was forthcoming for that mission was vitally important for this country. Under the terms of this Bill, it would be open — as happened both in the US and in Britain — for the case to be made that weapons of mass destruction were in place in Iraq and were available to be used, as someone said, in 45 minutes. Hype was used to push ahead with the invasion of Iraq. We could have had a similar situation here in that the belief that weapons of mass destruction were available in Iraq could have been used to send Irish forces there. We certainly would not want to have seen that happening.

A number of interventions from the Government side of the House, including the notion of active neutrality, suggest that in future the Government might wish to have a Bill like this one in place. It is, however, probably not opportune for the Government to introduce such a measure now.

**Mr. F. McGrath:** I welcome the debate on peacekeeping and neutrality and I am grateful for an opportunity to speak on the Bill. As soon as I saw the legislation, a red light went on in my head. The purpose of the Bill is to amend the Defence Acts to allow Ireland to send troops to participate in peace missions, including ones that have not received the formal sanction of a UN resolution. That is my core concern about the Bill.

The legislation is a direct result of the Fine Gael document entitled *Beyond Neutrality*. Since the word "neutrality" is abused on a regular basis, I welcome this opportunity to clarify my views on it. Some people try to imply that neutrality means sitting on the fence in dealing with international issues, or turning our backs on conflict but this is a total misrepresentation of the reality and our history of peacekeeping in terrible conflicts throughout the world. Many of our troops have died in conflicts on peacekeeping missions, saving

[Mr. F. McGrath.]

lives in difficult circumstances. There is no valid reason to change that situation unless the Bill's sponsors want us to drift towards NATO or further undermine the United Nations. That is why I will vote against the Bill. Ireland is not for sale as regards its foreign policy and I urge all Deputies to be on their guard against this legislation.

I have no problem with Ireland assisting United Nations-mandated humanitarian missions or going in as peacekeepers. However, I have a major problem with the so-called Rapid Reaction Force and the sly words "crisis management". One only has to look at the negative result of these forces around the world. Parties in the House, as well as securocrats in our own security forces and their cheerleaders in the media, constantly seek to erode our neutrality. They want to develop the arms industry in the EU.

**Mr. M. Smith:** Nonsense.

**Mr. F. McGrath:** The nuclear club in the EU should be challenged constantly and I intend to do so in this debate. Many of our citizens, and many more throughout Europe, are concerned by the attempts by certain members of the EU to put military issues at the top of the political agenda. The Bill is part of that strategy. It is also an attempt to broaden the brief of our own security forces. What happened during the war in Iraq, where 15,000 innocent civilians were killed, will be only the tip of the iceberg if we go down that military road. I urge all Deputies to reflect on this.

I totally oppose the use of Shannon by US troops during the war in Iraq. It is bit rich for senior Ministers to lecture people about violence when they supported the slaughter in Iraq. Some 15,000 innocent civilians were killed, their homes were bombed to bits and thousands of people were maimed, yet Ministers supported the use of Shannon as a base for weapons of mass destruction. May I also remind Members of the House that gombeenism is alive and well here.

**Mr. G. Mitchell:** Hear, hear.

**Mr. F. McGrath:** The Government and some of the Opposition parties seem to be obsessed with the big boys and girls in the EU and the US. They should put Ireland first and take a broader internationalist view, rather than a narrow US or EU position.

**Mr. J. O'Keeffe:** Hear, hear.

**Mr. F. McGrath:** Our people deserve that kind of real openness and a vision for the future. I have major reservations about the misleading title of the International Peace Missions Deployment Bill 2003. Our troops have been on peace missions for years, but always under a UN

mandate and long may that continue. I urge all Deputies to reject the Bill.

**Mr. Connolly:** The United Nations has deployed peacekeeping forces on 56 occasions since 1948. Ireland has participated with great distinction in a large number of theatres since 1960 when our first troops were deployed to the Congo. Peacekeeping has long been an important component of our heritage and a reflection of our fundamental beliefs. It is a dynamic concept that responds to changes in the international environment to develop security for people affected by war. Ireland's established peacekeeping tradition has enabled it to make strong and imaginative contributions to international peace and security. Peacekeeping is also a significant component of our foreign policy and our contribution to multilateral security systems. More than 40 years experience in peacekeeping and participation in the vast majority of peacekeeping missions mandated by the UN Security Council has established and enhanced an international reputation for Irish peacekeepers.

Each mission has faced a variety of challenges and as a result of these different experiences, the concept of peacekeeping has evolved. Peacekeeping operations are temporary, multinational measures designed to maintain international peace and security. They normally monitor implementation of agreements between hostile parties, observe conflicts and report to the Secretary General. They also provide emergency medical services, assist in resettlement of refugees, enforce embargoes, monitor elections and supervise troop withdrawals. Their primary purpose, however, is to serve as a buffer force between two or more warring parties.

In 1998 the then UN Secretary General, Perez de Cuellar, stated that peacekeepers had "to remain calm in the face of provocation and to maintain composure when under attack." UN troops comprising officers and soldiers alike must show a special courage, one that is more difficult to come by than ordinary courage. Our UN soldiers have been put to the test in such circumstances and have emerged with their reputations enhanced.

Since the fall of the Berlin Wall in 1989, the tearing down of the Iron Curtain, the collapse of the Warsaw Pact, the disintegration of the Soviet Union and the end of the Cold War, numerous national, ethnic and localised armed conflicts have become the main threat to stability and security, global and regional alike. The experience of the intra-state conflict settlement amassed by the UN and other international regional organisations may serve as the foundation for peacekeeping policies. Irish participation in such operations is dependent on a so-called triple lock — UN authorisation, Dáil



ratification and Government approval. The triple lock mechanism is reasonable and should be left as it is.

**Mr. J. O’Keeffe:** I wish to share time with Deputy Gay Mitchell, who will conclude the debate.

The central issue in the debate is whether Ireland wants China or other permanent members of the Security Council to control its foreign policy. This issue has not been properly debated. The Macedonian conflict is the example that was highlighted when the Bill was presented. Ireland wanted to participate in the mission to Macedonia but because Taiwan recognised Macedonia, the Chinese would not agree to the authorisation of the force. Ireland was prevented from taking part in that mission on that basis. Is that what we want? Do other Members believe, as I do, that Ireland should be truly independent, free and sovereign in making decisions on foreign policy?

I am amazed at the collective view that has emerged in the debate whereby Members do not want Ireland to make independent sovereign decisions on foreign policy. It is incomprehensible. There was UN support for the mission to Macedonia and Resolution 1371 was passed but, technically, the force was not authorised because China did not approve of Taiwan’s recognition of Macedonia and *vice versa*. We allowed that to stop us, yet Members say that Ireland will go to the wall for the triple lock. Have we a sense of dignity or independence regarding the way our foreign policy is managed? I never want to see that happen again. The Minister stated it was a rare occurrence and it probably will not happen again. Why should we leave our independence and sovereign entitlement to conduct our own foreign policy in doubt? It happened in the case of Macedonia and it is the springboard for this legislation. Parties should strike a blow for independence and stand with Fine Gael on this one.

I like the Minister considerably on a personal level but I have never heard such sanctimonious humbug as that contained in the 20 page speech he used in his contribution. It was an effort on the part of the poor, unfortunate civil servants who were straining to find a basis for opposing the Bill. They did not believe a word of it because most of them are sensible. However, it reached the heights of the ridiculous when the Minister stated: “The changes proposed in this Bill would represent a vote of no confidence by Ireland in the UN system.” He knows well 27 members — independent, sovereign nations — sent troops to Macedonia. That was not a vote of no confidence in the UN. They supported the principle established by the UN that the international community should support the peace agreement in Macedonia.

**Mr. M. Smith:** The Chinese had nothing to do with the situation.

**Mr. J. O’Keeffe:** The Chinese stopped the mission as far as Ireland was concerned. Will another member of the Security Council stop us the next time? Perhaps it will be the British. Sinn Féin would love that. All permanent members can veto a resolution.

Our Bill clarifies that Ireland does not want to be involved in such missions unless the Dáil, the supreme body, passes a resolution and is satisfied the peace mission accords with the purposes and principles of the UN Charter. We should make our own decisions and show our independence. I am worried about the craven slevven attitude of people who bang their breasts saying the UN is a wonderful body.

**Mr. M. Smith:** Everyone else is wrong and the Deputy is right. That is an arrogant stance.

**Mr. J. O’Keeffe:** The UN has achieved a good deal but it has dreadful defects and needs significant reform. It is highly unlikely the necessary reforms will be made in our lifetime because countries that can block the reforms have vested interests. The UN is not perfect and we should be honest about it.

**Mr. M. Smith:** We never said that.

**Mr. J. O’Keeffe:** It is all we have and we must work towards those reforms, and the suggestion that those who support the Bill oppose the reforms is absolutely and utterly ludicrous.

Many contributions referred to the wonderful effort of our troops abroad, in which everybody takes enormous pride. I recall as a young fellow worrying about our troops in the Congo. We have always marvelled at and recognised their contribution. The Defence Forces, not political parties, should claim credit for that marvellous contribution. The supreme sacrifice made by more than 80 soldiers abroad in the interest of peacekeeping should also be recognised. The suggestion has been made that they would be safer if there was UN authorisation for all missions. How far will the debate be pushed? We should have an honest debate. Are we prepared to adopt an independent foreign policy?

We should also have an honest debate on neutrality, the hoary old chestnut, which is dragged on to the stage whenever a foreign policy issue is raised. I believe in neutrality to the extent that Ireland should not be a member of NATO. Ireland also should not be a member of organisations with a mutual defence arrangement without seeking the approval of the people. That is thin, bare military neutrality, which I support. However, the notion that Ireland was ever fully neutral in accordance with the Hague Convention



[Mr. J. O’Keeffe.]

of 1907 is ludicrous. Ireland never was and never will be, thanks be to God.

Ireland was not neutral when the west opposed totalitarian forces in the Soviet Union and elsewhere and I am glad it was not because, politically, Ireland gave every support until the Berlin Wall came down. Let us not fool ourselves on that issue and let us have an honest debate. I am glad my party has had the guts to put this issue on the table. I hope we will have many more opportunities to debate these issues and I will hand over to my colleague, Deputy Gay Mitchell, to conclude the debate.

**Mr. G. Mitchell:** I thank those Deputies who made constructive, thoughtful contributions to this debate, including those with which I do not agree. I am very disappointed, given the public comments by Senator Minihan, that not one Progressive Democrats Member contributed on this important issue.

The Bill before the House proves one thing, namely, that all politicians are not the same. Some have put forward ideas and are prepared to stand up and challenge what in my view is an appeasement of the majority public opinion. I believe what we are proposing in the Bill will come to pass, just as I believed when I introduced the policy document and the Bill on Partnership for Peace. Inside and outside Government I held that view and we were told by the then Opposition that such an important step would require a referendum. We joined the Partnership for Peace without a referendum and we have still not joined NATO, despite the claims that joining it would bring that about.

It is time we debated issues where there is a difference of opinion, where people put forward their ideas and suggestions and not simply appeal to selfish self-interest. The lack of debate of ideas, public spirit, leadership, courage, selflessness and honesty on almost every issue which comes before Dáil Éireann is the reason people have lost respect for this institution. Some of cringing contribution this evening show all that is wrong with this House. Members are not prepared to come in and say this is the truth and it is not denigrating the United Nations but upholding the right of this sovereign House to fulfil its constitutional role and not abdicate it to a Chinese, American or any other government.

I thank Deputy Michael D. Higgins for his very thoughtful contribution to the debate. He made the point that it will not be politicians’ children who die in wars but the general public and for that reason he supports neutrality. I respect his view. Who died as a result of the neutrality of the Second World War? Who were the 60 million people who died in Europe during the First and Second World Wars? They were not politicians’ children but people in the prime of life. They

were working class people in the main because there was nobody to stand up to the tyrant, controlled by sovereign parliaments and governments.

It is appalling that a member of Sinn Féin would have the audacity to come into this House and speak about the Defence Forces when outside the House they refer to “the army” and they certainly do not mean the Defence Forces of the State. I reject out of hand any comments made or the right of anybody from Sinn Féin to come into this House and tell Members or anybody else about the Defence Force who have served our democratic way of life so generously.

**Aengus Ó Snodaigh:** I did not mention them at all.

**Mr. J. O’Keeffe:** At home and abroad.

**Mr. G. Mitchell:** It was described by Deputy Healy as a dangerous Bill. The greatest danger in this Bill is that this House would have to make a decision and Members could not sit on the fence. When I listened to the Minister for Defence last night, I listened to a Minister for the fence, a Minister sitting on the fence on an issue of grave public importance. In his speech, the Minister stated that the Bill, “undermines and represents a turning away from the UN and from the primacy of the Security Council.” Did the 27 other European states that served in Macedonia undermine the United Nations? Article 52, Chapter 8 of the UN Charter states that nothing in the present charter precludes the existence of regional arrangements or agencies for dealing with such matters relating to the maintenance of international peace and security as are appropriate for regional action, provided that such arrangements or agencies and their activities are consistent with the purposes and principles of the United Nations.

The Bill seeks to do nothing other than to allow this House to fulfil what is provided for in the UN Charter. The Minister further stated, “There has been some suggestion that the Defence Forces have been precluded from participation in missions because of the current requirements underpinning our participation in peace support operations.” There has been no such suggestion, it is an outright statement of fact that we have been precluded. Some 27 European states are engaged in peacekeeping in Macedonia on the doorstep of the European Union, but Irish troops are not there because China blocked our participation because of its selfish interest in the UN Security Council. Our domestic legislation has allowed it to make that decision for us and that is the deplorable state of our domestic legislation.

The Minister further stated that our commitment to the UN in the area of peacekeeping, peace enforcement, conflict

prevention and the increasing use of regional organisations has not been inhibited by the UN system. The Fine Gael Bill does not claim that the UN system inhibits our capacity to participate, but that this Government and poor domestic legislation is doing so. It is a sad reality that Government indecision and lack of leadership has resulted in Irish troops being sent to a dangerous theatre in Liberia, while they are not available for service in a relatively safer Macedonia. The Minister continued, "I believe the circumstances which arose in relation to the participation of the Defence Forces in this mission are unlikely to recur."

The EU is likely to be asked to participate in Bosnia as the Minister knows. If some other permanent member state decides it does not like something that Bosnia has done and decides to block the UN mandate, we will not be able to participate. This is nonsense of the first order. The Minister stated that Resolution 1371 did not authorise an international United Nations force as required by the Defence Acts as regards Macedonia. The key phrase is, "as required by the Defence Acts." In other words we have tied our own hands while certain members of the Security Council pick our pockets — so much for sovereign Government and a sovereign Parliament.

The Minister further stated, "The fact that a mission has been authorised by the UN conveys a legitimacy on the operation which is recognised throughout the world, by governments and by the protagonists of conflicts". Is the Minister implying that Macedonia is not legitimate in the eyes of Government? If so, why did 27 governments in Europe send their forces with the blessing of the United Nations?

Nonsense gave way to hypocrisy when the Minister stated, "In the context of the EU Presidency I would like to expand on the importance which the EU attaches to its relationship with the UN, not least in developing European security and defence policy." What balderdash, what shameful duplicity. He further stated, "The EU is perhaps one of the best examples of effective multilateralism in practice. It is natural that the EU would support this principle and work closely with the UN on crisis management issues." This is further nonsense. We the holders of the Presidency of the European Union are not in Macedonia with our 27 neighbours, including 13 fellow members of the EU. How then can the Minister go on to describe, "the synergy between what the UN and the EU are doing", and at the same time to criticise Fine Gael for seeking such a synergy with full participation, including by Ireland. The Minister did violence to the truth when he said that what is proposed in the Bill is that we should cast aside multilateralism. This is clearly untrue. We want to be part of operations like the one in

Macedonia which is participated in by 27 European states acting under the UN Charter. It is an outmoded provision of domestic law which has put us in the ridiculous position of being unable to participate.

The Minister said in summary that he considers the Bill before the House to be ill-timed, ill-considered and out of step with developments at international level. In his opinion, it serves to erode rather than bolster the primacy of the UN. Is it out of step with the member states participating in the Macedonian operation? If this House stopped playing politics and politicking and instead provided leadership, our troops would not be in what the Minister has himself described as the dangerous theatre of Liberia. They could be a great deal closer to home and in a much safer theatre. It is indicative of a lack of adequate debate and consideration that a serious issue like this could be discussed by a Minister in a lethargic, ill-thought out, amateur and self-serving manner.

Question put and declared lost.

### Adjournment Debate.

#### Live Exports.

**Mr. Deenihan:** Yesterday, Pandoro Limited succeeded in overturning a six year old Supreme Court order which had compelled it to carry livestock from here to the continent. In asking the court to overturn the 1997 order, Pandoro, which is part of the P& O Line, complained that the association of livestock exporters, hauliers and farmers who had obtained the interim order had since failed to bring a full action before the High Court. The company, which transports freight shipments as its core business, had wanted to end livestock transport in 1997. The Supreme Court granted an interlocutory injunction which had the effect of restraining Pandoro from ceasing to provide the service of livestock transportation until after a full hearing of the action.

In July 1997, Pandoro notified its customers that, for what it considered to be reasons of commerce and reputation, it proposed to cease providing the service with effect from 1 August that year. High Court proceedings were initiated by an association of livestock exporters and others, but the court refused to grant a restraining order against Pandoro. Subsequently, the refusal was appealed to the Supreme Court. On 8 December 1997, a judgment was made by a judge who is no longer a member of the Supreme Court which allowed the appeal. An order was made that Pandoro should be restrained, pending the determination of an action of further order, from refusing to carry livestock between Ireland and the Continent.

[Mr. Deenihan.]

I appeal to the Minister for Agriculture and Food to do something about this matter. It has been on the cards for the past six years and decision time has come. If the livestock trade is restricted in any way, it will spell ruin for many farmers. It is worth about €60 million to farmers at present, especially from the export of calves and weanlings.

**Mr. Timmins:** I thank the Ceann Comhairle for selecting the important matter Deputy Deenihan and I have raised for discussion on the Adjournment. The Minister is aware of the importance of the live cattle trade to the industry, especially in terms of price competitiveness. It has been difficult for Irish farmers to deal with factories in recent years and one of the alternative outlets they have had has been the live cattle trade. In addition to the difficulty which has arisen with Pandoro, many markets are not as open as they were. I have referred previously to the famous shipment in April 2002 to Egypt which has not been repeated. It is important that people, including farmers, are allowed to trade without obstacle. Up to 100,000 farmers are involved in the live cattle trade, many of whom rely on it for their livelihood.

For an island nation, this issue is important. We export 90% of our product. It is a demonstration of the importance of this matter that somewhere in the region of 2.5 million animals have been exported in the past ten years. The uncertainty the court decision has created is most unwelcome and should have been anticipated by the Minister and his Department. The injunction which was taken out in 1997 was temporary. In his response, will the Minister inform the House what plans he has to deal with the matter? I hope he is in a position to ensure the industry steps in. It has a role to play and it could charter appropriate vessels to make up for the shortfall.

Deputy Deenihan mentioned that Pandoro was concerned about the impact on its reputation of involvement in live exports. The concept of animal welfare has gone way too far. It has led to another difficulty with which the Minister is seeking to deal at present. That is the EU proposal to ban staging posts on the continent. I spoke to Commissioner Byrne when he addressed a meeting of the EPP agricultural group. He said he looked favourably on the concept of the availability of a staging post for Ireland because of the uniqueness of its position. I hope that, in his capacity as chairman of the Council, the Minister for Agriculture and Food will ensure that the issue is sorted out soon. As the IFA says, its support in the forthcoming European and local elections is contingent on the Minister's success. I have no doubt that he will succeed. It might be strange that I would offer that opinion.

I call on the Minister to use whatever power and facilities are available to his office to address this problem. The Minister and everyone else with an interest in ensuring that farmers obtain a fair price for their product knows that this is one more difficulty they can do without.

**Minister for Agriculture and Food (Mr. Walsh):** I welcome the opportunity to speak on this matter this evening and I thank Deputies Deenihan and Timmins for raising it. Members will be aware that my consistent position has been that live exports provide a vital and legitimate market outlet for the livestock sector. That remains true. In promoting and preserving any commercial trade, the role of Government involves the creation of an environment in which it can be carried on in an economical and sustainable manner which makes for the maximum possible contribution to the national economy.

In the case of live exports, the preservation of the animal health status of the country, the international reputation of its veterinary certification services and the existence and application of a framework that ensures good standards and welfare considerations are taken into account are key elements. In each of these areas, our record is exemplary.

My Department's function regarding transport of cattle on vessels is to approve vessels based on statutory requirements on animal welfare. Approval for carriage of livestock roll-on roll-off vessels is considered on a case by case basis, having regard to the characteristics of the individual vessel, whereas there are specific statutory requirements which apply across the board where dedicated livestock vessels are concerned. The provision of such services is a commercial matter.

Since 1995, my Department has approved 18 dedicated livestock vessels and three roll on roll off vessels for the carriage of cattle. It works closely with applicant companies for approval to ensure that the conditions aboard such vessels are consistent with national and EU animal welfare requirements. Within this framework, 221,000 animals were exported in 2003, an increase of more than 50% on the previous year. This trade provides a valuable outlet for categories of younger animals and a degree of competition, thereby sustaining prices.

Following the Supreme Court judgment yesterday, the question of whether Pandoro Limited continues to carry cattle from Rosslare to the Continent is a commercial one for the company to make. In this regard, I have had no indication from the company that it intends to make any immediate decision to discontinue its live export service. In any event, it is neither appropriate nor possible under EU law for the State to intervene by subsidising this trade. I hope



Pandoro continues to provide a service. There are other actual or potential operators available. Bearing this in mind, I assure the House that my Department will continue to discharge its responsibilities on the live trade by ensuring that any such applications are dealt with in a thorough, professional and efficient manner and that our animal health status continues to allow producers to have access to markets in the EU and elsewhere.

Serious allegations have been made by one person involved in the Supreme Court case against Pandoro to the effect that officers of my Department obstructed him in pursuing the case. He alleged that documents relating to the case were taken in December 1999 and retained by departmental officials. The information available to me is that these allegations are without foundation. I understand a list of material seized was furnished to the individual the following day and a second list of returned documents, including the alleged missing documents, was given to his solicitor and receipted by him some days later. A recent examination of these lists did not disclose any discrepancies. Nevertheless, following recent approaches, it was suggested to the person concerned that the relevant parties involved should go through both lists of documents but he declined this offer.

This gentleman has in the past made other allegations and complaints against officials of my Department none of which have been upheld by the Courts, by the Ombudsman's office or the national bureau of criminal investigation. The Government has more than fulfilled its duties in supporting and encouraging live exports.

### **Port Development.**

**Dr. Twomey:** This matter refers to the future of Rosslare ferry port and New Ross port, both of which are in County Wexford. These ports are far too important from both employment and economic perspectives in Wexford for any more uncertainty to exist. I am delighted to see the Minister of State from the Department of Communications, Marine and Natural Resources, Deputy Browne, in the Chamber as this is his responsibility and the ports lie in his constituency. This is important as the Minister is making a big decision on the future of these ports.

I am totally opposed to Waterford Port having any control over these ports, particularly Rosslare ferry port. Even though millions of euros have been invested in it over the years, Waterford Port is still losing money. An authority comprising these three ports will only see Waterford taking the profits of Rosslare ferry port to shore up its own operation.

Rosslare ferry port is profitable and will remain so if proper investment is made in it. CIE has not had any great interest in the development of Rosslare ferry port. If the Waterford Port

authority was to take over, not only would it kill off any future development of the port, it would probably kill off the economy of County Wexford in the process. This is a unique opportunity for the Minister of State to protect Wexford's economy.

I support the principle of partnership in the south east in a number of issues, such as in cancer treatment services. However, the Minister of State must couple the New Ross and Rosslare ports together if we are to see them thrive in the coming years. We will not be easily misled by the fact that €6 million has been put aside for the development of Rosslare ferry port; this may be just softening us up for the future. We must be careful that Rosslare gets a substantial share of any future investment. This is an opportunity for the Minister of State to put his stamp on the future development of County Wexford, especially as he has the complete say on how this will work out. If Waterford becomes too involved it will be considered a sell-out in Wexford.

The Taoiseach has announced €13 million for the development of a sewerage system in the Rosslare harbour area. This, together with the future development of the port, can lead to a massive influx of investment into the harbour area. This can only attract more jobs and investment into the area.

There is also the issue of the men and women who currently work with CIE. They are concerned about the uncertainty that exists and are looking for clear and unambiguous answers as to what is the future for Rosslare ferry port. The Minister of State is in a position to give these clear answers. This was an election issue in 2002 and we have not heard clear answers about what is to happen with the ports in the south east.

Rosslare Port is unique in that it is always accessible and does not need substantial regular dredging. With investment in its infrastructure, it will provide a great return. Waterford Port is approximately 15 miles upriver from the sea. It is also a tidal port and there are severe problems with dredging at it. It is questionable why so many millions of euros have been invested in this port when the same investment has not been made in Rosslare ferry port. Rosslare ferry port offers a fantastic service for passenger traffic and many of the cars that are imported into this State come through it. There is the possibility of developing a significant roll-on roll-off service. There are also plans to develop a marina at this area and this has not been progressed for many years.

The Minister of State should let us know exactly what are the plans for Rosslare ferry port. He should let us know what the people of Wexford can expect now, and not what they can expect in ten or 15 years' time.



**Minister of State at the Department of Communications, Marine and Natural Resources (Mr. Browne):** I thank the Deputy for raising this issue. While there may be a view that the amalgamation of the three south east ports is a means of creating a vibrant regional grouping with critical mass in the south east no decisions, in principle or otherwise, have been taken. On the current ownership of the three ports in question and recent discussions on their future status that have taken place involving my Department and the Department of Transport, both New Ross Port Company and the Port of Waterford Company are commercial State port companies operating under the Harbours Acts 1996 to 2000 and are responsible for the management, control, operation and development of the harbour. Both port companies operate under the aegis of my Department.

Rosslare Harbour is part of the property owned by the Fishguard and Rosslare Railways and Harbours Company, an Anglo-Irish company dating back to the nineteenth century. I understand that with the passage of time, responsibility for the management and operation of the harbour now resides with Iarnród Éireann, which operates under the control of the Department of Transport. 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. Rosslare, as one of the country's key commercial ports, was included in the review. Among its many recommendations, the high level review recommends that consideration be given to the merging of neighbouring port companies so as to enhance the commercial viability of these ports. The high level review suggests many possible merger groupings, one of which was the merger of the ports of Waterford and New Ross. When I published the high level review, I also initiated a full public consultation process on its findings and recommendations. It is my intention to publish a comprehensive policy statement over the coming months, drawing on the high level review and the subsequent consultations process.

Last year, following consultations with senior officials of my Department, the chairpersons of both New Ross Port Company and the Port of Waterford Company wrote to me indicating their intention to explore on a joint basis the case for a merger of the two companies. My Department will consider further the case for such a merger in the context of maintaining the viability of these ports and critical mass in port operations. I will make a final decision in this matter in the context of the above-mentioned comprehensive policy statement.

As I have said, Rosslare is not a commercial port under the 1996 Harbours Act and my Department has consulted the Department of Transport on the future of Rosslare port and its relationship to the ports of New Ross and Waterford in the future. I would like to inform the Deputy that initial consultations between my Department and the Department of Transport have shown that legislation would have to go through the Parliament here and the UK Parliament before we could make any decisions on Rosslare port. Legislation would not go through the UK Parliament before 2005 or 2006. Therefore, there are no immediate decisions to be made on Rosslare port.

The House should also be aware that it is essential the ports sector throughout Ireland operate as efficient and effective elements of public infrastructure in support of Ireland's trading economy. Any such future decisions, irrespective of location or format, would and should be made following full consultation with all interests, both local and national, to ensure our port services maintain their economic value at an optimum level.

#### **Hospital Staff.**

**Ms McManus:** I thank you, a Cheann Comhairle, for the opportunity to raise this matter.

The European Working Time Directive is now law and must be complied with not just in Ireland but across the European Union. It will apply from 1 August 2004. From that date, non-consultant hospital doctors must work no more than an average of 58 hours per week. At present, junior hospital doctors in Ireland work an average of 75 hours per week — many of them work up to 100 hours per week.

Even though such reform is long overdue, it is clear the Government is incapable of meeting its obligations to comply with the directive. The Minister for Health and Children has repeatedly stated that he will fulfil the requirements of the directive by the due date. When launching the Hanly report, which the Government fully endorsed, the Minister spelt out how the August deadline will be met. He spoke about cross-cover and new working and training patterns, and the public believed him. It is clear that yet again we were sold a pup. The working time directive deadline will not be met. Again the Government is breaking its word and the Taoiseach muddies the water while he back-pedals on a promise, as he has done so often in the past. On Sunday, 7 March, he said on RTE radio that it was next to impossible to meet the directive deadline and suggested that other EU countries were experiencing similar problems. On Monday, a spokesperson from the EU Commission stated there was no evidence that other countries were

experiencing difficulties. She also reiterated that the directive is now law.

Last week, the Irish Presidency introduced a discussion on the issue at an informal meeting of EU employment Ministers in Brussels. This was a clear indication that some change is envisaged to get the Government off the hook. At the very least, the public is entitled to know what is Government policy. In essence, I am asking what is the position of the Government regarding the directive? Will doctors in our hospitals continue to be exploited beyond August 2004? Will patients continue to be denied the right to be treated by doctors who are not overworked and, if so, for how long will they have to wait before the matter is addressed? If the Minister for Health and Children tells us, can we believe him? It would be helpful if the Government published the paper presented for discussion to the EU Ministers. It is not acceptable that such a policy change is being discussed by Ministers from other countries while the Irish public is kept in the dark.

The Irish Medical Organisation has called on the Government to clarify its position and has asked whether it will attempt to renegotiate the directive during the Irish Presidency. The IMO is still waiting for an answer. Meanwhile, around the country, problems surrounding the issue are already surfacing. Alarm has been expressed by hospital consultants who are as bewildered as the rest of us as to what is going on. Dr. Barry Ward of Portlaoise hospital said in this week's *Medicine Weekly* that this will lead to willy nilly implementation of this directive. We need leadership.

Portlaoise hospital has advertised for registrars for 1 July. How many other hospitals will do the same? It is currently unable to tell applicants at interviews what will happen on 1 August because, as Dr. Ward points out, it is just not known. This dilemma is replicated across the hospital sector. Clarity on the issue is now being sought and it is about time we got it.

#### **Minister for Health and Children (Mr. Martin):**

I am happy to have the opportunity to clarify issues surrounding the implementation of the provisions of the European Working Time Directive as it applies to doctors in training. I need not point out the obvious, that the EU Presidency is a different entity from the Irish Government in certain matters.

As the Deputy may be aware, Ireland is legally obliged to begin applying the provisions of the European Working Time Directive to doctors in training from 1 August 2004 and I am determined that every effort will be made to give effect to these employment rights. The European Commission recently initiated a review of the working time directive as it applies to all workers, not just doctors in training. Changes, if agreed

and supported by member states, would require a new directive and new Irish legislation.

A number of member states have expressed particular difficulties in regard to the implementation of certain aspects of the directive. A number of member states articulated to the Irish Presidency that they would have certain difficulties with the directives. These difficulties relate to two rulings by the European Court of Justice. In the "SiMAP" and "JAEGER" cases, the court ruled on the definition of working time, defining all time spent by a doctor on-site on call, even if the doctor is resting, as working time. Ireland has been in compliance with this ruling for some years. From an Irish perspective, a more significant issue raised by the court concerns the requirement to grant immediate compensatory rest to a doctor, following a period of work while on call, and before the doctor returns to work if they have worked more than 13 hours in any 24-hour period. Ireland, with a number of other member states, has highlighted the difficulties this will create for rostering doctors on duty in a hospital, where round-the-clock medical cover is required.

I understand that employment Ministers will give these matters further consideration at future meetings. Negotiations with the Irish Medical Organisation on the reduction of NCHD hours are ongoing in the Labour Relations Commission. The most recent meeting took place on 2 March and the next meeting is scheduled for next Monday, 15 March. Management and the IMO have confirmed their commitment to substantive engagement to achieve the required reduction in non-consultant hospital doctors' working hours. A number of further meetings have been scheduled over the coming weeks and every effort will be made to complete these negotiations at the earliest possible date. To reduce NCHD hours, the following measures must be progressed. There must be a reduction in the number of grades of doctor on call at any one time, the introduction of cross-cover arrangements, the introduction of centralised rostering and shift work and changes in skill-mix and practice for other grades of hospital staff.

It has been acknowledged that we need to establish a working group in each hospital to implement these measures and to monitor progress on the reduction in NCHD hours. A national implementation group will co-ordinate the work being undertaken at local level. These groups should include appropriate hospital managers, consultants, NCHDs, nurses and other relevant health care professionals. The urgent need to establish these groups at both national and local level has been discussed with the Irish Medical Organisation at the meetings in the Labour Relations Commission. To date, the agreement of the IMO has not been forthcoming to the establishment or operation of these groups

9 o'clock

[Mr. Martin.]

despite the fact that three years ago the IMO campaigned on the basis of reducing doctors' hours. We negotiated with them and were generous in terms of the package offered. Somehow the urgency went out of it.

It is imperative that the groups commence their work and it is my wish to have them operational at the earliest possible date. I call on the IMO to agree to their establishment with a view to progressing the complex issues involved and to help ensure that the working hours of non-consultant hospital doctors are set at the required level. This is a situation that the IMO has been lobbying for many years to achieve.

The idea of non-consultant hospital doctors' normal working or training day being within a 9 a.m. to 5 p.m. period is unacceptable and will not meet the needs of the 24 hours a day, seven days a week acute hospital service. Similarly, payment of the majority of non-consultant hospital doctors' working hours at overtime rates places an undue burden of €250 million on the Exchequer and cannot be sustained in the long term. This is part of the overall package of moving to a consultant-provided service. However, substantial progress is being made in reducing working time for many non-consultant hospital doctors. All non-consultant hospital doctors must benefit from reduced working hours.

In recent weeks, chief executives of health boards and hospital managers, together with senior officials from my Department and the Health Service Employers Agency, met to discuss developments to date and agree further steps at national and local level which are required to implement the directive by 1 August. A national co-ordinator and support team have been seconded to oversee the implementation process in the health agencies. Medical manpower managers, appointed under the 2000 non-consultant hospital doctors agreement, are also playing a central role.

One example of these preparations is the work-up of draft indicative rosters for a representative group of hospitals based on detailed information which has been collated. Neither myself nor my Cabinet colleagues underestimate the significant task facing the Government and the health agencies in ensuring that non-consultant hospital doctors' working hours are reduced as required. It is acknowledged that achieving full compliance may be difficult within the time available. However, the existence of such difficulties in no way alleviates our legal obligations and only serves to emphasise the urgency of making rapid progress on implementation. Every effort is being made to achieve the optimum compliance with the requirements of the European working time directive as they relate to doctors in training.

Notwithstanding these requirements, I am determined to continue with further reductions in non-consultant hospital doctors' working hours. Excessive working hours are unsafe for both the

doctor and any patients concerned. All interested parties must now co-operate to achieve a healthier and safer working environment and equally important, the safer provision of services to patients.

### **Organised Criminal Activity.**

**Mr. Eoin Ryan:** I thank the Ceann Comhairle for allowing me to raise this matter on the Adjournment. The recent disclosure by the Minister for Justice, Equality and Law Reform, Deputy McDowell, of Sinn Féin involvement in criminal activity and punishment beatings in Dublin is disturbing and must be condemned by all democrats. The response of leading members of that party to these disclosures has been to impugn the Minister's motives and to dismiss the revelations as electioneering. This is unacceptable.

In a parliamentary democracy it is the duty of all politicians, whether in Government or Opposition, to be vigilant and to ask questions about any dubious activity on the part of anybody purporting to be involved in the political process. When questions have arisen about the Fianna Fáil Party's past, we rightly have been vigorously and doggedly pursued by both the media and the Opposition. Elected office brings with it serious responsibilities, one of which is accountability.

Sinn Féin has travelled a long road over the past decade and Fianna Fáil, as well as others in this Chamber and north of the Border, have played their part in bringing that party into the democratic process. We are glad members of the party now sit in the Dáil. However, when it comes to democracy, there can be no half measures. There is no acceptable compromise between the ballot box and the baseball bat. The transition must be made completely.

There is a precedent for this transition. The men and women who founded Fianna Fáil in 1926 unconditionally embraced parliamentary democracy. Six years on from the signing of the Good Friday Agreement and the referenda North and South on the island that overwhelmingly endorsed it, it is now time that Sinn Féin disavowed paramilitarism and dedicated itself totally to the democratic process. There is no halfway house.

Sinn Féin likes to portray itself as the guardian of the working class. However, this self-appointed role does not sit easily with the information about their criminal activities recently disclosed by the Minister for Justice, Equality and Law Reform. Those who prosper from crime and punish by savage beatings anyone who gets in their way are no defenders of the interests of the working class or the less well-off in our society. It is the working class communities that have suffered most from organised crime. Those are the communities that are attacked, undermined and destroyed by criminal activity. There are so many examples around Dublin city where this has happened over the years. It is important to stress that, if Sinn Féin claims to be the defender of the working



class, it should be the first to stop such criminal activity rather than being ambivalent towards it.

These people are the enemies of society and it behoves us all, especially at a time when the people are considering their choices in the forthcoming elections, to highlight their activities and hold them to account.

**Minister for Justice, Equality and Law Reform (Mr. McDowell):** I thank my constituency colleague, Deputy Eoin Ryan, for giving me the opportunity to address this important topic in the House. The time has come for all true republicans and democrats to stand up and be counted. I realise I have presented some serious challenges to the Sinn Féin leadership in terms of the provisional movement attempting to have it both ways, and to it being accepted as an orthodox political party on the one hand and, on the other, having at best an ambivalent attitude to criminality and violence. Specifically, my comments on “Morning Ireland” earlier this week related to persons associated with the provisional movement being involved in ongoing criminal activity in Dublin Port.

Those comments, and others of a more general nature, were not conjured up out of the air. It is without doubt that Sinn Féin and the IRA are two sides of the same coin. We hear few outside Sinn Féin itself seriously disputing that contention. I should in fairness point out, however, that my remarks on Dublin Port should not be taken as a direct reference to those who would be associated in the public mind in this part of Ireland with the leadership of Sinn Féin.

The briefings I receive from security sources strongly confirm the links between the IRA and Sinn Féin. In my view, the public is entitled to know that there is rock solid intelligence confirmation for what it has always strongly suspected. However, to suggest that, having provided this confirmation, I am then somehow obliged to disclose the precise nature of the intelligence briefings I receive from the Garda amounts to a flawed reasoning of “put up or shut up”. No democrat should shut up on a real and sinister threat to the integrity of the democratic process, nor should any democrat have to put up with the mixture of violence and crime with politics.

I will not be drawn, on the basis of such flawed “put up or shut up” reasoning, into disclosing the nuts and bolts of the security briefings given to me as Minister for Justice, Equality and Law Reform, especially when such briefings relate to ongoing paramilitary activity, engagement in punishment beatings or criminal activity undertaken for personal gain. As my predecessors have before me, I rely heavily on the ability of the Garda Síochána to establish the extent of the continuing threat to the security of the State from paramilitary groups and others who, by their actions, threaten our democratic process. As a Minister privy to sensitive information, sometimes relating to the safety and

security of the State, I do not intend in any way to hamper the continuing efforts of the Garda Síochána to deal effectively with such threats. It would be irresponsible of me if I were to disclose sensitive details of Garda security operations, aimed as they are at ensuring the protection of our hard-won rights and freedoms.

That, however, does not mean I should not or cannot share with all decent and law-abiding citizens the conclusions to be made from such security briefings. That is why I will not be deterred from saying that the IRA is engaged in ongoing serious crime and paramilitarism and that, unless it desists now from that activity, it will not be possible to convince other parties, especially the parties in Northern Ireland, that they should participate as equal and trusting partners with Sinn Féin in fully working the Good Friday Agreement.

The point of my speaking out on these issues is not, as some would argue, to undermine a political party or gain some short-term electoral advantage. That misses the point. What I and other responsible politicians are saying, is that Sinn Féin and the IRA are two sides of the same coin. If one side is rightly condemned because of criminal activity or continuing paramilitarism, the other will stand ineligible when it comes to sharing political office, whether in Northern Ireland or, at some future stage, in this jurisdiction.

I note that Deputy Eoin Ryan and I have one thing in common, apart from representing the same constituency. Both of us come from families that made considerable personal sacrifices in the process of establishing and building up the Irish Republic. It is not anti-republican, nor would it be anti-Sinn Féin, nor is it hostile to the peace process to point out what needs to be done by the IRA to convince all shades of Nationalist and Unionist persuasion that Sinn Féin is eligible to participate as a full and equal partner in the day-to-day running of the affairs of Northern Ireland or is eligible to do so in this State. It is much more in keeping with genuine republican traditions and values to tell the truths that need to be told, even if, at times, they are a source of discomfort to parties who pretend not to hear them.

There are important lessons that we can learn from history of the mortal dangers of combining in one movement a political ideology and violence. As long as the republican movement, as it calls itself — I regard Sinn Féin as having nothing to do with republican values — maintains an *à la carte* approach towards political activity and violence, the general public has every reason to be extremely wary about lending any electoral support to Sinn Féin.

I do not doubt that some in Sinn Féin have made and continue to make genuine efforts to shake off the shackles of the past. Perhaps too, the transition from paramilitary to parliamentary politics may in the past have needed a period of constructive ambiguity. However, as Deputy Eoin Ryan points out, almost six years after the Good



[Mr. McDowell.]

Friday Agreement, any further ambiguity on paramilitary activity is destructive ambiguity. The day the leadership of Sinn Féin manages to convince everybody that the shadow of the gunman is genuinely fading forever is the day that genuine and stable politics will replace violence and instability in Northern Ireland. That is the day that full democratic politics will reign supreme and I earnestly look forward to it.

As an Irish republican who works towards and aspires to the unification of this country and the

reconciliation of the people in both parts of it, I know that we have now arrived at the bare bedrock of the problems that prevent the complete implementation of the Good Friday Agreement. Provisional paramilitarism is and remains a deadly threat to that Agreement. I am saying, and I know Deputy Eoin Ryan agrees with me, it must end now.

The Dáil adjourned at 9.15 p.m. until 10.30 a.m. on Thursday, 11 March 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 17, inclusive, answered orally.*

*Questions Nos. 18 to 90, inclusive, resubmitted.*

*Questions Nos. 91 to 98, inclusive, answered orally.*

### Social Welfare Code.

99. **Mr. Gogarty** asked the Minister for Social and Family Affairs the consideration which has been given to a proposal (details supplied) that an amnesty be made towards citizens of EU accession states who are here already; and the social welfare cost implications of such an amnesty. [7924/04]

104. **Mr. Costello** asked the Minister for Social and Family Affairs if she has held discussions with the EU Commission on the restrictions to social welfare entitlement aimed at persons from other EU states after 1 May 2004; if she has sought or received advice from the Commission regarding the legality of the proposals under EU law; and if she will make a statement on the matter. [7803/04]

107. **Mr. Crowe** asked the Minister for Social and Family Affairs if she will reverse her decision to refuse welfare support for immigrants who have been in the State for less than two years. [7892/04]

127. **Mr. Durkan** asked the Minister for Social and Family Affairs if her proposed restrictions on citizens from the accession countries, in respect of qualification for means tested social welfare payments, is in accord with EU law; and if she will make a statement on the matter. [7859/04]

129. **Mr. Gogarty** asked the Minister for Social and Family Affairs if her attention has been drawn to the view of the acting Social Affairs Commissioner, Ms Margot Wallstrom, regarding the ability to issue restrictions on social welfare payments. [7925/04]

**Minister for Social and Family Affairs (Mary Coughlan):** I propose to take Questions Nos. 99, 104, 107, 121 and 129 together.

The Government has decided to put in place measures to restrict access to certain social welfare payments by introducing a habitual residence test as an additional condition to be satisfied by a person claiming a social assistance payment or child benefit. The new condition is designed to safeguard our social welfare system from abuse by restricting access to social assistance and child benefit payments for people from other countries who have little or no

connection with Ireland. People who claim welfare payments but do not satisfy the habitual residency test will be assisted to return home.

These measures are being introduced to ensure our social welfare system does not become overburdened. It is a prudent and sensible measure. Up to now, non-nationals residing here could claim social assistance payments without satisfying a residency test. All other countries in the European Union impose residency restrictions on entitlement to social welfare benefits. The imposition of such a condition is not prohibited by EU law and, indeed, the concept of habitual residence features in EU regulations on social security for migrant workers. The term has also been clarified in EU court judgments. It conveys a degree of permanence in the person's residence and factors such as the duration and continuity of residence, employment prospects and future intentions would be important in determining whether the condition is fulfilled.

Each case will be examined on the facts and the person's degree of permanence in the State and no single factor will be conclusive. The new arrangements will apply to claims for payments after the date of operation and claims already in payment on the date will not be affected.

I have not formally discussed these new arrangements with the Commission, as such is not required. Commissioner Wallstrom has asked member states to inform the Commission of the measures being imposed with regard to access to labour markets and social welfare systems and I have arranged for this to be done. The Commissioner has stated on several occasions that in order to make accession a success we must respect both the EU treaty and the accession treaty and I wholeheartedly agree with her in this regard. I am satisfied that the new measures I am introducing, which will apply to all applicants for social assistance payments, are in line with EU law.

Under EU Regulation 1408/71 it is possible for an unemployed person under certain conditions to "export" their unemployment benefit for up to three months while seeking work in another member state. The regulations also allow people to exercise their right to free movement within the EU and to have their social insurance based entitlements, such as contributory pensions, exported to another member state. These arrangements are not affected by the habitual residence condition.

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. Under the accession treaties, the EU has put in place a transitional measure, by which existing member states can exercise discretion as to the extent of access of persons from the new member states to their respective labour markets. Unlike other member states, however, Ireland is not imposing any restrictions on the numbers of people from the new member states who wish to come here

[Mary Coughlan.]  
and work. This Government gave a commitment that EU citizens who want to come and work here from 1 May are welcome to do so and we will honour that commitment.

*Question No. 100 answered with Question No. 98.*

### **Social Welfare Benefits.**

101. **Mr. Ferris** asked the Minister for Social and Family Affairs her views on the creation of an all-Ireland free travel scheme for pensioners. [7895/04]

103. **Mr. Howlin** 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. [7810/04]

120. **Mr. Timmins** asked the Minister for Social and Family Affairs the progress made to put in place an all-Ireland travel scheme for pensioners resident in all parts of this island. [7867/04]

124. **Mr. Rabbitte** asked the Minister for Social and Family Affairs if she will consider extending free travel here for British based Irish senior citizens, especially in view of the significant economic contribution that many of these made to this country; and if she will make a statement on the matter. [7825/04]

135. **Mr. J. O'Keeffe** asked the Minister for Social and Family Affairs the position regarding proposals for reciprocal arrangements for free or concessionary travel for pensioners throughout this island and the European Union. [7745/04]

159. **Mr. Morgan** asked the Minister for Social and Family Affairs the position regarding the implementation of an all-Ireland free travel scheme for pensioners; and the progress made in bringing this about. [7894/04]

**Minister for Social and Family Affairs (Mary Coughlan):** I propose to take Questions Nos. 101, 103, 120, 124, 135 and 159 together.

My Department's free travel scheme is available to all people living in the State aged 66 years or over. It is also available to carers and to people with disabilities who are in receipt of certain social welfare payments. The scheme mainly applies to travel within the State but was extended from 1995 so that free travel pass holders who reside on both sides of the Border could undertake cross-Border journeys by bus or rail free of charge.

The Government intends to introduce a system of all-Ireland free travel for pensioners and other eligible social welfare customer categories. This would involve a further extension of the existing scheme so as to enable travel pass holders in the South make point to point journeys within Northern Ireland. It would also mean that northern pass holders could undertake similar journeys in the South. Officials from my

Department have held initial discussions on this proposal with their counterparts in the Department for Regional Development for Northern Ireland. There are a number of policy and operational issues to be developed, including resourcing the scheme and the options for joint funding. Among the technical matters involved is the question of using some form of card based pass system, as already operates on Translink services in the North but which is only in the initial stages of development in the South.

My Department will continue to progress this matter with the Department for Regional Development in Northern Ireland. However, it is likely to take some time to sort out the various technical issues, agree transport operator contracts and finalise budgetary arrangements for the scheme between the two Departments.

I have no plans at present to extend arrangements for free or concessionary travel for pensioners to other European Union countries. At EU level a report commissioned by the European Commission in 1997 recommended that member states should establish a senior euro pass card which would entitle older people to concessions on various services, including travel, cultural and social activities. No proposals have been put forward by the Commission on foot of that report.

102. **Mr. Sargent** asked the Minister for Social and Family Affairs the number of invalidity claims in the most recently available year that have been overturned after recommendations of her Department's own doctors against the original advice of general practitioners. [7930/04]

**Minister for Social and Family Affairs (Mary Coughlan):** Invalidity pension is payable to persons who satisfy certain PRSI contribution conditions and are regarded as permanently incapable of work. A person is regarded as being permanently incapable of work if he or she has been continuously incapable of work for a period of one year before the date of claim and is likely to continue to be incapable of work for at least a further year. Alternatively, a person is regarded as being permanently incapable of work if he or she has been incapable of work and the nature of the illness is such that the likelihood is that the person will be incapable of work for life.

In 2003, a total of 6,782 invalidity claims were decided and 12% or 861 of these claims were refused by deciding officers on the grounds that the medical eligibility criteria were not satisfied. The claimant's own doctor does not provide a recommendation or an opinion regarding the claimant's possible entitlement to invalidity pension. They provide a diagnostic report regarding the person's medical condition. In the context of determining a person's entitlement to invalidity pension, medical assessors of my Department provide a second opinion to that of the claimant's own doctor for the guidance of the Department's deciding officers who ultimately

make the decision in these cases. All medical assessors are fully qualified and experienced medical practitioners with registration in accordance with Medical Council criteria.

At a medical examination, the medical assessor will have available to him or her the initial medical diagnosis, supplemented, where applicable, by relevant specialist and other reports. The primary task of the medical assessor is to evaluate the overall medical condition of the claimant having regard to the prescribed medical criteria for entitlement to the particular illness related scheme. In the course of this evaluation all relevant and available medical information is taken into account.

Where a person is dissatisfied with the decision of a deciding officer, they may appeal this decision to the social welfare appeals office. Accordingly, all decisions in invalidity claims are made by deciding officers and appeals officers who are statutorily appointed for that purpose. The reports of medical assessors represent an important part of the evidence on which determinations are made.

*Question No. 103 answered with Question No. 101.*

*Question No. 104 answered with Question No. 99.*

#### **Family Support Services.**

105. **Ms B. Moynihan-Cronin** asked the Minister for Social and Family Affairs the number of persons in receipt of family income supplement at the latest date for which figures are available; if she has satisfied herself that all those eligible for FIS have had their attention drawn to their entitlement; if she has plans to promote greater awareness of FIS; and if she will make a statement on the matter. [7816/04]

123. **Mr. McGinley** asked the Minister for Social and Family Affairs the number of families which have benefited from the family income supplement in each of the past five years. [7875/04]

**Minister for Social and Family Affairs (Mary Coughlan):** I propose to take Questions Nos. 105 and 123 together.

Family income supplement is designed to provide cash support for employees on low earnings with families. This preserves the incentive to remain in employment in circumstances where the employee might only be marginally better off than if he or she were claiming other social welfare payments. The number of persons in receipt of family income supplement at 5 March 2004 is 12,060, with an average weekly payment of €87.06. I am arranging to have the numbers in receipt of the supplement at 31 December for each of the last five years circulated in a separate table.

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 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 people are aware of possible entitlement to FIS, which include advising all newly awarded one-parent family payment recipients, advising all employers annually in PRSI mailshots and examining entitlement in all awarded back to work allowance cases. Information on FIS is contained in all child benefit books and can be accessed on the Department's website. In addition, the scheme has previously been extensively advertised through local and national media outlets, including newspapers and radio, as well as through poster campaigns and targeted mailshots. These methods of information provision will continue to be used to promote the scheme.

#### **Social Welfare Benefits.**

106. **Mr. Eamon Ryan** asked the Minister for Social and Family Affairs if time restrictions on the use of free travel passes in Dublin and Cork can and are being addressed. [7928/04]

111. **Mr. McCormack** asked the Minister for Social and Family Affairs the estimates for allowing a widow or widower under 60 years of age to qualify for free schemes on the death of their spouse. [7874/04]

229. **Mr. Durkan** asked the Minister for Social and Family Affairs if she will undertake a review of the free schemes with a view to extending the availability of free travel; and if she will make a statement on the matter. [8034/04]

234. **Mr. Durkan** asked the Minister for Social and Family Affairs if she has proposals to provide the equivalent of free travel to areas or regions currently deficient in public transport; and if she will make a statement on the matter. [8039/04]

235. **Mr. Durkan** asked the Minister for Social and Family Affairs if she will consider reducing the age for qualification for free schemes; and if she will make a statement on the matter. [8040/04]

**Minister for Social and Family Affairs (Mary Coughlan):** I propose to take Questions Nos. 106, 111, 229, 234 and 235 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



[Mary Coughlan.]

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 these private contractors operate in rural areas. The underlying feature of the scheme is the use of spare capacity on these transport services.

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. The issue of access to public transport in rural areas is being addressed at present through the rural transport initiative, which is being managed by Area Development Management, ADM, on behalf of my colleague, the Minister for Transport. Time restrictions have been a feature of the free travel scheme since its inception. The central issue in regard to time restrictions is that of capacity constraints and the pressure on the transport system from commuters travelling to and from work and school in the morning and evening.

Time restrictions, however, do not apply in the case of people with learning disabilities, people attending long-term rehabilitation courses or certain work experience programmes and certain other disabled or blind people. These people are issued with an unrestricted free travel pass which enables them to travel during the normally restricted travel times. Also, there are no peak time travel restrictions on DART, suburban rail services and on services provided by private transport operators in other parts of the country. A general lifting of the time restrictions could cause capacity problems for transport operators. In exceptional or extenuating circumstances, however, where hospital appointments cannot be arranged out of peak travel time, my Department can issue a temporary unrestricted free travel pass. Requests for such passes can, however, only be considered on a case by case basis and passes are only granted in exceptional circumstances.

With regard to the household benefits package, which comprises the electricity/gas allowance, telephone allowance and television licence schemes, this is generally available to people living permanently in the State, aged 66 years or over, who are in receipt of a social welfare type payment or who fulfil a means test. The package is also available to carers and people with disabilities under the age of 66 years who are in receipt of certain welfare type payments. People aged over 70 years of age can qualify regardless of their income or household composition. Widows and widowers aged from 60 to 65 years whose late spouses had been in receipt of the household benefit package retain that entitlement to ensure that households do not suffer a loss of entitlements following the death of a spouse.

The free schemes share a common set of objectives in the area of social inclusion as

follows: to provide assistance to those living alone by targeting them with specific benefits providing both income and social inclusion gains; to support older people and people with disabilities in their wish to remain in the community as opposed to institutional care; to support Government policy which seeks to acknowledge the value of older people in society. Data from census 2002 indicate that there are 27,600 widows and widowers under 60 years of age. The full year cost of extending the free schemes to this group would be in the region of €23 million. This estimate assumes that all of this group would qualify, which may not be the case, but does not take account of the additional cost in respect of widowed people in the 60-65 year age group, some of whom would not be currently in receipt of the free schemes.

A range of proposals have been made to extend the free schemes to other groups, including widows and widowers. These are kept under review in the context of the objectives set out above and budgetary resources.

*Question No. 107 answered with Question No. 99.*

#### **Pension Provisions.**

108. **Mr. S. Ryan** asked the Minister for Social and Family Affairs when it is intended to implement the commitment given in An Agreed Programme for Government to establish a group to report on options for lower income groups to ensure that they can have an earnings related pension when they retire; and if she will make a statement on the matter. [7824/04]

**Minister for Social and Family Affairs (Mary Coughlan):** Research by the Central Statistics Office on pensions coverage indicated that just over 50% of workers have supplementary pensions cover. The Government aims to increase this to 70% in accordance with the targets suggested in the national pensions policy initiative. The overall objective of the Government's pension policy is that all citizens will have an adequate income on retirement — the main components being the social welfare pension and supplementary pensions.

In this regard the Pensions (Amendment) Act 2002 provided for the introduction of personal retirement savings accounts, PRSAs, which became available to the public in 2003. The PRSA is a low cost, flexible pensions product which is the main instrument employed in furtherance of Government policy to increase supplementary pensions coverage. Take up of the new accounts is being monitored closely and I am encouraged by the latest figures which show that over 19,000 accounts were opened in the period up to the end of December 2003. This is a significant improvement on the position at the end of September 2003 when a total of 6,707 accounts were in existence.

The Government is required, under the Pensions (Amendment) Act 2002, to review

progress on the level of pension coverage within three years and this will include an examination of pension options for lower income groups.

### **Social Welfare Benefits.**

109. **Mr. Stanton** asked the Minister for Social and Family Affairs the overall interim supplementary welfare allowance payments made while persons awaited payment from her Department for the past three years. [7876/04]

**Minister for Social and Family Affairs (Mary Coughlan):** Supplementary welfare allowance may be paid to a person awaiting a decision on an application for any benefit, assistance or allowance from my Department or who is waiting for similar benefits to be transferred from another state and who has insufficient means to meet his/her immediate basic needs. Expenditure on interim supplementary welfare allowance payments amounted to €37.4 million in 2001, €49.3 million in 2002 and €54.7 million in 2003. The number of recipients at the end of those years was 14,282, 15,372 and 14,901 respectively.

Where a health board has paid supplementary welfare allowance to a person who is subsequently granted another benefit, assistance or allowance, the amount so paid is recoverable from any arrears due. In addition, if the amount of supplementary welfare allowance is in excess of what would have been paid to the person if he or she had been in receipt of the other benefit, assistance or allowance, such excess sum is recoverable during the relevant continuous period of entitlement to the other benefit, assistance or allowance. My Department endeavours to pay people their entitlements at the earliest date possible and thus minimise the need for interim supplementary welfare allowance payments.

110. **Mr. Ferris** asked the Minister for Social and Family Affairs if she plans to eliminate the means test for carers, as part of the development of the range of supports available to carers. [7896/04]

151. **Mr. Deenihan** asked the Minister for Social and Family Affairs the estimates for the cost of abolishing the means test for the carer's allowance. [7869/04]

162. **Mr. Kehoe** asked the Minister for Social and Family Affairs if there will be a review of the policy on means testing the carer's allowance; and if she will make a statement on the matter. [7863/04]

228. **Mr. Durkan** asked the Minister for Social and Family Affairs her proposals to extend carer's allowance to a wider group having particular regard to the total number of carers now providing care; and if she will make a statement on the matter. [8033/04]

**Minister for Social and Family Affairs (Mary Coughlan):** I propose to take Questions Nos. 110, 151, 162 and 228 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 section of the census 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 15-42 hours unpaid personal help per week or between two and six hours per day; 84,900 people provide 1-14 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 50% of the 40,500 carers, as estimated by the CSO to be caring for more than six hours per day, are in receipt of a specific carer's payment from my Department. People providing lower levels of care would not necessarily meet the qualifying conditions for receipt of a payment. As with all other social assistance schemes, a means test applies, under which the income of the applicant and his or her spouse is assessable. This ensures that limited resources are directed to those in greatest need.

Provision has been made in successive budgets for substantial increases in the income disregards. From April 2004 the weekly income disregards will increase to €250 for a single carer and to €500 for a couple. The effect of this increase will ensure that a couple with two children, earning a joint income of up to €29,328, can qualify for the maximum rate of carer's allowance while the same couple, if they had an income of €46,384, could still qualify for the minimum carer's allowance, the free schemes and the respite care grant. The carer's allowance means test is one of the more flexible tests in terms of the assessment of household incomes. 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 would constitute the best use of the resources available for the support of carers. However, the operation of the means test will be kept under review.

With regard to the continued development of supports for carers, I launched a study on the future financing of long-term care in June 2003. 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 this document will be ready for circulation shortly. 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 proposals will be examined further in this context.

*Question No. 111 answered with Question No. 106.*

### **Social Welfare Code.**

112. **Mr. S. Ryan** asked the Minister for Social and Family Affairs when it is intended to implement the commitment given in An Agreed Programme for Government to remove the requirement whereby a person reaching 65 years must first retire for a period before being able to work and retain a portion of their pensions; and if she will make a statement on the matter. [7823/04]

**Minister for Social and Family Affairs (Mary Coughlan):** In addition to satisfying the relevant contribution conditions, those applying for retirement pension at age 65 must be retired from employment or self employment. Retirement is defined as not having earnings from employment of more than €38 per week or earnings from self employment of more than €3,174 per annum.

The retirement pension was introduced in 1970 and was intended to bridge the gap between retirement at 65 years and the pension age for social welfare purposes, which at the time was 70 years of age. The qualifying age for old age pension was subsequently reduced over time to 66 years of age. There is no retirement condition associated with old age contributory or non-contributory pensions, which are both payable at 66 years of age.

The Government is committed, as part of the programme for Government, to removing the requirement to retire at 65 years to receive a retirement pension. Progress in this regard will be made as soon as possible, having regard to the availability of resources and the priority attaching to other elements of the Government programme.

### **Social Welfare Benefits.**

113. **Ms Burton** asked the Minister for Social and Family Affairs the plans she has to monitor the changes that were introduced in the supplementary welfare allowance scheme, particularly to the rent supplement, and to assess their impact on recipients; and if she will make a statement on the matter. [7799/04]

119. **Mr. Sargent** asked the Minister for Social and Family Affairs the number of refusals to date for supplementary welfare allowance for failure to meet criteria introduced by her Department with regard to accommodation needs. [7931/04]

149. **Mr. Broughan** asked the Minister for Social and Family Affairs the degree of discretion which remains with community welfare officers in making assessments of housing needs subsequent to the introduction of changes in the supplementary welfare allowance scheme, particularly in the rent supplement; and if she will make a statement on the matter. [7801/04]

154. **Mr. Cuffe** asked the Minister for Social and Family Affairs the number of refusals to date for supplementary welfare allowance for failure to meet new criteria introduced by her with regard to accommodation needs. [7923/04]

160. **Mr. J. O'Keeffe** asked the Minister for Social and Family Affairs her views on whether the changes introduced in rent supplements will cause real hardship for many applicants; and if she has proposals to deal with this. [7744/04]

227. **Mr. Durkan** asked the Minister for Social and Family Affairs if she will reverse the rent allowance restrictions imposed in the budget and thereby alleviate hardship; and if she will make a statement on the matter. [8032/04]

**Minister for Social and Family Affairs (Mary Coughlan):** I propose to take Questions Nos. 113, 119, 149, 154, 160 and 227 together.

Rent supplements are paid under the terms of the supplementary welfare allowance scheme, which is administered on behalf of my Department by the health boards. The main objective of the measures recently introduced is to refocus the rent supplement scheme on its original objective, which is to meet immediate short-term income maintenance needs as opposed to long-term housing needs. People applying for rent supplement will, in future, have their housing needs assessed by the local authorities in a systematic manner and this should increase their chances of getting social housing, where appropriate.

With certain important exceptions, it is no longer 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 the person has a housing need. However, if a person is assessed by a housing authority as having a housing need, they will qualify for rent supplement regardless of how long they have been renting, subject to the normal means and other qualifying criteria.

The impact of this and the other measures was fully assessed and the manner of their implementation was carefully designed to ensure that the interests of vulnerable groups, such as the homeless, the elderly and disabled, are fully protected. The six months prior renting requirement, for example, does not apply in their case. My Department has been in regular contact with the community welfare staff of the health boards and has held two meetings with senior officials of the boards since the introduction of the measures in January at which the operation of the new measures was discussed. My Department has not been made aware of any cases of hardship arising from the application of the new measures.

Details of the number of refusals since 31 January on grounds of failure to meet the new criteria are not available. However, there have been some cases where applicants were initially refused rent supplement on the basis of not having been in rented accommodation for six



months but who were subsequently granted rent supplement after having been assessed by the housing authority as having a housing need. Furthermore, the health boards have indicated that housing authorities are responding to requests for housing assessments without undue delay.

Nobody who was in receipt of a rent supplement at the end of January is affected by the rule requiring that people have been renting for six months before they can qualify for rent supplement. The only people who no longer qualify for rent supplement because of the six month rule are new applicants who, in the opinion of the housing authority, do not have a housing need. While it is the responsibility of the housing authorities to assess a person's housing needs, none of the measures which I have introduced affects the discretion of a health board to make a payment in cases where a board considers that the circumstances of the case so warrant.

In addition to the ongoing contacts between my Department and the health boards, I am setting up a working group under the social partnership agreement, Sustaining Progress, to facilitate engagement with the social partners about monitoring the impact of the recent changes to the scheme. Arrangements for the setting up of this group are currently under way.

114. **Mr. O'Shea** asked the Minister for Social and Family Affairs the number of cold alert cards distributed to the elderly or those on disability benefits in regard to her recent announcement; the current amount of the fuel allowance; when the allowance was last increased; if she has plans to extend the period during which the allowance is awarded, in view of the fact that low temperatures can be experienced outside of the October to March period; and if she will make a statement on the matter. [7818/04]

143. **Mr. P. McGrath** asked the Minister for Social and Family Affairs if she has plans to remove the means test for the national fuel scheme; and if she will make a statement on the matter. [7862/04]

152. **Mr. Neville** asked the Minister for Social and Family Affairs if she will review the fuel allowance (details supplied); and if she will increase the duration of the fuel season. [7870/04]

**Minister for Social and Family Affairs (Mary Coughlan):** I propose to take Questions Nos. 114, 143 and 152 together.

The temperature card initiative was undertaken by the Donegal Energy Action Team which is part of the community culture and enterprise division of Donegal County Council. I allocated funding of €10,000 towards the project. It is also being funded by Donegal County Council, €11,000, and the North Western Health Board, €1,500. The temperature cards were made available through a variety of outlets across the

county. Donegal County Council does not have statistics regarding the number of temperature cards that have been obtained by people from these outlets.

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 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. At present, a fuel allowance payment of €9 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.

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 was increased from 26 weeks to 29 weeks. The most recent increase in the rate of fuel allowance was in January 2002.

The question of further improvements in the fuel allowance schemes, including changes to the means test and an extension of the period of payment, 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.

#### **Family Policy.**

115. **Mr. Gormley** asked the Minister for Social and Family Affairs asked the Minister for Social and Family Affairs her views on the recently issued report, Families and Family Life in Ireland: Challenges for the Future. [7927/04]

122. **Mr. M. Higgins** asked the Minister for Social and Family Affairs the progress made to date in her review of Government policy towards the family; when she expects the review to be completed; and if she will make a statement on the matter. [7807/04]

153. **Mr. Gilmore** asked the Minister for Social and Family Affairs asked the Minister for Social and Family Affairs her views on the recently published report, Families and Family Life in Ireland: Challenges for the Future, a thematic study of the issues that arose during the public consultative fora held in 2003; and if she will make a statement on the matter. [7806/04]



**Minister for Social and Family Affairs (Mary Coughlan):** I propose to answer Questions Nos. 115, 122 and 153 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, growing incidence of marital breakdown and lone parenthood generally, ageing of the population and the likely growth in the numbers of dependent elderly. It is against this background that I began, in May 2003, five years after publication of the report of the commission on the family, a nationwide consultation on the future development of family policy. The fora provided my officials and me with an opportunity to hear the views of a cross section of family members from different regions of the country 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 fora were a great success with almost 700 people participating in the discussions and workshops.

The report of the fora, *Families and Family Life in Ireland: Challenges for the Future*, puts on record and provides an analysis of the outcome of these discussions. It provides me with an invaluable cross section of views from every region of the country and greatly facilitates my consideration of the further development of the Government's strategy for strengthening families. It is particularly timely as this year we celebrate the United Nations 10th anniversary of the International Year of the Family, which will be marked by a worldwide focus on the challenges facing families in rapidly changing societies.

A key dimension of the year will be comparing experiences of family change in other countries and how they are meeting the challenges these changes pose. To facilitate exchanges on such experiences between EU member states, I have arranged for the Irish Presidency, with the support of the EU Commission, to host an international conference on 13 and 14 May entitled "Families, Change and European Social Policy". This conference will bring the latest research findings, ideas and policy developments on family issues to policy makers and other key personnel throughout the enlarged European Union.

The fora provided an opportunity to consult family members in every region of the country, who are the real experts on families and family life. I was determined to ensure that the fruits of these discussions and exchanges were professionally recorded and published and this has been achieved in the thematic report and the individual reports on each forum session. The thematic report is not just an important resource for drawing up the strategy, it is also a resource for wider consultation on the issues it addresses.

It is my hope that public representatives, the social partners, NGOs, family resource centres, other Government Departments and interested parties and family members generally will use this report as a basis for further reflection on the challenges facing families in the period ahead and on how these challenges can be met.

Although the fora were held nationwide this report shows how many of the same themes were recurring. This includes, in particular, practical support for parents, increased quality child care places, supports for families caring for the elderly and other dependent persons and the increased provision of quality, affordable family counselling services. Public opinion, as it was voiced at the fora, seems to consider that future family policy should consist of at least two layers. The first is a general layer 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 layer is more specialist in that it would address the added 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 end 2004. This will be designed to address the profound changes for families and family life taking place 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.

#### **Decentralisation Programme.**

116. **Mr. Costello** asked the Minister for Social and Family Affairs if her Department has yet carried out a risk assessment of the decentralisation plans announced by the Minister for Finance on budget day 2003, in so far as they may impact, either directly or indirectly, on her Department or on any agency or body operating under the aegis of her Department; when she expects to receive the risk assessment; and if she will make a statement on the matter. [7813/04]

121. **Ms McManus** asked the Minister for Social and Family Affairs if, in regard to proposals for decentralisation, a survey has been undertaken to establish the number of persons employed in her Department and 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 such a survey; and if she will make a statement on the matter. [7812/04]

144. **Ms McManus** asked the Minister for Social and Family Affairs the decentralisation plans for her Department following the announcement in the December budget 2003 by the Minister for Finance of the relocation of certain sections of her 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. [7811/04]

**Minister for Social and Family Affairs (Mary Coughlan):** I propose to take Question Nos. 116, 121 and 144 together.

Under the Government decentralisation programme announced recently by my colleague, the Minister for Finance, all sections of my Department currently located in Dublin will move to decentralised locations. The senior management and headquarters of the Department will move to Drogheda and other sections will relocate to Buncrana — 120, Donegal town — 230, Carrick-on-Shannon — 225 and Sligo — 100. The Department's information systems division will also be relocated, although 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 experience of the issues associated with decentralisation, having previously relocated functions and staff out of Dublin to Sligo, Letterkenny, Longford, Waterford and Dundalk. The new programme of decentralisation will involve major change 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 involved is currently being prepared. This plan will set out: the sequence 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 addition to the preparation of this plan, the Office of Public Works is currently in the process of securing suitable accommodation in each of the seven locations. A final date for the completion of the decentralisation programme will not be known until all accommodation and staff recruitment issues are concluded. However, it is expected that the programme will be substantially completed by the end of 2006.

In developing the programme my Department will identify the risks associated with the decentralisation programme under various headings and will incorporate approaches to address these in the plans. As an input to the planning process, a survey of all staff in my Department was conducted to establish initial indications of interest in the new locations. There were 3,046 responses to the survey, which

represents 64% of the 4,770 staff in the organisation. The position as regards expressions of interest is: Drogheda — 120 staff; Buncrana — 15 staff; Donegal town — 51 staff; Carrick-on-Shannon — 149 staff; Sligo — 24 staff; Monaghan — four staff and Carrickmacross — 16 staff. In all, 379 indicated a wish to move from their existing location to one of this Department's new decentralised offices and a further 586 wish to move to a decentralised venue in another Department. 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 the Departments involved will be considered by the decentralisation implementation committee which is due to submit an initial report by end March 2004. My Department will report progress on 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.

#### Social Welfare Appeals.

117. **Mr. Ring** asked the Minister for Social and Family Affairs the frequency with which inspectors dealing with oral hearings on social welfare appeals meet; the number of such inspectors dealing with oral hearing appeals; the number of days per week they work; the length of time in advance their schedules of work are laid out; if they remain in the one area until all pending appeals are dealt with; and if she will make a statement on the matter. [7861/04]

**Minister for Social and Family Affairs (Mary Coughlan):** I assume the Deputy's question relates to the work of social welfare appeals officers. The chief appeals officer from time to time convenes meetings of appeals officers for the purpose of discussing matters relating to the discharge of their functions, particularly consistency in the application of the statutory provisions. In addition, frequent informal meetings are held to discuss issues arising from appeals and appreciation of the requirements and implications of changing legislation.

There are 18 appeals officers serving in the appeals office and one vacancy arising from a recent retirement. When allowance is made for work sharing, this represents a full-time equivalent of 16.5 officers. Normally, all appeals officers are assigned to oral hearings once their training period is completed.

The full-time officers work normal Civil Service hours over a five day week while the work sharers vary between 50% and 80% of the full-time norm. Their work involves the vetting of cases to determine which can be decided summarily and which should be referred for oral hearings, presiding at oral hearings, the

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completion of reports on appeals recently determined and preparation for hearings scheduled to take place on their next circuit. An appeals officer normally spends one week out of every three hearing appeals on one of the eight circuits encompassing some 70 locations outside the Dublin area. When an officer returns from a week on circuit the cases for his or her next week will normally have been selected. In any given week there are approximately six appeals officers assigned to circuit work. While not on circuit appeals, officers are either holding hearings in Dublin or carrying out the other duties referred to previously.

The selection of the circuits to be visited in any given week is based on the numbers of appeals on hand. In general, those who are waiting longest can expect to be scheduled for hearing when next an appeals officer is in the area. A small number of cases are given special priority where exceptional circumstances arise. However, some cases of long standing may not be in a position to proceed because, for example, the proposed date does not suit the appellant or his or her representative. It would seldom be possible for an appeals officer to dispose of all appeals listed for hearing in the course of a visit to a region.

#### **Social Welfare Benefits.**

118. **Mr. Kehoe** asked the Minister for Social and Family Affairs if she will increase the rate of disability allowance to allow for the fact that people with disabilities may have a higher cost of living due to their disability. [7873/04]

**Minister for Social and Family Affairs (Mary Coughlan):** People with disabilities represent a diverse group with differing needs. Disability can have different consequences for individuals depending on the nature of the disability, the person's age, social circumstances and so forth. The additional costs associated with disability are not incurred to the same degree by all people with disabilities and I do not consider that increasing the level of income maintenance payments, such as disability allowance, is necessarily the most appropriate method of addressing the additional costs of disability.

Additional costs associated with disability can arise regardless of whether a person is in employment or claiming a social welfare payment. Indeed, these costs can be greater where the person is working. If support towards the additional costs of disability were to be incorporated into payments such as the disability allowance, this support would be withdrawn on taking up employment, thereby creating a significant disincentive to move from welfare dependency into work. For these reasons, the costs of disability might best be met in ways that are less dependent on the person's labour force status, if people with disabilities are to be given the opportunity to participate in the workforce.

This approach is in line with the views of the commission on the status of people with disabilities, which recommended that the additional costs of disability should be met separately from income maintenance needs.

The complex issues involved in addressing how best to meet the additional costs of disability are currently being examined by a working group on the feasibility of a cost of disability payment, which comprises representatives of relevant Departments and agencies, including my Department. The outcome of this group will be important in informing future policy in this area.

The rate of disability allowance has been increased by €10 to €134.80 per week from the beginning of this year. Since 1997, social welfare payments have been increased substantially in real terms. During that period the rate of disability allowance has increased by 57% compared with an increase of 28% in the cost of living — a real increase of 23%. Following a review of the national anti-poverty strategy, the Government set a target of achieving by 2007 a rate of €150 per week, in 2002 terms, for the lowest rates of social welfare payments. The achievement of this target will significantly increase the value of payments to persons on low incomes and at risk of poverty, including those on disability allowance.

*Question No. 119 answered with Question No. 113.*

*Question No. 120 answered with Question No. 101.*

*Question No. 121 answered with Question No. 116.*

*Question No. 122 answered with Question No. 115.*

*Question No. 123 answered with Question No. 105.*

*Question No. 124 answered with Question No. 101.*

#### **Money Advice and Budgeting Service.**

125. **Mr. Gilmore** 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 concerns that many persons may be pushed into the hands of moneylenders; if her attention has further been drawn to the fact that this merits a reconsideration of her decision to abolish the supplement; and if she will make a statement on the matter. [7805/04]

**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 nationwide operating the service. The MABS programme provides money advice to individuals and families who have problems with debt and who are on low income or in receipt of social welfare payments. The MABS does not provide financial assistance to its customers. 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 last budget. The latest information available from the companies providing the service shows that 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 they did not have enough income left to meet their basic needs. Some 317 people were in receipt of these supplements at the end of February, representing less than 3% of MABS customers.

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 had 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 rarely used in the largest health board region. The good practice established in these areas, which cover the majority of the State's population, will now be put in place throughout the State. The 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.

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. 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 urgent needs payments.

#### **Social Welfare Benefits.**

126. **Ms B. Moynihan-Cronin** asked the Minister for Social and Family Affairs the terms

of reference of the proposed review of income support arrangements for lone parents; when it is expected that the review will be completed; and if she will make a statement on the matter. [7815/04]

**Minister for Social and Family Affairs (Mary Coughlan):** One of the objectives of the one-parent family payment is to encourage lone parents to consider employment as an alternative to welfare dependency while at the same time supporting them to remain in the home if they so wish. It is generally accepted that one of the most effective routes out of poverty for people in the active age groups is through paid employment. Income support for lone parents is designed to assist them in overcoming the particular obstacles they may face in taking up employment or training opportunities and to encourage them to return to employment instead of remaining dependent on social welfare payments.

Ireland has among the highest percentage of lone parent families in the EU, with over 11% of households headed by a lone parent, a relatively low proportion of which are in employment, compared to other countries. Figures from the national action plan against poverty and social exclusion in 2001 show that 42.9% of lone parents in Ireland had a level of income which put them in the category of at risk of poverty. It is important that this issue is addressed.

That is the reason I have given a commitment in my Department's statement of strategy to review the operation of income support arrangements for lone parents. This will take account of recent reports and emerging analysis in this area, such as the review of the one-parent family payment published by my Department and a recent OECD study, entitled "Babies and Bosses", published in November 2003. As a first step, my Department will chair an interdepartmental committee later this year that will bring together the Departments that have a role in the creation of policy around the issue of parenting alone. This committee will establish terms of reference for the review. Furthermore, it will serve to facilitate debate on the issue of parenting alone, enable networking at a policy level and analyse and detail the progress needed to address gaps in current policy and programmes.

The intention is to have the overall review completed in time for consideration in the context of the next phase of the strategy to combat poverty and social exclusion, beginning in 2006.

*Question No. 127 answered with Question No. 99.*

#### **Pension Provisions.**

128. **Ms O'Sullivan** asked the Minister for Social and Family Affairs if her attention has been drawn to concerns expressed by construction workers that construction firms have



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been cheating their employees out of up to €80 million per year in unpaid pension contributions; if she has satisfied herself that there are sufficient legal protections in place to ensure proper monitoring of such pension payments; and if she will make a statement on the matter. [7820/04]

**Minister for Social and Family Affairs (Mary Coughlan):** The construction federation operatives pension scheme, CFOPS, was founded in 1965 by employers who were registered with the Construction Industry Federation, CIF, to provide pension and mortality benefit for workers in the construction industry. The terms of the registered employment agreement for the construction industry, relating to pensions, life assurance and sick pay, were registered with the Labour Court on 7 March 1969 under the Industrial Relations Acts 1946-69. As a result of this agreement it became compulsory for all employers in the construction industry to provide pension and mortality benefit for all manual workers.

Generally, the enforcement of the registered employment agreement is a matter for the Labour Court under the Industrial Relations Acts. Any changes in this regard would be a matter for my colleague, the Minister for Enterprise, Trade and Employment. The Pensions Board only has a role with regard to the CFOPS where breaches of the Pensions Act are involved. It is an offence under the Pensions Act for an employer not to remit contributions deducted from employees to a pension scheme. In this regard, in September 2003 the Pensions Board received a complaint from the trustees of the CFOPS that a large number of employers were considered to be in arrears with regard to the remittance of employee contributions. These cases are at present being followed up in consultation with the trustees. It is also open to beneficiaries or potential beneficiaries of the CFOPS, who consider that they have sustained losses because of maladministration by the administrators of the scheme, or an employer to make a complaint to the pensions ombudsman.

I am satisfied that there are sufficient powers available to the Pensions Board and the pensions ombudsman under the Pensions Act to deal with employers who may be withholding employee contributions to the CFOPS. I understand that the board is in contact with other regulatory bodies with an interest in this area to ensure that all powers and avenues are used to the fullest extent possible to address the current problems. If gaps in the current overall regulatory process emerge, these will be brought to the attention of the relevant Minister by the board.

*Question No. 129 answered with Question No. 99.*

130. **Ms Lynch** asked the Minister for Social and Family Affairs the number of persons in receipt of a State pension; her Department's

assessment of the numbers of persons likely to be in receipt of it over the next decade and the provisions that are being made in that regard; and if she will make a statement on the matter. [7814/04]

**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, projected that the number of recipients of the old age contributory and retirement pensions will increase to 255,000 by 2011 and 321,000 by 2016. To some extent the increase will 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 past decade and 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, 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 at 11.2% aged 65 and over. The current EU average of 16.1%.

The proportion of older people in Ireland will remain at broadly the same 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. A similar situation exists for the number of pensioners relative to the numbers at work.

Ageing 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. 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. A joint EU Commission and Council report was published in 2003. It found that Ireland has made good progress in ensuring 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 matter will be kept under review.

### Poverty Levels.

131. **Mr. Eamon Ryan** asked the Minister for Social and Family Affairs if persistent poverty rates are a useful indicator and should be included in comparison reports produced by her Department. [7929/04]

**Minister for Social and Family Affairs (Mary Coughlan):** The persistent at risk of poverty rate is one of the common indicators of poverty and social exclusion endorsed at EU level. It will be reported on in the forthcoming joint report on social inclusion that will be presented to the spring European Council at the end of the month. It is defined as the share of persons falling below the at risk of poverty threshold, 60% of equalised median income, in the current year and in at least two of the preceding three years. The longer people are at an income level that puts them at risk of poverty, the greater the likelihood that they will experience basic poverty and deprivation. This indicator helps to identify the overall proportion of people suffering like this and is broken down by age group and gender.

The current tables show that 13% of people here were classified as being in persistent poverty in 2001. The data is broken down in age group only. It shows that by far the highest proportion of people in the category are over 65 years of age, of whom the highest proportion are women. This data may, in part, demonstrate that social insurance was progressively extended to all workers in recent years. Up to one third of social welfare pensioners in 2001 received old age pensions under means tested social assistance and up to 60% or 50,000 were women. A further 14,000 received widowed persons' pensions under social assistance. The Government gave a commitment to significantly increase pension rates for older people and hopes to reach the target of €200 per week by 2007.

The persistent poverty indicator only takes account of income, not the value of home ownership. Compared to international standards a high proportion of people here, especially older people, are in the enviable position of being homeowners. Therefore, overall standards of living are higher than the indicator suggests.

To arrive at the proportion experiencing basic poverty and deprivation Ireland's national anti-poverty strategy employs an indicator that measures consistent poverty. It identifies the proportion of people with less than 60% of equalised median income who are also experiencing basic deprivation of goods and services regarded as essential for a basic standard of living in Ireland.

The success of Government policies in tackling consistent poverty is reflected in the sharp decreases observed in recent years. The problem has been reduced from 15% in 1994 to 5.2% in 2001.

### Pension Provisions.

132. **Mr. Boyle** asked the Minister for Social and Family Affairs the measures she will put in place to encourage a greater take up of private pensions. [7921/04]

138. **Mr. Howlin** asked the Minister for Social and Family Affairs the number of persons that had a personal retirement savings account by the end of January; if she is satisfied with the level of interest in same; her plans to promote awareness of them; and if she will make a statement on the matter. [7809/04]

**Minister for Social and Family Affairs (Mary Coughlan):** I propose to take Questions Nos. 132 and 138 together.

Information on accounts opened is received by the Pensions Board from providers of personal retirement savings accounts at the end of each quarter. The latest figures available for the period from the end of December 2003 show that 19,022 accounts have been opened with a total asset value of €41 million. This is a significant improvement since the end of September 2003 when a total of 6,707 accounts were in existence.

The increase in the number of new accounts opened since September 2003 is encouraging. I look forward to seeing continued growth in the numbers taking out accounts in the months ahead. We are at an early stage in our programme to increase overall pensions coverage but it is clear that progress is 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 successful pensions awareness campaign on my behalf to supplement the publicity effort being made by PRSA providers. There was a high level of awareness amongst the public of pensions issues at the end of the year. We must translate this awareness into increased supplementary pensions coverage. I have provided further resources this year to continue the awareness campaign. Last week I launched an information booklet on pensions options for women. A number of regional seminars on pensions in areas with low pension coverage are planned for the end of the month. More initiatives, including media advertising, are being planned by the Pensions Board.

*Question No. 133 answered with Question No. 96.*

### Social Welfare Benefits.

134. **Mr. P. McGrath** asked the Minister for Social and Family Affairs if she will give consideration to increasing child dependant allowances; and if she will make a statement on the matter. [7872/04]

**Minister for Social and Family Affairs (Mary Coughlan):** Since 1994 successive Governments have held the rate of child dependant allowances constant while concentrating resources for child income support on the child benefit scheme. Over that period the combined CB or CDA payment was increased by more than double the rate of inflation.

Child benefit is neutral *vis-à-vis* the employment status of the child's parents and does not contribute to poverty traps. 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 a universal payment that is not taxed or assessed as means for other secondary benefits. It is more effective than child dependant allowances as a child income support mechanism when account is taken of the incentive issues.

The Government's commitment to the policy is reflected in the substantial resources invested in the scheme since it entered office. There will be an additional expenditure of €1.27 billion on child benefit when the current programme of multi-annual increases is complete. We will then have moved from a position in 1994 where 70% of child income support for a family claiming social welfare payments was in the form of child dependant allowances to child dependant allowances accounting for less than 33%. The increased investment in the child benefit scheme by the Government has benefited families. It is an effective use of the resources available for child income support.

In the partnership agreement Sustaining Progress the importance of child income support arrangements is recognised. A commitment was given to examine the effectiveness of current arrangements in tackling child poverty. A further rationalisation of child dependant increases will be a matter for consideration in a budgetary context and priorities generally.

*Question No. 135 answered with Question No. 101.*

### Proposed Legislation.

136. **Mr. Penrose** asked the Minister for Social and Family Affairs the legislative priority she has set for the Irish Presidency for the adoption by the Council of Ministers and the European Parliament of the proposals to simplify and modernise EU regulations on social security of migrant workers; and if she will make a statement on the matter. [7797/04]

**Minister for Social and Family Affairs (Mary Coughlan):** The EU Regulation 1408/71 co-ordinates the social security systems of the member states. It ensures that migrant workers, or members of their families, are not penalised in terms of social security when they exercise their right to free movement.

The regulation was amended on many occasions to keep up with developments arising from European Court of Justice case law, various enlargements of the Union and legislative developments in member states. For these reasons the Commission submitted a proposal to reform and simplify the regulation to Council in December 1998 and its consideration commenced in 1999 during the German Presidency.

Last December, following detailed and complicated discussions, the Council of Ministers reached political agreement on the proposed regulation. In order to maintain the momentum generated I made it a priority for the Irish Presidency of the Council to secure agreement with the European Parliament, in accordance with the co-decision procedure, before its term expires in May.

On 26 January the process began with the presentation of a common position to the European Parliament. It was then transferred to the employment and social affairs committee where it was first considered on 16 February. The committee will discuss and vote on a report on the common position by 5 April and before the final vote of the plenary session of parliament on 22 April. Securing agreement with parliament on April 22 is a priority for the Presidency. Informal contacts are being maintained with various MEPs, especially those closely involved with the proposal on the employment and social affairs committee. I hope that a formal adoption of the new regulation can be secured during the Irish Presidency.

### Family Mediation Service.

137. **Ms O'Sullivan** asked the Minister for Social and Family Affairs if she will make a statement on the work to date of the Family Mediation Service. [7819/04]

**Minister for Social and Family Affairs (Mary Coughlan):** The service is free, professional and confidential. It enables couples who have decided to separate to reach agreement on all their separation issues. It assists couples to make decisions on issues such as post-separation living arrangements, finances and parenting arrangements to enable children to have an ongoing relationship with each parent. Increasingly family mediation is being recognised worldwide as a non-adversarial approach to resolving the issues that arise on separation.

Over the past number of years the service has radically expanded to meet growing needs. It is now available in 14 centres. Last year new centres in Sligo and Waterford city were opened.

Last year I hosted a series of regional fora on the family. One of the key issues raised by participants were the benefits of the service for families and the need for additional centres. In response I made additional funds available to the



Family Support Agency in Budget 2004 to allow for a further two new family mediation offices to be opened this year. One office will be located in the north west region and will expand the service already available in the region. Another office will be located in the midlands.

There has been a dramatic increase in the number of couples seeking mediation as its benefits become known. From 1986 to the end of 1997, before the service was expanded, only 250 couples used the service. Last year it helped over 1,403 couples. I pay tribute to the professionalism and hard work of the family mediators who have made a significant contribution to the promotion of the service over the years.

Last May I developed the service further by establishing the Family Support Agency. It will provide a solid and secure base from which the family service can grow and develop in the future. The agency brings together the programmes and family support services formerly operated under the aegis of my Department. They include services to support families in times of difficulties, including the Family Mediation Service, support for voluntary organisations providing counselling and other family supports and a family resource centre programme that supports and develops local communities. This year the agency has a budget of over €20 million for the provision and development of its services.

*Question No. 138 answered with Question No. 132.*

### **Social Welfare Fraud.**

139. **Mr. Gormley** asked the Minister for Social and Family Affairs her views on the recent value for money report issued by the Comptroller and Auditor General on social welfare overpayments. [7926/04]

**Minister for Social and Family Affairs (Mary Coughlan):** Control of fraud, abuse and error is an essential part of the my Department's work. Fraud and abuse of the social welfare system represents a misuse of taxpayers money. My Department's efforts are directed at ensuring that social welfare funds go only to those who are entitled to them.

The report examined the extent to which my Department's existing control activity is related to an assessment of the risks of fraud and error attaching to different schemes. It also looked at the effectiveness of performance in the control area generally. One of the main lessons to emerge from it is the need for a control activity to be based on a risk assessment and risk management approach. My Department will progress this area in the period ahead. This approach was also recommended in the report of a working group on the accountability of secretaries general and accounting officers published in 2003.

The Comptroller and Auditor General's report acknowledges the emphasis the new control strategy places on the undertaking of risk analysis of schemes to identify and prioritise those where there is the highest risk of fraud and abuse. My Department is putting the strategy in place. The risk analysis process commenced in late 2003 and action plans are currently being prepared in the light of the findings.

As part of the review, and in consultation with the Comptroller and Auditor General's office, my Department carried out a survey of the unemployment and one-parent family payment schemes to assess the underlying levels of fraud and error. Surveys will become part of the overall control strategy and three surveys are planned for this year. The report also includes an examination of detected overpayments. It found that fraud accounted for 48% of all overpayments detected.

The report emphasised that an analysis of detected overpayments gives a useful insight into the main causes of overpayments. It is a valuable pointer to areas where action needs to be taken either by implementing new controls or modifying existing procedures to reduce the level and value of overpayments.

At present my Department is setting up a new central overpayments and debt management system. When fully operational it will provide a facility to enhance the targeting of control work and make overpayment recovery more effective. It will also provide better and more up to date information on the main types of fraud and error occurring within schemes.

The report also emphasised the use of prosecutions as a deterrent against fraud. My Department's considers all cases of fraud and abuse for prosecution and revised prosecution guidelines were issued to staff in February 2003. In 2003 as many as 482 cases were sent to my Department's central prosecutions service and 405 of them were referred for prosecution.

The report also suggests that it may be worth considering a greater array of sanctions such as administrative penalties. My Department has already done some work in this area and is in consultation with the Attorney General's office in the matter.

Overall the Comptroller and Auditor General's report is a worthwhile examination of control activity in my Department. It raised a number of issues that will be taken on board in the context of implementing a control strategy. In 2003 my Department realised total savings of €306.18 million in combating fraud and abuse involving 320,000 claim reviews and 7,600 employer inspections.

### **Social Welfare Benefits.**

140. **Mr. McGinley** asked the Minister for Social and Family Affairs the average time taken to process claims in each of the social welfare



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schemes; the time it takes for schemes to grant payments once a decision is made; and the average time taken for arrears to issue. [7865/04]

**Minister for Social and Family Affairs (Mary Coughlan):** Applications are processed and entitlements issued as quickly as possible having regard to the eligibility conditions which apply. Various conditions apply to schemes. They may include establishment of the customer's social insurance record, an assessment of means where appropriate or an examination to ensure that medical conditions are fulfilled.

On average it takes between two and three weeks to award claims for disability benefit, the unemployment schemes, child benefit and family income supplement. Claims for old age, widowed and invalidity pensions take between six and eight weeks to process. At present cases where the conditions of entitlement are more complex, such as payments for carers, one parent families and disability allowance cases require between ten and 17 weeks to finalise. Details of the average clearance times for new claims for the month of February 2004, and year to date including February, will be circulated at a later date.

Once a claim is decided payment is normally made within one week. In 2003 the average time to issue pension arrears was 2.4 weeks. From 1 January 2004 to date the average time to issue pension arrears is 1.5 weeks.

The over-riding consideration in processing claims is to ensure that customers receive their correct entitlement. Decisions are not taken until all appropriate information is available. Improving customer service is a priority for my Department. Challenging performance targets have been set for all of the main schemes and are published and reported on.

My Department has also commenced the introduction of new arrangements to improve customer service using the most up to date technology and business models to focus on meeting customer needs. The programme will also facilitate integration of services and greater efficiency that will have beneficial effects on the processing of other claims.

In November 2002 the first phase of this system was implemented for child benefit. It enabled a radical re-organisation of the child benefit application process by dovetailing with the computerised birth registration data flowing from the new civil registration service. As a result of these changes child benefit will be awarded and put into payment automatically for second and subsequent children born to child benefit recipients. Partially completed claim forms will be issued automatically in other cases for signature and for instructions on how payment will be made. The service delivery modernisation

programme will be extended to other schemes on a progressive basis.

It will be some years before the benefits of the programme are realised. I want to ensure that service levels are maintained and improved where possible in the meantime. My Department is engaged in an ongoing process to ensure that existing resources are prioritised to the greatest extent possible on front line service delivery areas.

### Equality Issues.

141. **Ms Harkin** asked the Minister for Social and Family Affairs the reason the Government has failed to recognise and value women's work (details supplied) in the context of equality. [6397/04]

**Minister for Social and Family Affairs (Mary Coughlan):** Under social welfare legislation, the social insurance status of spouses assisting in a farm or family business can vary according to particular circumstances. Social insurance cover is determined by the precise nature of the circumstances and not on gender grounds.

Spouses of either gender engaged in a business partnership are regarded as self employed individuals for social insurance purposes. They can establish an insurance record in their own right. Alternatively, where a family business is incorporated as a limited company, spouses of either gender involved in the business pay PRSI contributions either as employees or as self employed contributors depending on whether a contract of service exists. In other circumstances a person employed directly by his or her spouse does not pay the expected PRSI contributions under social welfare legislation.

The exceptions apply to men and women in family employments and recognise the practical difficulties in establishing a formal employment relationship in such circumstances. Legislation provides the scope necessary to allow parties to enter into formal arrangements for a contract of employment or self employment whereby PRSI contributions will be payable as outlined above.

Any person who wishes to seek a decision as to whether an employment or self employment is insurable for social insurance purposes can apply to my Department. Where a person is dissatisfied with the relevant decision, there is a right of appeal to the social welfare appeals office.

### Poverty Levels.

142. **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*, and that it indicates an increasing risk of relative poverty for people who are ill, older, disabled, and some

single mothers; and if she will make a statement on the matter. [7804/04]

**Minister for Social and Family Affairs (Mary Coughlan):** The analysis of the results of the 2001 living in Ireland survey, recently published by the ESRI, provides us with a valuable source of information on poverty trends.

The analysis indicates that the at risk of poverty rate, or the number of people with an income below 60% of equalised median income, has increased overall from 19.8% in 1998 to 21.9% in 2001. It also indicates that the risk of falling below that income threshold has increased appreciably for people who are ill or disabled, for the elderly and for people on home duties.

A number of factors have contributed to it. During periods of high economic growth increases in household income can outstrip substantial increases in the incomes of households with relatively low earnings or on social welfare. This is precisely what happened in Ireland in recent years. There were particular circumstances in the period from the mid-1990s when a combination of increased female participation in the workforce, reduced unemployment generally, tax reform and, crucially, high earnings growth caused a large increase in household income. Despite virtually unprecedented improvements in employment and social provision across the board in the period household incomes were substantially higher than increases in individual earnings and social welfare incomes.

Income is just one indicator of poverty. Other factors, not least employment rates and levels of home ownership, all of which are positive for Ireland, also have a major bearing on a person's standard of living.

The analysis of the poverty indicator provides us with valuable information on the proportion of our population at risk. However, it is necessary to define the numbers that are experiencing poverty in terms of being consistently deprived of goods and services regarded as essential for living in Ireland today. The ESRI report also analysed the trends in consistent poverty that capture the position of those who are on low incomes and experiencing enforced basic deprivation.

The success of Government policies in tackling consistent poverty is reflected in the sharp decreases observed by the indicator in recent years — down from 15% in 1994 to 5.2% in 2001. We have set a target in the national anti-poverty strategy of reducing consistent poverty to below 2% by 2007 and ideally eliminating it altogether.

My Department has commissioned separate research from the ESRI that is near completion. I want to develop a greater level of understanding of the various causal factors that influence the levels of relative income poverty here as compared with other member states.

*Question No. 143 answered with Question No. 114.*

*Question No. 144 answered with Question No. 116.*

### **Social Welfare Benefits.**

145. **Mr. Durkan** asked the Minister for Social and Family Affairs if she will undertake an evaluation of child benefit levels and bring them into line with current child care costs; and if she will make a statement on the matter. [7858/04]

**Minister for Social and Family Affairs (Mary Coughlan):** 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 at the lower rate and €115.78 at the higher rate, increases of 246% and 234% respectively, compared with inflation of 26.9%. The increase is unprecedented and delivers on the Government's objective of providing support for children generally while offering real choice to all parents.

The 2004 budget provided a €6 per month increase, or 4.8%, in the rate of child benefit payable in respect of each of the first two children and €8 per month increase, or 5.1%, in the rate payable in respect of the third and subsequent children.

Child benefit is not intended primarily to meet child care costs but to provide assistance generally to parents in the cost of raising children. It delivers a standard rate of payment in respect of all children in a family regardless of income levels or employment status. It supports all children and it assists those on low incomes more in relative terms. Child benefit helps to contribute to the cost of raising children, regardless of the household's income or employment status. It does not distort parental choice in respect of labour force participation and contributes towards alleviating child poverty. The concentration of additional resources in child benefit avoids the employment disincentives associated with increased child dependant allowances and has underpinned the policy of successive Governments since 1994.

My priorities include making further progress on our child benefit strategy along with the other commitments to social welfare contained in Sustaining Progress, the national anti-poverty strategy and the programme for Government. Further rationalisation of child benefit will be a matter for consideration in a budgetary context and in the context of priorities generally.

### **Social Welfare Appeals.**

146. **Mr. Ring** asked the Minister for Social and Family Affairs the reason a care recipient is not brought into the oral hearing to progress a carer's allowance appeal; and the way in which a

[Mr. Ring.]

judgment can be made on the allowance when the carer is brought to the oral hearing and not the care recipient. [7860/04]

**Minister for Social and Family Affairs (Mary Coughlan):** In applications for carer's allowance the basic qualifying conditions, apart from a means test, are that the person receiving care must be so incapacitated as to require full-time care and attention. The carer is the applicant and is invariably the appellant against a decision disallowing payment.

Appeals against the refusal of claims for carer's allowance normally require an oral hearing in order to determine the appeal. The carer, as the appellant, attends the hearing but it is not usual for the person being cared for to attend. In most instances an application for a carer's allowance will have been investigated by an inspector of the Department who will have given the general background to the application and afforded the applicant the opportunity to set out the basis for their claim.

This is available to the appeals officer and will usually be gone through at the hearing. The medical evidence offered by both the care recipient's doctor and the opinions of the Department's medical assessors are taken into consideration by an appeals officer. The case will usually revolve around aspects of the medical evidence and the extent and type of care provided. All these matters are established by reference to the inspector's report, the carer's statements and the medical evidence.

In many instances the person who is being cared for is not able to attend a hearing. Many are, by definition, too elderly or frail and are rarely summoned. Their absence should not mean that their situation cannot be adequately represented at the hearing. The presence of the care recipient at the hearing is not essential. They may attend where the carer wishes. The care recipient may be examined by my Department's medical assessor where this is likely to be helpful. Their doctor must indicate that they are able to attend the examination.

Testimony by the care recipient could be helpful in certain cases. The chief appeals officer issues an annual report and in his 2001 report he alluded to the issue raised by the Deputy. He stated that they could provide valuable, first hand testimony in some cases. Ultimately, the question of who should attend an oral hearing is one for an appeals officer. In general, care recipients who attend with a view to testifying in support of the carer's appeal are readily facilitated.

#### **Pension Provisions.**

147. **Mr. P. Breen** asked the Minister for Social and Family Affairs the number of persons who have their State pension reduced due to their

British pension; the way it is calculated; and the exchange rate formula used as compared with the average exchange rate for a given period. [7868/04]

**Minister for Social and Family Affairs (Mary Coughlan):** Last October I answered a similar question on the subject by way of a written reply. In general, there has been little change in the situation since then.

Over 102,000 people receive an Irish non-contributory old age or widowed person's pension. Some 10,900 people, or 10%, also receive a British retirement pension. British pension rates in these cases are less than the maximum rate of non-contributory pension payable here. As a result the people concerned have an entitlement to a reduced rate of old age pension to, in effect, top up their British pension to the level of Irish non-contributory pension.

The rate paid in respect of Irish non-contributory pension to people with British pensions must be adjusted periodically to take account of changes in the rate of their British pension. There is a legal obligation on pensioners to notify my Department in the event of changes in their means for whatever reason.

My Department has an ongoing claim review and control programme in place for all social welfare schemes, including pensions. Each year around 300 pensioners with British retirement pensions have their non-contributory pensions reduced as a consequence of increases in their British pensions. The overall income position of these pensioners is maintained. Their Irish pension reductions arise directly as a result of corresponding increases in their other means. It is open to pensioners to seek a pension review at any time if they consider that their means have changed. Each year my Department processes many hundreds of such requests.

Normally, change in the exchange rate does not lead to the initiation of claim reviews by my Department. Nonetheless, exchange rates must be taken into account when a case is being reviewed. For non-EMU European states, including the UK, my Department continues to use the conversion mechanism provided for under Article 107 of Council Regulation (EEC) No. 574/72 on social security for migrant workers. The conversion rate used for pensions purposes is derived from the average of the daily exchange rates in the first month of a quarter. It is then used in all conversions during the course of the succeeding quarter. Alternatively, the conversion rate applicable to the next succeeding quarter is used if it is more beneficial to the pensioner.

The weekly value of the British pension income, expressed in euro, is included in a revised assessment of means from this and other sources. Where the revised assessment of means affects the rate of pension entitlement under the legislation, a revised decision on entitlement is



given by a deciding officer. Pensioners are notified of the new decision and of their right of appeal to the social welfare appeals office if they are unhappy with the decision.

### EU Presidency.

148. **Mr. Broughan** asked the Minister for Social and Family Affairs the aims and objectives of the planned conference her Department will be hosting under the EU Presidency, Reconciling Mobility and Social Inclusion; and if she will make a statement on the matter. [7802/04]

**Minister for Social and Family Affairs (Mary Coughlan):** My Department is organising the conference to allow an exchange of views and experiences on various aspects of the process of social inclusion of immigrants. We want to know how exchanges between member states could be encouraged and facilitated on an ongoing basis. The EU Commission's directorate general for employment and social affairs supports the conference.

The conference will examine how migrants can best be supported by employment and social policies in achieving social inclusion in the countries to which they move. Migrants, for the purposes of the conference, will include those moving between current EU member states, those moving within the enlarged Union and from outside the EU.

The conference will be attended by members of the EU employment and social protection committees, members of the administrative commission on social security for migrant workers, heads of public employment services, social partners, relevant NGOs and academics from existing member states, accession countries and EFTA states. This House will be represented by members of the Oireachtas Committee on Social and Family Affairs.

The conference will be structured around two broad pillars: European labour mobility and skills, and the social inclusion of migrant workers. The first pillar will centre around the role of geographical mobility and migration to help solve skills bottlenecks on the European labour market and to support individual rights to freedom of movement. On the social inclusion side, migrant workers are often confronted with many obstacles in achieving social inclusion and the conference will focus on social protection and other social services to support migrant workers in overcoming these obstacles. During the conference, contributions will be made on the main challenges facing migrant workers in the social and employment fields and how employment and social policies and programmes need to be and are being adapted to meet the special needs of this group. At present there is a focus on immigration into Ireland but there is still a high proportion of Irish people living abroad.

The task force on emigration welcomed the initiative being taken by the Irish Presidency and the possibilities it would provide to encourage and facilitate greater co-operation between host countries, countries of origin and NGOs in promoting the welfare of emigrants. I have arranged for representatives of Irish emigrant organisations in the UK and the USA to attend the conference as observers. They can learn about the measures being taken and planned to assist emigrants.

*Question No. 149 answered with Question No. 113.*

### Social Welfare Benefits.

150. **Mr. Boyle** asked the Minister for Social and Family Affairs the number of Irish citizens that have applied for unemployment benefits in other EU countries; the countries involved; and if she will make a statement on the matter. [7920/04]

222. **Mr. Boyle** asked the Minister for Social and Family Affairs the number of Irish citizens that have applied for social welfare benefits in other EU countries; the countries involved; and if she will make a statement on the matter. [8028/04]

**Minister for Social and Family Affairs (Mary Coughlan):** I propose to take Question Nos. 150 and 222 together.

The facility whereby persons receiving unemployment and other social welfare benefits in Ireland can transfer those payments to another member state is provided by Regulation 1408/71. It deals with the application of member states' social security systems to persons moving within the EU.

One of its basic principles is that where an insured person is in receipt of a social security benefit they must be allowed to export that benefit to another member state. There are a number of conditions attached to the export of unemployment benefit. First, a person must satisfy all national legislative requirements for entitlement to that benefit, such as being available for and genuinely seeking employment. Where, after being in receipt of unemployment benefit for four weeks, a person decides to go abroad, they can apply at their local office to have their benefit exported.

After arriving in their destination state the unemployed person must immediately register with the employment services of that state and be subject to whatever control procedures are in place there. Entitlement to Irish unemployment benefit in that state will then continue for a maximum period of three months, unless the unemployed person finds employment.

It is not possible to tell how many people exporting their unemployment benefit from



[Mary Coughlan.]

Ireland are Irish citizens. Under Regulation 1408/71 any person, not just an Irish citizen, in receipt of the benefit can export it to another member state. During 2003 a total of 346 people availed of this provision. The countries to which they exported their unemployment benefit were as follows:

Country	Number
Luxembourg	1
Denmark	1
Portugal	2
Greece	2
Norway	3
Austria	4
Finland	9
Belgium	10
Italy	11
Netherlands	22
Germany	28
France	46
Spain	85
UK	112

*Question No. 151 answered with Question No. 110.*

*Question No. 152 answered with Question No. 114.*

*Question No. 153 answered with Question No. 115.*

*Question No. 154 answered with Question No. 113.*

155. **Mr. O'Shea** asked the Minister for Social and Family Affairs if she has satisfied herself that all persons entitled to social welfare payments have their attention drawn to their entitlements; if she has plans for additional promotional or information campaigns to ensure that persons have their attention drawn to their entitlements; and if she will make a statement on the matter. [7817/04]

**Minister for Social and Family Affairs (Mary Coughlan):** An essential element of the delivery of social welfare services is the provision of comprehensive information in a clear and simple manner. The objective of my Department's information policy is to ensure that all citizens are made aware of their entitlements across all social welfare schemes and supports and are kept informed of changes and improvements as they occur. I am satisfied that objective is being met.

My Department directs information to citizens on new schemes and services through advertising, using an appropriate mix of national and provincial media, and through information leaflets, fact sheets, posters and direct mailshots. All our schemes and services are publicised on our website at [www.welfare.ie](http://www.welfare.ie). Selective use is

also made of freephone telephone services to provide information on new schemes and services and at particular times of the year, such as budget time.

With regard to information products, my Department produces a comprehensive range of information booklets covering each social welfare payment. These are widely available from the network of 130 social welfare local offices and branch offices throughout the country as well as from citizen's information centres and many local organisations. Information is also available from information officers located in SWLOs who give talks to many groups and organisations and attend exhibitions and seminars.

My Department also works closely with voluntary and community organisations involved in an information giving role. A number of such organisations receive funding on an annual basis towards the cost of providing welfare rights and information services for their target groups.

Consultation with our customers is another route towards understanding their needs and expectations. We use a range of methods such as customer panels, customer surveys and comment cards. The findings of our customer surveys are, in the main, positive and show a high overall satisfaction rating with the services provided, including information provision. My Department is planning an information campaign for later this year which will promote the role of our SWLOs, particularly the information officers, as a key information contact point in disseminating information on social welfare entitlements across all age groups.

Comhairle is the national information agency operating under the aegis of my Department. It supports the provision of independent information, advice and other supports to all citizens, including those with disabilities. The organisation supports a network of 85 citizen's information centres whose role is to provide information to members of the public on all social services.

### Social Welfare Funding.

156. **Mr. Perry** asked the Minister for Social and Family Affairs the way the social welfare budget compares to the other EU nations in terms of percentage of GDP; and the percentage of GDP it represents in the years since 1997. [7871/04]

**Minister for Social and Family Affairs (Mary Coughlan):** EUROSTAT, the EU's statistics office, publishes comparisons of social protection expenditure as a percentage of GDP across the EU. It encompasses not only social welfare expenditure but also expenditure in other areas such as health care, social housing, employment support programmes and other social exclusion programmes.

The latest EUROSTAT figures on social protection expenditure were released in February 2003 and deal with developments up to and including 2000. Ireland spent 14.1% of its GDP

on social protection expenditure in 2000. This figure does not take into account the developments in social protection expenditure in the past three years. No comparable figures are available for 2003.

When examining such data it is important to remember that gross expenditure measures can distort the real picture. They do not take account of social charges or taxes which may be levied on benefits. They do not include transfers made by means of tax concessions, as opposed to direct cash payments.

The level of expenditure is also significantly influenced by the age profile of the population. At present Ireland has one of the youngest populations in the EU. It needs to spend less on pensions and health care or care of the elderly than most other member states. The extent to which the state directly provides supplementary pensions and child care are also important factors.

Social protection expenditure as a percentage of GDP is significantly influenced by the pace of economic growth and the level of unemployment. For example, in the period 1990 to 1993, inclusive, overall EU social protection expenditure as a percentage of GDP rose on average by over 3% from 25.5% to 28.8%, as a result of the slower rate of economic growth and rising unemployment during that period. Conversely, over the period 1994 to 1998, inclusive, the percentage declined slightly to 27.7%, due to renewed economic growth and a decline in unemployment during that period.

For Ireland in 1990, expenditure on social protection as a percentage of GDP was 18.4%. This rose to 20.2% in 1993, and then declined to 14.7% in 2000. These changes mirrored the developments just described in other EU countries, except that the level of economic growth and the decline in unemployment were much greater in Ireland than in most other EU countries.

Annual rates of growth ranged from 8% to 11% in the period 1994 to 2000, compared to an average of 2.5% in the EU, while levels of unemployment declined from 14.3% to less than 4% over the same period.

This Government has granted sustained and substantial increases in social protection expenditure. The EUROSTAT report on social protection states that the increase in real terms expenditure on social protection in Ireland over the period 1993 to 1999, inclusive, was well above the average. EUROSTAT figures show a 21.4% increase in the *per capita* expenditure on social protection in the period 1995 to 2000, inclusive, compared with an EU average of 8.7%, and over the longer period of 1990 to 1999, inclusive, an increase of 50% in real terms, compared with an EU average of 24%.

This Government will continue to address the scope for further improvements in Ireland's social protection infrastructure, guided by the national

anti-poverty strategy, while at the same time continuing to take the measures necessary to maintain economic growth and competitiveness.

### Social Welfare Code.

157. **Ms Burton** asked the Minister for Social and Family Affairs the role her Department plays in the interdepartmental planning group on future rent assistance; the submission, if any, her Department has made to the group; and if she will make a statement on the matter. [7800/04]

**Minister for Social and Family Affairs (Mary Coughlan):** The supplementary welfare allowance scheme is administered on behalf of my Department by the health boards and is subject to certain conditions. A weekly or monthly supplement is paid in respect of rent to eligible people in the State whose means are insufficient to meet their accommodation needs and who do not have accommodation available from any other source.

In recognition of the fact that the rent supplement scheme had, in effect, become a scheme of long-term housing support for many people, the Government set up a working group to rationalise current arrangements for housing support. This was also done to ensure that long-term housing needs are addressed through providing appropriate solutions rather than through the social welfare system.

An interdepartmental planning group was established to draw up detailed proposals for the implementation of revised arrangements. The group was chaired by the Department of the Environment, Heritage and Local Government and consisted of representatives from my Department, the Department of Finance and others. Discussions have been under way in the planning group for some time to put in place the most appropriate arrangements to meet the housing needs of people who would otherwise have to rely on a long-term basis on supplementary welfare allowance rent supplements. My Department has played a full part in these discussions and in the research that underpinned them.

Arising from the work of this group, an action plan is now being finalised. The action plan will include criteria for determining which categories of rent supplement recipient will be eligible to have their needs addressed by the housing authorities, an implementation timescale, financing and other matters. While there is full agreement that people with long-term housing needs require a housing response rather than a social welfare payment, and considerable progress has been made in developing practical proposals in that regard, all of the details of how and when the new arrangements will be implemented in practice have not yet been finalised.

Discussions between my Department and the Department of the Environment, Heritage and Local Government in that regard are continuing.

[Mary Coughlan.]  
I expect to seek Government approval for the action plan in the near future.

### **Social Welfare Benefits.**

158. **Mr. McCormack** asked the Minister for Social and Family Affairs the number of persons in receipt of one-parent family payment; and the number of such persons who are in employment and receiving full or reduced payments. [7864/04]

**Minister for Social and Family Affairs (Mary Coughlan):** The one-parent family payment is the income support scheme for separated, unmarried and widowed persons and also for prisoners' spouses who are bringing up a child or children without the support of a partner. It was introduced in 1997 when it replaced a number of schemes for different categories of lone parent. These schemes included lone parent's allowance and deserted wife's benefit and allowance. Under the new scheme lone parents are encouraged to maximise their income from different sources and the means test for this scheme makes provision for the exemption of significant levels of earnings and maintenance payments.

With regard to employment, lone parents may earn up to €146.50 per week without affecting their payment. Above that level, half of any earnings are assessed, up to a maximum of €293 per week. Lone parents are also eligible to avail of the full range of employment support schemes operated by my Department.

Lone parents are also encouraged to pursue the question of maintenance payments with the other parent. This is achieved by ensuring that there is a clear benefit to lone parents and their children arising from any maintenance payments secured. At present up to 50% of maintenance received may be disregarded under the means test and, in addition, allowances are made for up to €95.23 per week of maintenance paid in respect of vouched housing costs.

At the end of January, the latest figures available, 79,160 persons were in receipt of the one-parent family payment. Of these, approximately 19,000 people, or 24% of the total, received payment at a reduced rate. A reduction is due to earnings from employment, maintenance being paid by a spouse or the other parent of a child or capital. The balance of more than 60,000 one-parent family payment recipients were on the maximum rate of payment.

From previous research in this area, it is estimated that 60% of one-parent family recipients overall, about 47,000 people, are currently in full or part-time employment. Some of these recipients are in employment and receive a gross wage of less than €146.50 per week or €7,618 per annum. Therefore, they are entitled to a one-parent family payment at the maximum rate without means deduction. Each week 350 new claims, on average, are received for one-parent family payment and is equivalent to about 18,000 per year.

I am satisfied that the social welfare arrangements in place for lone parents are

appropriate to provide income support. At the same time they encourage lone parents to find and retain employment as a realistic alternative to long-term welfare dependency. The position is kept under review on an ongoing basis.

*Question No. 159 answered with Question No. 101.*

*Question No. 160 answered with Question No. 113.*

### **Family Policy.**

161. **Mr. Cuffe** asked the Minister for Social and Family Affairs her views on the proposal from the organisation, One Family, for a constitutional amendment to reflect the changed nature of the family in modern Ireland. [7922/04]

**Minister for Social and Family Affairs (Mary Coughlan):** The organisation is correct in highlighting the changes that have affected families and family life in recent years. These include changes such as the growing female participation in the work place, the declining birth rate, increasing separation and divorce, increasing numbers of cohabiting couples, people living alone, especially among older people, one-parent families and migrant families.

I undertook a nationwide process of public consultation during 2003 to get the views and advice of ordinary family members in every region. I want to develop a strategy to strengthen families at this time of profound and rapid change. Many participants expressed the view that the State should bear in mind the different forms of family in developing policies to promote the well-being of family members. This is consistent with a UN resolution on the celebration of the 10th anniversary of the International Year of the Family and beyond, recently negotiated on behalf of EU countries by the Irish EU Presidency, at a meeting of the UN commission on social development in February. The resolution agreed by all UN member states, including those of the EU, recalls that the relevant United Nations instruments call for the widest possible protection and assistance to be accorded to the family, bearing in mind that, in different cultural, political and social systems, various forms of the family exist.

It is my priority to ensure that family diversity in Ireland is taken into account in further developing policies and programmes to afford the widest possible protection and assistance to families and family life. My aim is to bring forward a strategy to achieve this objective before the end of this tenth anniversary year. I will also take account of the debate that I hope will take place throughout this year on the report of the public consultation fora and the Irish Presidency conference on families, change and European social policy to be held in May.

I do not intend to address the issue of whether there should be a constitutional amendment to reflect the changed nature of family life in Ireland. If the review of family policies currently under way were to show that constitutional

provisions are a barrier to the introduction of policies to strengthen families, then changing them might become an issue. It appears that this is unlikely to be the case. I can make a greater contribution to the well-being of family members by concentrating on developing and implementing policies to strengthen families than by embarking on a campaign to change the Constitution in an area of such sensitivity.

*Question No. 162 answered with Question No. 110.*

### Social Welfare Benefits.

163. **Mr. Stanton** asked the Minister for Social and Family Affairs the last time the living alone allowance was increased; and the plans she has to increase it. [7866/04]

**Minister for Social and Family Affairs (Mary Coughlan):** The living alone allowance is an additional payment of €7.70 per week made to people aged 66 years or over who are in receipt of certain social welfare type payments and who are living alone. It is also available to people

under 66 years of age who are living alone and are receiving payments under one of a number of invalidity type schemes.

The allowance was last increased in 1996. The policy has been to commit resources to improving the personal pension rates. An increase would have to be considered in a budgetary context.

### Departmental Statistics.

164. **Mr. Connaughton** asked the Taoiseach the figures available for 2003 regarding the net industrial output per unit here, in Leinster and in the BMW area; the gross industrial output per worker here, in Leinster and in the BMW area; the annual wages and salaries per employee here, in Leinster and in the BMW area; and if he will make a statement on the matter. [7955/04]

**Minister of State at the Department of the Taoiseach (Ms Hanafin):** The following two tables set out the relevant statistics from the 2001 census of industrial production. Preliminary results for the year 2002, giving the figures at national level, were published in October 2003. The final report for 2002, with regional details, will be available in June 2004.

2001	Unit	Border, Midland and Western	Southern and Eastern	State*
Number of local units	Number	1,507	3,768	5,296
Total persons engaged	Number	67,879	192,293	269,529
Gross Output	€000	15,408,770	81,168,828	98,663,610
Net Output	€000	8,427,529	46,971,752	56,536,874
Wages and Salaries	€000	1,586,799	5,567,893	7,601,813
Net Output per local unit	€000	5,592	12,466	10,675
Gross Output per person engaged	€000	227	422	366
Wages and Salaries per person engaged	€000	23	29	28

2001	Unit	Leinster	Munster	Connacht	Ulster (part)	State*
Number of local units	Number	2,818	1,466	579	412	5,296
Total persons engaged	Number	131,561	83,758	29,058	15,795	269,529
Gross Output	€000	48,883,832	38,245,631	6,733,514	2,714,621	98,663,610
Net Output	€000	30,477,796	20,050,967	3,902,192	968,326	56,536,874
Wages and Salaries	€000	3,810,386	2,353,265	655,122	335,918	7,601,813
Net Output per local unit	€000	10,815	13,677	6,740	2,350	10,675
Gross Output per person engaged	€000	372	457	232	172	366
Wages and Salaries per person engaged	€000	29	28	23	21	28

\*State total includes a small number of units not attributable by region or province.

### Foreign Direct Investment.

165. **Mr. Connaughton** asked the Tánaiste and Minister for Enterprise, Trade and Employment the number of IDA supported new jobs here, in Leinster and the BMW area, for 2003; the number of IDA supported jobs lost in 2003 here, in Leinster and the BMW area; the cost to the Exchequer for the creation of such jobs in 2003 here, in Leinster and the BMW area; and if she will make a statement on the matter. [7956/04]

**Tánaiste and Minister for Enterprise, Trade and Employment (Ms Harney):** IDA Ireland is the agency with statutory responsibility for the attraction of foreign direct investment to Ireland. Employment data on job creation and job losses, broken down on a regional or area basis, is obtained from the annual Forfás employment survey. As the 2003 annual Forfás employment survey is expected to be published at the end of March 2004, only preliminary data on a national basis is currently available. The following



[Ms Harney.]  
employment figures in respect of IDA Ireland client companies for the year 2003.

Permanent Employment	128,993
Gross Gains (New Jobs)	9,182
Job Losses	-12,193
Net Change in Employment	-3,011

While gross job losses at 12,193 were disappointing and produced a net change of minus 3,011, there was a continued reduction in

the level of job loss compared with 2001 and 2002. The cost per job sustained is also obtained from the annual Forfás employment survey and is only made available on a national basis. While no figure is yet available for the period between 1997 and 2003, the cost per job sustained between 1996 and 2002 was €15,897. It is calculated by taking into account all IDA Ireland expenditure to all firms based on constant prices over a seven year period. Only jobs created during, and sustained to the end of, each period are credited in the calculations. The following table shows the cost per job sustained on a rolling seven year basis since 1981.

Cost Per Job Sustained (Constant 2002 Prices)

Year	1981/87	1982/88	1983/89	1984/90	1985/91	1986/92	1987/93	1988/94
Cost (€)	50,413	45,220	38,802	34,060	32,369	30,350	25,417	20,625
Year	1989/95	1990/96	1991/97	1992/98	1993/99	1994/2000	1995/2001	1996/2002
Cost (€)	18,960	18,428	17,965	17,166	15,124	14,076	14,017	15,897

Source: Forfás Annual Employment Survey 2002

### Work Permits.

166. **Mr. P. Breen** asked the Tánaiste and Minister for Enterprise, Trade and Employment when a work permit will issue to a person (details supplied) in County Clare; and if she will make a statement on the matter. [7981/04]

**Tánaiste and Minister for Enterprise, Trade and Employment (Ms Harney):** I am informed that there is no record of a valid work permit application in this case. Work permit applications which are incorrect or incomplete are not regarded as valid applications and are returned to the employer for completion.

167. **Mr. S. Power** asked the Tánaiste and Minister for Enterprise, Trade and Employment when a decision will be made on an application for a work permit by a person (details supplied);

and if she will make a statement on the matter. [7984/04]

**Tánaiste and Minister for Enterprise, Trade and Employment (Ms Harney):** I am informed that a work permit application was received on 27 February 2004 for the individual concerned. Assuming the application is complete and is otherwise in order, it will take between four and six weeks to process.

### Beef Sector.

168. **Mr. J. Brady** asked the Minister for Agriculture and Food the total beef output here for 2003; the total domestic consumption; the total beef exports and their destination; the total beef imports and their country of origin; and if he will make a statement on the matter. [7969/04]

**Minister for Agriculture and Food (Mr. Walsh):** The information requested by the Deputy is set out in the table below.

Irish Beef Market 2003 — Statistics

### Summary

Production tonnes	Domestic Consumption	Exports		Imports tonnes
		EU	Third Countries	
560,000	60,000	415,000	85,000	13,000

### Breakdown of Exports

Exports tonnes	UK	France	Italy	Holland	Scandinavia	Other EU	Russia	Other Third Countries
500,000	265,000	24,000	35,000	32,000	35,000	24,000	75,000	10,000

Total beef production in Ireland in 2003 was 560,000 tonnes. Of this, 60,000 tonnes were consumed on the domestic market and 500,000 tonnes were exported. This is the highest level of exports since 1999 and is 12% higher than 2002. The value of these beef exports was €1.28 billion.

The United Kingdom remained the principal market for Irish beef, accounting for more than half of total exports at 265,000 tonnes. Sales to continental EU markets represented 150,000 tonnes. Third country markets accounted for 85,000 tonnes.

The focus of the beef industry has been to broaden and expand its market reach at EU retail level, shifting its orientation away from international commodity markets and into the higher priced internal EU marketplace. This contrasts sharply with the position which prevailed throughout the 1990s when the industry exported 50% of its products into non-EU markets. Last year, this share dropped to just 17% while the EU share increased proportionately. These increased sales into continental Europe coincide with the emergence of an EU market deficit in beef for the first time in 25 years, together with falling production levels aligned with a strong recovery in consumption.

Ireland is now well placed to consolidate this position, having demonstrated the quality and safety of Irish beef through its broad appeal to EU consumers. A targeted approach based on quality production represents the best and most profitable way forward to the Irish industry. This in turn highlights the importance of good breeding policies, payment related to quality and modern techniques which mechanical grading will provide.

According to CSO statistics, some 13,088 tonnes of beef was imported into Ireland last year, 60% of which originated within the EU. It should be noted that imports may include the re-import of Irish product originally exported from this country. Imports from other member states may include imports of meat product already in free circulation in the EU but which originated in third countries through various GATT agreements. I emphasise that imports overall represented slightly more than 2% of total beef production in Ireland, whereas exports represent some 89%.

#### **Afforestation Programme.**

169. **Mr. J. Brady** asked the Minister for Agriculture and Food the volume of applications for new forestry plantings; the volume approved to date; if he has satisfied himself that the target of 10,000 to 12,000 hectares will be achieved; and if he will make a statement on the matter. [7970/04]

**Minister for Agriculture and Food (Mr. Walsh):** To date, applications for planting approval have been received in respect of some 17,000 hectares in the current planting season. Approvals have issued for the bulk of these, with the remaining applications at various stages of processing. I am confident that planting levels of at least 10,000 hectares can be achieved in 2004.

#### **Grant Payments.**

170. **Mr. Durkan** asked the Minister for Agriculture and Food when a person (details supplied) in County Kildare will be issued with a replacement REP scheme cheque; and if he will make a statement on the matter. [7971/04]

**Minister for Agriculture and Food (Mr. Walsh):** A replacement payable order issued at the end of last week.

#### **On-farm Investment Schemes.**

171. **Mr. Murphy** asked the Minister for Agriculture and Food if he intends to introduce grants for road tunnels, from a safety point of view, as well as for helping farmers consolidate their existing holding or expand into neighbouring holdings. [7983/04]

**Minister for Agriculture and Food (Mr. Walsh):** My Department operates a range of support schemes for on-farm investment including the farm waste management scheme, the dairy hygiene scheme and the alternative enterprise scheme. I have no plans to introduce grants along the lines suggested.

#### **Mayo Landslides.**

172. **Mr. Ring** asked the Minister for Agriculture and Food the reason Parliamentary Question No. 187 of 3 March 2004 was not replied to; and if he will give a full and detailed reply to the original question. [7988/04]

**Minister for Agriculture and Food (Mr. Walsh):** The position is that following the meeting with the landslide committee on 23 January arrangements were made to have a survey of the affected area carried out. When the results of that survey become available the matter will be further reviewed.

#### **Tax Allowances.**

173. **Mr. N. O'Keeffe** asked the Minister for Finance the tax credits to which a person (details supplied) in County Cork is entitled. [8049/04]

**Minister for Finance (Mr. McCreevy):** I am advised by the Revenue Commissioners that the precise tax credits to which a person is entitled can only be determined when relevant details of that person's circumstances are available to them. A form 12 tax return for the year 2003 has been issued by Revenue for completion by the person concerned. When the completed form is received by the Revenue Commissioners the matter will be progressed and the person will be advised of her tax credits.

#### **Government Expenditure.**

174. **Mr. Naughten** asked the Minister for Finance the total underspend in the BMW region to date under the NDP; the specific headings under which there has been an underspend; the figure involved in each case; the plans he has to address the underspend under each heading; and

[Mr. Naughten.]  
if he will make a statement on the matter.  
[8050/04]

**Minister for Finance (Mr. McCreevy):** The National Development Plan 2000-2006, NDP, includes an indicative resource profile for each operational programme for both the Border, midland and western, BMW, and southern and eastern regions for each year from 2000 to 2006. These profiles were set in 2000 when the operational programmes were prepared. Roughly one third of the resources profiled in the NDP were allocated to the BMW region and the balance to the south and east region. As the NDP is rolled out, the actual levels of resources allocated annually are determined by public expenditure ceilings set by Government, taking account of the wider budgetary considerations and the requirements of economic stability.

The following table shows the expenditure reported for the BMW region to the monitoring committee for each operational programme by its respective managing authority at end June 2003 — the latest period for which completed reports are available. The managing authorities are completing the end December 2003 expenditure position for the monitoring committees which will meet at the end of April.

In overall NDP terms, 80% of the resources originally profiled to be spent to the middle of 2003 in the BMW region have been expended. In the case of measures funded by Structural Funds, expenditure has been profiled for each year from 2000 to 2006, even though spending on these will continue to the end of 2008 in the BMW region. My expectation is that there will be sufficient expenditure in the BMW region to draw down its full allocation of Structural Funds.

As stated, the original profiled NDP expenditure was indicative. Over the period of a seven year plan, circumstances will impact on the actual realisation of these indicative provisions. I have previously acknowledged that expenditure in the BMW region is behind the indicative target set out in the plan. This reflects a range of issues and the fact that the infrastructure gridlock and bottle necks are most severe in the south and east region, especially in the greater Dublin area and

that priority has had to be accorded to major projects to address this.

As regards individual operational programmes, expenditure in the BMW region under the economic and social infrastructure operational programme, while below the indicative profile, has nonetheless been substantial. I expect expenditure in this operational programme to show a marked increase in the BMW region over the remaining years of the NDP and that this will be reflected in the final out-turn figure for the plan post-2006.

Expenditure in the BMW region and the south and east region has been significantly behind expectation in the productive sector operational programme, reflecting some initial over estimation and difficult economic circumstances, which have reduced the level of private sector investment available to match Exchequer and EU grants. In addition, the ability of the BMW region to absorb funding on research and development type activities is hampered by the lack of institutional capacity and the relatively small size of enterprises in the region compared with the south and east region.

Progress for the employment and human resources development operational programme is ahead of the profiled expenditure for the period to the middle of 2003 and expectations are that this progress was maintained for the remainder of the 2003.

The BMW regional operational programme has reported improved levels of progress as measures which were previously delayed came on stream. There have been significant delays on actions to support broadband, tourism, agriculture and rural development due to factors such as obtaining state aids agreement and foot and mouth. On the other hand, significant levels of expenditure, above that previously profiled, have been incurred in the areas of non-national roads, micro-enterprise support and child care.

As the Deputy will appreciate, responsibility for the precise allocation of the global programme amounts agreed by Government is a matter for the relevant individual Minister taking account of overall Government policy, including the NDP. I expect that the individual Ministers will take account of the plan commitments in the BMW region in this regard.

Operational Programme	Border Midland and West Region <sup>1</sup>		
	Indicative Profile 2000 — June 2003 <sup>2</sup>	Reported Expenditure 2000- June 2003	Indicative Profile versus Reported Expenditure
	€m	€m	%
Economic & Social Infrastructure	3,007.9	2,624.3	87
Employment & Human Resources	1,967.6	2,123.3	108
Productive Sector	1,095.3	358.4	33
Border Midland & West	1,759.0	1,188.6	68
PEACE	93.1	20.1	22
Technical Assistance	2.4	1.6	68
Total	7,925.2	6,316.3	80

<sup>1</sup> The figures refer to all NDP sources of funding: Exchequer, EU, Other Public and Private.

<sup>2</sup> The 2003 Expenditure Profile has been adjusted to a mid-2003 value for each OP to reflect expenditure patterns.

### Structural and Cohesion Funds.

175. **Mr. Naughten** asked the Minister for Finance the discussions to date he has had with his EU counterparts on transition arrangements for the Objective One region after the current NDP programme is completed; and if he will make a statement on the matter. [8051/04]

**Minister for Finance (Mr. McCreevy):** The Commission's communication on its proposals for the future financing of the EU, for the period 2007 to 2013, published on 10 February last, will require close examination by all member states, including the new member states joining on 1 May. The same will apply to the third cohesion report, which was published on 18 February last, and which sets out the Commission's views on how cohesion or structural policy should evolve after 2006.

The negotiations on the Agenda 2000 agreement, which provided the framework for financing of the EU for the period, 2000 to 2006, took some two years to negotiate. We can expect a similarly lengthy negotiation on the Commission's current proposals.

The Government is conscious of its responsibilities in its role as President of the EU in ensuring an effective and even handed conduct of the negotiations. The main priority for the Irish Presidency is to initiate a process, or road map, for the future negotiations, rather than to enter into detailed negotiations at this early point.

The Commission has not yet published its detailed legislative proposals for giving effect to its proposals in the third cohesion report. It is expected to do so about mid-year. The report proposes that regions like the BMW would benefit from transitional support when, because of strong economic growth in the region, they graduate from Objective One status in 2007. This would see the BMW region moving from Objective One status to eligibility for assistance from those programmes assisting competitiveness and employment in the more developed parts of the EU. The south and west region would also be able to avail of assistance from these programmes.

The Government will seek to ensure that the final agreement to be negotiated is in the best interests both of the EU as a whole and of Ireland in particular. The Government will seek in these negotiations the best possible arrangements for Ireland's regions within the framework of the EU's overall cohesion policy. The Government in this respect is particularly conscious of the ongoing development needs of the BMW region, especially in the area of infrastructure.

The Minister of State at my Department, Deputy Parlon, hosted a meeting of EU regional Ministers in Portlaoise on 27 February 2004. The main discussions at the meeting centred on how the EU will focus cohesion funding to best effect, how cohesion policy can best be dovetailed with

other policies aimed at strengthening the EU economy and generating more jobs, and how the procedures for implementing regional programmes can be simplified.

Even though just over a week had passed since the publication of the third cohesion report, the debate was a comprehensive and wide ranging one, allowing delegations the opportunity to exchange views. However, this meeting was only the first of what will be many more over the next year or so.

### Human Rights Issues.

176. **Mr. J. Higgins** asked the Minister for Foreign Affairs if, in accordance with the European Parliament's vote, he will argue for the suspension of the preferential trading terms of the Euro-Mediterranean Association Agreement with Israel, due to the violation of its human rights provision by the Israeli state; and if he will make a statement on the matter. [7985/04]

**Minister for Foreign Affairs (Mr. Cowen):** The Government has on many occasions expressed its deep concern at the impact of actions taken by the Israeli Government on the human rights of Palestinians. The European Union has also regularly conveyed its concerns to the Israeli authorities at the human rights implications of its security policies. Together with our partners in the Union, we will continue to press the Israeli Government to respect fully its obligations under international humanitarian law, in particular the fourth Geneva Convention, and under Article 2 of the EU-Israel Association Agreement. The Union once again conveyed its views to the Israeli authorities in a clear and firm manner at a meeting of the EU-Israel Association Council on 17-18 November last year.

Notwithstanding our ongoing concerns, the Government is of the view that the suspension of the trade preferences contained in the association agreement would not be the most effective means of inducing a change in Israeli practices. The Government continues to believe that the appropriate approach is through dialogue with the Israeli authorities and by encouraging negotiation between Israelis and Palestinians. Furthermore, there is no likelihood under present circumstances that a proposal to suspend the trade preferences would achieve the necessary support from EU member states.

177. **Mr. J. Higgins** asked the Minister for Foreign Affairs if his attention has been drawn to the Amnesty International report, Human Rights Begin at Home; the steps he intends taking during the Presidency of the EU to promote the recommendations of this report on human rights accountability within the EU; and if he will make a statement on the matter. [7991/04]

178. **Mr. J. Higgins** asked the Minister for Foreign Affairs if he has plans during the Irish Presidency of the EU to ensure that Articles 6 and 7 of the Treaty on European Union operate



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as a framework, whereby there will be EU level accountability for serious breaches of human rights that occur within a member state.  
[7992/04]

**Minister for Foreign Affairs (Mr. Cowen):** I propose to take Questions Nos. 177 and 178 together.

The European Union is a community of shared values, founded on the principles of liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law. These principles come from the constitutional traditions and international obligations common to the member states of the Union. Arising from these principles, the EU seeks to respect and promote universal human rights as laid down in the Universal Declaration of Human Rights of 1948 and the subsequent international covenants on civil and political rights and the International Covenant on Economic, Social and Cultural Rights of 1966. Besides these and other UN human rights instruments, the human rights policy and positions of the EU are also based on regional human rights instruments, primarily the European Convention on Human Rights of 1950.

The protection and the promotion of human rights not only constitute defining principles of the EU, but also form part of Community legislation. They were explicitly incorporated into and stated as common European objectives in the Treaty on European Union, which entered into force in November 1993. This step represented a significant strengthening of human rights as a priority issue for the EU in its internal and external policies.

The Charter of Fundamental Rights of the EU, which was proclaimed by the EU institutions — the Council, the Commission and the Parliament — in December 2000, is aimed at further strengthening the protection of fundamental rights in light of changes in society, social progress and technological developments by making the rights more visible in an EU instrument.

Article 7 of the Treaty on European Union introduces a mechanism designed to punish serious and persistent violations of human rights by member states of the European Union in the form of a suspension of rights enshrined in the treaty. In October last the Commission circulated a communication regarding Article 7 of the treaty. Consideration of the communication is at an early stage in the institutions. However we are examining ways in which the Council can take forward work on the Commission's communication.

In this context, I have received a copy of the Amnesty International report, Human Rights Begins at Home. As the Deputy is aware, the Government values the contribution that Amnesty International makes to furthering the cause of promoting and protecting human rights

internationally and will give appropriate weight to the recommendations contained in the report.

### Post-Leaving Certificate Courses.

179. **Ms O'Sullivan** asked the Minister for Education and Science if he will reconsider the decision to freeze the number of enrolments allowed to individual schools and colleges on post-leaving certificate courses in view of the flexibility of the PLC sector in responding to the needs of industry and commerce and the demand for places; and if he will make a statement on the matter. [7951/04]

**Minister for Education and Science (Mr. N. Dempsey):** There is a range of course options available in the further and higher education sectors for young people who wish to continue their studies after second level, or in the case of adults, who wish to return to education. PLCs represent one such option. PLCs provide integrated general education, vocational training and work experience for young people and adults alike who wish to bridge the gap between school and work or return to education to obtain a qualification. The primary purpose of PLCs is to enhance the prospects of students to gain employment. PLCs also provide an alternative route to entry to higher education in the institutes of technology through the NCVA-FETAC links scheme.

The number of students participating on PLC courses has increased incrementally over time, as illustrated in the following table:

Year	No. of Students
1997-98	21,278
1998-99	23,810
1999-00	24,453
2000-01	25,519
2001-02	26,722
2002-03	28,656

The number of PLC places approved in 2003-04 is approximately 29,000. It is expected that this level of provision will be consistent with the demand for places in the sector.

### Third Level Fees.

180. **Ms O'Sullivan** asked the Minister for Education and Science the way in which third level registration fees are spent; if all fees are retained by the colleges in respect of their registered students; the precise headings that are delineated on the use of the fees within colleges; and if he will make a statement on the matter. [7952/04]

**Minister for Education and Science (Mr. N. Dempsey):** The charge referred to by the Deputy is levied by third level institutions to defray the costs of examinations, registration and student services. My Department does not have the institutional details on how this funding is

allocated. It should be remembered that students who are eligible for means tested student support will, in addition to any grant to which they are entitled, have the charge paid on their behalf, either directly by my Department or through the local authorities and vocational education committees. This means that 34% of students in universities and 47% of students in institutes of technology will not have to pay the charge.

In January 1998 the Higher Education Authority issued to the publicly funded third level institutions a framework of good practice for the provision of student services within the charge. Particular reference was made to the principles of transparency and accountability. The framework consists of guidelines to establish an appropriate system of consultation with students in the allocation of funding from the charge and in the determination of student services to be funded from this source. With regard to transparency, the framework recommended that each institution should provide information as to the allocation of the charge towards examination, registration and student services on an annual basis.

In 1999, the Higher Education Authority reviewed the consultative and decision making procedures in place in the third level institutions relating to the charge and is satisfied that all third level institutions have endeavoured to put in place arrangements that they considered to be appropriate.

#### **School Closures.**

181. **Mr. Crowe** asked the Minister for Education and Science if, in view of the fact that due to depleting numbers and financial difficulties, the Catholic Church is withdrawing from education and closing some of its schools in Dublin's inner city, his Department has a strategy in place to fill the vacuum that has been left by the church's withdrawal from education; and if not, if his Department is compiling a strategy. [7953/04]

**Minister for Education and Science (Mr. N. Dempsey):** The Deputy will appreciate that voluntary secondary schools are privately owned and managed institutions and a decision to close such schools is a matter for the trustees. My main concern in a school closure is to ensure that the best interests of the pupils are looked after in the period up to the closure and that there will be sufficient pupils places in existing schools in the general area for pupils who would have normally enrolled in the closing school. This process involves consultation with all affected parties.

#### **Special Educational Needs.**

182. **Dr. Upton** asked the Minister for Education and Science if a special needs teacher will be appointed for a person (details supplied) in Dublin 12 to ensure that they receive the education they need. [7954/04]

**Minister for Education and Science (Mr. N. Dempsey):** The issue referred to by the Deputy is a matter for my colleague, the Minister for Health and Children.

#### **School Transport.**

183. **Mr. Cregan** asked the Minister for Education and Science the outcome of an appeal by a person (details supplied) in County Carlow to the school transport appeals board regarding transport for their child to a particular school. [7972/04]

**Minister for Education and Science (Mr. N. Dempsey):** The case referred to by the Deputy in the details supplied is among a number of cases to be considered by the school transport appeals board at its next meeting which is scheduled for Thursday, 11 March 2004.

#### **Special Educational Needs.**

184. **Mr. Durkan** asked the Minister for Education and Science if a person (details supplied) in County Kildare will receive a full-time care assistant; and if he will make a statement on the matter. [7973/04]

**Minister for Education and Science (Mr. N. Dempsey):** My Department has no record of having received an application for special needs assistant support for the pupil referred to by the Deputy. I understand that the pupil in question is due to commence school in September 2004. My officials have been in contact with the school authorities who have confirmed that they are in the process of making an application for special educational resources for the pupil in question.

Special needs assistants may be approved to support a pupil who has a significant medical need for such assistance, a significant impairment of physical or sensory function or where his or her behaviour is such that he or she is a danger to himself or herself or other pupils. Any application received will be considered in the context of the criteria set out in the relevant departmental circulars and the existing level of SER provision in the school.

#### **School Transport.**

185. **Mr. McGinley** asked the Minister for Education and Science if his attention has been drawn to the widespread dissatisfaction at the condition of the existing school transport fleet, that three students usually have to share two seats, and the absence of safety belts in most cases; his plans to replace the fleet; and if he will make a statement on the matter. [7974/04]

**Minister for Education and Science (Mr. N. Dempsey):** My Department is not aware of any widespread dissatisfaction with the condition of the school transport fleet. There are approximately 2,900 vehicles used in the school transport fleet. Around 2,300 of these are provided by private contractors and the balance

[Mr. N. Dempsey.]

by Bus Éireann. All vehicles operating under the school transport scheme are required to meet the statutory regulations as laid down by the Department of Transport. Where vehicles have more than eight adult seats and are more than one year old, they are required to pass that Department's annual road worthiness test.

Contractors employed by Bus Éireann to provide services under the school transport scheme must satisfy strict criteria and must hold a road passenger operator's licence, where their vehicle has more than eight adult seats. Vehicles nominated for use under the scheme must be suitable for the conveyance of school children and must have complete and current documentation in respect of both buses and drivers as required by law.

The vehicles have to be kept and maintained in a safe and roadworthy condition and to comply in all respects with the Road Traffic Acts. The loading on all school buses is determined by the relevant sections of the road traffic regulations — construction, equipment and use of vehicles, which are laid down by the Department of Transport. Under public service vehicle regulations, the licensed carrying capacity of all vehicles engaged in school transport is based on a ratio of three pupils for every two adult seats. Under existing regulations, the wearing of passenger seat belts is not compulsory in buses, including those operated under the school transport scheme.

Bus Éireann, which operates the service on behalf of my Department places special emphasis on safety and, to this end, has a wide range of checking procedures in place to ensure a safe and reliable service. These are reviewed on an ongoing basis to ensure that standards are maintained.

Bus Éireann's policy of continuous fleet replacement facilitates improvement in the quality of vehicles used in the operation of the school transport scheme. Almost 300 more modern buses have replaced older buses in the past three years, producing an improvement in the age profile and quality of the school bus fleet as a result.

#### **Schools Building Programme.**

186. **Cecilia Keaveney** asked the Minister for Education and Science the reason a school (details supplied) in County Donegal did not qualify under the summer works scheme; and if he will make a statement on the matter. [7975/04]

**Minister for Education and Science (Mr. N. Dempsey):** Each unsuccessful applicant under the summer works scheme will receive a letter from my Department outlining the reason works were not approved. These letters will issue to schools as quickly as possible.

#### **Benchmarking Awards.**

187. **Mr. O'Shea** asked the Minister for Education and Science if school caretakers and school attendants will benefit under benchmarking; and if he will make a statement on the matter. [7989/04]

**Minister for Education and Science (Mr. N. Dempsey):** School caretakers are linked for pay purposes to the general operative grade in local authorities. A parallel benchmarking process has recently been concluded for the general operative grade in local authorities which provides for an increase of €70.09 per week subject to increased flexibility and mobility measures. Payment will be made on a phased basis and will be subject to approval by the appropriate performance verification group.

The application of the increase to caretakers employed in vocational schools, community and comprehensive schools and certain primary schools is the subject of discussions between officials from my Department, representatives of the appropriate managerial authorities of schools and the relevant trade unions. The discussions are focused on securing increased flexibility and change measures which, when agreed, will release the first quarter of the increase due with effect from 1 December 2001.

In the case of secondary schools and the majority of primary schools, the arrangements are that each school receives a grant from my Department for the provision of caretaking and other ancillary services. It is a matter for each school to determine how best to meet its caretaking requirements. My Department has no direct role in the pay and conditions of service of caretakers employed directly by schools under these arrangements.

#### **Schools Refurbishment.**

188. **Mr. Durkan** asked the Minister for Education and Science if he will increase the capacity of the physical education area at the Maynooth girls national school, County Kildare, in line with the extent to which the original number of school places have been increased to meet the demand; and if he will make a statement on the matter. [8084/04]

**Minister for Education and Science (Mr. N. Dempsey):** A GP-PE room of 200 sq. m. is provided for in the proposed extension to this school. However, my Department has no objection to the school increasing the size of the proposed GP-PE room, provided the additional costs are funded locally.

#### **General Medical Services Scheme.**

189. **Mr. Wall** asked the Minister for Health and Children the position regarding the appointment of a GMS doctor in Ballymore Eustace, County Kildare, in view of the fact that there have been conflicting reports about the



appointment of a doctor; and if he will make a statement on the matter. [8240/04]

192. **Mr. Wall** asked the Minister for Health and Children further to Parliamentary Question No. 231 of 4 March 2004 about the appointment of a GMS doctor in Ballymore Eustace, County Kildare, the position on this matter, in view of the fact that there have been conflicting reports about the appointment of a doctor; and if he will make a statement on the matter. [7996/04]

**Minister for Health and Children (Mr. Martin):** I propose to take Questions Nos. 189 and 192 together.

Arrangements for the provision of services for medical card holders, including the selection and recruitment process for general practitioners in the GMS scheme, are matters for the chief executive officer of the local health board-authority. Accordingly, the Deputy's questions have been referred to the regional chief executive of the Eastern Regional Health Authority for investigation and direct reply.

#### Hospital Services.

190. **Mr. R. Bruton** asked the Minister for Health and Children if all of the beds promised for Dublin's north side hospitals, to be opened during the course of 2002, are now fully open and operational and devoting at least 80% of their bed capacity to public patients; and if there are remaining difficulties in making these fully integrated into the public hospital system. [7986/04]

**Minister for Health and Children (Mr. Martin):** The provision of services at hospitals on the north side of Dublin is a matter for the Eastern Regional Health Authority in the first instance. My Department has, therefore, asked the chief executive officer of the authority to investigate the matters raised and to reply directly to the Deputy.

My Department carried out a review of acute hospital bed capacity which identified a requirement for an additional 3,000 acute beds in acute hospitals by 2011. This requirement is reflected in the Government's health strategy, Quality and Fairness — A Health System for You. I have provided funding of €118 million for the provision of an additional 709 beds in hospitals throughout the country. Some 568 of these have been commissioned to date, of which 253 are in the Eastern Regional Health Authority area. The remaining beds are due to come on stream during this year.

#### Pension Provisions.

191. **Mr. J. Breen** asked the Minister for Health and Children the reason for the anomaly in the health service, whereby a person who retires from the Eastern Health Board and returns to work in a temporary capacity can work 16 hours without his or her pension entitlements being affected;

and if he will make a statement on the matter. [7995/04]

**Minister for Health and Children (Mr. Martin):** Responsibility for the application in the health boards of the abatement of pension provisions as set out in the local government superannuation scheme which applies in this instance is a matter for each health board. My Department has therefore asked the regional chief executive of the Eastern Regional Health Authority to investigate the matter raised by the Deputy and to reply to him directly.

*Question No. 192 answered with Question No. 189.*

#### Hospital Services.

193. **Mr. P. Breen** asked the Minister for Health and Children when a person (details supplied) in County Clare will be called for hip surgery in view of the circumstances of the case; and if he will make a statement on the matter. [8018/04]

**Minister for Health and Children (Mr. Martin):** The provision of hospital services for people living in County Clare is a matter for the Mid-Western Health Board. My Department has, therefore, asked the chief executive officer of the board to reply directly to the Deputy about the matter raised.

194. **Mr. B. Smith** asked the Minister for Health and Children if additional resources will be provided for Cavan General Hospital in view of the recent report on the surgery department at same; and if he will make a statement on the matter. [8044/04]

**Minister for Health and Children (Mr. Martin):** Under the clinical indemnity scheme, all health care organisations are required to have in place systems to collect information on clinical incidents. Nationally, almost 26,000 incidents were reported in 2003. In the North Eastern Health Board 2,500 incidents were reported in the Louth-Meath hospital group, and 750 were reported in the Cavan-Monaghan hospital group. Of these 750 incidents, the board's risk adviser recommended that the views of a consultant be obtained on 15 cases treated in the department of surgery in Cavan General Hospital. Accordingly, the board's medical adviser was requested to carry out a review in this regard.

On 4 March last, the board published the medical adviser's report which contained a number of recommendations with regard to surgical services at the hospital. I am informed that the medical adviser met the relevant staff at the hospital to discuss his recommendations, as well as those made by the director of surgical affairs at the Royal College of Surgeons in Ireland, who has been advising the board on the configuration of surgical services at the hospital. Arising from these discussions, I understand that



[Mr. Martin.]

agreement has been reached on a number of key issues, including the implementation of Royal College of Surgeons in Ireland proposals relating to general and surgical audit. This will involve regular audit meetings held by the department of surgery and a monthly review of the process, involving the medical adviser.

I met yesterday the chief executive officer of the board and the board's medical adviser to discuss the position at Cavan General Hospital and in particular the findings and recommendations in the medical adviser's recent report. The issues raised in the medical adviser's report are being addressed as a priority by the board, with a view to ensuring the provision of a comprehensive and safe range of services across the Cavan-Monaghan hospital group.

I indicated to the board that I would be supportive of any plans put forward by the board to increase the volume of appropriate elective surgery within the Cavan-Monaghan hospital group, consistent with the implementation of the recommendations put forward by the medical adviser and the Royal College of Surgeons in Ireland. I was assured by the board that all necessary steps are being taken to ensure the provision of a high quality, accessible and safe service to the people of Cavan and Monaghan. I was assured of the board's confidence that, as a result of the implementation of these recommendations at the hospital, emergency on call surgical services will continue to be provided at Cavan General Hospital.

The board held interviews yesterday for the recruitment of a fourth surgeon at Cavan, and is confident that an early appointment will be made to augment the existing surgical complement at the hospital. The board is committed to ensuring that there is a joint approach to the provision of hospital services across the Cavan-Monaghan group, and is actively working to ensuring agreement on this issue on both sites. I fully support this approach, and will continue to liaise with the board on the implementation of the various recommendations to effect the delivery of an appropriate range of services on a group basis to the population of Cavan and Monaghan.

#### **General Medical Services Scheme.**

195. **Mr. Kehoe** asked the Minister for Health and Children the number of persons under 70 years of age on medical cards at 1 January 2004 in County Carlow; and the number at the same date in 2001, 2002 and 2003. [8045/04]

**Minister for Health and Children (Mr. Martin):** The information sought by the Deputy is not routinely held in the format requested. In this case information on persons covered by the general medical services scheme in Carlow is collected by the South Eastern Health Board. The board will be requested to provide the information and a reply will issue to the Deputy under separate cover.

#### **Nursing Home Subventions.**

196. **Mr. Connaughton** asked the Minister for Health and Children the position regarding an application for increased subvention for a person (details supplied) in County Galway; and if he will make a statement on the matter. [8046/04]

**Minister of State at the Department of Health and Children (Mr. Callely):** As the Deputy will be aware, the provision of health services in the Galway area 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.

#### **National Treatment Purchase Fund.**

197. **Mr. Durkan** asked the Minister for Health and Children, further to Parliamentary Question No. 779 of 27 January 2004 and subsequent letter received by this Deputy's office in March 2004 setting out that 660 people have been treated under the NTPF scheme outside the jurisdiction, if he will set out the total cost of treatments; and if he will make a statement on the matter. [8088/04]

**Minister for Health and Children (Mr. Martin):** The information requested by the Deputy is not routinely collected by my Department. Therefore, my Department has asked the chief executive of the national treatment purchase fund to communicate directly with the Deputy in the matter.

#### **Mental Health Services.**

198. **Mr. R. Bruton** asked the Minister for Health and Children the time which has elapsed since the passing of the Mental Health Act 2001; the reason for the delay in appointing the Mental Health Commission; the reason for the delay in establishing tribunals to review cases in which patients have been committed to care; and if he will make a statement on the matter. [8106/04]

**Minister of State at the Department of Health and Children (Mr. T. O'Malley):** The Mental Health Commission was established in April 2002 under the provisions of the Mental Health Act 2001. The commission's primary function is to promote and foster high standards and good practices in the delivery of mental health services and to ensure that the interests of detained patients are protected.

The detailed work programme of the commission is a matter for itself to determine, in accordance with its statutory functions under the Mental Health Act 2001. However, I understand that one of the priorities for the commission is to put in place the structures required for the operation of mental health tribunals, as provided for in Part 2 of the Act. This year, additional funding of €3 million is available to the commission for this purpose.

The commission is involved in discussions with my Department, the health boards and other organisations to ensure that all elements of the organisational and support systems required are in place prior to the commencement of Part 2 of the Mental Health Act 2001.

199. **Mr. R. Bruton** asked the Minister for Health and Children if he will outline the powers of the Inspector of Mental Health Services regarding the complaint by a person (details supplied) in Dublin 9 about the management of the care of their child who is a patient; and if the inspector is in a position to assess the case of this person. [8107/04]

**Minister of State at the Department of Health and Children (Mr. T. O'Malley):** The Mental Health Commission has appointed Dr. Teresa Carey to the new position of Inspector of Mental Health Services. The office replaces that of the Inspector of Mental Hospitals. Dr. Carey has indicated that she intends to begin a programme of inspection of mental health facilities later this year. The inspector will be required to visit and inspect all approved centres at least once a year.

Any person dissatisfied with the level of care and treatment received by themselves or others while in the care of the mental health services may contact the Inspector of Mental Health Services at the Mental Health Commission, St. Martin's House, Waterloo Road, Dublin 4.

#### Health Board Services.

200. **Ms Shortall** asked the Minister for Health and Children if he will intervene urgently in the case of a person (details supplied) in Dublin 11 who was told on 15 January 2004 that they required a procedure urgently but for whom the Mater hospital has not yet fixed an appointment. [8110/04]

**Minister for Health and Children (Mr. Martin):** Responsibility for the provision of health services to persons living 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.

#### Public Transport.

201. **Mr. J. Bruton** asked the Minister for Transport the position in regard to his announced plans for a new authority to govern land use and transport in the greater Dublin area; the effect that these plans will have for Dáil Éireann; and if he will make a statement on the matter. [8381/04]

**Minister for Transport (Mr. Brennan):** The Government consultation paper, New Institutional Arrangements for Land-Use and Transport in the Greater Dublin Area, was published jointly by the Departments of the

Environment and Local Government and Public Enterprise in April 2001. The paper proposed the establishment of a new strategic land use and transportation planning authority for the greater Dublin area. Developments since the publication of this consultation document have caused me to review its proposals.

The regional authorities are currently finalising regional planning guidelines under the provisions of the Planning and Development Act 2000. These will provide effective regional land use strategies consistent with the national spatial strategy. The Dublin and mid-east regional authorities are collaborating to produce a single set of guidelines for the greater Dublin area. With regard to transport planning, the DTO is continuing to carry out effective strategic transport planning for the greater Dublin area. Also, I have concluded that the establishment of an independent national public transport procurement and regulatory body is the most effective way of implementing regulatory reform.

In the light of these developments I believe that the policy objectives of effective land use and transport planning can, for the present, be successfully addressed within these existing structures. I do not, therefore, believe that it is a priority to establish a strategic land use and transportation authority for the greater Dublin area. I do not consider that the proposals for a strategic land use and transportation authority for the greater Dublin area would have any impact on the role of Dáil Éireann.

#### Airport Development Projects.

202. **Mr. S. Ryan** asked the Minister for Transport his position in respect of the proposed second runway at Dublin Airport. [7963/04]

**Minister for Transport (Mr. Brennan):** Aer Rianta currently has statutory responsibility to manage, operate and develop the three State airports, including Dublin Airport, and to provide such facilities and services as it considers necessary for aircraft and passengers. The board designate for the new independent Dublin Airport Authority, which I announced earlier this week, will take over this responsibility once the necessary amending legislation is enacted by the Oireachtas.

Aer Rianta informs me that the proposed second parallel runway at Dublin Airport has been in all airport plans since the late 1960s and was first incorporated into the county development plan in 1972. Aer Rianta forecasts that by the year 2020, passenger throughput at Dublin Airport will grow to approximately 30 million passengers per annum compared to 15.9 million passengers in 2003. The company's ongoing programme of capital works to ensure that the airport has adequate capacity to cater for this growth includes the provision of a second parallel runway before the end of this decade.

The proposed new runway will of course be subject to planning permission being obtained

[Mr. Brennan.] from Fingal County Council. That planning process will provide a forum for all interested parties, including local communities, to have their views and any concerns heard and taken into account by the planning authorities. In due course I will also consider this runway proposal from the aviation policy and shareholder perspective.

### **Taxi Hardship Panel.**

203. **Mr. Crowe** asked the Minister for Transport if his attention has been drawn to requests from the Oireachtas Committee on Transport for clarification on issues by the taxi hardship panel that have not been answered. [7978/04]

**Minister for Transport (Mr. Brennan):** I am not aware of any requests to me or my Department from the Oireachtas Committee on Transport for clarification on issues by the taxi hardship panel that have not been answered.

204. **Mr. Crowe** asked the Minister for Transport the persons the taxi hardship panel met with in the course of preparing its report. [7979/04]

205. **Mr. Crowe** asked the Minister for Transport the number of individuals the taxi hardship panel met with in the course of preparing its report. [7980/04]

**Minister for Transport (Mr. Brennan):** I propose to take Questions Nos. 204 and 205 together.

The taxi hardship panel was established as an independent body to report in general terms on the nature and extent of extreme personal financial hardship which may have been experienced by individual taxi licence holders arising from loss of income as a direct result of the liberalisation of entry to the taxi industry on 21 November 2000. My Department was not a party to the deliberations of the panel.

The panel's report indicates that it met on a number of occasions with taxi representative groups and that some 2,000 submissions were received. In addition to examining these submissions, the panel invited a number of affected individuals to meet it and present their cases.

### **Road Traffic Offences.**

206. **Mr. Ring** asked the Minister for Justice, Equality and Law Reform, further to Parliamentary Question No. 372 of 2 March 2004 concerning speed fines, if these details are held on a computerised database; and if so, the reason the details initially requested are not readily available. [7993/04]

**Minister for Justice, Equality and Law Reform (Mr. McDowell):** I have been informed by the Garda authorities that details concerning the

detection of speeding offences and the payment of fixed charges in respect of such detections are not currently held on a computerised database by the Garda Síochána. The penalty points system is currently operating on a semi-manual basis and, as I stated on 2 March last, I am informed that the compilation of the information requested by the Deputy would involve a disproportionate amount of staff time and resources which could not be justified in the circumstances.

### **Deportation Orders.**

207. **Mr. M. Higgins** asked the Minister for Justice, Equality and Law Reform if he will reconsider the deportation of a person (details supplied). [8047/04]

**Minister for Justice, Equality and Law Reform (Mr. McDowell):** The asylum application of the person referred to in the question was refused on appeal in November 2000. His case was then examined for deportation under section 3 (6) of the Immigration Act 1999, as amended, and section 5 of the Refugee Act 1996, as amended. All representations received both from the applicant and on his behalf, were taken into consideration, including his intention to marry at the time.

On 19 February 2002 a deportation order was made in respect of this person and he was subsequently deported on 13 March 2002. This Department's records show that, although this person had indicated an intention to marry, he was not married at the time of his deportation. I understand that his Irish fiancée subsequently travelled to Nigeria and married him there in the knowledge of his deportation. He was later refused residency in Ireland as the couple were not living together as husband and wife. The effect of a deportation order is that a person must leave the State and remain thereafter outside of it. I do not intend to revoke the deportation order.

### **Garda Stations.**

208. **Ms O'Sullivan** asked the Minister for Justice, Equality and Law Reform if he will consider establishing a Garda station in the Raheen/Dooradoyle area of Limerick in view of the rapidly expanding population in that area; and if he will make a statement on the matter. [8101/04]

**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 there are currently no plans to locate a Garda station in the Raheen/Dooradoyle area. The Raheen/Dooradoyle areas of Limerick are policed by Roxboro Road Garda station and local Garda management is satisfied that the resources currently in place there are adequate to meet the present policing needs of the area.



209. **Ms O'Sullivan** asked the Minister for Justice, Equality and Law Reform the situation with regard to the commitment to replace Mary Street Garda station, Limerick, which is operating from a small pre-fab with a newly built station; and if he will make a statement on the matter. [8102/04]

**Minister for Justice, Equality and Law Reform (Mr. McDowell):** I am aware of the accommodation facilities currently in use by the Garda at Mary Street. In that regard, I am informed by the Garda authorities that they are currently considering their requirements for the area and that they will be in touch with my Department as soon as they have completed their deliberations.

#### **Irish Prison Service.**

210. **Aengus Ó Snodaigh** asked the Minister for Justice, Equality and Law Reform if he will give details of the presentation by private prison companies Group 4 and Securicor at the headquarters of the Irish Prison Service in March 2002, including the date on which the presentation was made; if this presentation was initiated by the Irish Prison Service and/or the Department of Justice, Equality and Law Reform; if the presentation was attended by the director general of the Prison Service and/or his designated representative; if the presentation was attended by the former Minister for Justice, Equality and Law Reform and/or his designated representative; if a written record or other report of the information gathered by this information gathering exercise was submitted to the director general of the Prison Service or to the former Minister for Justice, Equality and Law Reform following the presentation; and if such written record or report was made, if the current Minister has seen it or been briefed on its contents.. [8103/04]

**Minister for Justice, Equality and Law Reform (Mr. McDowell):** As outlined in my reply to Parliamentary Question No. 218 of 19 February 2004, the two companies mentioned by the Deputy made presentations to officials of the Irish Prison Service, in March 2002, concerning the range of services they provided to the criminal justice system in the UK. One further company called Custodial Services Limited also made a presentation at that time about its capability to provide transport services to the Irish Prison Service. The presentations were requested by the Irish Prison Service and were made to two senior officials and one middle ranking official of the Prison Service on 25 March 2002. The director general of the Prison Service did not attend. There were no other attendees apart from the Prison Service officials and the companies themselves. No report was compiled by any of the three officials following the presentations.

I am informed that this was purely a routine commercial presentation to the Irish Prison Service aimed at assessing the kind of transport and security services available on the market place, and that there was no follow up of any kind.

#### **Water Services.**

211. **Mr. Timmins** asked the Minister for the Environment, Heritage and Local Government the position of schools which have received bills for water rates; the way the amount is calculated; if schools are exempt from this payment; if not, in view of the fact that most schools have to fundraise to keep going, a waiver can be granted for this levy; and if he will make a statement on the matter. [8074/04]

**Minister for the Environment, Heritage and Local Government (Mr. Cullen):** The national water pricing policy framework requires local authorities to recover the cost of providing water services from the users of these services, with the exception of households using the services for domestic purposes. In this regard the policy framework provides for the metering of all non-domestic users by 2006. This is in accordance with an appropriate application of the polluter pays principle and the requirements of Article 9 of the EU water framework directive. It builds on the already widespread practice of charging for water services.

The framework does not provide for the exemption of any non-domestic users, including those engaged in the provision of educational services, from the charging policy. While my Department does not collect information on the calculation of individual charges, the policy framework provides only for the recovery of actual costs and charges should be determined having regard to this principle.

#### **Local Authority Staff.**

212. **Mr. Ring** asked the Minister for the Environment, Heritage and Local Government, further to Parliamentary Questions Nos. 409 and 410 of 2 March 2004, the details of all payments to managers, assistant managers and directors of services of local authorities from May 2001 to 31 December 2003; and if these details can be given as soon as available. [7990/04]

**Minister for the Environment, Heritage and Local Government (Mr. Cullen):** As indicated in my reply to Questions Nos. 409 and 410 of 2 March 2004, no payments have been made to date under the scheme of performance related awards for managers, assistant managers and directors of services. My Department does not have information regarding other payments to these officials beyond their approved salaries for the period in question.



### Planning Issues.

213. **Mr. Gilmore** asked the Minister for the Environment, Heritage and Local Government if he has received representations concerning the local area plan for Dunleer, County Louth; if he has communicated with Louth County Council concerning the matter; the nature of such communications; if he intends to refuse approval for the plan; and if he will make a statement on the matter. [7994/04]

**Minister for the Environment, Heritage and Local Government (Mr. Cullen):** My Department received a number of representations from public representatives and private individuals about the Dunleer local area plan. While there is no requirement that copies of local area plans be sent to my Department, a copy of the local area plan for Dunleer was sent to my Department by Louth County Council in May 2002. No formal response issued from the Department, but there were informal contacts on a number of subsequent occasions between the Department and the local authority about legal and procedural matters.

During 2003 my Department was also given notice, as required under the relevant legislation, of a proposed variation to the Louth county development plan which was intended to facilitate the Dunleer local area plan. My Department concluded, in considering this proposed variation, that additional development in Dunleer on a relatively modest scale and in an orderly manner would generally be in line with the national spatial strategy, particularly given the fact that the scale of development envisaged in Dunleer was not of the same order as for Dundalk or Drogheda. It was also noted that the rail line runs through Dunleer, and although the station is not operational, there might in time be a possibility of reopening the station and thereby facilitating public transport access. As the Department was raising no formal objection to the variation, it was decided not to enter into correspondence with the local authority in the matter.

The preparation of a local area plan for any particular area within its functional area is a matter for the relevant planning authority, in accordance with the provisions of the Planning and Development Acts 2000 to 2002 and does not require the approval of the Minister for the Environment, Heritage and Local Government. I am advised by Louth County Council that the Dunleer local area plan was adopted on 15 September 2003.

### Social and Affordable Housing.

214. **Mr. Gregory** asked the Minister for the Environment, Heritage and Local Government if, further to Parliamentary Question No. 263 of 3 March 2004, it is permissible within the social housing scheme for the approved housing body to add on management charges to the rent, in

view of the fact that this is creating hardship for many tenants; and if he will make a statement on the matter. [8048/04]

**Minister of State at the Department of the Environment, Heritage and Local Government (Mr. N. Ahern):** Under the terms of the capital loan and subsidy scheme, management and maintenance costs are met from the rental income generated by the project as well as an annual management and maintenance subsidy allowance which is paid to approved housing bodies in respect of each dwelling funded under the scheme. The application of the rent formula as set out in the scheme may be modified, at the discretion of the approved housing body, in particular respects where they consider this appropriate.

Rent payable under the scheme to an approved housing body, by a tenant, is based on household and subsidiary income in the previous tax year. Where this would result in hardship arising from a fall in income due to loss of employment, disability and so forth, the rent may be adjusted accordingly.

### Planning Issues.

215. **Mr. Naughten** asked the Minister for the Environment, Heritage and Local Government the plans he has to review the regional authority boundaries in view of the publication of the national spatial strategy; his views on whether the NSS and the regional boundaries would be more effective if they were revised; and if he will make a statement on the matter. [8052/04]

**Minister for the Environment, Heritage and Local Government (Mr. Cullen):** I have no plans to alter the boundaries of the regional authorities in view of the publication of the national spatial strategy, NSS. As part of the overall process of NSS implementation, draft regional planning guidelines have been prepared by all regional authorities, with a view to having such guidelines adopted in all regions following the relevant periods of public consultation. Having regard to the particular circumstances of the greater Dublin area, the Dublin and mid-east regional authorities have jointly reviewed the existing strategic planning guidelines and have prepared draft regional planning guidelines for the greater Dublin area. I have made regulations to provide that regional authorities in making regional planning guidelines shall take account of the NSS. Regional planning guidelines will create a link between national policy as expressed in the NSS and local authority development plans.

Section 27(4) of the Planning and Development Act 2000 provides that following the making of regional planning guidelines, planning authorities in the region shall review their existing development plans and consider whether any variation of the development plan is necessary to achieve the objectives of the regional planning guidelines.

### **Waste Management.**

216. **Mr. N. O’Keeffe** asked the Minister for the Environment, Heritage and Local Government his views on the development of a project (details supplied) in County Cork, which was recently approved by an Bord Pleanála; and his overall views on incineration and the way in which this will affect the countryside. [8053/04]

**Minister for the Environment, Heritage and Local Government (Mr. Cullen):** Government policy on waste management is set out in the policy documents, *Changing our Ways* and *Preventing and Recycling Waste: Delivering Change*. The Government’s approach is based on the internationally recognised waste management hierarchy of prevention/minimisation, significantly increased levels of recycling, energy recovery and, finally, utilising landfill as the last resort for residual waste that cannot otherwise be recovered.

Local authorities were asked to identify and fully assess the various issues involved, with a view to identifying the nature, scale and mix of facilities which, at a regional level, appear to offer the best balance between maximised recovery of materials or energy and minimised environmental emissions, at reasonable cost. In addition, the EPA’s national hazardous waste management plan which is also based on the application of the waste hierarchy calls for the provision of thermal treatment and landfill capacity to treat this particular waste stream.

With regard to the perceived impact of thermal treatment, the EPA’s inventory of dioxin and furan emissions to air, land and water in Ireland for 2000 and 2010 was published in December 2002 and it provides a useful indication of the relative significance of various emission sources for dioxins. In relation to the nine hazardous waste incinerators in operation in the year 2000, the report estimated these to have contributed a fraction of 1% of national dioxin emissions to air — tables 1 and 4.2 of the report refer. By comparison, dioxin emissions from the transport sector and from uncontrolled burning processes were estimated to be over 140 times higher and some 3,800 times higher, respectively.

Even assuming that 1 million tonnes of municipal waste might be managed by way of incineration in 2010, the report projects that dioxin emissions from waste incineration would account for less than 2% of total dioxin emissions to air at that time, less than half the emissions attributable to the transport sector and some 46 times less than those emissions attributable to uncontrolled burning processes. A paper published by the Food Safety Authority of Ireland in 2003 concluded that properly managed incineration facilities will not contribute to dioxin levels in the food supply to any significant extent and will not affect food quality or safety.

Regarding the proposed development of a thermal treatment facility at Ringaskiddy, neither my Department nor the relevant local authorities

are involved in the procurement of the facility. As with any such development, the proposed project is subject to the requirements of the planning and waste licensing codes. As Minister for the Environment, Heritage and Local Government, I am specifically precluded from exercising any power or control in the performance by the planning and environmental licensing authorities of these functions in particular circumstances.

### **Local Authority Housing.**

217. **Mr. Gregory** asked the Minister for the Environment, Heritage and Local Government if Dublin City Council has sought permission to borrow funds to install central heating in tenancy houses; and if this matter can be dealt with urgently. [8123/04]

**Minister of State at the Department of the Environment, Heritage and Local Government (Mr. N. Ahern):** No application is currently before my Department from Dublin City Council seeking approval to borrowing to provide central heating in its housing stock. However, my Department approved proposals by the council in 2002 and 2003 involving borrowing totaling €13.419 million for this purpose.

### **Dormant Accounts Fund.**

218. **Mr. Gregory** asked the Minister for Community, Rural and Gaeltacht Affairs if his Department has received an application from the Markets Area Community Resource Organisation for funding under the dormant accounts fund to set up a community business scheme in this RAPID designated area (details supplied); and if full consideration will be given to the needs of the local community when making a decision. [7950/04]

**Minister of State at the Department of Community, Rural and Gaeltacht Affairs (Mr. N. Ahern):** The Dormant Accounts Fund Disbursements Board has engaged Area Development Management Ltd., ADM, to administer the initial round of funding on its behalf which will involve the disbursement of up to €30 million in 2004 from the dormant accounts fund.

I understand that an application from the group concerned has recently been received by ADM. All applications received will be evaluated by ADM against the criteria set out in the published guidelines and recommendations made to the dormant accounts board for decision. The group concerned will be advised of the outcome in due course.

219. **Mr. O’Dowd** asked the Minister for Community, Rural and Gaeltacht Affairs the reason the Government is taking over the responsibility of making all final decisions regarding the disbursement of dormant fund accounts moneys; the reason he believes that the

[Mr. O'Dowd.]  
dormant fund accounts board is no longer competent to carry out this task; and if he will make a statement on the matter. [7741/04]

**Minister of State at the Department of Community, Rural and Gaeltacht Affairs (Mr. N. Ahern):** Decisions on disbursement of funds from dormant accounts moneys are currently a matter for the dormant accounts disbursement board. This is an independent body established under the Dormant Accounts Acts. The board is currently deciding on the disbursement of funds up to €30 million and, to date, it has approved 18 projects for funding totalling approximately €1.7 million.

With regard to the proposed changes relating to dormant accounts, the position is that, having regard to the emerging size of the fund, existing legislative provision is simply not adequate. Shortcomings are evident on a number of fronts, namely, organisational structure — there is no explicit provision for a properly developed organisational structure to support the board and current arrangements, which involve a handful of seconded civil servants in a secretariat role, are not designed to support disbursements on the scale now emerging; accountability — existing provision requires that a part-time chairman would be wholly accountable for spend running into hundreds of millions of euro, which is clearly not sustainable; public policy — existing arrangements do not adequately support the focusing of spend by the dormant accounts board with policy priorities debated in this House and approved by Government and if we are serious about tackling disadvantage, we must target resources; and expertise — there is a considerable wealth of expertise and practical experience residing in public bodies which routinely deal with areas of disadvantage and disability. Current arrangements do not adequately allow this key resource to be drawn upon in informing decisions on spend from the fund. Therefore, in December 2003, the Government reviewed arrangements for dormant accounts.

In view of these issues, it was apparent that there were two possible routes that could be followed. One was the setting up of an independent agency with a large staff, CEO, offices and so forth to administer the fund and the other was to use the existing mechanisms of State and accounting procedures, including accounting officers of different Departments, to support clear criteria, a transparent application process and rigorous evaluation of projects. The first approach would have led to an inordinate amount of the funds being dissipated on administration. Implicit in the second route, using existing agencies, was the requirement that Departments or their agencies would support and inform the disbursement of funds.

The advantage of using the existing infrastructure of State to carry out the above work is that it means that much less of the money

than otherwise would be the case will be spent on overheads and administration and that the benefit or the expertise of the State system will be available for the evaluation of projects. In this situation, legal responsibility for decisions would ultimately lie with the relevant Minister and accounting responsibility with the relevant accounting officers.

The objectives of the disbursements scheme, as set out in the board's first disbursement plan, will remain unchanged, that is, funding 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. As regards the integrity of the proposed future system for disbursement, it is important to note that the Government decision of December 2003 provides that decisions in this area would be taken following a transparent application and evaluation process.

With regard to the board itself, the Government proposes key roles for it, with particular regard to the following: advising on priority areas to be considered annually for funding and preparation of the disbursement plan. Furthermore, the board will critically assess the additionality and impact of spend on a regular basis. This is of critical importance and arrangements will be put in place to ensure that spending under the dormant accounts board will be kept separate from the normal Estimates process, so that additionality can be verified.

Draft legislation is to be brought forward this year with a view to giving effect to these decisions. I expect the draft legislation will be published over the coming months.

#### Harbours and Piers.

220. **Mr. J. Breen** asked the Minister for Community, Rural and Gaeltacht Affairs when the funding allocated by his Department will be spent dredging and improving Doolin pier; and if he will make a statement on the matter. [8019/04]

**Minister for Community, Rural and Gaeltacht Affairs (Éamon Ó Cuív):** No funding has been allocated to dredge and improve Doolin pier. This matter is being considered at present and a decision will be made in due course.

#### Grant Payments.

221. **Mr. Kehoe** asked the Minister for Community, Rural and Gaeltacht Affairs if his Department makes grants available to community halls. [8055/04]

**Minister for Community, Rural and Gaeltacht Affairs (Éamon Ó Cuív):** My Department administers a scheme in Gaeltacht areas and on the islands whereby a grant of up to 80% of the approved cost is available to local committees for the construction and renovation of community centres and for the provision of furniture and



equipment therein. Applications are assessed on the basis of criteria related to: the necessity for the work; the strength of the Irish language in the area — this criterion applies only in the Gaeltacht; other facilities available in the area; the general effectiveness of the committee, including its future plans for strengthening and maintaining Irish in the district — Gaeltacht areas only; the local population; the level of finance raised locally for the project; the level of finance available in my Department's Vote for the scheme and of other demands on hands; and the recommendations made by my Department's inspectorate in each case.

A top up grant is available in mainland CLÁR areas in the Gaeltacht under this scheme. This is calculated on the basis of 20% of the approved Gaeltacht grant, subject to an overall maximum between the grant and the top up of 80% of the project cost.

Community halls are also eligible for funding from my Department via the grants scheme for locally based community and voluntary organisations. The scheme for 2004 will be advertised within the next month. Under the terms of this scheme, a grant of up to 90% of costs, subject to a maximum of up to €40,000, may be available to cover the costs of repairs or refurbishment of community halls. Priority is given under this scheme to disadvantaged communities.

*Question No. 222 answered with Question No. 150.*

#### **International Agreements.**

223. **Mr. O'Shea** asked the Minister for Social and Family Affairs the proposals she has to enter into a reciprocal social welfare agreement with Japan; and if she will make a statement on the matter. [7960/04]

**Minister for Social and Family Affairs (Mary Coughlan):** There are currently no proposals to enter into a reciprocal social welfare agreement with Japan. Reciprocal agreements with non-EU countries have been negotiated where there are a significant number of Irish emigrants to those countries, for example, the US, Canada, Australia and New Zealand. Such agreements provide protection to persons who would otherwise have an insufficient Irish contribution record to qualify for old age contributory pension, widows and orphans contributory pensions or invalidity pension.

In view of the small number of Irish emigrants in Japan the pursuit of a reciprocal agreement at this time is not considered warranted. No approach has been made by the Japanese authorities for consideration of such an agreement.

#### **Social Welfare Benefits.**

224. **Dr. Cowley** asked the Minister for Social

and Family Affairs the situation regarding the older Irish born emigrants, some of whom have been away from Ireland for 30, 40 and 50 years, who now seek to return here via the safe home programme and are likely to require top up to the income they will be receiving from social funds; if these returning emigrants will be affected by the recently announced changes in the social welfare system designed to impede welfare tourism from the ten new accession countries; and if she will make a statement on the matter. [7961/04]

**Minister for Social and Family Affairs (Mary Coughlan):** My Department provides an annual grant to the Safe Home programme to publish a monthly newsletter to our emigrants in Britain keeping them up to date on all available social services in Ireland. I have also increased the funding available for emigrant advice and information from €127,000 to €427,000 in 2003. The "Returning to Ireland" booklet published in partnership with the voluntary agency Emigrant Advice is one such initiative. This increased funding is in line with the recommendations of the task force on emigration policy published in 2002 and has gone into direct information services to our emigrants.

The new measures which the Government has decided to put in place will restrict access to certain social welfare payments by introducing a habitual residence test which will act as an additional condition to be satisfied by a person claiming a social assistance payment or child benefit. A person will have to establish a degree of permanence to be considered habitually resident in the State. The term "habitual residence" is well known in other jurisdictions and in EU legislation and has been clarified in EU court judgments. It is intended to convey a degree of permanence in the person's residence. Clearly the duration and continuity of their residence would be important factors and also their intentions.

The factors, as set down by EU case law, to be considered in determining whether a person satisfies the habitual residence test would include: length and continuity of residence; employment prospects; reasons for coming to Ireland; future intentions; centre of interest, for example, family, home, connections. People who have resided in the common travel area, that is, the United Kingdom, Channel Islands and the Isle of Man, will be regarded as habitually resident for the purpose of the new test.

With regard to Irish emigrants returning from abroad, it is expected that the vast majority will be able to prove habitual residence without difficulty because of, for example, their strong family ties with this country, previous residence in the State and so forth. It is quite possible that in other cases people in this situation will qualify for social insurance based entitlements, for example, contributory pensions, if they have been working in another EU member state or in a



[Mary Coughlan.]  
country with which Ireland has a bilateral social security agreement.

225. **Dr. Upton** asked the Minister for Social and Family Affairs if she will review the practice of awarding reduced rates of increases in the budget to contributory pensioners who are not on full rate pensions. [7962/04]

**Minister for Social and Family Affairs (Mary Coughlan):** In order to qualify for the maximum rate of the old age contributory pension a person must, among other qualifying conditions, achieve a yearly average of at least 48 contributions paid or credited on their social insurance record. Reduced pensions are paid to those with yearly averages as low as ten contributions and arrangements are also in place for the payment of *pro rata* pensions to those with mixed rate insurance records or contributions from different countries.

Reduced rate or *pro rata* pensions are paid at a fixed percentage of the full rate payment and to ensure that the differential between the various rates is maintained, budget increases are also applied on a *pro rata* basis. A person receiving a payment of 50% of the maximum rate, for example, receives 50% of any budget increase applied to the full rate pension.

Applying the full budgetary increase to those with reduced payments would erode the differentials which exist and which are intended to reflect the level of contribution which a person has made to the social insurance fund. It would also mean that those on reduced rate pensions would, on an ongoing basis, benefit disproportionately from budget increases. There are no plans to change existing arrangements in this regard.

#### Social Welfare Code.

226. **Mr. Durkan** asked the Minister for Social and Family Affairs the plans she has to reverse the cuts announced by her Department in the budget; and if she will make a statement on the matter. [8031/04]

**Minister for Social and Family Affairs (Mary Coughlan):** The Revised Estimates volume published in February provided a total allocation for social welfare spending in 2004 of €11.32 billion. This represents an increase of €830 million over the 2003 out-turn.

In the interests of prudent management of the public finances and to remain within guidelines for spending growth agreed by the Government, my Department reviews spending programmes on an ongoing basis to ensure that programme objectives are still valid and are still being met in the most efficient and effective way. A number of measures to control spending were included in the 2004 Abridged Estimates, announced last November. The combined saving from these measures is estimated at €55.8 million or one half

of 1% of the total value of social welfare spending.

The objective in implementing these measures is that social welfare spending might be better focused and that the available resources are used to benefit those most in need. The measures were chosen to ensure that they would not lead to hardship among social welfare recipients. I am keeping the outcome of those measures under review but I believe that, when taken together with the significant increase in social welfare spending announced in the budget, the level of social protection for vulnerable groups in society has been more than maintained and, in important respects, significantly improved.

*Question No. 227 answered with Question No. 113.*

*Question No. 228 answered with Question No. 110.*

*Question No. 229 answered with Question No. 106.*

#### Social Welfare Benefits.

230. **Mr. Durkan** asked the Minister for Social and Family Affairs the extent to which she can expedite the process of investigation of entitlements arising from combined contributions in two or more jurisdictions having particular regard to the inordinate delays experienced currently; and if she will make a statement on the matter. [8035/04]

**Minister for Social and Family Affairs (Mary Coughlan):** My Department is responsible for the administration of social security matters with other EU member states as well as a number of countries where appropriate bilateral arrangements are in place. In the case of bilateral agreements, entitlements are usually restricted to long-term payments such as retirement and old age pensions, survivor's benefit and invalidity pensions. The EU regulations similarly provides for long-term benefits and also a range of short-term benefits such as unemployment benefit, sickness benefit, maternity benefits and so forth.

In the case of short-term benefits, the majority of applications can be processed and entitlement determined on the basis of current or recent information, namely, details of employment contributions recorded in the relevant countries within the last few years. While some time can elapse in acquiring information from other countries, short-term applications are normally cleared without undue delay.

Pension applications, where entitlement is based on a combination of Irish insurance contributions and contributions from another EU member state or a country with which Ireland has a bilateral agreement, can take longer than normal to process for a variety of reasons. The cases are complex and involve

checking insurance records from various sources. In cases where employment contributions have been made outside of 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. Decisions cannot be taken until all appropriate information is received. Last year, some 10,500 applications for *pro rata* old age contributory and retirement pensions were received. This represents an increase of 23% over the number received in 2002.

The position regarding these claims will continue to be monitored and resources will be deployed as circumstances and demands on other fronts allow. Delays in processing applications do not result in any ultimate loss of payment to pensioners as those who qualify for payment will have their claims backdated in accordance with the normal provisions. In the majority of cases, the applicants are entitled to and in receipt of a basic pension from the other relevant state while the broader EU aspects of their entitlement are being examined.

The vast majority of applications are from people who have worked in both Ireland and the UK. A number of meetings have taken place between officials from my Department and their UK counterparts to discuss issues of common concern and to identify ways in which the exchange of social insurance information can be streamlined in the future. These discussions will continue with a view to minimising delays in the future.

There is work at EU level to monitor and initiate projects aimed at simplifying administrative procedures 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 telematic data exchanges, identifying concrete ways to EU wide progress in this area. It is expected that the plan of action will be presented at the end of 2005.

231. **Mr. Durkan** asked the Minister for Social and Family Affairs her views on whether child benefit is the most suitable vehicle to direct a payment to families where the parent or parents are in the workforce and require child minding facilities; and if she will make a statement on the matter. [8036/04]

**Minister for Social and Family Affairs (Mary Coughlan):** My Department provides financial assistance to families with children in a number of ways. Most recipients of primary payments receive child dependent allowance increases, CDIs, if they have dependent children. My Department also provides a family income support, FIS, payment to families where earnings from employment are low and the payment increases with the number of children in the

family. Furthermore, my Department also provides child benefit in respect of all children irrespective of family income or the employment status of the children.

Support to families with children seeks to make a positive contribution to the cost of raising children and to a reduction in child poverty levels. Each of the three instruments identified above has a number of features which can determine its effectiveness in reaching these objectives. While CDIs target resources on families who for the most part rely on social welfare incomes, it is withdrawn where employment is taken up or where earnings rise. In this way, persons can be dissuaded from taking up employment even though this is one of the best avenues out of child poverty. In particular, the loss of CDIs can represent a barrier to employment for a person with a large family.

Family income supplement is designed to provide cash support for employees on low earnings who have families. It preserves 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. Family income supplement can allow parents to effectively combine earnings from parental employment with support for children and, over the years, a number of measures have been taken to make it more attractive to families.

Child benefit, CB, delivers a standard rate of payment in respect of all children in a family regardless of income levels or employment status. It supports all children but delivers proportionately more assistance to those on low incomes and with larger families. It does not distort parental choice in respect of labour force participation and contributes towards alleviating child poverty. Child benefit is not intended primarily to meet child care costs. However, the substantial increases in CB in recent years can make a substantial contribution to meeting those costs.

Budget 2004 provided for a €6 per month increase, or 4.8%, in the rate of child benefit payable in respect of each of the first two children and €8 per month, or 5.1%, increase in the rate payable in respect of the third and subsequent children. Over the period since 1997, the monthly rates of child benefit have increased by €93.51 at the lower rate and €115.78 at the 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.

The concentration of additional resources in child benefit has underpinned the policy of successive Governments since 1994. Nonetheless, as with all aspects of social welfare spending, it is kept under review to ensure that its objectives continue to be met. Under the partnership

[Mary Coughlan.] agreement, Sustaining Progress, a special initiative on ending child poverty includes a commitment to examine the importance of child income support arrangements, including the question of merging the child dependant allowance with the family income supplement. The outcome of that initiative will be taken on board in the context of future policy development in this area.

232. **Mr. Durkan** asked the Minister for Social and Family Affairs if she will carry out a further examination of family income supplement with a view to identifying necessary improvements; and if she will make a statement on the matter. [8037/04]

**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 range of improvements to the family income supplement scheme instituted in recent years, 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 weekly payment by €7, from €13 to €20. The average weekly payment now stands at €87.06 per week, with a total of 12,060 families receiving a supplement under the scheme.

The question of further improvements to the income thresholds is a matter for consideration in a budgetary context, having regard to available resources and Government commitments.

233. **Mr. Durkan** asked the Minister for Social and Family Affairs the extent to which child benefit was increased in the most recent budget; her views on the necessity for an early and further increase in this area; and if she will make a statement on the matter. [8038/04]

**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 to social welfare contained in Sustaining Progress, the national anti-poverty strategy and the programme for Government. The question of further increases in child benefit will be a matter for consideration in a budgetary context and in the context of priorities generally.

*Question No. 234 answered with Question No. 106.*

*Question No. 235 answered with Question No. 106.*

236. **Mr. Durkan** asked the Minister for Social and Family Affairs the rate of mortgage assistance currently paid to a person (details supplied) in County Kildare; if same can be reviewed, in view of the fact that they currently receive disability allowance payment; and if she will make a statement on the matter. [8087/04]

**Minister for Social and Family Affairs (Mary Coughlan):** The South Western Area Health Board was contacted on behalf of the person concerned and has advised that she has been in receipt of the appropriate amount of mortgage interest supplement for her circumstances. In addition, she has received additional payments from the board as an exceptional measure.

The board has further advised that this case is currently under review. In this regard, the person concerned has been requested to contact her community welfare officer.

237. **Mr. Haughey** asked the Minister for Social and Family Affairs if she will process an application for unemployment assistance for a person (details supplied) in Dublin 5 as soon as possible in view of the fact that this family are in difficult financial circumstances; and if she will make a statement on the matter. [8105/04]

**Minister for Social and Family Affairs (Mary Coughlan):** The person concerned made an application for unemployment assistance on 1 March 2004. An inspector called to his address on 8 March 2004 to carry out an investigation of his means. The person concerned was advised to forward a copy of his P45 to the inspector. The claim will be decided without delay on receipt of this document.