



DÍOSPÓIREACHTAÍ PARLAIMINTE  
PARLIAMENTARY DEBATES

**DÁIL ÉIREANN**

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

Thursday, 6 May 2004.

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# DÁIL ÉIREANN

## DÍOSPÓIREACHTAÍ PARLAIMINTE PARLIAMENTARY DEBATES

### TUAIRISC OIFIGIÚIL OFFICIAL REPORT

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VOLUME 585

*Déardaoin, 6 Bealtaine 2004.*  
*Thursday, 6 May 2004.*

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

*Paidir.*  
*Prayer.*

#### **Visit of British Delegation.**

**An Ceann Comhairle:** Before proceeding with requests to move the adjournment of the Dáil under Standing Order 31, I welcome parliamentary colleagues from the House of Commons, led by Helen Jackson MP, and I wish them a céad míle fáilte. I hope they find their visit enjoyable, successful and to our mutual benefit.

#### **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 and I will call on Deputies in the order in which they submitted their notices to my office.

**Mr. Crawford:** I seek the adjournment of the Dáil under Standing Order 31 to discuss the following urgent matters: the failure of the Minister for Health and Children to have Monaghan General Hospital brought back on call so some of the operations being paid for under the national treatment purchase fund can be dealt with at a minimum cost in the hospital, which has been off call since July 2002, two months after the last general election; the serious problem people

experience in obtaining appointments with consultants and the fact that there are waiting periods of up to a year. It is vital that these people be added to the waiting list.

**Mr. Gormley:** I seek the adjournment of the Dáil under Standing Order 31 to discuss the following urgent matter: the continuing hunger strike of Mr. Tom Sweeney, whose health is deteriorating rapidly each day; the urgent need for the Minister for Education and Science to make a public statement on what he intends to do about the concerns raised by Mr. Sweeney; and the need for the Minister, for humanitarian reasons alone, to meet Mr. Sweeney to discuss these issues.

**Mr. Gogarty:** Hear, hear.

**Mr. J. Higgins:** I seek the adjournment of the Dáil to debate the Government's dishonest policy of taxation by stealth which is resulting in ever-heavier burdens of direct and indirect taxes on working people while major corporations have received substantial tax cuts; the repatriation since 1997 by multinational corporations of an incredible €150 billion in profits; and the increases by local authorities in bin taxes, development levies and other charges, which

[Mr. J. Higgins.]

equally amount to further taxation and burdens by stealth on ordinary people.

**Caoimhghín Ó Caoláin:** I seek the adjournment of the Dáil to discuss the following urgent matter: the confirmation by the Eastern Regional Health Authority that it is to cut 200 jobs this year as part of the continuing Department of Finance restriction on health spending, in spite of new Exchequer figures that show income tax returns nearly 20% ahead of target and in spite of the need identified by the Minister for Health and Children in his leaked memo to Cabinet for a supplementary health budget of €50 million this year to bring on stream the health facilities currently lying idle and which were provided at a cost of €400 million of taxpayers' money.

**Mr. Ferris:** I seek the adjournment of the House under Standing Order 31 to discuss the crisis at Tralee General Hospital. The hospital was underfunded by €2.5 million in 2003 and by €1.25 million this year. This will mean that one ward will be closed for the summer due to a lack of holiday cover, thus undermining the provision of cancer services at the hospital. Last year, this led to old people having to lie in corridors and to their being discharged before they had fully recovered. The continuation of this practice punishes those who are unfortunate enough to find themselves in need of urgent medical care.

**Mr. Gogarty:** I seek the adjournment of the Dáil to debate the following urgent matter: the need for the Government to settle today the crisis caused by the ongoing hunger strike by Mr. Tom Sweeney and his son, which could involve an out-of-court settlement, for example, that would not be in breach of legislation, bearing in mind the extreme urgency of the matter caused by the fact that this House will not meet again until next Tuesday, by which time Mr. Sweeney could be dead, which would have profound and tragic implications not just for the family concerned but also for the State.

**An Ceann Comhairle:** Having considered the matters raised, I do not consider them to be in order under Standing Order 31.

**Mr. Gogarty:** On a point of order, this is an issue that must be discussed today——

**An Ceann Comhairle:** There are other ways in which it can be raised in the House. It has already been raised on the Adjournment.

**Mr. Gogarty:** He could be dead next Tuesday.

**An Ceann Comhairle:** It is not appropriate under Standing Order 31. I ask the Deputy to resume his seat.

**Mr. Gogarty:** It is no reflection on the Ceann Comhairle but I will not resume my seat until——

**An Ceann Comhairle:** I call on the Tánaiste to take Riar na hOibre.

**Mr. Gogarty:** ——the Tánaiste makes a statement to the effect this will be sorted out.

**An Ceann Comhairle:** There are other ways in which the Deputy can raise the issue in the House.

**Mr. Gogarty:** There are no other ways. It has been raised by my colleagues before.

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

**Mr. Gogarty:** I am not going to resume my seat.

**An Ceann Comhairle:** I ask the Deputy to leave the House.

**Mr. Gogarty:** Am I being asked to leave the House?

**Mr. Kelleher:** The Deputy is a shallow publicity seeker.

**An Ceann Comhairle:** If the Deputy will not resume his seat, he must leave the House. He cannot disrupt business in this manner.

**Mr. Gogarty:** It is a matter of conscience.

**An Ceann Comhairle:** Will the Deputy leave the House?

**Mr. Sargent:** I ask the Ceann Comhairle to intervene to bring about some resolution to this matter.

**An Ceann Comhairle:** I am dealing with a point of disorder. Deputy Gogarty must leave the House.

**Mr. Gormley:** A Ceann Comhairle, is there some way in which this can be——

**Mr. Kelleher:** Deputy Gogarty is a shallow publicity seeker.

**Mr. Gogarty:** That is a low jibe.

**An Ceann Comhairle:** The Chair proposes that Deputy Gogarty be suspended from the sitting of the House.

**Mr. Gogarty:** I do not believe this is right.

#### Suspension of Member.

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

Question put.

**Deputies:** Vótáil.

**An Ceann Comhairle:** In accordance with Standing Orders, the division will take place on Tuesday next.

### Order of Business.

**The Tánaiste:** It is proposed to take No. 9, motion re proposed approval by Dáil Éireann of a Council decision establishing the European refugee fund for the period 2005 to 2010 — from committee; No. 10, motion re proposed approval by Dáil Éireann of the Minister for Defence entering into a memorandum of understanding with Austria — from committee; No. 11, motion re proposed approval by Dáil Éireann of the terms of the agreement establishing a political dialogue and co-operation agreement between the European Community and the republics of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama — from committee; No. 12, motion re proposed approval by Dáil Éireann of the terms of the agreement establishing a political dialogue and co-operation agreement between the European Community and the Andean Community and its member countries — from committee; No. 12a, motion re membership of committee; No. 17, Electoral (Amendment) Bill 2004 — Report and Final Stages (resumed); No. 18, Equality Bill 2004 — Second Stage (resumed); and No. 19, Health (Amendment) Bill 2004 — Second Stage (resumed).

It is proposed, notwithstanding anything in Standing Orders, that Nos. 9, 10, 11, 12 and 12a shall be decided without debate and that the proceedings on the resumed Report and Final Stages of No. 17 shall, if not previously concluded, be brought to a conclusion at 1 p.m. today by one question which shall be put from the Chair and which shall, with regard to amendments, include only those set down or accepted by the Minister for the Environment, Heritage and Local Government.

**An Ceann Comhairle:** There are two proposals to put to the House. Is the proposal for dealing with Nos. 9, 10, 11, 12 and 12a without debate agreed to?

**Mr. Kenny:** I raised concerns about this issue previously. Last week the House sent these motions to the committees for consideration. They are now back before the House in plenary session. I understood that the Government was to supply a brief synopsis of what happened at the committees' consideration of these issues but the Opposition does not appear to have been supplied with that briefing.

**Mr. Stagg:** We were given a commitment that the reports from the committees would be received in advance of decisions being taken in the House. The reports simply have not arrived. I presume the Chairmen of the committees are responsible for ensuring that when the committee reports are before the House, they will be

circulated to Members. It should be noted that our spokesperson, Deputy Costello, opposed No. 9. That should be recorded in some way rather than simply stating that the motion is back from the committee.

**Mr. Sargent:** The Green Party opposes No. 9, dealing with the European refugee fund. This brings to mind not just the plight of refugees but also somebody such as Mr. Tom Sweeney, of whom the House has heard each day. It is a shame on the Government that it does not have the skills or the humanitarian heart——

**An Ceann Comhairle:** That does not arise at this time.

**Mr. Sargent:** ——to deal with this matter. This man could be dead next Tuesday. It is an urgent matter.

**An Ceann Comhairle:** It does not arise at this point. I call Deputy Ó Caoláin.

**Mr. Sargent:** No. 10, the proposed memorandum of understanding with Austria, relates to the Air Corps. The Pilatus planes are Swiss. However, we have not received reports on this and we need to inform ourselves before making a decision. It would be useful to be given background information. The Government should inform the House more clearly on such matters.

The other motion refers to a political dialogue and co-operation between the European Union and various countries such as Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama. Are there any plans to investigate human rights abuses? I am thinking, in particular, about a Green Party presidential candidate, Ingrid Betancourt, who has been kidnapped by the FARC guerrillas.

**An Ceann Comhairle:** That does not arise at this stage. These matters have been discussed in the committee.

**Mr. Sargent:** They have not been discussed.

**An Ceann Comhairle:** There was an opportunity for each Deputy to attend the committee and make a contribution if he or she wished.

**Mr. Sargent:** There is not enough detail to agree these motions given the outstanding questions.

**An Ceann Comhairle:** We cannot discuss each of the motions in detail at this stage.

**Mr. Sargent:** We oppose them, particularly on the basis that Tom Sweeney lies outside this House and is effectively dying. It is unacceptable.

**Caoimhghín Ó Caoláin:** When it was first proposed to refer these matters to the committees, I outlined the critical reasons for addressing them in this Chamber. In the case of No. 9, which deals with the EU refugee fund, our concerns, which have already been articulated by a number of human rights bodies, are that the fund will not only be used for the reception and integration of asylum seekers but for the return of asylum seekers and refugees.

**An Ceann Comhairle:** As I pointed out to Deputy Sargent, these matters were discussed at committee and there was an opportunity for Deputies to attend those meetings and contribute their views.

**Caoimhghín Ó Caoláin:** The critical point is that this funding should only be used in cases where people have already been accepted into the jurisdiction and where the situation has changed in their country of origin. It should not be used to finance the return of refugees and asylum seekers.

**An Ceann Comhairle:** We are dealing with one proposal that the motions be taken without debate.

**Caoimhghín Ó Caoláin:** It is also relevant that no unequivocal assurances, were provided by the Minister in the course of the committee's deliberations and the Minister would be the first to acknowledge that. That is a major flaw. With regard to No. 10, the Minister, Deputy Michael Smith, when asked by Deputy Ó Snodaigh in the committee, was unable to give an explanation as to why the country of manufacture, Switzerland, would not allow the testing of the Pilatus PC-9M aircraft in that country. We still have not been advised why that is the case. Can the Minister for Defence establish the reason for this? It is important that we know such facts before making a decision.

With regard to Nos. 11 and 12, Articles 49 and 50 of the EU trade agreements, which we broadly support, give reason for concern, particularly as they apply to countries that have a poor human rights record such as Colombia, Guatemala and El Salvador.

**An Ceann Comhairle:** We cannot go into detail on these issues. The Deputy is entitled to make a brief comment on the reason for opposing the motion.

**Caoimhghín Ó Caoláin:** Unfortunately, the committee did not address these matters in detail either. I have already outlined my understanding of why the committee cannot be expected to examine these salient points. There are major matters that need to be addressed and this approach does not facilitate that. I oppose the motions as presented.

**Mr. Durkan:** On a point of order, we had established that there would be a short report from the committee, which would indicate the extent of the debate and whether it was satisfactorily——

**An Ceann Comhairle:** The Deputy's party leader has already made that point.

**Mr. Durkan:** We are making it again. We require an answer on this.

**Mr. Stagg:** It is appropriate to put it on record with regard to the matter raised by the Deputy who has left the House that his constituency colleagues of all parties, including my party leader, have been involved in that matter and they put forward a proposal seeking to resolve it.

**The Tánaiste:** It is a matter for the committees to decide how and when they report to the House. They have made a brief report to the House on most of these motions.

**Mr. Kenny:** It is up to the Government.

**The Tánaiste:** It is not a matter for the Government; it is a matter for the committees.

**Mr. Kenny:** It was agreed that the Government Whip would provide a report to the House.

**An Ceann Comhairle:** Allow the Tánaiste to reply without interruption.

**The Tánaiste:** It is not a matter for the Government. It is up to the committee to provide a report of its proceedings. We have reports from the committees and I am sure they are available——

**Mr. Kenny:** We do not have them. Show them to us.

**The Tánaiste:** It is not a matter for the Government Whip to circulate the reports.

**Mr. Kenny:** It is.

**The Tánaiste:** It is not. It is a matter for a committee to circulate a report of its proceedings.

**Mr. Durkan:** The Government was supposed to circulate the reports.

**An Ceann Comhairle:** The Deputy had an opportunity to speak. Deputy Kenny spoke on behalf of his party. The Tánaiste is entitled to speak

**The Tánaiste:** We can certainly circulate the notes we have. Almost all these matters were unanimously, agreed by the committees and Members are aware of that.

**Mr. Durkan:** We were supposed to get reports.

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

Question, “That the proposal for dealing with Nos. 9 to 12, inclusive, and 12a without debate be agreed”, put and declared carried.

**An Ceann Comhairle:** Is the proposal for dealing with No. 17, the conclusion of Report and Final Stages of the Electoral (Amendment) Bill 2004, agreed?

**Mr. Boyle:** On a point of order, can we have assurances from the Government that when reports come back from committees——

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

**Mr. Boyle:** We had an agreement from the Government we would get those reports but we have not got them.

**An Ceann Comhairle:** We have moved on to proposal No. 2.

**Mr. Boyle:** I would like an assurance that we will get these reports in the future.

**An Ceann Comhairle:** The leader of the Deputy’s party contributed on behalf of his party.

**Mr. Kenny:** There were reports last night that the Minister for the Environment, Heritage and Local Government was to be in Galway to open a sewerage scheme.

**Mr. Cullen:** As there is enough sewage here, I thought I would come back and deal with it.

**An Ceann Comhairle:** The Minister should allow Deputy Kenny to continue without interruption.

**Mr. Kenny:** You are going down the drain.

**An Ceann Comhairle:** If Deputy Kenny addressed his remarks through the Chair, he might not invite interruption.

**Mr. Kenny:** Is the Minister still spreading slurry?

**Mr. Ring:** The Minister should know that there are rats in sewerage systems.

**An Ceann Comhairle:** I ask members of the Fine Gael Party to allow their leader to continue without interruption.

**Mr. Kenny:** This House has conducted a complete charade in recent weeks because——

**Mr. Cullen:** Correct, it is all on the Opposition side.

**An Ceann Comhairle:** I ask the Minister to allow Deputy Kenny to continue.

**Mr. Kenny:** The Minister for the Environment, Heritage and Local Government recklessly plundered the public purse to the extent of €52 million and is bulldozing through the Electoral (Amendment) Bill when he knows these machines will never be used.

**Mr. Cullen:** Will the Deputy put money on that?

**Mr. Hogan:** The Minister should be put out of the House.

**An Ceann Comhairle:** Minister for the Environment, Heritage and Local Government, I ask you to remain silent or the Chair will have to take action.

**Mr. Ring:** A Cheann Comhairle, you should put him out, even if the Taoiseach will not put him out.

**Mr. Kenny:** This is the Minister from Waterford who said all the technological security experts were Luddites and associated with the anti-globalisation trend and that people were looking through the wrong end of the telescope. It appears that that telescope has become a political gun pointed at the Minister.

**An Ceann Comhairle:** We are discussing proposal No. 2, the conclusion of Report and Final Stages of the Electoral (Amendment) Bill 2004.

**Mr. Kenny:** I am opposed to this proposal. The Electoral (Amendment) Bill dealing with electronic voting has been shot down in flames by an independent commission. The Minister should have withdrawn the Bill from the Order Paper and established a proper independent electoral commission.

**Mr. Cullen:** Does the Deputy not want the commission on electronic voting established on a statutory basis?

**Mr. Allen:** A Cheann Comhairle, you should put the Minister out.

**Mr. Kenny:** The Minister can rant and rave all he likes. Yesterday we got as far as amendment No. 6 out of 88 and the Government intends guillotining this Bill today at 1 o’clock. That is not acceptable. It is disgraceful and contemptuous treatment of the House, as the Minister knows. If the Government wants full and thorough discussion, we will give it. However, the Government owes the House the opportunity to have its say on these matters. Although we will not have time to discuss the amendments on voter verification today, the Government intends ramming the Bill through by guillotine and I am opposed to this.

**Mr. Stagg:** I welcome the Tánaiste on one of her rare visits to the House. She is very welcome back and is looking very well.

**An Ceann Comhairle:** That does not arise on proposal No. 2.

**Mr. Stagg:** I presume, arising from the Tánaiste's presence, there will be no need to put bleeps on the record of the House today. The issue, we are dealing with reminds me of musical chairs or pass the parcel. Yesterday, we had an order stating there would be a guillotine, followed by an order stating there would not be a guillotine and then, hey presto, the matter was put back on the agenda for today with a new guillotine proposed. We have a farce, with the Government and the Whip's office behaving like headless chickens not knowing where they are going or what they are doing on the issue of e-voting.

**Mr. Cullen:** Is the Deputy talking about the Labour Party?

**An Ceann Comhairle:** Sorry, Minister, I ask you to allow Deputy Stagg to continue without interruption.

**Mr. Stagg:** I am talking about the Minister in particular, acting like a headless chicken——

**Mr. Allen:** The Minister should be guillotined.

**Mr. Stagg:** ——with legislation which will give inadequate terms of reference to the commission, as is evident from the report, that will allow council officials to run for public office, which is rather strange, and will allow the use of redundant voting machines that are now useless and should be scrapped.

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

**Mr. Cullen:** They will not be scrapped, as the Deputy knows.

**Mr. Stagg:** The Minister is interrupting again. A Cheann Comhairle, I ask you to throw the Minister out just as you threw me out when I interrupted like that.

**Ms Burton:** Recycle him.

**Mr. Ring:** You are too soft on him, a Cheann Comhairle.

**Mr. Stagg:** Arising from what I have said, we are asking the Government to withdraw the Bill, to consult properly with the Opposition and other interested parties on the matter and to ensure that the terms of reference for the electoral commission allow it to take the running of elections out of the political hands of the Minister and give it to an independent body.

This is the second week in a row when a Minister knowingly absented himself. The Minister for the Environment, Heritage and Local Government did so this week and the Minister for Justice, Equality and Law Reform did so last week.

**An Ceann Comhairle:** That does not arise on this proposal.

**Mr. Stagg:** It arises on this issue. The Minister for the Environment, Heritage and Local Government made a farce of proceedings in this House and treated it with contempt by being absent when he had scheduled and demanded the debate. Arising from that we are asking that the guillotine be removed and a full debate be allowed on the Bill. If that does not happen, we will oppose the proposal.

**Mr. Sargent:** The Green Party strongly opposes taking Report Stage of this Bill on the basis that it does not have any urgency. Electronic voting is off the agenda and a €52 million bill has been incurred by the taxpayer, of which the Minister still must give an account. There will be further cost in reintroducing the paper ballot, because ballot boxes were sold by Cork County Council at the grand price of €2 each.

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

**Mr. Sargent:** We oppose the taking of Report Stage and furthermore we will withdraw our amendments and will not take part in Report Stage.

**Mr. Glennon:** Shame on the Deputy and his colleagues.

**Mr. Sargent:** We will go outside the House to sit with Mr. Tom Sweeney so that at least he will know that there is some humanity left in this House——

**Mr. Gormley:** The Government should do something about it.

**Mr. Sargent:** ——while others will be in here talking about a Bill that has no value and is costing the taxpayer a fortune.

**Caoimhghín Ó Caoláin:** After the first guillotine was lifted yesterday, I appealed to the Minister to defer further consideration of the Electoral (Amendment) Bill until all the salient points had been addressed. It is very regrettable that not only did the Minister not accept the request from many Opposition Members, he has now come back proposing to guillotine the debate once more. This is absolute insanity. There is no wit or wisdom in pressing this matter through in this way. If it is the Minister's intention to proceed with the legislation, we should have allowed, and should still allow, a full and open

debate until the matter was properly concluded and all amendments addressed. I again ask that the Minister reconsider not alone the guillotine but also the taking of Report and Final Stages of the Bill. This is not the time to do this.

When will the Minister come back to the House to give us a detailed account of the full cost of e-voting machines and related matters? We need to know what are the intentions of the Minister and his colleagues regarding those machines?

**Mr. Crawford:** He could recycle them.

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

**Caoimhghín Ó Caoláin:** Has the Minister made any efforts to have the machines returned?

**An Ceann Comhairle:** We are dealing with proposal No. 2.

**Caoimhghín Ó Caoláin:** What are the details of the contracts? Can the machines be returned or can any saving be made on these machines even at this late stage? We need the facts and the details.

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

**Caoimhghín Ó Caoláin:** Surely the Minister will give a full and detailed account to this House and the public as this involves public moneys.

**Mr. J. Higgins:** The guillotine should be used, not on the Bill but politically speaking, as I am opposed to capital punishment.

**The Tánaiste:** It is important that we establish the commission on a statutory basis as proposed in the Bill. The polling order must be made by next Thursday and this legislation has to go to the Seanad. There are important anti-personation measures in the Bill. For all those reasons and particularly to establish the commission on a statutory basis, it is not possible to allow more time.

Some Deputies raised matters regarding Mr. Sweeney. Obviously this is a very sensitive and delicate matter, in which representatives of all parties have been involved, and I hope we can be successful and get a positive outcome.

**An Ceann Comhairle:** Is the proposal for dealing with No. 17 agreed to?

**Mr. Ring:** If he had stayed with the Progressive Democrats, it would not have happened. He would have been a watchdog.

**An Ceann Comhairle:** I ask the Deputy to show some respect for Parliament.

**Mr. Ring:** There is not much respect on the other side of the House. It is on this side that one wants respect to be shown.

**An Ceann Comhairle:** When a question is being put, there should be no interruptions.

**Mr. Ring:** You did not say that to the Minister. You want respect to be shown on this side only.

Question put: "That the proposal for dealing with No. 17 be agreed to."

The Dáil divided: Tá, 64; Níl, 43.

Tá

Ahern, Dermot.  
Ahern, Noel.  
Blaney, Niall.  
Brady, Johnny.  
Brady, Martin.  
Brennan, Seamus.  
Browne, John.  
Callanan, Joe.  
Carey, Pat.  
Carty, John.  
Collins, Michael.  
Coughlan, Mary.  
Cregan, John.  
Cullen, Martin.  
Curran, John.  
Davern, Noel.  
de Valera, Síle.  
Dempsey, Noel.  
Dempsey, Tony.  
Devins, Jimmy.  
Ellis, John.  
Finneran, Michael.  
Fitzpatrick, Dermot.  
Fleming, Seán.  
Fox, Mildred.  
Glennon, Jim.  
Hanafin, Mary.  
Harney, Mary.

Haughey, Seán.  
Healy-Rae, Jackie.  
Hoctor, Máire.  
Jacob, Joe.  
Keaveney, Cecilia.  
Kelleher, Billy.  
Kelly, Peter.  
Killeen, Tony.  
Lenihan, Brian.  
Lenihan, Conor.  
McEllistrim, Thomas.  
McGuinness, John.  
Moloney, John.  
Moynihan, Donal.  
Moynihan, Michael.  
Mulcahy, Michael.  
Nolan, M.J.  
Ó Fearghaíl, Seán.  
O'Connor, Charlie.  
O'Donnell, Liz.  
O'Donoghue, John.  
O'Donovan, Denis.  
O'Flynn, Noel.  
O'Keefe, Batt.  
O'Malley, Fiona.  
Power, Peter.  
Power, Seán.  
Roche, Dick.

Tá—*continued*

Ryan, Eoin.  
Sexton, Mae.  
Smith, Brendan.  
Smith, Michael.

Walsh, Joe.  
Wilkinson, Ollie.  
Woods, Michael.  
Wright, G.V.

## Níl

Allen, Bernard.  
Boyle, Dan.  
Broughan, Thomas P.  
Bruton, Richard.  
Burton, Joan.  
Connolly, Paudge.  
Costello, Joe.  
Crawford, Seymour.  
Crowe, Seán.  
Cuffe, Ciarán.  
Deenihan, Jimmy.  
Durkan, Bernard J.  
Enright, Olwyn.  
Ferris, Martin.  
Gilmore, Eamon.  
Gormley, John.  
Gregory, Tony.  
Higgins, Joe.  
Higgins, Michael.  
Hogan, Phil.  
Howlin, Brendan.  
Kehoe, Paul.

Kenny, Enda.  
Lynch, Kathleen.  
McGinley, Dinny.  
McGrath, Finian.  
McGrath, Paul.  
Morgan, Arthur.  
Murphy, Gerard.  
Naughten, Denis.  
Neville, Dan.  
Ó Caoláin, Caoimhghín.  
Ó Snodaigh, Aengus.  
O'Shea, Brian.  
O'Sullivan, Jan.  
Pattison, Seamus.  
Ring, Michael.  
Ryan, Eamon.  
Sargent, Trevor.  
Stagg, Emmet.  
Stanton, David.  
Upton, Mary.  
Wall, Jack.

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

Question declared carried.

**Mr. Kenny:** Perhaps the Tanáiste, who has an interest in this matter, can give some account of yesterday's meeting between the Minister for Education and Science, Deputy Noel Dempsey, and Deputies from Mr. Sweeney's constituency. The redress board was established to address cases like this. I am sure everybody in the House would like to see a successful conclusion of this matter.

Mr. Sweeney's deep conviction is that he has been wronged. I hope the Tanáiste will show real leadership and assist the Department of Education and Science in reaching a compromise on the matter. It is a difficult and sensitive issue and Mr. Sweeney has a deep conviction that what he is doing is warranted. Nobody wants him to die. I hope this issue can be dealt with successfully.

**An Ceann Comhairle:** We will deal first with this issue.

**Mr. Kenny:** I have a separate question.

**An Ceann Comhairle:** I will recall the Deputy when he have dealt with this issue. I call Deputy Burton.

**Ms Burton:** I support Deputy Kenny's remarks. Members on both sides of this House are genuinely concerned about Mr. Sweeney's state of health. Much effort has been made by people behind the scenes. The Minister for Education and Science, Deputy Noel Dempsey, met

yesterday with Deputies representing Mr. Sweeney's constituency. Deputy Rabbitte put forward a series of proposals which were supported by all constituency Deputies to which I understand the Minister for Education and Science gave a limited but positive response. It is our fervent hope that a way forward will be found for Mr. Sweeney and his family.

**Mr. Gormley:** I welcome the Tanáiste's partial statement this morning and believe she realises that feelings outside the House are running very high. Mr. Sweeney is, at this stage, in a serious condition and cannot even hold down water. I hope a resolution can be reached today. What is required is a clear public statement informing the House how we are to proceed so we can communicate that to Mr. Sweeney and he can then come off hunger strike. Nobody in this House wants an individual to die in this way. It is too awful to contemplate. I hope the Tanáiste can make a clear statement on the matter.

I note the Minister for Education and Science, Deputy Noel Dempsey, is writing. Perhaps he is writing something that can help to resolve this matter. I plead with the House to ensure we do something today that will ensure Mr. Sweeney comes off hunger strike. He wants to be with his grandchildren who are making their first holy communion at the weekend. We want him to be with them. Let us resolve this issue.

**Caoimhghín Ó Caoláin:** There can be no doubt in any of our minds that Mr. Sweeney has a deep sense of grievance and unquestionably has the commitment to see this hunger strike through to

its worst consequences. That is apparent, as those who have spoken with him, as I have done on a number of occasions late at night on leaving the premises, will be aware.

I appeal to the Minister on behalf of my colleagues and Deputy Séan Crowe, who met him yesterday to take on board Members' points. This is not an across the Chamber political issue; it is one which we all share a desire to see happily resolved. Deputy Gormley made the point — as did Mr. Sweeney — that the weekend event involving his grandchildren is important to him. It is, perhaps, a Rubicon that, if not grasped and seized, may mean there may be no rescuing the situation.

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

**Caoimhghín Ó Caoláin:** I appeal to the Minister to act immediately in line with the unanimous appeals made by Members in this House.

**Mr. J. Higgins:** A Cheann Comhairle——

**An Ceann Comhairle:** The House has heard from the leaders of each party. A number of Deputies on both sides of the House are offering.

**Mr. J. Higgins:** The Ceann Comhairle has——

**An Ceann Comhairle:** In accordance with precedence, I have allowed one Member of each party to speak.

**Mr. J. Higgins:** The Ceann Comhairle has allowed some latitude on the matter. This issue does not come under Standing Orders. Many other Members are equally concerned about the situation.

**An Ceann Comhairle:** The Deputy has made his point. I am calling the Tánaiste to reply.

**Mr. J. Higgins:** We are dealing with an incredible situation involving a man whose award was cut by €50,000 because he told his story. This issue should be resolved.

**An Ceann Comhairle:** There is no provision other than for one Member of each party to speak.

**Mr. J. Higgins:** The Ceann Comhairle departed from Standing Orders to allow others to speak. That is against Standing Orders.

**The Tánaiste:** I do not think, as Deputies have acknowledged, there is any difference between us on this matter. We all wish to see this sad situation resolved quickly. Yesterday, the Minister for Education and Science met Deputies from the constituency concerned. I believe that meeting was useful and productive and agreement was reached on a possible way

forward. Let us hope it works. Clearly everybody is required to play their part. Mr. Sweeney's legal advisers are active on his behalf. I hope the efforts being made, including those made by Deputies on the opposite side, can be successful in the next number of hours or days.

**Mr. Kenny:** In respect of the scandalous neglect of the disabilities sector, will the Tánaiste give a commitment that the Disability Bill will be published before the local elections? It has been talked about in the House on many occasions. Will she confirm that it will be published before the local elections?

**The Tánaiste:** The Bill is almost finalised and is on the Cabinet agenda. I cannot say exactly when it will be published but the intention is that it will be published as soon as possible.

**Mr. Howlin:** Yesterday, I asked the Minister for Defence about the health and safety at work (amendment) Bill, which has been promised for some time and was to have been published last month. It is now on the A list for publication. A Minister of State at the Tánaiste's Department had previously indicated that the corporate manslaughter proposals of the Law Reform Commission would be incorporated into this Bill but yesterday indicated that might not be the case. Now that the Tánaiste is in the House and since I have not had a communication since yesterday, although promised, will she say whether the corporate manslaughter proposals are being pursued by the Government and whether they will be part of that Bill, or will they be incorporated in separate legislation?

**The Tánaiste:** The Bill will go to the Cabinet in the next two to three weeks. It is almost finalised. The recommendation of the Law Reform Commission on corporate manslaughter has been embraced by my Department. The Minister of State, Deputy Fahey, is handling it. I understand he has been in discussions with the Attorney General regarding the best way of implementing legislation in this area. I am not certain whether it will be in this Bill. I will revert to the Deputy later on that matter.

**Mr. S. Power:** I am sure the Tánaiste would like to join me in wishing her old friend, Mr. Pat Cox, well for the future and in acknowledging the tremendous contribution he has made on behalf of the country at European level. While I am dealing with former Members, I wish my comrades in the Labour Party every good wish in welcoming Mr. Conor Cruise O'Brien back to the fold. It is clear that Deputy Rabbitte's policy of recruiting new blood is paying dividends.

**Mr. Sargent:** We are all watching this space with regard to Mr. Pat Cox.

**Mr. Durkan:** The Tánaiste is not smiling.

**Mr. Sargent:** I take my hat off to Deputy Seán Power for his cunning intervention. Has the Tánaiste taken note of the headline in today's edition of *Lá: Ardú Mór i bPraghas na hOla*. The report is of the rise in the price of crude oil to \$38 per barrel, the highest price since the beginning of the first Iraq war.

The energy Bill will be more and more critical as the regulator is blocking the wind energy sector from expanding. Will the Tánaiste say if that matter is being dealt with urgently?

**The Tánaiste:** I am delighted to concur with the remarks of Deputy Seán Power. Mr. Pat Cox has been an excellent President of the European Parliament. He has certainly put the Parliament on the map and I wish him well in whatever endeavours he pursues in the future.

The energy Bill will be published later this year.

**Caoimhghín Ó Caoláin:** The immigration and residence Bill was referred to here in the course of the week. In the Seanad last Friday, the Minister for Justice, Equality and Law Reform stated that the Bill would address the question of migrant workers in Ireland with the introduction of a green card system. Will the Tánaiste clarify the purpose of the Bill? From detail I have read, it appears that it will only apply to highly skilled workers and not to low paid workers, who are the people who suffer most.

**The Tánaiste:** That matter will be dealt with in the work permits Bill, which will go to Cabinet in the next month. We will provide for a green card arrangement for workers.

**Caoimhghín Ó Caoláin:** For all workers?

**The Tánaiste:** Non-skilled workers will now have to be sourced from the wider EU. We will not grant permits to non-skilled workers from outside the EU.

**Mr. Crawford:** Will the Dormant Accounts (Amendment) Bill be taken before the forthcoming elections and will the money be used for any purpose to be advised?

**The Tánaiste:** The Bill will be taken during this session. The funds will certainly not be used for the election, if that is the question.

**Ms Burton:** Does the Tánaiste still have full confidence in the Minister of State, Deputy Parlon, in view of the serious criticisms made of him—

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

**Ms Burton:** I have an important point to make related to Members' rights. I am asking about the Civil Service Regulation (Amendment) Bill.

**Mr. Stagg:** This is a matter of procedure in the House.

**Ms Burton:** I have tabled several questions today regarding a report which is severely critical of the Minister of State's handling of the OPW and of procurement procedures in that office. The Minister of State jumped the gun and released the report last night.

**An Ceann Comhairle:** That does not arise on the Order of Business. If the Deputy has tabled questions she can deal with this matter during Question Time.

**Mr. Howlin:** The matter relates to procedure in the House.

**Ms Burton:** I am entitled to ask you, Sir, how you protect my rights as a Member. My questions are on today's Order Paper. The Minister of State released the report last night. It is severely critical of his management of the OPW.

**An Ceann Comhairle:** If the Deputy is dissatisfied I suggest she talk to her party's Whip and he might raise the matter with the Committee on Procedure and Privileges. The matter is not appropriate to the Order of Business.

**Ms Burton:** It is, it deals with questions which have been submitted by a Member.

**An Ceann Comhairle:** It is not. The Chair has ruled on the matter.

**Mr. Stagg:** May I raise a point of order? Is it in order for a Minister to gazump questions which have been submitted to him by publishing a report the night before a series of questions are taken?

**An Ceann Comhairle:** The Chair has no control over that matter.

**Mr. Stagg:** Surely it is inappropriate, especially when one reads the report.

**Ms Burton:** This is the fourth time I have submitted questions to the Minister of State on this matter.

**Mr. Costello:** In view of the Taoiseach's announcement prior to the general election in 2002 of the Grangegorman development agency Bill, will the Tánaiste tell us if the Bill will be announced before the local elections of 2004?

**The Tánaiste:** That Bill will be published this session.

**Mr. Durkan:** Material which is the subject matter of a Bill before the House — electronic voting machines — is hanging around. A Bill is promised in the near future to provide for a streamlined development consent procedure for

infrastructural projects of strategic national importance. I am sure electronic voting comes within that category. The Bill is No. 64 on the list. Will the Tánaiste indicate how long we must wait before that Bill comes before the House so that the Minister can make up his mind what to do with the obsolete machines?

**An Ceann Comhairle:** Your colleague, Deputy Allen, might assist you on that matter.

**Mr. Durkan:** I know that, Sir, but I would not want the Minister to be in a quandary.

**The Tánaiste:** That Bill will be published after the summer.

**Mr. Allen:** That was to have been a fast-track Bill, but I see it has gone to the slow lane. Having been burned with regard to the Electoral (Amendment) Bill yesterday, the Minister for the Environment, Heritage and Local Government went to Wexford to address a conference of fire officers and announced the setting up of a fire safety authority. When will that Bill be published?

**The Tánaiste:** The Minister will bring proposals to Cabinet on that matter shortly.

**Mr. Gormley:** In light of the Judge Curtin case, when will the judicial conduct and ethics Bill be published? I hope this will not be put on the long finger.

**The Tánaiste:** It is expected later this year.

**Mr. Gormley:** Is the Tánaiste definite about that?

#### **Treaty of Amsterdam: Motion.**

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

That Dáil Éireann approves the exercise by the State of the option, provided by Article 3 of the Fourth Protocol set out in the Treaty of Amsterdam, to notify the President of the Council that it wishes to take part in the adoption and application of the following proposed measure:

Proposal for a Council decision establishing the European refugee fund for the period 2005-2010,

a copy of which proposed measure was laid before Dáil Éireann on 2 April 2004.

**Mr. Costello:** On a point of order, we have no report here and I cannot agree to the motion being taken.

**An Ceann Comhairle:** The House has already decided to take this item without debate.

**Mr. Costello:** I have no way of knowing if my dissent is recorded.

Question put and declared carried.

#### **Memorandum of Understanding: Motion.**

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

That Dáil Éireann approves the Minister for Defence entering into a memorandum of understanding (MOU) with Austria, which relates to a weapons systems certification testing programme for Pilatus training aircraft for the Irish Air Corps.

Question put and declared carried.

#### **International Agreements: Motions.**

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

That Dáil Éireann approves the terms of the agreement establishing a political dialogue and co-operation agreement between the European Community and its member states, of the one part, and the republics of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama, of the other part, signed in Rome on 19 December 2003, which was laid before Dáil Éireann on 5 April 2004.

Question put and declared carried.

**Ms Hanafin:** I move:

That Dáil Éireann approves the terms of the agreement establishing a political dialogue and co-operation agreement between the European Community and its member states, of the one part, and the Andean Community and its member countries (Bolivia, Colombia, Ecuador, Peru and Venezuela), of the other part, signed in Rome on 19 December 2003, which was laid before Dáil Éireann on 5 April 2004.

Question put and agreed to.

#### **Membership of Committees: Motion.**

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

That Deputy Arthur Morgan be discharged from the Select Committee on Communications, Marine and Natural Resources and that Deputy Martin Ferris be appointed in substitution for him.

Question put and agreed to.

### Electoral (Amendment) Bill 2004: Report Stage (Resumed) and Final Stage.

Debate resumed on amendment No. 7:

In page 5, between lines 14 and 15, to insert the following:

1.—(1) No electronic voting system may be adopted for use in an election or referendum unless all parties in Dáil Éireann are in agreement on all aspects of the adoption and use of a particular system of electronic voting.

(2) Nothing in this Act or any other enactment shall permit the trial, implementation or use of a system of electronic voting in any election or referendum save in accordance with *subsection (1)*.”.

—(Deputy Allen).

**Minister for the Environment, Heritage and Local Government (Mr. Cullen):** The Houses of the Oireachtas in passing the Electoral (Amendment) Act 2001 and this Bill, when enacted, will approve the use of the electronic voting system. There is no constitutional recognition of political parties for the purpose of enacting or implementing legislation. The political parties opposite have all indicated in the House that they agree with the use of electronic voting and counting. Therefore, the terms of the amendment are slightly superfluous. While there

may be some differences on the detail, the principle is agreed. Therefore, I cannot accept the amendment and I suggest it be withdrawn. The Bill sets out the framework for electronic voting but does not prescribe any particular system.

**Mr. Allen:** I am pressing the amendment.

**Mr. Gilmore:** I welcome the Minister back to the debate. He should not have been absent yesterday, particularly as we were dealing with amendments, one of which related directly to the conflict of interest in his role as director of elections for Fianna Fáil and as the Minister responsible for the handling of the Bill and the making of orders under it. He is aware the Opposition parties are happy to facilitate him and are understanding of him in regard to his functions as Minister for the Environment, Heritage and Local Government and Government business which must be transacted. However, when the Government ordered and insisted that a Bill be taken in the House although it was the view of the Opposition that the Bill should have been withdrawn for the reasons stated, the least we could expect was that the Minister responsible for the Bill would be in the House to hear the debate and respond to it. In any event, I am glad the Minister is present today to respond to the issues being raised. I support Deputy Allen's amendment.

Amendment put.

The Dáil divided: Tá, 38; Níl, 61.

Tá

Allen, Bernard.  
Broughan, Thomas P.  
Bruton, Richard.  
Burton, Joan.  
Connolly, Paudge.  
Costello, Joe.  
Crawford, Seymour.  
Crowe, Seán.  
Durkan, Bernard J.  
Enright, Olwyn.  
Ferris, Martin.  
Gilmore, Eamon.  
Gregory, Tony.  
Higgins, Michael D.  
Hogan, Phil.  
Howlin, Brendan.  
Kehoe, Paul.  
Kenny, Enda.  
Lynch, Kathleen.

McGinley, Dinny.  
McGrath, Finian.  
McGrath, Paul.  
McHugh, Paddy.  
Mitchell, Gay.  
Morgan, Arthur.  
Murphy, Gerard.  
Naughten, Denis.  
Neville, Dan.  
Ó Caoláin, Caoimhghín.  
Ó Snodaigh, Aengus.  
O'Shea, Brian.  
O'Sullivan, Jan.  
Pattison, Seamus.  
Ring, Michael.  
Stagg, Emmet.  
Stanton, David.  
Upton, Mary.  
Wall, Jack.

Níl

Ahern, Noel.  
Brady, Johnny.  
Brady, Martin.  
Brennan, Seamus.  
Browne, John.  
Callanan, Joe.  
Carey, Pat.  
Carty, John.  
Cassidy, Donie.  
Collins, Michael.  
Cooper-Flynn, Beverley.

Coughlan, Mary.  
Cregan, John.  
Cullen, Martin.  
Curran, John.  
Davern, Noel.  
de Valera, Síle.  
Dempsey, Noel.  
Dempsey, Tony.  
Devins, Jimmy.  
Ellis, John.  
Finneran, Michael.

Níl—continued

Fitzpatrick, Dermot.  
Fleming, Seán.  
Glennon, Jim.  
Hanafin, Mary.  
Haughey, Seán.  
Hoc tor, Máire.  
Jacob, Joe.  
Keaveney, Cecilia.  
Kelleher, Billy.  
Kelly, Peter.  
Killeen, Tony.  
Lenihan, Brian.  
Lenihan, Conor.  
McEllistrim, Thomas.  
McGuinness, John.  
Moloney, John.  
Moynihan, Donal.  
Moynihan, Michael.  
Mulcahy, Michael.  
Nolan, M.J.

Ó Fearghaíl, Seán.  
O'Connor, Charlie.  
O'Donnell, Liz.  
O'Donoghue, John.  
O'Donovan, Denis.  
O'Flynn, Noel.  
O'Keeffe, Batt.  
O'Malley, Fiona.  
Power, Peter.  
Power, Seán.  
Roche, Dick.  
Ryan, Eoin.  
Sexton, Mae.  
Smith, Brendan.  
Smith, Michael.  
Walsh, Joe.  
Wilkinson, Ollie.  
Woods, Michael.  
Wright, G.V.

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

Amendment declared lost.

**An Ceann Comhairle:** Amendments Nos. 8 and 9 are related and may be discussed together by agreement. Is that agreed? Agreed.

**Mr. Gilmore:** I move amendment No. 8:

In page 5, line 17, to delete “2002” and substitute the following:

“1999, the Standards in Public Office Act 2001 to the extent specified in section 29(4) of that Act, the Electoral (Amendment) Act 2001, the Electoral (Amendment) Act 2002”.

These amendments seek to correct errors in the Electoral (Amendment) Act 2001. When that Act updated the reference to the Electoral Acts 1992 to 1999, account was not taken of section 29(4) of the Standards in Public Office Act 2001. Accordingly, an ambiguity has arisen as to which of the 2001 Acts is included in the reference to the Electoral Acts 1992 and 2002. Our amendment seeks to revert to the point at which the error occurred and to insert the correct references from that point forward.

As the amendment relates to the Standards in Public Office Act, which in turn relates to the issue of electoral expenditure, I wish to pursue with the Minister a number of issues in respect of expenditure on this now redundant electronic voting system. During the course of yesterday's debate, Deputy Allen and I asked the Minister of State, Deputy Gallagher, to provide us with information regarding expenditure on the publicity campaign. The Minister of State told us that instructions had been issued to stop the broadcast of advertisements for the electronic voting system on radio and television and their publication in newspapers. I also understand the roadshow has been taken off the road.

However, we are anxious to know how much money has been spent on the publicity and promotional campaign and how much money is committed to be spent. Deputy Kehoe drew

attention to the possibility that there may be hotel bookings for the roadshow or commitments which had been entered into and must still be honoured. We would like to know how much is still committed. How much of the €5 million earmarked for the publicity campaign will be spent and how much can we expect to be saved, if anything? The Minister has argued that the expenditure on the machines for the system is a prudent investment since they will last for 20 years. In that context, will the Minister indicate the estimated depreciation of the machines, how much it will cost to store the machines for the 20 years and what arrangements have been made for their eventual disposal? The machines cannot and may never be used and at some point the issue of disposing of them will have to be addressed. I understand strict European regulations govern the disposal of electronic and electrical equipment.

Will the Minister confirm that some county councils were so convinced that the Minister would be able to see through the plans to implement electronic voting that they sold their old ballot boxes? I am told that Fingal County Council has sold all its ballot boxes and will have to buy new ones for the election on 11 June. What is the Minister's knowledge of the availability of ballot boxes for 11 June and how many county councils have sold their old black ballot boxes?

**Mr. Morgan:** —and to whom?

**Mr. Gilmore:** Sinn Féin is the only party that carries a ballot box in one hand—

**Mr. Cullen:** —and an armalite in the other.

**Mr. Morgan:** We carry a voting machine in one hand.

**Mr. Allen:** More like a laptop computer.

**Mr. Gilmore:** I expect issues will arise regarding the purchase of new ballot boxes. Presumably the publicity campaign had some impact and the fact that electronic voting will not proceed has received a considerable degree of media attention in recent days. Assuming that the publicity campaign worked and people were convinced they would be voting by pressing buttons on 11 June, has any arrangement been made or has the Minister given any thought to how they might be disabused of that notion and reformed that they will be voting by the traditional method?

**Mr. S. Power:** I am sure the Deputy will play his part.

**Mr. Gilmore:** I am glad to help.

**Mr. Allen:** I am glad the Minister is back since it was an insult to the House that he went to a conference yesterday which a Minister of State could have attended. Instead he left us here to pick up the mess. Like Deputy Gilmore, I asked a number of questions yesterday. Fingal County Council had budgeted €30,000 for electronic voting and now estimates the cost of running the election will be €250,000. Has the Minister checked with all local authorities about the cost implications of his costly cock-up and who will pick up the bills for the local authorities? Will the Department of the Environment, Heritage and Local Government cover the liability for their increased costs?

Will the Minister supply details of the contract placed with McConnell's Advertising? Is there an opt-out clause or will the Department be liable for the full cost of the contract? I read in a newspaper recently that despite the fact that the commission was in session, the Department placed further orders for extra machines. Will the Department be faced with that extra liability or is there an opt-out clause in respect of these extra machines which were ordered?

I suggested yesterday that instead of spending €4 million on a roadshow, the Government could have spent it on a campaign of public information to highlight people's entitlements to add their names to the supplementary voting register and to exercise a postal vote. How much has been spent on educating voters about their rights and encouraging greater involvement? My information is that the Department placed only one advertisement in a national newspaper regarding the entitlement of citizens to be placed on the supplementary register.

On Committee Stage I asked about the use of the contingency fund under section C1.5 of the public financial procedures, a non-statutory fund to defray urgent or unforeseen expenditure, but I was unable to get a straight answer. That fund is not covered by an ordinary Vote and can be used when the Dáil is not sitting. There is a strict condition of use for that fund in that it can only

be used for new services of a non-controversial nature. The introduction of electronic voting and the funding of a commission could not, by any stretch of the imagination, be described as a non-controversial issue. How was the fund used to draw down money for the commission when it was in direct contravention of the provision on non-controversial measures? The Minister should tell me how he can justify the spending of public money without the authorisation of the Dáil.

Also, will he now make all the files in his Department available if requested by the Committee of Public Accounts to assess the totality of his liabilities, negligence and incompetence? The committee can then judge the taxpayer's exposure to this costly cock-up and the damage done to confidence in our democratic system. Will the Minister make available all the documentation on this costly venture?

**Mr. Morgan:** What proportion of the money allocated to the e-voting information campaign will be returned to the Exchequer as a result of this catastrophe? How much will the local and European elections cost the State in light of what has happened? Perhaps the Minister could make some suggestions as to how these former ballot boxes might be used.

**Mr. Cullen:** We are dealing with amendments Nos. 8 and 9, which have nothing to do with what Members are talking about, but I will address the points raised.

The commission is satisfied that the electronic voting machines can be used provided its recommendations are acted upon. The Department and I have no difficulty in working with the commission to ensure that that happens. In spite of the desire of the Opposition to see that those machines are not used, electronic voting will be introduced in Ireland. It has already been tested.

People keep raising end to end testing but the truest end to end testing of any system is to do it in a live context. We have done this in three constituencies in a general election and in seven constituencies in a referendum, and all of that was done successfully. The commission confirmed that all the voting that took place in those constituencies, as far as it is concerned, was accurate, secret and delivered the proper result.

The commission stated: "The Commission wishes to emphasise that its conclusion is not based on any finding that the system will not work." Those are the commission's words, not mine. In spite of the bleatings of Opposition Members and their forlorn hope that the system will not be introduced, it will. If I am embarrassed about one aspect, it is that the rest of the world is clearly embracing electronic voting, with 700 million people in India embracing electronic voting in recent weeks with no difficulties. I did not see the six o'clock news yesterday evening but I was informed that it carried a report on electronic voting in India, which showed people

from all walks of life, some of them illiterate or suffering other problems, who were delighted with the system. This is an embarrassment to Ireland, and we are competing strongly with India as the largest exporter of software in the world. It is appalling to see the gloating of the Opposition in seeing Ireland damaged in this way.

**Mr. Gilmore:** Not at all.

**Mr. Allen:** That is rubbish. We had cowboys in charge of our system.

**Mr. Cullen:** We have the experience of this system being used in Holland and Germany for the past ten to 15 years.

**Mr. Allen:** Humility is foreign to the Minister.

**Mr. Cullen:** Testing has been carried out by the most reputable international institution in Germany, which verified that everything regarding this system works extremely well. There are also the commission's conclusions:

. . . testing carried out by experts retained by the Commission on a significant sample of voting machines deployed to returning officers confirms that the system can accurately and consistently record voter preferences;

testing of the counting software carried out by experts retained by the Commission, using voting information from pilot tests during previous elections in Ireland confirms that it accurately counted the votes recorded at these elections;

parallel testing of the counting software programme carried out by experts retained by the Commission using a large number of sample data sets and a similar counting programme developed for the Commission confirms that it can accurately count votes in most situations, including unusual or difficult electoral situations;

miniature end-to-end testing of the system carried out by experts retained by the Commission confirms that it can accurately record and count the votes in the context of multiple simultaneous elections . . .

use of the system may secure further reductions in election costs.

People should bring some balance into the debate, particularly in discussing my position, given everything the commission is confirming to me. It is quite clear there is only one matter at issue. The commission wants to do the kind of testing that international institutions have carried out. I have no objection to that but there is a time factor involved, and that is the reason we are not proceeding in June. The commission raised some other questions but there are no other findings in the report other than questions it wants to satisfy for itself. The commission refers to issues

involving the software of the counting system, which I have dealt with and to which other Members will refer also.

The one place where the commission found a glitch in the counting system was pointed out to it by the Department. It was not found by the commission. Interestingly, the paper trail out of the voting system itself confirmed that there was an error in this area, but that error was of such an infinitesimal nature that it had no bearing on the outcome of the result. That should be borne in mind.

The commission stated that security systems safeguarding against access to the software could be strengthened and I have no argument with that. If the commission feels those security systems need to be strengthened, that is fine. However, we should put this point in context. The commission's point involves an unknown person walking into a count centre with roughly 1,000 people in it comprising candidates, party representatives, returning officers, presiding officers, and those counting the votes, and going to the middle of the room — a secured area — where he or she is allowed to sit down at a computer, break down all the codes in the system and sunder all the election results in front of those 1,000 people.

While that is possible, the likelihood of such a scenario occurring is so extreme as not to be worth considering. However, if the commission wants the systems hardened up we will harden them up. It is true that there is probably not a system that has not been broken into or that cannot be broken into. I understand the Pentagon systems were broken into by expert hackers. The presumption is that these systems are easily accessible, but they are not accessible. The point has been made that we might not trust all the returning officers, those who have been involved in elections since the foundation of the State. Neither I nor my party nor any other political party has any function in the administration of elections. I subscribe to that position. No political party, Minister or politician should have any involvement in it.

For the information of the House the amount advanced in the education and awareness campaign to date is €1.125 million out of €4.5 million. Some €1 million of the total budget was to deal with voter apathy and to try to encourage young people, in particular, to take part in the electoral process. The reports I heard earlier today suggest that 70% or 80% of young people questioned in a survey said they would vote. That is not what happens among 18 and 19 year olds in all elections. They simply do not vote. I suggest to them — I see many of them in the Visitors Gallery — that they should exercise their franchise. It is their right to decide. If they do not exercise their right to vote, they have no right to criticise. Unfortunately the number who go out to vote has fallen below 50% on average. In some countries voting is compulsory. For example, in Australia, if one does not vote one receives a

[Mr. Cullen.]

substantial fine from the State. I do not want to go down that road and none of us do. However, it is an issue and people should go out and exercise the franchise.

On the issue of what commitments are outstanding on the awareness campaign, the Department is in contact with the companies involved. I do not know whether there are bookings or what commitments have been made. The indications are that somewhat less than half the total budget put in place will be saved. I cannot say that with absolute certainty and the Deputy will appreciate I have to get that information. There are a large number involved in the campaign. I am confident that we are in or around that ballpark. I await the outcome.

On the question of ballot boxes, these are purchased at almost every election by returning officers throughout the country as population areas grow. The Deputy said he understands that some returning officers sold off ballot boxes. Obviously that was public money so I presume it went back into the local authority. The purchases for and organisation of the elections are matters for the local authority and returning officers and have nothing to do with me and the Department does not provide funding for them.

Deputy Allen made an interesting point of which I was not aware. He said that in Fingal the proposed budget for electronic voting for the local elections was €30,000. He is now saying that because we have to use a ballot box system the budget will be €250,000. Does this not make my point?

**Mr. Allen:** I did not say that.

**Mr. Cullen:** I thought that was what the Deputy said.

**Mr. Allen:** I did not make that point.

**Mr. Cullen:** The Deputy made the point that it is more expensive to conduct a paper ballot election than an electronic ballot election. There is no question about that. The facts are there for all to see. These are matters for the local authorities. The indications are that there are no difficulties out there and that the local authorities and the returning officers will deal with the matter as they have always done. The storage of the machines is a matter for the returning officers as the storage of ballot boxes had been. In many cases there is no extra cost to store them. These are not matters for me or my Department but are matters for the returning officers and the local authorities.

**Mr. Gilmore:** Where are the machines? Do the returning officers have them?

**Mr. Cullen:** They are the responsibility of the returning officers.

**Mr. Gilmore:** Each returning officer has a supply of electronic voting machines and it is his or her responsibility to store them.

**Mr. Cullen:** Yes. The same as it would be in the normal circumstance of ballot boxes.

**Mr. Allen:** How did the contract for storage in Waterford happen to come within the Minister's Department? I got sight of a contract for Shannon which showed a storage cost €25,000 and was adjusted manually in handwriting to €50,000 for storage in Waterford.

**Mr. Cullen:** Where?

**Mr. Allen:** In Waterford.

**Mr. Cullen:** I have no contact with the returning officer in Waterford.

**Mr. Allen:** This is documentation that I understand came from the Minister's Department under the Freedom of Information Act.

**Mr. Cullen:** I assure the Deputy I had no role or involvement in approving any cost of storage for a returning officer in Waterford or elsewhere.

**Mr. Allen:** Has the Minister no idea of the storage costs nationwide—

**Mr. Cullen:** No.

**Mr. Allen:** —as the Minister who funds local authorities?

**Mr. Cullen:** No. On the one hand the Deputy is accusing me of taking powers away from local authorities and on the other he wants me to be responsible for storing everything for them. I will not do that. The costs are matters for local authorities and not matters for me. Does the Deputy want me to do their job for them?

**Mr. Allen:** Do not lecture me.

**Mr. Cullen:** I am simply giving the Deputy an answer to the question.

**Mr. Allen:** The Minister does not know.

**Mr. Cullen:** It is not my responsibility to know.

**Mr. Allen:** It is taxpayers' money.

**Mr. Cullen:** The taxpayers' money is looked after by the accounting officer, in the local authority.

**Mr. Allen:** It is a consequence of the Minister's decision.

**Mr. Cullen:** It is not a consequence of my decision.

**Mr. Allen:** Self delusion.

**Mr. Cullen:** The reality is, whether the Opposition likes it or not, this is a good investment by the State and will be proven in time. It will be shown to have been a good investment in value for money terms. It is important to put on the record, despite what has been said here, that these machines will be used. There is no question about that. In fact, the commission has said so. It looks forward to the day when they will be used.

**Mr. Allen:** Where did the commission say that?

**Mr. Cullen:** The commission makes the point that in working with the Department and others on the recommendations, that once the recommendations are implemented it will not have any difficulty in approving the use of the machines.

**Mr. Allen:** I do not see that.

**Mr. Cullen:** I hope it gets the testing under way as quickly as possible to enable us move forward on all these issues. With regard to the amendment about which we are supposed to talk, I am guided by the Parliamentary Counsel in the Attorney General's office who are experts on drafting legislation and I am therefore, not in a position to accept these amendments. They are technical amendments.

**Mr. Allen:** What about the new machines that were ordered?

**Mr. Gilmore:** The Minister did not tell us what has been factored in for the depreciation of the machines. Perhaps he would do so when responding. It is welcome news that approximately half of the budget for the publicity campaign is likely to be saved. Will he tell the House if any of the budget for the machines and the software is likely to be saved? All the machines have been delivered. Has he or his Department issued any guidelines to returning officers on the storage of the machines? With regard to his defence, and I compliment his spirit to continue to defend something after it has been well and truly put away, he should take up new reading material. He is reading from the report of the commission and it is not helping his mood. He reminds me of a pupil who gets a bad school report. Instead of facing up to the long list of F grades—

**Mr. Cullen:** The Deputy should concentrate on the issue.

**Mr. Gilmore:** —on all his papers, he keeps reading and re-reading the part that shows his attendance and punctuality is good and that he has participated well in out of school activities.

**Mr. Cullen:** I am sure the Deputy will remind me of the rest.

**Mr. Gilmore:** It does not disguise the fact that the Minister failed the exam. He persists in reading page 1 of the report where, to be frank, the commission was being very gentle towards the Minister in providing—

**Mr. Cullen:** I do not wish to be argumentative. However, does the Deputy accept that in page 1 of the report the commission is talking about the machines? What it is actually doing in the other pages is commenting on the software. The commission has an issue with the count software but it clearly does not have an issue with the machines themselves.

**Mr. Gilmore:** I accept that but they may as well put chickens hatching in the machines unless the software can be used in them.

**Mr. Cullen:** That was a fair question. They are separate.

**Mr. Gilmore:** The machines have no worth except for what they are provided for. They only work when they are loaded with the software—

**Mr. Cullen:** It is not the software the commission is questioning; it is the count software.

**Mr. Gilmore:** The reality of this is that some of the software has not even been developed yet, much less tested.

**Mr. Cullen:** That is not true.

**Mr. Gilmore:** That is what the commission decided.

**An Leas-Cheann Comhairle:** I ask the Deputies to focus on the amendment.

**Mr. Allen:** It is very difficult to focus on the amendment when the House is dealing with amendment Nos. 7 and 8 out of 88 amendments. The Minister quoted liberally from the interim report. He did not answer the question regarding the order placed for extra machines, whether it contains an opt-out clause or whether the machines must be taken. I invite the Minister to read pages 20 to 23 of the report.

**Mr. Cullen:** I have read those pages 20 times.

**Mr. Allen:** If we are making a comparison with school reports, I suggest the Minister would be given nought out of ten for conduct. He still continues in an arrogant fashion to —

**Mr. Cullen:** The commission has stated—

**Mr. Allen:** I ask the Minister to stay quiet and listen for a change. I have two minutes speaking time.

**Mr. Cullen:** —it is not in a position to correct the exam paper; it wants more time.

**Mr. Allen:** His conduct would be zero out of ten also because he does not learn the hard lessons.

**Mr. Morgan:** His attendance is only middling as well.

**Mr. Allen:** His attendance is only four out of ten because he did not attend for the court sessions. Last week on Committee Stage I asked whether all the tests had been done on the software and if the Department was happy. I was informed that everything was completed and there was no further testing required. This is completely at variance with the facts as set out in the report. I refer the Minister to pages 20 and 21 of the report.

**An Leas-Cheann Comhairle:** I ask the Deputy to speak on the amendment.

**Mr. Allen:** The House is still being given very misleading statements by the Minister. He has not learned the hard lesson that when one is losing, one should keep one's head down.

**Mr. Cullen:** As I said in response to another Deputy I much prefer to do as Churchill said, when one is going through hell, keep going. I assure the Deputy I intend to come out the other side of it. He will not get me to lie down under—

**Mr. Allen:** At least the Minister admits he is going through hell.

**Mr. Morgan:** The Minister should not follow Churchill. He should not listen to Churchill.

**Mr. Cullen:** I think it is a very good quote. It is one that has imbued me in the last few days and steeled me to keep going on this issue. The more I read the report, the more confident I am that what will come out of all of this will without question be—

**Mr. Allen:** The Minister is in serious denial.

**Mr. Cullen:** I accept the Deputy is making a political point and I accept I have taken a political hit.

**Mr. Allen:** We are politicians and we will make political points.

**Mr. Cullen:** I am big enough and long enough in this House to know that. The other thing I know and I believe the Deputies opposite also know, is that electronic voting will be introduced in Ireland. Most of the western world has introduced electronic voting and even in the developing world, such as in India, it is being introduced. Ireland will also do so.

Unfortunately, unlike the public in this country, who took to electronic voting with great gusto and gave it a substantial thumbs-up when the research was conducted following its use in the general election and in the referenda, the same cannot be said of the politicians opposite, even though the former Taoiseach and leader of Fine Gael went out with a brochure saying it was as simple as one, two three. Obviously the current leader of Fine Gael—

**Mr. Allen:** On a point of order. The Minister is referring to a former Taoiseach. I read a letter into the record of the House yesterday which stated the views of the former Taoiseach. The Minister was shaking hands in Wexford yesterday. The former Taoiseach stated his views in correspondence with the present Taoiseach in April 2002.

**An Leas-Cheann Comhairle:** The Deputy no longer has the floor because that is not a point of order.

**Mr. Allen:** The Minister should not make misleading statements.

**An Leas-Cheann Comhairle:** The Deputy should not mislead the Chair.

**Mr. Cullen:** To conclude on the point, I am happy to confirm to the House that the money invested in the technology and the electronic voting machines is secure. The machines will be secured. The Government will work with the commission. It will deal with any questions and recommendations from the commission and allay any concerns it may have. The Government will assist the commission with any testing if required. The commission is entitled to carry out the testing to satisfy itself. I look forward to the commission completing the testing it requires to be carried out. The commission's emphasis is clearly on the count software and not on the electronic voting machines. The report hardly refers to the electronic voting machines. The pages of the report referred to by Deputy Allen deal largely with the counting software which is separate.

**Mr. Allen:** Are they not an important element in the whole set-up?

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

**Mr. Cullen:** The commission is at pains to state it is not in a position to confirm one way or the other. It is interesting that the commission has stated that the burden of proof for giving a negative finding in its report is far lower than it would have been for a positive conclusion. I hope the commission will be in a position as soon as possible to have all the testing completed so we can move on from what is really a spurious debate. I look forward to seeing the system being vindicated. I am opposing the amendment.

**Mr. Gilmore:** I will reply to the debate. I wish to refer in particular to a number of points made by the Minister. I agree with him on something; I agree the day will come when electronic voting will be used in Ireland. Contrary to the impression the Minister wishes to give, this debate was never about whether electronic voting would be used or not used. This debate was about the way in which it was being introduced and the system the Government wanted to introduce unilaterally, about which serious concerns had been raised.

I said yesterday and I repeat it today, as far as the Labour Party is concerned, there are two preconditions for the introduction of electronic voting.

**Mr. Cullen:** Will the Deputy accept that no political party had any involvement in the procurement of the system?

**Mr. Gilmore:** I do not know that. Since the Minister has raised the question of the procurement of the system, there is an issue relating to the procurement of the system for which I have never received a satisfactory explanation. During the course of the Committee Stage debate, the Opposition was told that the tender for the system was advertised some time in the second half of 2000. That was my understanding of it. The tender competition took place sometime in the summer or autumn of 2000. I found it puzzling that the initial legislation allowing for electronic voting in the first place was not even published until Christmas 2000. I cannot recall if the Minister or the Minister of State was present during Committee Stage on that occasion. I referred to it on Committee Stage and I am puzzled how the Government could proceed to have a tender competition for a system when the enabling legislation had not been passed and no decision had been made. The Oireachtas had not decided to move to electronic voting and no law provided for it, yet the Government unilaterally decided to plough ahead with the competition and effectively committed the State and taxpayers to considerable sums of money before legislation was passed. We were told in the course of the debate in committee that the decision to proceed with the purchase, through tender, was based on a Government decision, which I understand was a formal one. This decision was not publicly announced at the time, nor was the House informed of it. Some information about it emerged during the Committee Stage debate of the Electoral (Amendment) Act 2001, with further information emerging later.

The Minister asked me to accept that no political party was involved in the procurement process. While I am not making such an accusation, in the circumstances I have described I am certainly not prepared at this point to accept that no party was involved in the procurement because the parties in Government were

obviously party to a decision to buy a system before authority was given for it. That aspect of this matter, which I appreciate, arose before the Minister's appointment—

**Mr. Cullen:** If it is of benefit to the Deputy, I have been handed a note detailing the sequence.

**Mr. Gilmore:** It may be useful to place it on the record, with the permission of the Chair.

**Mr. Cullen:** To avoid confusion as regards the point raised by Deputy Gilmore, I will outline the sequence. The Electoral (Amendment) Act 2001, which made legal provisions for the acquisition and use of electronic voting machinery, was enacted on 24 October 2001. The letter of intent, subject to conditions, to purchase 600 voting machines for the 2002 pilot at the general election issued on 16 November 2001. The Government, on 19 February 2002 subject to satisfactory testing of the system software approved the use of the system in the 2002 general election. The cost of the equipment used was not paid until after that date and well after the legislation was enacted. Expenditure on the purchase of six voting machines and testing costs in 2001 were paid out of the Department's Vote which was approved by the Dáil and by the Appropriation Act of that year. The tender submitted by Nedap-Powervote was accepted in January 2001 for phase one of the project, namely, the purchase of six voting machines and ancillary equipment.

**Mr. Gilmore:** That does not clarify the point I have been making. I am aware of the sequence beginning with the letter of intent which issued on 16 November 2001. My point is that the tender competition was held in 2000 before the legislation was published and either the Government, the Department, the Minister or his predecessor decided to accept the tender from Nedap-Powervote some time in late 2000 before the legislation was published.

The first question that arises, and one I posed in committee, is how was it decided to hold the tendering competition and then select the successful tender, in this case the Nedap-Powervote formula. That decision amounted essentially to selecting the system before the enabling legislation was even published. The answer to that question, when I raised it on committee, was that the decision to hold the tender competition and, as a consequence, select the successful Nedap-Powervote tender, was taken on foot of a Government decision.

In answer to the Minister's question as to whether I accept that no political party had an involvement in the selection of the Nedap-Powervote system, I cannot accept that statement because, according to what we were told on committee, the two Government parties made a decision, in Government and before the legislation was published or legal authority had been given to move to electronic voting, to hold a

[Mr. Gilmore.]  
tender competition to select an electronic voting system. Moreover, the Nedap-Powervote system we are now debating was selected some time in late 2000 before the initial legislation was published. That was, therefore, a political decision, for which there was no legal authority or legislative basis. The House had not been consulted or informed.

**Mr. Cullen:** The Deputy is correct in stating a Government policy decision was taken. Governments make policy decisions all the time.

**Mr. Gilmore:** No Government can commit—

**Mr. Cullen:** The Government was not involved in the procurement process.

**Mr. Gilmore:** The Minister is shifting the question. The Government is not omnipotent and while it may not appreciate it, it is accountable to the House.

**Mr. Cullen:** I accept that.

**Mr. Gilmore:** The Government made a decision to use electronic voting and select a system before it had legal authority to do so. I do not know what was the motivation for this decision or what was pushing it because the House has not been told, but I will not give a blanket absolution to the political parties in Government that they had nothing to do with selecting the system. They had everything to do with it because they took the decision.

The Minister is clutching at one page of the report of the Commission on Electronic Voting, namely, page 19, for comfort in these, his hours of trauma about the electronic voting system, but ignores what the commission stated about the system. Basically, the report states that while the software being used has been updated many times, the Minister continues to rely on tests or reviews done on earlier desk versions of the software. It states that some components of the system have not been tested, the source code is not available and the tests carried out to date are insufficient to establish its reliability for use at elections in June. It also points out that end to end testing had not been carried out in full or independently.

**Mr. Cullen:** I do not have an issue with the report. If that is the view of the commission, that is fine. If it wants to carry out testing to replicate testing already carried out, that is fine with me. I do not have an argument with the commission.

**Mr. Allen:** The Minister is incredible and irresponsible.

**Mr. Cullen:** What does the Deputy propose I do? The commission has given its subjective view. One group told me the system is efficient, while

another group takes a different view. That leaves me in the middle.

**Mr. Allen:** He is behaving like an ostrich.

**Acting Chairman (Mr. McGinley):** Allow Deputy Gilmore to continue without interruption, please.

**Mr. Gilmore:** If the Minister had made that statement last autumn, we would not have wasted months debating the issue.

**Mr. Cullen:** With hindsight, I could have done much differently, particularly if I had been responsible from the outset.

**Mr. Allen:** He should have listened occasionally.

**Mr. Gilmore:** Hindsight is great. As someone once told me, the cruellest thing one can say to anybody is “I told you so”, but I will not labour the point.

The point is that the commission has found that this was not properly tested and that it needs to be fully tested. I have only one difficulty with the assurances the Minister is now giving. We tabled two amendments yesterday and the Government defeated them. One amendment stated that this should be done by all-party agreement, but the Government voted against it. This seems to indicate that there is still an intention to run with this issue unilaterally. I proposed the other amendment, which stated that we should not proceed with electronic voting until the commission gives it the green light. The Government again voted against the amendment.

This is a flawed Bill as the commission is confined to looking at the Nedap-Powervote system. The Minister may choose other systems if he wants to do so. There is no legal requirement that the system can only proceed with the agreement of the commission or on the basis of a sufficient level of political consensus. For all these reasons, this is a flawed Bill.

I am prepared to accept the Minister's statement that the Attorney General's office and the parliamentary counsel are satisfied with the technical and legal issues which arise in the amendment and I will withdraw it.

**Mr. Cullen:** I would have had no wish to be here all week if I did not think the Bill was necessary. The basic problem that forced me to come in here was that I had to give the commission a statutory basis. I am not here for any other reason. There are other issues which I am legally obliged to get *in situ* before the election. As a politician, the Deputy knows that we would be much better off if this was not happening this week and that the issue had passed on the basis of the report. I agree with him and have fundamental views on the operation and running of elections in this country. These views

are not far from what he has been saying in the House.

However, there is a commission sitting that has been charged by all of us to report and it should be allowed to do that job. It may do the State a great service if there is something fundamentally wrong of which I am unaware. This will only happen if it is allowed time and the right to carry out specific testing. I am persuaded by august international institutes which have examined the system and informed me that it is perfect. I am not a technical expert but I cannot ignore that kind of advice. With hindsight there may have been a number of problems, but one finds oneself with what one has and tries to plot a way through it.

I also agree that there should be an objective of all-party agreement. If I made one mistake, it was a presumption, after the pilot phases and the public reviews, that there was one clear issue which arose, namely, the presentation of the results. I immediately tried to resolve this in the committee and acknowledged the issue in parliamentary questions in the Dáil to much acclaim. I stated that I would change how the results were presented and go back to the old way of doing it count by count. That was the major issue at the time, not the current issue. I thought we still had a general consensus on this issue. That was my position, but it was mistake or, rather, a presumption. I should have tested it with the House at that time. That is hindsight and I wish I could reverse the clock to think it through. It was a reasonable presumption at the time. I had no grounds, on contractual commitments, to sunder the system when the decision was made in December 2000 to roll it out fully after the pilot stages. I could not expose the State to massive lawsuits. The Deputy has accepted my point on the amendment, but I agree that there are issues.

Amendment, by leave, withdrawn.

**Mr. Allen:** There were a number of questions asked to which the Minister did not respond.

**Mr. Cullen:** I thought I did.

**Mr. Allen:** I asked a question on the extra machines that were bought a few weeks ago.

**Acting Chairman:** The debate has concluded on this amendment and it has been withdrawn. There will be an opportunity to speak later.

Amendment 9 not moved.

**Mr. Gilmore:** I move amendment No. 10:

In page 6, between lines 4 and 5, to insert the following:

“(9) Section 22 of the Electoral (Amendment) Act 2001 shall come into operation on the passing of this Act.”.

This is to bring section 22 of the 2001 Act into effect. That section related to the provision of the

address of polling stations on polling cards. It was introduced into the 2001 Act as a result of an amendment that I proposed at the time. The district electoral divisions, particularly in urban areas, may sometimes not correspond to the areas as people generally know them. There are occasions where people find that their polling station is not their local primary school. It can be some distance from where they expect it to be and that can create confusion on polling day. The provision in the 2001 Act, which, disappointingly, has not yet been implemented, was that the polling card would state the address of the polling station. The polling card arrives in the door a few days before an election and it contains the voter's number, name and address. It does not state the address of the polling station.

I was given an assurance on Committee Stage that it could not be done in time for the upcoming elections but that it would be done shortly afterwards. I am disappointed that it could not be done for the elections this year. There was plenty of time between 2001 and the present to have put it in place. If it can not be done for the upcoming elections, can I have an assurance that it will be done in time for the presidential elections? If I get that assurance, I will be happy to withdraw the amendment.

**Mr. Allen:** Due to the fact that this Bill is being guillotined within the next ten minutes, I would like the Minister to answer the questions that I asked on the contract and the extra machines.

**Mr. Cullen:** I will do that.

**Mr. Allen:** I want to set out my party's stance on this issue. Fine Gael is in favour of the introduction of electronic voting provided that there is full consultation with all the parties and the public. There must also be an independent statutory commission set up, with broad terms of reference to address the issues. It must have responsibility for the introduction of changes in the electoral law. We insist that the details of the source code should be made available for examination. We also insist that there must be a verifiable paper audit trail to ensure that the system is accurate and reflects the wishes of the people operating the machines. These are the core issues that I set out from the start. The commission report has agreed with those reservations I had and I ask the Minister to draw back and consult. He will find the Opposition parties responsible and responsive to get a system in place that will be democratic, secure and safe, and in which people will have confidence.

After the turmoil, controversy and debate of recent months, there is time to examine what needs to be done. There should also be respect for the critics who have reservations and the political parties that may have opposite views so we can all learn from this debacle and have an open, honest discussion before any decisions are made.

[Mr. Allen.]

The Minister indicated some months ago he is considering more comprehensive electoral law. In doing so he should examine the role of the commission. It should incorporate all the other commissions dealing with elections and should be comprehensive and responsible for running elections.

What has happened has happened, the consequences should be faced and lessons should be learned for the sake of the people we represent and for the democratic system for which people fought and died. The damage that is being done cannot be quantified. I hope that in June, the electorate will have confidence in the fact that this House works and that the Opposition can bring about change and prevent wrongs.

**Mr. Cullen:** I share Deputy Gilmore's frustration over the fact that this was not done and I agree that it should be done — it is as simple as that. I am not in a position this afternoon to give him a guarantee that it can be done before the presidential election. I wish that was the case and hope it will be the case but I am not in the driving seat regarding this issue. The Labour Party view is a positive one, which I accept and which was accepted, and I have no argument with the Deputy over the content and intent of his proposal. If there is to be a presidential election, I will do my best to push this along if it is possible to do so, but I do not know at this stage whether it is.

Picking up where Deputy Allen left off, I believe we should bear in mind that the commission is reporting to the Houses of the Oireachtas, for good or bad, and not to the Government. We should respect that it is still sitting and allow it to reach its conclusions. We have no choice but to do so and it would be foolhardy for anybody to suggest that I, or others intervene to stop it in its tracks and go off in a different direction. We need the commission to complete its work, regardless of what conclusions it reaches.

**Mr. Allen:** The Minister must agree there are very narrow terms of reference, which preclude the commission from considering some of the issues about which there is still concern. It has said this in its report.

**Mr. Cullen:** The terms of reference, were cleared by the commission before they were agreed by anybody else.

**Mr. Allen:** They were not agreed by this House.

**Mr. Cullen:** I wanted to make sure the commission was happy with the terms of reference.

**Mr. Allen:** However, this House was not happy with the terms of reference.

**Mr. Durkan:** The House does not matter anymore.

**Mr. Cullen:** I did not say it did not matter. We are having a serious debate——

**Mr. Durkan:** All the Minister's actions indicate he has contempt for the House. He should not be so petulant.

**Mr. Cullen:** I was having a reasonable debate for the past half hour.

**Mr. Durkan:** A sum of €52 million is down the drain. He should not talk about being reasonable.

**Acting Chairman:** The Minister, without interruption.

**Mr. Cullen:** The reality of the matter, until that rancour was reintroduced into the debate, was that the figures provided in response to the Deputy's parliamentary question included the 300 machines. There is no extra cost that has not been included.

**Mr. Allen:** We bought 300 machines but we had to pay extra for them.

**Mr. Durkan:** Of course, it is part of the game.

**Mr. Cullen:** They are included in the figures. I do not know the point the Deputy is making.

**Mr. Allen:** The point I am making——

**Mr. Gilmore:** Are they covered by the €52 million?

**Mr. Allen:** The point I am making——

**Mr. Cullen:** They are in the figures with which I supplied the Deputy in response to his parliamentary question.

**Mr. Allen:** I was making the point that while the commission was considering the future of electronic voting and the use of machines, the Department purchased 300 more machines at extra cost. When were the variations made in the contract to buy 300 extra machines? The Minister and the Department went headlong into a further commitment while the whole system was under consideration. If that is not contempt, I do not know what is.

**Mr. Durkan:** It is outlandish behaviour.

**Acting Chairman:** There are five minutes remaining.

**Mr. Gilmore:** I am conscious of the time and I know I am entitled to make a further intervention. I will do so to give the Minister an opportunity to gather his thoughts. When he was speaking earlier, he said he was constrained from intervening or causing the system to be halted at

an earlier stage because of his concern that the State would be exposed in some way to claims for compensation by the company supplying the system. At least this is what I understood him to have said. How could this be? I understand the contract for the system was not signed until 19 December, the day after the meeting of the Joint Committee on the Environment and Local Government. As we know, the decision of that committee cleared the decks for the final signing of the contract. The Minister could certainly have intervened before that time unless he was constrained by some commitment that had been entered into with Powervote/Nedap in advance of the contract being signed. If so, what was this commitment? This should be clarified before we conclude the debate.

**Mr. Cullen:** It is important to note that the letter of intent regarding the purchase had issued almost a year before that.

**Mr. Gilmore:** Has that letter been made public?

**Mr. Cullen:** The contact was only a formalisation and represented the end of the process. The machines had already been made during the year.

**Mr. Allen:** How come the Minister ordered 300 more machines while the commission was adjudicating on the ones he already had?

**Mr. Cullen:** We did not do so. Arising from the holding of a referendum, returning officers considered that they would require more machines due to the number of ballot papers. The company was asked if it would be possible to provide more but it was unable to do so. The order was put on hold as the system will not be used in June and until matters raised by the commission are addressed. Therefore, the order to which the Deputy is referring is on hold.

**Mr. Gilmore:** When was that order made?

**Mr. Cullen:** I do not know but I will establish the date for the Deputy. This was on foot of returning officers—

**Mr. Allen:** The Minister had to make the decision to proceed with the purchase of the extra 300 machines.

**Mr. Cullen:** That was in January.

**Mr. Allen:** When did the Minister sign the order?

**Mr. Cullen:** The extra 300 machines about which we are talking and which are included in the figures were ordered in January.

**Mr. Allen:** The Minister signed the order for an extra 300 machines in January.

**Mr. Cullen:** In January.

**Mr. Gilmore:** What were those 300 machines for?

**Mr. Cullen:** We estimated at that time that we needed that many more machines.

**Mr. Allen:** We were being told in the House that there would be no referendum at that stage, yet the Minister was buying more machines.

**Mr. Cullen:** They were ordered because we were being guided by the requirements of the returning officers. There is no mystery to it.

**Mr. Gilmore:** When did the returning officers make that request?

**Acting Chairman:** There is one minute remaining. The Minister to conclude.

**Mr. Allen:** Can I make a point of order since time is running out?

**Mr. Cullen:** I have yielded twice.

**Mr. Allen:** Will the Minister and his Department subject themselves to a full investigation of this whole issue by the Committee of Public Accounts given that over €50 million, possibly €60 million or €70 million, of taxpayers' money has been wasted?

**Mr. Cullen:** I have yielded to the Deputy twice.

**Mr. Allen:** Will they make all their files available for a thorough investigation? The fact that this Bill is being guillotined today means we cannot get to the truth.

**Mr. Cullen:** The investment made in this system is secure, the taxpayers' money is secure, and time will vindicate that.

**Mr. Allen:** We cannot get at the truth because of the guillotine.

**Mr. Cullen:** The system will be used. It will be shown to be an exemplary system that can deliver what it claims to deliver in a secure, safe and accurate manner. That was what was always intended. We should now respect the commission and give it time to produce its final report.

**Acting Chairman:** As it is now 1 p.m., I am 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 the Environment, Heritage and Local Government and not disposed of are hereby made to the Bill."

Question put.

The Dáil divided: Tá, 58; Níl, 42.

Tá

Ahern, Dermot.  
 Ahern, Noel.  
 Andrews, Barry.  
 Brady, Johnny.  
 Brady, Martin.  
 Brennan, Seamus.  
 Browne, John.  
 Callanan, Joe.  
 Carey, Pat.  
 Carty, John.  
 Cassidy, Donie.  
 Cooper-Flynn, Beverley.  
 Coughlan, Mary.  
 Cregan, John.  
 Cullen, Martin.  
 Curran, John.  
 Davern, Noel.  
 de Valera, Síle.  
 Dempsey, Noel.  
 Dempsey, Tony.  
 Devins, Jimmy.  
 Ellis, John.  
 Finneran, Michael.  
 Fitzpatrick, Dermot.  
 Fleming, Seán.  
 Glennon, Jim.  
 Hanafin, Mary.  
 Haughey, Seán.  
 Hoctor, Máire.

Jacob, Joe.  
 Keaveney, Cecilia.  
 Kelleher, Billy.  
 Kelly, Peter.  
 Killeen, Tony.  
 Lenihan, Conor.  
 McCreevy, Charlie.  
 McEllistrim, Thomas.  
 McGuinness, John.  
 Moloney, John.  
 Moynihan, Donal.  
 Moynihan, Michael.  
 Nolan, M. J.  
 Ó Fearghaíl, Seán.  
 O'Connor, Charlie.  
 O'Donnell, Liz.  
 O'Donovan, Denis.  
 O'Flynn, Noel.  
 O'Keeffe, Batt.  
 O'Malley, Fiona.  
 Power, Peter.  
 Power, Seán.  
 Sexton, Mae.  
 Smith, Brendan.  
 Smith, Michael.  
 Walsh, Joe.  
 Wilkinson, Ollie.  
 Woods, Michael.  
 Wright, G. V.

Níl

Allen, Bernard.  
 Boyle, Dan.  
 Broughan, Thomas P.  
 Bruton, Richard.  
 Burton, Joan.  
 Connolly, Paudge.  
 Costello, Joe.  
 Crawford, Seymour.  
 Crowe, Seán.  
 Cuffe, Ciarán.  
 Deenihan, Jimmy.  
 Durkan, Bernard J.  
 Enright, Olwyn.  
 Ferris, Martin.  
 Gilmore, Eamon.  
 Gormley, John.  
 Gregory, Tony.  
 Higgins, Joe.  
 Higgins, Michael D.  
 Howlin, Brendan.  
 Kehoe, Paul.

Lynch, Kathleen.  
 McGinley, Dinny.  
 McGrath, Finian.  
 McGrath, Paul.  
 McHugh, Paddy.  
 Morgan, Arthur.  
 Murphy, Gerard.  
 Naughten, Denis.  
 Neville, Dan.  
 Ó Caoláin, Caoimhghín.  
 Ó Snodaigh, Aengus.  
 O'Shea, Brian.  
 O'Sullivan, Jan.  
 Ring, Michael.  
 Ryan, Eamon.  
 Sargent, Trevor.  
 Shortall, Róisín.  
 Stagg, Emmet.  
 Stanton, David.  
 Upton, Mary.  
 Wall, Jack.

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

Question declared carried.

**Equality Bill 2004 [Seanad]: Second Stage  
 (Resumed).**

Question again proposed: "That the Bill be now read a Second Time."

**Aengus Ó Snodaigh:** Strand 3 of the Good Friday Agreement contains important provisions which, if fully implemented, would enhance equality and human rights protections right

across the island, to the benefit of all. The Agreement specifically commits the Government to increase equality and human rights protections in the State, to make them at least equivalent to those available in the Six Counties. It was intended as a baseline, not as a ceiling. Now the Government, led by the Minister with responsibility for injustice and inequality, is seeking not to enhance these protections won for all the people of this island in the Good Friday Agreement, but instead to roll back what was gained in pursuit of his personal war on a rights-

based society, his war on immigration, and his war on the Good Friday Agreement and the peace process itself.

The Government is no friend of equality, as proven by its record in office. It had to withdraw the Disability Bill 2002 after mass protests against it specifically because it was not a rights-based Bill. However, the draft replacement Bill looks even worse than the first one. The Government has criminalised Travellers without access to halting sites as a result of its and local authorities' failure to deliver on accommodation plans. The Minister's first order of business was to criminalise immigrants through random arrests in the pre-dawn raids of Operation Hyphen, which netted many who were perfectly legal.

The Government's failure to adequately fund the Human Rights Commission means that six years after the Agreement it is still not fully operational, and the Minister has further undermined the commission by ignoring its recommendations and refusing to consult it on a number of items of legislation, including the draconian Immigration Acts 2003 and 2004. He has legislated to allow publicans a licence to discriminate and limited the jurisdiction of the Equality Tribunal in the Intoxicating Liquor Act 2003.

The Government's Social Welfare (Miscellaneous Provisions) Bill 2004 legislated to reverse an Equality Tribunal decision by allowing discrimination against lesbian and gay couples in their entitlement to social welfare benefits. The Minister has failed to take strong action against attempts by publicans to introduce a blanket ban on Travellers and has failed to reprimand Members and public representatives for racist comments. He has publicly stated his own prejudice against asylum seekers. He is now trying to ethnically cleanse our citizenship laws and Constitution.

Notwithstanding stated Government policy, the Minister has refused to incorporate into law gender-based affirmative action targets. He has also repeatedly expressed contempt for the equality and human rights sector, and said that we must choose between our rights and low taxes. The Government, particularly the Minister for Justice, Equality and Law Reform, has proven it is nothing less than the biggest threat to equality in this State.

It is not simply a matter of protecting what we have gained under the Good Friday Agreement, we must enhance protections. Our equality legislation must be significantly enhanced. It lags behind the EU standard as well as the standard set in the Six Counties. For example, statutory duty provisions at least equivalent to those outlined in section 75 of the Northern Ireland Act 1998 are required to bring us properly into line with Good Friday Agreement commitments. Sinn Féin agrees with the Equality Authority that the nine grounds of protection from discrimination must be expanded to include equality regardless of socio-economic status, political opinion, trade

union membership or past criminal conviction. The race directive, the framework employment directive and the gender equal treatment directive represent the best of what the EU has to offer the people of this island. They provide a baseline of rights protection which should be available to all persons who find themselves in a European Union country.

Throughout 2003, I called for the transposition into domestic law of these directives to enhance the protections from discrimination available to people in the State. I hoped that process would pick up where the Good Friday Agreement left off. Like the Government which introduced it, the Bill before us is a profound disappointment. Like the Minister himself, it does a disservice to the Good Friday Agreement and everyone in the State who voted for it. The first problem is that the Minister failed to consult the sectors representing people whose rights will be most affected by this legislation. He ignored most of the recommendations of the Equality Authority on the proper transposition of the directives I mentioned. The Minister did not even seek the opinion of the Human Rights Commission, which I am glad to discover is planning a submission to him on its own initiative. Let us hope he does not ignore that as he has ignored so many of the commission's past submissions.

The result of the Minister's failure to consult is the poor Bill before the House today. The Minister got the process wrong and the House must now get it right. The legislation must not be rushed through on the Minister's whim. Adequate time is required for committee hearings involving representatives from the human rights sector. These representatives should include the Human Rights Commission, the Equality Authority, the National Consultative Committee on Racism and Interculturalism the National Disability Authority and the non-governmental organisations represented on the newly-formed equality coalition which made a submission to the Minister on this Bill. As much time is needed for adequate Committee Stage debate as has been afforded to consideration of the equally important Education for Persons with Disabilities Bill to permit Members to thrash out properly the changes required to ensure we enact the best possible legislation. We will also need adequate time for a proper Report Stage to allow us to reach and properly debate all proposed amendments.

There are major problems with the content of this Bill. It fails fully to transpose EU equality directives into law. The Bill is as much about the dilution of rights as their protection. It violates the principle of non-regression of rights protections specified under all three directives. Its provisions on sanctions and remedies do not comply with either the directives or European Court of Justice standards. It excludes conveniently actions or failures of the State which is contrary to Article 3.1 of the race directive. The legislation makes no provision for the abolition

[Aengus Ó Snodaigh.]  
of discriminatory practices or laws as required by Article 14 of the same directive. In fact, section 47 rolls back actively an Equality Tribunal decision on discrimination in education, proposing instead to permit discrimination by changing the law. It also legislates for racism in section 49, in particular by removing the protections previously afforded in respect of discrimination on the ground of nationality. This violates our international human rights obligations and Article 14 of the European Convention on Human Rights, which is now law in the State.

As drafted, the Bill violates the equality directives and the terms of the Good Friday Agreement. It is thus vulnerable to a Supreme Court or European Court of Justice challenge. In short, the Bill represents a further signal that the Minister has declared war on all of us who do not rank high enough in his social-Darwinistic hierarchy. The Minister is picking us off one by one, starting with those he perceives to have the fewest advocates. First, his Government turned on Travellers and, subsequently, the Minister began his war on non-nationals. Today it is republicans but tomorrow it could be anyone. He is trying to pit us against each other. He says taxpayers will not pay for rights-based disability legislation and contends that we must choose between that and a proper health care system. The Minister says immigrants cost more than they contribute and that if we let them in, we will be unable to afford services for disabled people.

These are lies calculated to cover up the Government's failure, true priorities and lack of political will. My message to the Minister is that he will not succeed in his plan to divide and conquer. I applaud the equality coalition which formed recently to keep an eye on him. I am encouraged by the unity demonstrated by the progressive Opposition in the House as we continue to work co-operatively to ensure we have the best possible equality legislation and begin to set the standards for the whole of Europe rather than simply for Ireland. That will not happen if the Minister fails to listen and take on board the concerns of Members on this side of the House and of those who work in this field. The Minister must, for once, listen to what the Human Rights Commission has to say.

**Mr. Deenihan:** I welcome the Bill. We have made considerable progress in the area of equality over the past 20 years, particularly the last ten. There is a growing realisation and appreciation of the importance of equality in all aspects of Irish life rather than simply the workplace. People are becoming more educated and sensitive to different groups, which is welcome. However, we have a long way to travel. We are still not seeing enough people with disabilities in the workplace. We are all familiar with well-qualified people of high ability and enthusiasm who cannot secure employment due

to a physical disability involving impaired eyesight or mobility. Some of these people have masters degrees and all have the aptitude to work but their disabilities and the inaccessibility of buildings deny them the employment opportunities for which they are qualified. There are many examples of this phenomenon, which must be addressed.

While this Bill does not seek to make provisions on physical access to buildings and movement within them for people with various disabilities, the Minister should note that there is a considerable amount of work to be done in this area. I have raised this issue in the House on a number of occasions. While significant investment has been made to improve access to public buildings and all new buildings are accessible to people with disabilities, there are several older buildings which continue to lack proper access for wheelchair users and those with sight and hearing difficulties.

Another significant equality issue involves the participation of women in a number of areas of public life. During consideration of the National Tourism Development Authority Act 2003, I pointed to a large number of State boards and regional tourism organisations on which women were under represented. On that occasion, the Minister did not accept my amendment that at least 40% of the board be comprised of women, but he did deliver in that the board is representative of women. However, he included such a provision in the Arts Act and that is to be welcomed. There are other areas in the tourism sector where women make up only 10% of boards, yet 70% of those involved in that sector are women. I merely state that as an example where equality does not exist, although we are making improvements.

I recently raised on Question Time the issue of gender balance in the teaching profession, especially in the primary sector. Other Members have raised this issue as well. Currently, only 10% of national teachers are male. There should be positive discrimination to ensure more males are encouraged to take up teaching. Approximately half the pupils attending primary school are males. It is important in terms of role models that at least 20% of our teachers are male. All schools should have a male teacher. There are no male teachers in some of our schools. It is important that situation is rectified as mentioned by a number of speakers.

The Bill aims to implement three EU directives, the race directive, the framework employment directive and the revised gender equal treatment directive. These then will take precedence over the Employment Equality Act 1998 and the Equal Status Act 2000. Increasingly, the impetus for legislative change comes from Europe, one of the positive aspects of Ireland's membership of the EU. Ireland would not have made the progress it has made to date were it not a member of the EU.

It has been pointed out that it is regrettable that we take a reactive rather than proactive approach in this regard. There is no reason Ireland should not be to the fore in equality legislation. We should not be held up as a shining light to our EU partners as a nation sympathetic to the needs of minorities and those with disabilities because, unfortunately, we have prioritised other areas. While it must be acknowledged that we have made progress, we have a long way to go. We should be much more proactive than has been the case heretofore.

I draw attention to a number of issues contained in the Bill. In some respects the Bill provides greater protection than is required by the directives. However, it appears to fall short of the requirements of the directives, especially in the areas of remedies, enforcement and exemptions. These matters were referred to in the Seanad and perhaps the Minister, through his officials, could expand on them.

Under the Employment Equality Act employers are only obliged to provide reasonable accommodation for employees with disabilities to the extent that it costs only a nominal sum. The Bill is weak in that regard. This minimal responsibility reflects an over-cautious response to the Supreme Court judgment which found the disability provisions of the earlier Bill to be unconstitutional. That issue needs to be carefully considered and strengthened, if possible. The effect of the framework employment directive is to roll back the Supreme Court judgment by imposing a more onerous responsibility on employers to facilitate participation by disabled people.

The Bill implements this obligation by requiring employers to take appropriate measures to enable a person with a disability to have access to employment, to participate or advance in employment or to undergo training unless this would impose a disproportionate burden. The prohibition on discrimination in the Employment Equality Act 1998 did not apply to workers over 65 years of age or under 18 except as regards vocational training. The Bill abolishes the upper age limit with certain exemptions in terms of occupational benefit schemes and exemptions which allow employers to offer fixed-term contracts.

The new lower age limit is the school leaving age of 16 but with a provision to allow an employer to set a minimum age of up to 18 years for recruitment. The Bill expands the permitted categories of positive action in the workplace to encompass all nine grounds and to allow measures to ensure full equality in practice. The position of migrant domestic workers is improved by the abolition of the absolute exemption regarding employment for the purposes of a private household, and that is to be welcomed. I expect that, with enlargement, many more migrant domestic workers will come to Ireland. People, who are busier these days taking care of their lawns and houses, are often inclined to

employ nannies to take care of their children, as is done in America. Up to now it has been difficult to find such workers, but I am sure there will be a much greater supply of such workers in future. The Bill will protect them and, in that regard, it is to be welcomed.

However, none of the binding parts of the directives permits exemption on any aspect of employment in a private household, an issue that will have to be addressed. The Bill appears to fall short of the directives in a number of respects. All three directives contain provisions requiring sanctions to be effective, proportionate and dissuasive. In light of those provisions and the case law of the European Court of Justice, it is surprising that the Bill contains no provision for providing an option for all non-gender claims to be initiated in the Circuit Court as pertains for gender claims under the Employment Equality Act 1998; removing the current ceiling of €6,350 on the maximum compensation that can be awarded under the Equal Status Act 2000 and the Intoxicating Liquor Act 2003; and removing the two month written notification provision in the Equal Status Act 2000. The aforementioned is something I noticed in a commentary in the media recently to which, perhaps, the Minister might respond.

The race directive has a broad scope with limited exemptions. It is, therefore, surprising that no steps have been taken to abolish the exemption in section 14 of the Equal Status Act 2000 which allows legislated discrimination and the unique exemption regarding licensed premises in section 15. The Equality Coalition made a number of recommendations on the Bill. I am sure the Minister and his officials have taken note of the presentation made by the Equality Coalition to Members of this House. While it welcomes the Bill, it has expressed a number of reservations. It does not believe, for example, the Bill transposes or fully implements obligations emanating from EU directives. Furthermore, although perceived by many as technical legislation, it will reduce protection against discrimination for vulnerable groups. I have already referred to those groups. The coalition has made a number of recommendations which I hope the Minister will consider when the Bill is debated on Committee Stage. It has proposed 41 amendments, some of which I hope will be moved on Committee Stage.

I welcome the Bill. It is part of the corpus of equality legislation being developed at present. As someone who has worked with people with disabilities in the past and continues a connection with a number of disability groups, I welcome any progress. The House should be aware of changing work practices. The workplace, the nature or work and the type of work for which people with disabilities are suited continually changes. We must continue to examine the relevance of all legislation to current work practices and to the needs of people with disabilities and other minority groups.

[Mr. Deenihan.]

It is important that Ireland is seen to lead the way in this regard. We have an open, sympathetic and welcoming attitude to people with disabilities. We are a generous nation and have always been open to other people's needs. For that reason, equality legislation is always well received in Ireland. There are those who, for their own reasons, might oppose progress but all Members of this House have a positive attitude to legislation which furthers the rights of minority groups and of people with disabilities.

I welcome the opportunity to speak in the debate on this Bill. I hope the concerns I have raised, which echo the concerns of most speakers, will be addressed by the Minister in his reply.

**Mr. Murphy:** I welcome the Bill in so far as it addresses some equality issues. The main aim of the Bill is to implement EU equality directives and it also makes a number of changes to existing legislation. There are three EU equality directives which the Bill tries to transpose into Irish law.

The race directive outlaws discrimination on the basis of race or ethnic origin in employment or other areas. It is hard to reconcile this requirement with the restrictions the Government recently placed on citizens of the former accession states receiving social welfare payments. While I appreciate the Government's entitlement to introduce these restrictions in accordance with the terms of the accession treaties, it is difficult to understand why an EU directive requires us to transpose equality requirements into Irish law while, at the same time, an EU treaty allows our Government to prevent EU citizens from collecting social welfare payments. While accepting this pragmatic approach which placates and allows time to demonstrate to extremists that the prediction of an influx of EU citizens from the new states to exploit our social welfare system is exaggerated, if not totally unfounded, it is important to keep these provisions under constant review and change them as soon as possible. No matter how well intentioned or hard working our EU neighbours are, an odd one will temporarily fall into the unemployment trap. The introduction of these restrictions on EU citizens is at odds with this legislation and with the EU directives themselves. The sooner they are lifted the sooner the real spirit of this legislation will be implemented.

Business leaders agree that immigrants from the former accession states came to Ireland solely in order to work. Mr. Turlough O'Sullivan, director general of the employers' group, IBEC, pointed out that we still have low unemployment levels. He also pointed out that we have a significant number of non-nationals already here and we need them. He further stated he believed it is a small risk that people will come here just to sign on.

Equality has no borders and should have no borders within the European Union. Equality should, as soon as possible, apply to all citizens. In the spirit of this legislation, the Government should review these restrictions regularly, with particular regard to genuine cases of people who become temporarily unemployed through no fault of their own. In fairness to the Government, it has insisted that the right to work will be completely equal for everyone from the 25 countries of the European Union.

When dealing with equality issues, it is important for Irish people to recognise and acknowledge that the workers from the former accession states who are already here and their compatriots to follow are not asylum seekers, refugees or spongers. Many Irish people choose to believe otherwise. They lump every foreigner together in a potentially threatening group, whether migrant worker or asylum seeker. The view of many Irish people is that if someone looks and sounds like a foreigner he or she is here to milk the system. If we do not change our attitude we will do ourselves a disservice and will seriously damage Ireland's image. Many of the workers in low-grade, poorly-paid jobs today will form the future influential and ruling classes in their own countries. They will remember the treatment they received in Ireland. The introduction of laws and directives can be helpful but a positive attitude by every Irish citizen is the real test of how we deal with the equality issue.

This brings us to the issue of work permits for non-EU workers. It is likely that workers from the former accession states will fill the majority of jobs in the future but a considerable number of work visas will be issued to non-EU citizens.

**Mr. Kehoe:** I call a quorum.

*Notice taken that 20 Members were not present; House counted and 20 Members being present,*

**Mr. Murphy:** While the main objective of the Bill is to implement the EU equality directive, it also includes a number of other changes to the equality legislation. It proposes a substantial number of amendments to existing legislation so there is no reason it cannot amend legislation to change our work permit system. According to the Minister's press release the Bill implements EU Council directives concerning equal treatment between persons irrespective of racial or ethnic origin, establishing a general framework for equal treatment in employment and also a directive of the European Parliament on the implementation of the principle of equal treatment for men and women as regards access to employment.

While accepting that different rules must apply to non-EU nationals, certain basic rights should be given to all workers and the Bill should be used to change a system which gives the employer total control over the employee by attaching the work permit to the employer. This serious inequity has been very obvious for some time.

This time last year, Sr. Stanislaus Kennedy stated that the existing system, whereby an employer applies and receives a permit for a worker, effectively binds the employee to that employer and exposes employees to the risk of exploitation.

Unfortunately, however, the Taoiseach at the time said there were good reasons work permits for migrant workers were issued to employers rather than to employees. Despite this, the Taoiseach added that some areas should be changed and stated they were under review. Some 15 months later, despite all the injustices that have occurred since, we must presume the regulations are still under review. Under this legislation, a simple amendment could be made to Employment Permits Act to rectify this.

It is important to emphasise that the majority of employers abide by the rules and treat their staff extremely well. Having said that, reports in the media and recent television programmes clearly demonstrate there are a considerable number of rogue employers who use the current system to exploit immigrant workers. One of the key recommendations of the Migrant Rights Centre's report in March last was that permits be detached from the employer to avoid the potential for exploitation and wage depression. While the report adds that many employers are fair and operate to high standards, even these employers admit that the permits can be perceived by the holder to be a form of bonded or indentured labour.

What is most worrying is that the Department of Enterprise, Trade and Employment recently dismissed the bonded servitude comparison as a nonsense, pointing out that employers dependence on work permits would be greatly reduced from 1 May. The Department seems to ignore the fact that 40% of permits last year went to workers from outside the expanded EU. The Department also fails to recognise other factors that leave non-nationals vulnerable to exploitation, including poor English skills and lack of knowledge to determine, never mind pursue, their legal rights.

In the same context, another serious problem has arisen for non-EU immigrants as a result of enlargement of the EU. Under the Employment Permits Act, a fee of €400 per permit was introduced which was legally payable by the employer. Rogue employers will now take this opportunity to hire Accession state workers who no longer need a work permit and sack non-EU workers. The Minister should abolish the fee, at least in the short term, to help protect workers. If this practice is widespread, it will lead to a significant number of legal battles as unions have made it quite clear that failure by the employer to re-apply for a work permit on behalf of an employee is no grounds for dismissal.

To be fair, the Minister for Justice, Equality and Law Reform seemed to clearly acknowledge the injustice of the system when he stated in the Seanad last week that people should not be here on the basis of one link with one employer. The

Minister went on to state that he intended to introduce a green card system to deal with this problem. My problem with this is that introducing a green card system in a new immigration policy, while welcome, would still mean that injustices will continue. A simple amendment to the Equality Bill would go some way to ending abuses until the Minister has time to deal with the issue in a more comprehensive way.

Many of the changes in this Bill are very welcome, including the provisions dealing with motor insurance, the change in emphasis when dealing with retirement and the clear message that there can be no discrimination on age grounds. My only problem with the provisions of the Bill is that in certain areas it does not go far enough. The aspirations are clear but there are far too many opt-out clauses, particularly in regard to the provision of facilities for people with disabilities. The Bill provides that when deciding if the measures in question would impose a disproportionate burden, account should be taken of a series of reasons, including the financial and other costs involved, the scale and financial resources of the employer, the number of people who would benefit, any disruption that would be caused to the business and many more. The Equal Status Act has a similar nominal cost provision in respect of access to goods and services. These opt-out clauses are a dream come true for an employer who does not care and does not want to act.

I note the Minister told the Seanad that the public service had nearly reached its target of employing 3% of people with disabilities — 2.7% to be exact. While I accept we have come a long way, it is some time since the 3% target was set by the Government. Much has changed in that time, including for the better, and the Minister might check that the 2.7% is consistent throughout the public service. He might consider putting more pressure on Departments, councils and health boards that are not performing as well as they should. Indeed, the Minister should now consider introducing new guidelines with an overall target of 4%. We welcome the Bill and, with some amendments, it could be excellent legislation.

**Mr. Boyle:** The Second Stage debate would ordinarily be welcome in that equality legislation is something in which most people in this House would have an interest because such legislation should be improved and strengthened. The Bill seeks to include in Irish law a number of European Union directives, including the race, employment and gender directives. Unfortunately, it takes the minimal approach by going for the minimum threshold across all European Union countries and, in so doing, seeks to water down existing equality legislation.

The Minister has chosen to introduce this new Bill to replace two previous items of legislation, the Employment Equality Act 1998 and the Equal Status Act 2000. The question must be

[Mr. Boyle.]

asked whether he is choosing to do this because he wishes to consolidate the legislation or, as many of us on this side of the House suspect, because he wishes to water down both Acts. He has gone on public record as saying that in the area of social rights he does not believe there is a requirement to legislate for such rights. He said this in regard to the long promised, and still missing, disability Bill. This must inform the debate on this legislation. The various exemptions throughout the Bill indicate a mindset and ideology which is more concerned about making profit for employers than employers' responsibility to the people they employ. I will list the various exemptions the Government is seeking to introduce.

We must acknowledge that the Bill, in its present form, is being opposed by a strong group of non-governmental organisations which have formed an organisation called the Equality Coalition. They have given briefings and back-up documentation to all Members of the House. It is worth noting that these are well respected organisations which represent significant public concern in respect of equal rights and equal status for all those in society. The Equality Coalition include organisations such as Age and Opportunity Ireland, Amnesty International, Dominican Justice Alliance, European Anti-Poverty Network, Forum for People with Disabilities, Free Legal Advice Centre, Immigrant Council of Ireland, Irish Council for Civil Liberties, Irish Refugee Council, Irish Traveller Movement, National Lesbian and Gay Federation and several other organisations. The briefing, which is significant, reads as follows:

The Equality Coalition would question the Minister for Justice, Equality and Law Reform's management of the legislative process. The Coalition is concerned at the manner in which this Bill has been introduced, as well as its style and format. Introduced with little publicity and no public consultation with grounds representing marginalised groups, the Bill is completely inaccessible to non-lawyers and non-specialists. Moreover although the Government consulted the EA and the National Consultative Committee on Racism and Interculturalism, most of their recommendations were ignored.

For any document representing a broad swathe of non-governmental organisations to put on paper such a damning criticism poses very serious questions for the Minister for Justice, Equality and Law Reform because he is the member of Government charged with representing equality and human rights interests at the Cabinet table. If those whose everyday business is ensuring these standards are practised and strengthened question the basis on which the Minister is operating in putting this legislation before the House, we have a very serious problem as a Legislature. It is the responsibility of Members on

this side of the House to point out that clause in the legislation and in the motives of the Minister.

The greatest criticism, which is outside the content of the Bill, is a very fair point. If we are talking about basic legislation in respect of the rights of citizens, it must be accessible and legible. What we have here is a lawyers' document. Given that the Minister comes from that background, this legislation is a recipe for people exercising their rights only through the judicial process. There should be a clear statement in Acts passed in this House on how equality, equal status and the rights of citizens can be put into practice. While the Government complains about tribunal costs, it sets the rates for people participating in these tribunals. We are now dealing with legislation which will entrench that type of mindset into the everyday workings of the court system. It will be of no advantage to citizens who want to have their rights properly protected.

The Bill has very curious opt-out clauses. There is a significant watering down of previous legislation. In regard to discrimination in access to employment, there is an amendment to the existing legislation which is a blanket provision. It enables employers to discriminate against prospective employees who apply for work in a person's home on the basis of providing personal services. This country has developed into a service economy. It is no longer the manufacturing economy it aspired to be. People employed in personal services, in particular, represent a large proportion of the workforce. Not only are these low paid positions but they tend to be filled by women rather than men. These people are discriminated against in many respects.

This is a curious provision. Is the Minister saying that au pairs and cleaning ladies in Rathgar should be exempted from equality legislation, which is what is coming across to me? If personal experience is informing how the legislation is practised, I point out to the Minister that his personal experience is not the personal experience of many people in this House, never mind many people throughout the country. Principles about access to employment should apply across the board, regardless of gender, race, disability and all the avenues included in legislation through the Equal Status Act and employment equality legislation.

There is a question regarding how employers are expected to encourage people with disabilities into employment. The Government has set a quota of approximately 3%. This figure is not being exceeded. How this translates in various homes and among people with different types of disabilities is something which needs closer examination. In terms of the private sector, which the Minister, Deputy McDowell, and his party appear to be largely interested in representing in this House, there is a huge opt-out under section 9 of the Equality Bill. It appears to suggest that employers can take appropriate measures to enable people with disabilities to have access to

employment, participate or advance in employment or undergo training, unless the measures would impose a disproportionate burden on the employer. This is the classic opt-out.

Those of us who have been campaigning on environmental issues for many years have seen this clause used to huge effect and, as a result, environmental standards are not maintained as well in this country as in other places. In environmental law there is a principle known as "best available technology not exceeding excessive cost". This ensured that very little, if any, environmental improvement work has taken place in Irish society because the cost argument has always been put forward. It would be better if the Government changed it to state that if there were excessive costs, the State would intervene in some way through a grant or tax subsidy system. This would be instead of the tax subsidies the Government allows in respect of property and which represents a disproportionate amount of our national wealth. The tax system should not be used in the context of a buoyant property market. However, the Government lacks that imagination and has an ideological bent which will not even think along those lines.

Ultimately, the concerns of the Equality Coalition extend to groups which are already much maligned in society and whose lot seems to be set further downwards in this Bill. I refer in particular to the Traveller community as well as asylum-seekers, refugees and other non-nationals. We are already facing an unnecessary and divisive referendum on citizenship, which the Government has chosen to introduce for the sake of it. The referendum will introduce different categories of people in society, namely, citizens and non-citizens and the rights and entitlements each should have. In this context, my fear and that of my party is that we will also have a dual-track approach in respect of the rights of Irish citizens in that there will be different categories, some of which will have certain entitlements but not others and none of which will be entitled to all. It is an almost Orwellian view of society that some citizens are more equal than others.

I regret that the Minister for Justice, Equality and Law Reform is not present to listen to this part of the debate and I would like him to respond somewhat positively when he sums up the Second Stage debate because I see nothing else in his philosophy of life which says anything other than that some people in society should be looked upon as less than Irish and, in some cases, less than human. It is dangerous to allow that type of mentality to develop because it seeps into society and we will end up with the type of race and nationality difficulties which have bedevilled other societies.

As a result of our history as a colonised rather than a colonial country and as an island nation which has learnt from the mistakes of other societies, we have an opportunity to put in place a more proactive and inclusive society which will

benefit us culturally as well as economically. Economic arguments are being put aside to justify the needs of the Minister and his party supporters. Economically, we need more people in this country. We no longer have a replacement birth rate. We are growing older and, as we do so, it will become more difficult to meet further costs in terms of pensions in the context of the dependency ratio.

If our country of 4 million people was applied to the Netherlands, which has a similar land mass, we would have a population of 30 million. It is in this context that we have debates of this nature. However, the Government seems to pretend that, although we have an excess of tax of €500 million for the first four months of this year, we can somehow spend half the EU average on social protection expenditure, that the needs of our society are half those of other European countries, that we do not have their demographic problems and that these changes are not coming down the road. I refute that view. The Government is sitting idly on its hands. It does not take the needs of Irish society into account, does not want to recognise it as it is now or can develop and does not have any mindset or perspective beyond the next general election. A Government which thinks that way is not doing the country any great service.

The changes in the Equal Status Act are of equal concern because they affect the right of individuals to complain and put lower values on the type of redress people can receive if their complaints are subsequently justified. The Minister needs to state why it is that even with watered-down legislation and the ability of people to access what will be available if the legislation is passed, they would receive fewer forms of redress than have been indicated by the European Court of Justice and various European directives? How is this even bringing about even a minimum playing field in terms of standards which apply across the European Union? I do not believe the Minister has thought this through. It is his particular bias that he does not care about the type of redress individual citizens receive as long as it is allowed to get into the treadmill of ever-rising court costs which benefit certain people about whom we know.

It is unfortunate that the process undergone in respect of the Bill has not been fully open and consultative. One of the Taoiseach's excuses we hear on a regular basis in the House on the Order of Business in respect of the disability Bill is that it is not ready because it is still involved in a consultation process, that many people in the disability area are being shown drafts and re-drafts and are being asked for considered opinions which are going back to the Office of the Chief Parliamentary Counsel. Some Government sources have indicated that there has rarely been a Bill which has received as much drafting and re-drafting. We will see if that is the case when it eventually comes to light.

[Mr. Boyle.]

The Equality Bill 2004, which should be the mirror Bill of social legislation from the Minister for Justice, Equality and Law Reform, seems to have had none of that process. I have already listed upwards of 24 groups which have come together as a coalition and stated that they do not believe that such consultation has taken place. Yet, as legislators, we can only operate on the basis that they are reacting in a second and often thirdhand manner to their concerns on this issue. This does not speak well of the Government or the Minister for Justice, Equality and Law Reform. However, given his performance on other Bills, it is unsurprising.

The idea of consolidating the three directives and two existing Bills on the Statute Book may seem like a good idea, but the Minister is merely chipping away at the edges and we will end up with a *mélange* which is not in the interest of Irish citizens. For example, the Minister has approximately 40 Bills on the Government's legislative programme. Three or four of them are promised by the end of this session, the heads of a couple of dozen have been agreed and are being drafted, but the majority of the Bills promised by the Minister do not even have heads. Rather they seem to be ideas the Minister has which are given to people in the Cabinet office and are presented to Members of the Opposition two or three months later. It almost seems an obsession that the Minister must have three mad ideas before breakfast every morning and name them as Bills.

**Mr. Durkan:** Along with his eggs.

**Mr. Boyle:** The Opposition should not put up with that nonsense. Does the Minister have a coherent legislative programme? If he does, what is it? If it is what we have experienced to date, what is the philosophy underlying that programme? If it is what is indicated in this Bill, my party cannot support it nor, I suspect, can many Opposition Deputies. There is a strong need for legislation on equality to be improved. We have made tentative steps with the Equal Status Act, the Employment Equality Act and the establishment of the Equality Authority, even though the Minister chooses periodically to ignore these bodies as he does the Human Rights Commission. We need a progressive Government which is prepared to put on the Statute Book not legislation which waters down what we already have, but new and improved legislation which improves the rights of all Irish citizens.

**Mr. Nolan:** I welcome the opportunity to speak on this legislation and compliment the Minister on bringing it forward.

The Bill seeks to bring together three European directives, which must be transposed into national legislation. We must transpose three EU directives into national legislation, as recommended by the Attorney General. It also gives us the opportunity to update and amend the

Employment Equality Act 1998 and the Equal Status Act 2000 which provide for broad-ranging protection for individuals against discrimination both in the workplace and in access to and the provision of services on nine grounds. The Bill will implement the provisions of Council Directive 2000/43/EC, the principle of equal treatment between persons irrespective of race or ethnic origin.

I commend the Government on the speed with which it has brought forward this legislation, although it has been a long time in gestation. There was quite an amount of consultation with various organisations and individuals before the final draft of the Bill was published. It is important to remember that the Ireland of 2004 is quite different to the country of the 1950s and 1960s. We now have a multicultural and multiracial State and, with the increased prosperity of the last 20 years, we are attracting an increasing number of people from other countries and ethnic backgrounds to Ireland. It is important to legislate to protect them.

For too long Irish people had to go to foreign countries and we hear much about the difficulties they had abroad. We should learn from that. The experiences our people had in the US and especially in Britain from the 1940s to the early 1960s should not be repeated in this country. We should be more accommodating and put legislation in place which gives legal rights to individuals, families and groups. We should be proud that these people are being welcomed in the country, that as a Legislature we are putting laws in place which will ensure their rights are accommodated, and that these people are not discriminated against.

I commend the organizations, which do so much work for the physically disabled in Ireland, and the Irish Wheelchair Association is top of my list. That is a very active national organisation although, over the years, its work may have gone unnoticed. In the past five years, however, the way in which it has managed its organisation and the proactive work it does for the physically disabled in every county is there for all to see. The Government and the Department of Health and Children in particular acknowledge that work by providing generous grants. That is money well spent. That organisation has such a significant voluntary input that if the State had to pay for all the work being done by volunteers such as family members and the paid staff of the IWA, it would be much more expensive. The State is getting very good value for money from that organisation.

I am concerned by aspects of our relationship with the EU. We are recognised as first class Europeans and the way in which we deal with European directives has been exemplary. However, some of our European partners are not as forthcoming, particularly when it has come to implementing directives issued in the past two years. Specific dates for implementation were set down but some countries have not complied with

those dates and people in Irish industry are concerned. As good Europeans we have sent in our information but, to some extent, our EU partners have taken advantage of that. They missed the deadline, they still have not met the targets set for them by Europe and they have taken advantage of the information sent in by Ireland. Although that is a side issue in terms of the Bill, it is important to put on record that we are better Europeans than some of our partners. I hope the ten new member states take a leaf out of our book rather than that of other countries.

The directives being transposed into primary legislation require that European member states prohibit direct and indirect discrimination, and harassment or victimisation on the grounds of gender, racial or ethnic origin, religious belief, disability, age or sexual orientation. This relates to employment, self-employment and occupational and vocational training.

Irish employers have largely been good employers where possible and, when a little incentive is given, they cater for the needs of people with disabilities. Generally there is little discrimination in the Irish workplace against individuals, and the race directive prohibits such actions in respect of access to and the provision of goods and services. The approach taken to implement the directives has been to maintain as far as possible the comprehensive and multi-ground approach provided for under the Employment Equality Act 1998 and the Equal Status Act 2000.

As a result, the provisions of the directives will generally be applied in the case of all discriminatory grounds applicable in national law and in both employment and the access to and provision of goods and services in non-employment areas. While many of the provisions of these directives are already in place as a result of Ireland's equality legislation, the new provisions of the Bill broaden the scope of those two Acts. Protection from discrimination under the Employment Equality Act is being extended in several ways, particularly the protection from discrimination on age grounds, which will now apply to those over 65 years for the first time, and the self-employed will be brought within the scope of the Act. It is generally recognised here and abroad that people are physically capable of working beyond 65 and want to do so. It is important to acknowledge that in our legislation, not just in this Bill but in all legislation introduced in the lifetime of the Dáil.

Other exclusions will be amended or removed and the duty on employers to adapt the workplace to facilitate employees with disabilities will be enhanced. In some circumstances this will cause difficulties for some employers and perhaps tax breaks should be considered. The Minister for Finance could introduce incentives for employers willing to employ people with disabilities, although some organisations have lobbied for such incentives without success. The Minister for

Finance could consider this when drawing up his budget in December.

A number of technical amendments to the Employment Equality Act and the Equal Status Act are being introduced. These will give greater clarity to enhance the work of the Equality Authority, which is being renamed as the Equality Tribunal. The Attorney General has advised that the race directive should be implemented by means of primary legislation because it includes policy choices. That is a good decision and I am pleased the Government has taken that advice on board. The Equality Authority which has the role of promoting equality and working towards the elimination of discrimination provides information and advice to any person who feels he or she may have been discriminated against on any one of nine specified grounds, whether in employment or non-employment areas. The work of that authority has been well documented. The use of that facility has gone down well particularly among employees who feel they may have been discriminated against in the workplace.

I am pleased the Minister has brought forward the legislation. It will enhance current employer and employee legislation and I hope it has a speedy passage through the House.

**Mr. Durkan:** I am pleased to have the opportunity to contribute to the debate on this legislation. Like other speakers I welcome many of the provisions in the Bill, all of which are in response to EU directives, in respect of which we had made provision previously but these are being amended once again. One of my complaints on this and similar legislation is that we do not appear to have sufficient time to debate the issues in the House. In the past, adequate time was allowed for every debate. We have now reached a position whereby different Bills are slipped into the schedule to suit the occasion and it becomes a cat and mouse game between Government and Opposition to try to ensure, from the Opposition's point of view, a reasonable standard and scope of debate takes place.

The Government appears to hold the opinion that it is slick and clever to get a Bill through the House in the fastest possible time. It is foolhardy to proceed on those lines as the Minister of State, Deputy Brian Lenihan, who is a legal practitioner, will be aware. The experience has been that much of that legislation, having been put through the House in a hurried and frenzied fashion, goes to the courts to be struck down at a later stage. That should be the rarity rather than the rule. In a previous era there was provision for a much longer debate and a greater and better analysis of what was contained in legislation. I say that specifically in regard to this Bill which has 58 or 59 sections, and which is of enormous importance to the economy and the Legislature and will impact on the population.

The principle of equality has been established for some time and, hopefully, has been practised.

[Mr. Durkan.]

The last speaker referred to the removal of discrimination on age grounds. I wonder why that came about and if it has anything to do with the 2030 and 2060 problem with regard to pensions, which is looming on the horizon. I wonder whether it arose out of necessity or recognition of actual discrimination. It coincides with European thinking to the effect that people should work longer, not because of their health or a good feeling towards their fellow man, but to finance pension schemes in the future.

Deputy Boyle mentioned the multiethnic, multinational society which, hopefully, we are beginning to develop here. Nobody has mentioned the positive impact that will have on our pensions. Our ability to pay pensions will be positively affected by the number of people of an employable age. The greater the number of such people who enter the economy, the better it is for our pension system. It is not necessarily a threat, as some have pointed out, but it is better from the point of view of people entering the workforce at an age that allows for a reasonably long duration in the workforce thereafter before qualifying for a pension. That is all part of the contribution they make. They do not come here merely for the benefits of the economy but to make a contribution. That contribution will be extremely important in 2020 or 2038 or, as I am now informed, in 2060. The year is constantly revised. Only a few years ago it was 2010 and the bulge that was supposed to come at that time did not come. I mention that since I have not heard it mentioned before. I have frequently heard reference to the importance of people making provision for their pensions in the future. The number of people coming into this economy for economic reasons and making a contribution through the workforce and the Exchequer is a counterbalancing exercise that should be borne in mind.

The principle of equality as between men and women is provided for in the Bill and has been provided for in previous Acts. As time goes by and different cases are taken by both male and female members of society, there is a change in the application of the law. In most cases that is good. A recent case involving age discrimination concerned a young woman who had a child and who sought assistance from the health board for rent subvention and from the local authority in regard to housing. She was told that since she had not yet reached the age of 18 she would not qualify. Needless to say I did not allow that to go unchallenged.

It is extremely difficult to understand how that could apply under a Government agency or any institution in the public service. While it is not correct, that is neither here nor there. Nowadays, on a regular basis, agencies and organisations make up the rules as they go along. That is not acceptable. If the person has a requirement or a legitimate demand at a particular time, regardless of what rules are introduced, that person's needs

have to be addressed under the Constitution, as the Minister of State will readily agree. He knows full well what I am talking about. It is deplorable that a young girl who obviously requires a house and a subvention towards it is told she is not old enough and will have to wait another six months. What does one do for that six months? How are that person's needs met and her rights vindicated under equality legislation? How are that person's rights protected under European equality legislation? In those circumstances it is necessary to be vigilant, notwithstanding any past legislation and the mostly positive changes made, because there are situations arising, which were not anticipated and they need to be examined.

It has been suggested that, as time goes by, different situations are dealt with in a particular fashion within certain areas of employment on the basis that a person, male, female or with a disability, should not be treated in purely equal terms. However, I suggest there are always people in the workforce, both able-bodied and otherwise, who will always believe they pull their weight in their contribution and will be able to point out others who do not seem to shoulder the same burden.

While a person with a specific disability could possibly contribute to their employment to a greater extent than an able-bodied person in certain circumstances, unfortunately, provision can be made under the current legislation whereby remuneration can be altered in a manner to suggest that the able-bodied person is more capable, more competent and more likely to be able to make the contribution that was anticipated. Those circumstances may give rise to a problem in that it could well be that the person with a disability is or can be equally as good. I am aware the Act provides for redress of this situation, but how often that will happen? I hope the provisions will be applied as they were intended to be.

If the contribution in the workplace by a person with a disability or by anyone else who regards themselves as being discriminated against is equal to the average of all other workers around them, I believe they have a case. They have every right, notwithstanding their incapacity or disability, to demand equal treatment in terms of pay.

It has been suggested that this is not always the case. Where a person with a disability is willing to do and capable of doing the job and of making the important contribution to the economy, we must clearly recognise that there should be no deviations and no circumstances in which they would receive a lower rate of remuneration on the basis that they possibly might not be as capable of doing the job as an able-bodied person. If they do the job, they are entitled to be paid the rate.

This Bill covers all areas of discrimination on racial, religious and ethnic grounds, and that is to be commended. Despite recent debates in this House, it is a sign of the growing maturity of our

society when we recognise that those who come to this country are in a similar situation to Irish people of previous generations who visited other jurisdictions. As Deputy Nolan said in his contribution, the Irish were not always welcome in some places. They were discriminated against. We should learn from those bitter experiences and try to ensure that we address the situation in a much more positive fashion. Those who come to Ireland for economic reasons are not necessarily here to deprive us of something that we have but are here to ensure that they give their families a better quality of life. They make a contribution to Irish society, just as a person with a disability in the workforce does, by being involved and by shouldering part of the economic burden.

Society should not regard itself as being in a position to dispense rights and entitlements to people in that situation. It is a fact of life that they recognise they can make a contribution if given the chance and they will improve the economy and society as a result.

I ask the House to consider the case of those born into an area of social or economic deprivation. That area of discrimination has not been properly considered. Young people from such areas are advised not to put their address on an employment application form. That is actionable, but I wonder to what extent it can be followed up. To what extent do children born in those areas have an equal opportunity of surviving in today's tough and competitive economic era? To what extent can they aspire to moving to a reasonable level in society and living in reasonable accommodation and giving the next generation the possibility of moving a step further up the ladder? I admit that I thought we were winning that battle a few years ago but, as time goes on, I have my doubts. I see growing evidence to suggest that in areas of social and economic deprivation, it begins in the overcrowded schools, in the lack of opportunity from the very beginning and the perception that no matter how hard such children may work, they will never achieve the same levels of achievement as their wealthier neighbours.

I do not know whether the Minister of State agrees with me or not but I do not care, for such is the nature of debate. In the 1940s and 1950s, more people were in the lower to middle income groups areas than in the upper income groups. Change has come about and it has not been positive, in my opinion. More people in the lower income groups find themselves in the same area and competing with each other in a way which is not beneficial to themselves or to the economy, and it is a trend that should be carefully considered.

I have tabled many parliamentary questions on this issue over the years. I have taken an interest in this topic for many reasons. Like other Members I have dealt with individual cases in my constituency. It has been quite obvious that some children are not given a chance, not because they

and their parents are not willing, but because, for social and economic reasons, they find it very difficult to get off the ground, so to speak. This socio-economic group is being kept apart and does not appear to matter as much as it did ten, 15 or 20 years ago. A careful examination of this group is required.

We are living in a competitive economy and society. There are those who say this is a caring society, which is probably true, but for some reason I cannot determine, it appears that we become less caring as we grow wealthier.

It would do no harm to examine the extent to which socio-economic deprivation can lead to discrimination at a later stage, resulting in long-term unemployment and a continuation of the cycle of inherited discrimination. I am sure every Deputy has experience of helping and advising families in that bracket as to how to better place themselves for the future. In every instance, the people concerned want to become involved in society and help themselves and would do so with only the slightest encouragement.

I will conclude where I started, I would like more time to discuss the issues raised in this legislation but that is clearly not possible. I ask, therefore, that the provision's of the Bill are monitored to ascertain if they have a positive impact on the workplace and in society.

**Mr. Crowe:** Education is at the hub of the issue of inequality and the real litmus test of this Bill will be its impact on the marginalised and disadvantaged in society. As Sinn Féin spokesperson on education, I am very concerned about section 47 which amends section 7 of the Equal Status Act. It is my understanding that the Minister is reversing the findings of the Equality Tribunal in a way that will allow the Department of Education and Science to discriminate against a specific category of people. The proposed amending legislation allows the Minister to discriminate on the basis of race in the area of higher education grants. The amended section will prevent resident migrants from securing higher education grants.

The Equality Tribunal advised the Minister for Education and Science that further and higher education grants are a service and that non-nationals who are denied this service are being discriminated against. The Government extended the criteria for non-nationals to access higher education but did so only very recently and under legal obligation. The House was informed that the decision to extend the qualifying period for receiving the back to education grant was taken because other European Union citizens were coming here to abuse the system and attend courses in what was a form of education tourism.

The Department's literature states that equality is central to education and stresses the importance of promoting equality, as embedded in the Education Act of 1998. Its fine sounding literature states that schools must use their resources to ensure that the educational needs of

[Mr. Crowe.]

all students, including those with disability or other special needs, are identified and provided for. Schools must, it continues, promote equal opportunity for male and female students and maintain an admissions policy which provides for maximum accessibility to the school and ensures that principles of equality are respected. This may read well but the Government has been minimalist at best in its approach to issues of discrimination and the recent referendum debacle offers further evidence of its reluctance to proactively challenge issues of inequality.

It is disappointing to note that the Government took no heed of the many recommendations of the Equality Authority and the Equality Coalition. Practically no consultation took place with the wide range of marginalised groups whose lives are at the mercy of such legislation. The Equality Coalition has criticised the Bill, particularly the style and method with which it has been driven. There has been little publicity around this highly important Bill and little or no consultation with the relevant target groups. What is more, the wording is not easy to understand and can be misleading. Yet again the Minister for Justice, Equality and Law Reform tried to railroad through vital legislation which has been to all intents and purposes inaccessible to the public.

While the Bill will make some welcome changes to equality legislation, aspects of these changes will reduce protection from discrimination for certain vulnerable groups such as non-nationals. For instance, the Bill should have placed a greater obligation on employers and service providers to actively address inequality.

In the area of discrimination in employment, the Bill does not take account of the fact that most discrimination takes place at the point of recruitment. The first hurdle for an applicant is to get through the interview. The Bill, as framed, will allow employers to reject applicants for employment because of their personal prejudice. In addition, section 15 allows hoteliers to deny access to a customer who may produce a substantial risk of criminal or disorderly behaviour. This section is widely used to deny Travellers and the disabled access to hotels.

What will the Bill do for the next generation of students? They will need to be from the well-healed sectors of society. Will the Bill do anything to resolve the shortage of resources in the education system? Will it refurbish run-down schools, provide funding for special needs teachers and assistants, improve school transport or ease the lot of school teachers?

In budget 2004 the Minister made a commitment to allocate a further €30 million for school buildings in the primary and secondary sectors, which would increase the total capital allocation for these sectors to €387 million. I wonder how much building and refurbishing was done. Based on the amount of correspondence I

continually receive concerning run-down schools, it has not been enough. What will the legislation do for the thousands of people who lack literacy skills? Where is the equality for this group of people who have been blighted by inequality in access and denied the opportunity to develop fully as citizens.

Early school leaving is not a single event but a symptom of a long process of failure on the part of our education system. Every year, 15% of pupils leave school without the leaving certificate, while 3% leave with no qualification. This amounts to nearly one in five school leavers, an alarming statistic for a first world country in the 20th century. Up to 1,000 pupils do not go on to post-primary education and one in every ten children leave primary school with literacy problems. The emphasis must be on keeping children in school and I hope the Minister will stand by his commitment to support and develop the stay in school programme.

The Bill may appear impressive in ways, but only until when one digs a little deeper to get through the reams of wordy text which should have been written in plain English rather than legal speak. The Department of Education and Science literature gives the impression that non-nationals with leave to remain here on humanitarian grounds have the same access as EU nationals for purposes of education. That is a rather cute move on the Department's part because we do not have humanitarian grounds for giving leave to remain. When the Minister for Justice, Equality and Law Reform informs an individual in writing that he or she has been granted leave to remain, he does not indicate whether it has been granted on humanitarian grounds. In effect, therefore, the Department and education providers do not treat this category of persons as EU nationals for education purposes.

This Bill in its current form will adversely affect resident migrants with employment permits, international students and leaves dangerous room for discrimination. The Government chose to ignore significant directions from the Equality Authority and yet again tried to take a short cut in attempting to push forward with this legislation. The Bill needs more work and should not be rushed through. While the EU equality directives are welcome, the Government has handled the whole issue badly. The Government chose to merge two Bills into one and this mish-mash has failed to supply a consolidated version of either. In addition, it appears the Minister for Justice, Equality and Law Reform and his Department have ignored recommendations from the Equality Authority and the Law Reform Commission. The real question that has to be asked is why this is the case.

**Mr. Killeen:** I welcome the legislation before the House. It is very important that we are to the fore in promoting equality legislation. As the Minister pointed out, much of what is contained

in the Bill is an implementation of community directives on equality. The various directives, which he listed provide for equal treatment on the grounds of gender, racial or ethnic origin, religion or belief, disability, age and sexual orientation. When the Minister mentioned religion or belief I wondered whether belief included political preferences.

It is fair to say we have been to the fore in the area of equality legislation in some respects. It is also true that the depth and breadth of what is provided in these directives is more than what would have been the case in the Employment Equality Act 1998. That Act was groundbreaking legislation in its time. It had a very considerable impact and many cases have been successfully taken. This goes back to the point made by Deputy Durkan that these new Bills do not address difficulties by themselves. It falls to someone to pursue the issue at some stage. It should not always be necessary to seek that redress through the courts. Eventually, many cases are taken to the courts and a strong body of case law is built up. Ultimately, as happened with the Employment Equality Act 1998, employers recognise that a set of rules are in place and the impact of the legislation is quite positive. That filters down to the individual employer.

The Equal Status Act 2000 also put Ireland ahead in the area of equality. We tend to forget that legislation was fraught with difficulty as it went through the House. Nonetheless, it set the principles on equality across a range of categories. It is fair to acknowledge the very positive impact the EU has had on social policy in this country. One does not have to go back too far to find basic legislation on equality on the Statute Book. An example of this legislation relates to the protection of the family home which was introduced less than 30 years ago. Credit is due to Mr. Haughey for enacting the legislation and it had a beneficial effect on the position of married women who were open to exploitation and were being exploited in some circumstances.

There are many other areas on which this legislation has an impact. One of these is the area of employment for disabled people. Neither the public nor the private sector has anything to boast about in terms of provisions for employment for disabled people. There is a notional 3% quota in the public sector for employment of people with disabilities. Some health boards, county councils and even Departments meet or even exceed the requirement. However, there are many that are slow to even attempt to achieve what is required of them. The quality of work done by many disabled people is often equal to that carried out by what would be called an able bodied person. There are other disabled people who may take a little longer to do the work or who might need supervision. We have dipped our toes in the area of support for disabled people in employment. There is a level of supported employment which does not have much resources. Where it is

available it is very successful. This represents an achievement for disabled people in getting the work done and provides them with significant rehabilitative training. It is very beneficial for their quality of life and it provides them with a social outlet they would otherwise never have. It also gives them that basic human right of positively contributing to society. That is a right we need to extend as much as possible.

Some of the provisions of this Bill will provide for the adaptation of the workplace to accommodate disabled people. This will advance the area of supported employment and will take ownership of that concept. There has been much discrimination, some of it overt, but a lot of it unintentional and less visible. Thankfully, due to legislation, the impact of education and greater awareness of the capacity of disabled people, that situation is improving. It is useful to look at the background to this kind of equality legislation to discover what begets it. It can explain why there is an inclination to be fearful or discriminatory towards people of different racial origin or people with disabilities. It can be a deep-seated fear within the individual that causes him or her to behave in a discriminatory fashion. There is much evidence from studies of the human condition of abuse by people in power. The most extreme examples of such abuse are usually found in war-torn areas such as Rwanda or Srebrenica, and even Iraq where the conditions in prisons serve as an example. All right-minded people should avail of every opportunity to roundly condemn such abuse. However, we sometimes tend to say injustice only happens in these places but that is not the case.

Discrimination and the abuse of power are liable to happen in all kinds of circumstances and in a much less dramatic way than in some of the examples I have given. Nevertheless, it is true that there are employees whose very lives are made a misery because of mistreatment, either by their superiors or others in the workplace whose behaviour is entirely unacceptable. Some forms of such behaviour are addressed in the Bill. It is not before time that we recognised that such abuses do happen and that there is a need for legislative provisions to address them. There is also a need for a very clear means to pursue discrimination cases, whether they are related to sexual orientation, referred to in the Bill, or any of the other categories covered in the two previous Acts and the Bill.

We generally tend to think of the treatment of non-nationals when we talk of difficulties associated with equality and I suppose it is true that there are some instances of discrimination against them. We have a large number of asylum seekers in Ireland, some of whom have been here for a very long time and many of whom would dearly wish to make a positive contribution to the economy. It is incumbent on us to address this very important issue. As we have all said at various times, there is much work to be done.

[Mr. Killeen.]

Many non-nationals, because they have been in Ireland for a considerable period, have made a commitment to remain in the country. It would be a positive move if this commitment was recognised by a scheme that allowed them find a useful place in society as quickly as possible, regardless of whether they were asylum seekers or fell under another category. Were this to be achieved quickly, some of the instances of racial discrimination about which we hear and encounter occasionally would no longer arise. Ultimately, many of the problems can be traced back to a belief, sometimes fuelled by one or two media organs and by ignorance, that those who enter the country seeking asylum or refugee status are getting a better deal than some citizens. This is patently untrue. However, the fact that asylum seekers are denied the opportunity to make a positive contribution as employees in the economy tends to lend some credence to this entirely baseless allegation, which one reads and hears frequently, sometimes in public.

Over a long period we have had difficulties regarding the treatment of the Traveller community and how it interacts with others. We need to be very clear about where we stand on this issue. It is obvious that there is a need to set out the rights of citizens and a mechanism to protect those rights. However, we need to look with honesty at the operation of some of the measures we have put in place and ascertain whether what was achieved in the Equal Status Act, for example, was positive. I doubt whether bringing individual publicans before the courts and having them pay a couple of thousand euro, or whatever the fine might be, is of any assistance in improving the lot of Travellers. Furthermore, when we set out the rights of any minority group, we do not include in the relevant provision an obligation for such groups to behave as good citizens. There is a great deal of confusion about this. Anybody with the temerity to suggest that Travellers or others have behaved in an unacceptable fashion runs the risk of being accused of making an attack on them, in breach of equality legislation. We need to be very clear that whatever rights are afforded under legislation run only as far as everybody else's rights run and that the obligation to behave well extends to everybody.

This brings me back to my point on the need for all societies in western Europe to be aware of the enormous advantages, in terms of quality of life for every individual, that lie in committing to a society with an in-built principle of equality across all areas, as is evident in the Equality Bill and others. When we bring ourselves to the point of knowing that the philosophy underlying this legislation improves quality of life for all, the legislation will have a positive impact. I refer not only to the quality of life of the direct beneficiaries of the provisions of the Equality Bill

but also to everybody else. Ultimately, the belief in equality that increasingly permeates European society will become accepted in other societies where, frankly, it is simply not recognised. Conflict arises from inequality and injustice. I commend the Bill to the House.

**Mr. Crawford:** I welcome the opportunity to speak on this very important legislation. We often blame the European Union for certain issues but it has introduced much necessary equality legislation and raised issues that we might otherwise not have dealt with had we not been part of that bigger community. Some of our previous equality Acts have proven to be very beneficial.

We would all like to think employee-employer relationships were extremely good but I only have to consider the case of some friends of mine to demonstrate the opposite. They had to rely completely on employment equality legislation to protect their rights. They received major publicity recently when they won their case regarding promotion. The problems to which I refer continued until the passage of the 1998 Act. Those concerned welcome the fact that there is legislation in place to ensure they are afforded their rights. I could not help admiring the words spoken by the Minister on Second Stage when he said that Ireland is to the fore in its promotion and protection of the principles of equality and freedom from discrimination as a result of ground-breaking legislation enacted in this regard. There is no doubt that there is good legislation in place but this legislation is not necessarily implemented.

We are good legislators. I have regularly said in the House that although the legislation dealing with meat and bonemeal was enacted in 1989, it was not implemented until 1996. If it had been implemented when it should have been, we would not have had the same crisis with BSE. It is not enough just to introduce legislation, it must be implemented.

I welcome our involvement in the European Union. I have been heavily involved in farm organisations both at national and European level and, in that context, I became involved with Northern Ireland issues. There is a matter that worries me at present. An earlier speaker referred to religious discrimination. Since I became involved in farming politics and continued into the party political structure in this House, I have never highlighted the religious issue. However, I must mention it in this context. In the past week I discovered that a body known as the Ulster-Scots Agency, under the chairmanship of Lord Laird, has had its funding cut. This body was highlighted as a major breakthrough in the context of peace and reconciliation in Northern Ireland. It produces a newsletter and Members of the House will have received a copy of it.

The chairman of the body felt obliged to resign from the agency last week because of the cut in the budget. Through that agency a small group was set up in my home village of Newbliss to deal with the Border minority group and ensure the people got their fair share of assistance. The person working for that group will be let go at the end of August. This is taking place at a time when, according to today's newspapers, there is an unexpected Exchequer surplus of €500 million. I am aware that the Minister of State, Deputy Brian Lenihan, is committed to equality issues and I urge him to ask the Government to take immediate action on this issue and to ensure that funding is restored. As matters stand, it raises questions about equality and the religious factor, an issue I hate to raise in this House. However, it must be raised in this context. Lord Laird has been trying to promote the culture of that society. This issue should be dealt with in a proactive and considered manner.

**Mr. McGinley:** Ulster Scots is spoken in east Donegal as well.

**Mr. Crawford:** The agency covers the Border area and is extremely active.

**Mr. McGinley:** It is not just in Northern Ireland.

**Mr. Crawford:** Yes. It is promoting the old culture that existed there.

This Bill amends a number of other Acts and I welcome that in principle. It is the result of European legislation. Another issue which I must raise, and it might surprise the Minister, is the Irish language. I do not have a great ability in the language — I will not even try to speak in Irish in the House — however, many people are annoyed that, despite all the talk about equality and the fact that Ireland has been a member of the European Union since 1973 and now holds the EU Presidency, Ireland is the only country whose people do not have the right to speak their language at European venues. I urge the Minister to reconsider that and take account of the anxieties of those who have a major commitment to the Irish language.

This affects not just the people who regularly come to mind. Sometimes we are inclined to allow the hardline republican groups to claim the Irish language. I have good friends who were born and reared in Belfast but whose children were reared in Monaghan and all of them are fluent Irish speakers. It is for no other reason than they just love the language. My colleague, Deputy McGinley, will obviously be able to speak about that in Irish. It is an issue that must be dealt with in the last few months of the Irish Presidency.

The Bill covers many issues. However, there is great anxiety among the public about the issue of foreigners living and working here. There is a

great deal of misinformation and this worries me as we face an election campaign. A large number of people working in this country are from countries which became member states last weekend and I welcome them to this country as European citizens.

There are also others from outside the EU. I recently encountered a case of two African men who desperately want to work in this country. They have good reasons for being here. They are drivers but under our regulations they are being asked to return to their home country. At a time when we need such people, we must seriously consider their rights and the rights of their employer. The employer could recruit workers from some of the new member states but they cannot drive because they do not have the correct type of licence to drive on our roads. The Africans, however, have legitimate driving licences. This is relevant to insurance and the serious lorry crashes which have occurred in this country as a result of recruiting drivers who were insufficiently trained and did not understand our roads.

We need to deal with this as an equality issue. People, regardless of their country of origin, should be allowed to come here as long as they are prepared to work and provide a service that is needed. I do not want people coming to this country to sponge off us but people who are capable of working and who have jobs should get a chance.

The equality issue also affects people with disabilities. It is annoying that in recent weeks a number of Bills have been rushed through this House, not to mention the electronic voting shambles, while the disabilities Bill is still not finalised. This Bill is a matter of life and death for many people and when we talk about equality we cannot ignore that. A mother of a seven year old girl contacted me last night. The child desperately needs a resource teacher. The mother has repeatedly tried to get a resource teacher, to the extent that the Minister's staff have come to know her on a personal basis over the past 18 months. There are five children in the rural school concerned who require a resource teacher. Before the last general election, parents were told that 350 resource teachers would be made available in the following September. However, that child has not yet been given the resource teacher she needs.

Debate adjourned.

#### **Message from Select Committee.**

**An Leas-Cheann Comhairle:** The Select Committee on Agriculture and Food has completed its consideration of the following Estimates for the public service for the year

[An Leas-Cheann Comhairle.]  
ending 31 December 2004: Vote 31 —  
Department of Agriculture and Food.

## Ceisteanna — Questions.

### Priority Questions.

#### Special Savings Investment Accounts.

1. **Mr. R. Bruton** asked the Minister for Finance his estimate of the aggregate value of money which will be released from SSIA accounts when they mature; the period over which it will be released; if he has conducted an assessment of the impact on the economy of this release of funds; and if he has considered new arrangements to ensure orderly and beneficial use of these funds. [13033/04]

**Minister for Finance (Mr. McCreevy):** The SSIA scheme was opened on 1 May 2001 and entry to it closed on 30 April 2002. SSIA accounts must be held for five years from the date of the first subscription in order for the holders to get the full tax benefits. SSIA accounts are due to mature between 31 May 2006 and 30 April 2007.

It is not possible to give an estimate of the aggregate value of money which will be released from the SSIA accounts when they mature as the scheme has still two to three years to run and such aggregate value is also subject to a number of variables such as when participants die, withdraw from the scheme or vary their monthly contributions. In addition, the income or gains arising on the investment over the entire period will depend on whether the investment is in a fixed deposit account, variable deposit account or in equities and what returns these investments will provide over the entire five-year period.

My Department is keeping the economic impact under review in the context of the normal assessment of the future economic and budgetary position. Any assessment must take into account that there is a range of uncertainties in any assumptions to be made, in particular whether on SSIA maturity, account holders continue to save the amounts in whole or in part and, if not, the use to which these funds will be put.

The specific goal of the SSIA scheme was to encourage people to save over a period of at least five years. Its effect has been to stimulate such savings over varying income ranges which is evident in the extensive uptake by many low income earners. The scheme has been a success in those terms. The scheme has a specific duration. Any proposals for new schemes either to replace the SSIA scheme or other schemes to attract these funds will be considered as part of the normal annual budgetary process taking account of public policy objectives and Exchequer cost implications.

**Mr. R. Bruton:** Does the Minister not agree that a wait and see attitude is not good enough? Every economic expert around the city estimates that approximately €17 billion will be released in a 12-month period, which has the potential to dramatically destabilise the economy if it is spent on imports of yachts and BMWs. The Minister needs to signal that money such as this should be invested in PRSAs to provide for future pensions, or used to support those who need to save to get houses of their own. Does the Minister not agree it is dangerous not to anticipate this and not to give clear policy signals?

Has the Government decided, as the Tánaiste indicated, the money no longer utilised at the end of the SSIA scheme should be devoted to providing for elderly people? Can we get assurances that we will not see a repeat of what happened in the lead up to the last general election when the Government had a huge spree followed by a massive hangover for which the ordinary person had to pay? We need assurances this will not result in another spending spree paid for afterwards by high inflation which undermines companies which trade in tough markets. It is not good enough to just wait and see. We need to anticipate and take action now to deal with this issue.

**Mr. McCreevy:** I will take account of the Deputy's views. Prior to establishing this scheme in April 2002 I received considerable advice from commentators and Opposition Members that it would not be a success and that people would not invest in it. I based my thinking on the fact that people make rational and sane decisions. When looking at the outcome of the scheme, I will base my thinking on the fact that people make sane and sensible decisions, as do the majority of people. That is the pragmatic approach I have taken to schemes such as SSIA's, pensions, etc.

**Mr. P. McGrath:** I told the Minister that on Committee Stage of the Bill.

**Mr. McCreevy:** I remember Deputy McGrath agreeing with me and I exonerate him from criticism. Based on the debates at the time, Deputies will remember the primary purpose of this scheme was to encourage people back into the savings habit. It was anecdotally evident that while people were doing very well under the Celtic tiger, they had forgotten the good old habit of saving for a rainy day. In that regard the scheme has been spectacularly successful.

Despite the often repeated criticisms of the scheme before and since its introduction, the figures published in the Revenue Commissioners' annual report of 2002 show the spread of its 1.1 million customers across all income ranges. I will take into account what Deputy Bruton has said and the comments of bodies such as the Irish Insurance Federation on foot of a survey it commissioned.

The Government has had no discussion on the ideas proposed by the Tánaiste at the Progressive Democrats conference, nor will it until we reach the end of the SSIA schemes.

**Mr. P. McGrath:** The Minister is ignoring the Tánaiste as usual.

**Mr. McCreevy:** Deputy Bruton again referred to the big spending spree before the general election. The increase in spending for 2002 over 2001 at the time of the budget and the REV was to be 14.7%. The outturn for 2002 came in under budget at 13.9%.

**Mr. R. Bruton:** I would like an assurance from the Minister that we will not see a stream of Ministers like the Tánaiste, Deputy Harney, promising to spend this money on all sorts of different schemes and we will have some sensible approach to this. There is more to running an economy than creating an election feel good factor. I would like to correct the Minister. If he cares to look at his Department's own figures, in the 24 months up to May 2002, the month before the general election, public spending had grown by 48%. If that was not a wild spending spree, the Minister should tell me what is.

**Mr. McCreevy:** In the figures for 2001, both the budget and the Abridged Estimates Volume — the budget and the REV for 2001 — the spending for that year was to be in excess of 20% and it came in at close to budget. For 2002, we came in under budget. In the past seven years the differential between the amounts I estimated to be spent at budget time and the REV, and the outturn that came in was less than 1%.

**Mr. R. Bruton:** That was as a direct result of the cutbacks the Minister said were neither promised nor contemplated.

**Mr. McCreevy:** Many people will have good ideas and some that are not so good as to what to do with Exchequer moneys. I will take all these matters into consideration at the appropriate time.

**Mr. P. McGrath:** Will the Minister still be there?

### Tax Code.

2. **Ms Burton** asked the Minister for Finance if he intends to introduce new procedures to ensure that Irish citizens claiming residency abroad for tax purposes comply with the requirement to be out of Ireland for a minimum of 183 days; if the large cases division of the Revenue Commissioners is putting together recommendations as to the best way in which to monitor those who claim residency abroad for tax purposes; and if he will make a statement on the matter. [13014/04]

**Mr. McCreevy:** The administration of the validation procedures for claims of non-residency

is a matter for the Revenue Commissioners and I am informed by them that these procedures are kept under constant review.

**Ms Burton:** Does the Minister understand the complete frustration and anger of compliant taxpayers at those who are getting away with paying little or in some cases no tax? As the Minister knows, getting away with paying little or no tax is done in three ways: by avoidance, for which he has introduced many schemes; by evasion, and we are catching up on those people who are being forced to pay back the money to such an extent that yesterday's Exchequer returns reflect the amount of money flowing in from those who had not paid their tax formerly; or by living offshore and using the device of non-residency. Would the Minister not agree we are exceptionally generous in allowing such people to return for 183 days per year? We also allow the Cinderella procedure whereby a day in which a non-resident's jet takes off before midnight does not count as a day in the country from a tax point of view.

What does the Minister really think of those people who attend every function and race meeting, many of which the Minister also enjoys as we all do, but are unwilling to contribute to the country in terms of paying their fair share of tax? Have the Revenue Commissioners any system to monitor private airports and the movements of private jets, considering the significant amount of time such people can spend here? Does the Minister agree that tax and residency should be linked to citizenship?

We were lectured this week by his colleague, the Minister for Justice, Equality and Law Reform, that citizenship involved loyalty and fidelity to the State. What greater form of loyalty and fidelity to the State can one demonstrate than to pay one's fair share of tax rather than run to some overseas tax haven to avoid paying any? I wish the people involved continued success in their business and financial affairs. We are all delighted to see Irish people doing well. However, asking people to pay tax is to require a small price in terms of fidelity to the State and citizenship, to use the lofty words of the Minister for Justice, Equality and Law Reform. There is one rule for some while the little people pay their taxes. While the little people in their old age wait on hospital trolleys for two and three days, some of the richest Irish citizens are able, with the connivance of the Government, to continually get away with paying no tax because of their non-residency status.

The Minister should not tell me about what happened ten years ago when Ireland was a different place. We have had seven or eight successive years of strong economic growth and there is no reason everybody should not be proud to make a contribution, particularly when it comes to taxes to pay for our health, education and welfare systems.

**Mr. McCreevy:** The residency rules were last updated by the Fianna Fáil-Labour Government in the Finance Act 1994 following a comprehensive review of the matter by the Revenue Commissioners and my Department. Prior to this update, the rules were based on a mixture of statutory provisions, old case law and Revenue administrative practice. That was unsatisfactory. The new residency rules set out in the 1994 Act simplified and clarified matters and were welcomed generally. All income earned in the State is normally taxable here. Therefore, if an individual is employed in the State, tax is paid here on his or her employment income. If an individual is resident in another state, that person is subject to tax there and receives credit for any tax paid on such Irish income.

Under the rules set out in the Finance Act 1994, a person is regarded as resident in the State for tax purposes in the tax year if he or she spends 183 days in the State in that year or 280 days on aggregate in that and the preceding tax year. An individual who is present in the State for 30 days or less in the tax year will not be treated as resident for that tax year unless he or she elects to be resident. Also, a day will only count if an individual is present in the State at its end. The Cinderella provision to which Deputy Burton referred was made on foot of a suggestion by the former Deputy, Ivan Yates. As Fine Gael spokesman, he pointed out the anomalies which would arise if the provision were not made. Residency rules are common in most jurisdictions. The key rule involving 183 days which contribute to the term of residence in the State is mirrored in several other countries, including Australia, Austria, Canada, the Czech Republic, Denmark, Finland, Germany, Italy, New Zealand, Norway, Portugal and Sweden. The only OECD country where tax status is not based on residency is the United States of America. Every other country of which we are aware has a residency rule.

I have no plans to review further the tax laws on residency status. The current comprehensive system was set out in the Finance Act 1994 after detailed consideration by Government of all relevant issues. Last April, the United Kingdom published a background paper, *Reviewing the Residence and Domicile Rules as they Affect the Taxation of Individuals*. It was acknowledged in this paper that the jurisdiction's current rules on the determination of residence and domicile, which had developed over the past 100 years, were complex, poorly understood and unreflective of the reality of today's integrated world. The UK rules are the rules we would be operating if the 1994 changes had not been made. In the United Kingdom, one is not deemed to be resident on the day one enters or leaves the jurisdiction. One could arrive on a Monday and leave on a Tuesday without being deemed to have used up any days.

I am sure there are many reasons people maintain their tax residency outside the State.

Every OECD country, with the exception of the United States, has residency rules. Our rules are appropriate and I have no intention of changing them.

**Ms Burton:** Does the Minister not agree that citizenship and fidelity to the State imply that an Irish citizen who spends a great deal of time here, as many of these very rich people do, should be proud to make a contribution by paying their fair share of tax? Will the Minister answer "yes" or "no" to that question?

**Mr. McCreevy:** I have considerably different views on the creation of wealth from the Deputy's party. I believe in incentivising people while the Deputy's party wishes to create circumstances in which we construct some kind of cocoon around the island and let nobody in our out while living in our own little world. That is not my philosophy and I have no intention of changing it.

#### Northern Ireland Issues.

3. **Caoimhghín Ó Caoláin** asked the Minister for Finance his views on the scope of the promised PEACE III programme; and if he will make a statement on the matter. [13098/04]

**Mr. McCreevy:** The existing EU programme for peace and reconciliation, PEACE II, is a unique EU-funded programme for Northern Ireland and the Border region of the Republic. The Border region consists of counties Cavan, Monaghan, Leitrim, Louth, Donegal and Sligo. PEACE II is intended to help Northern Ireland become a peaceful and stable society and to promote reconciliation there and in the Border region. The programme provides approximately €707 million for projects, of which €141 million will be spent in the Border region. The programme is due to close at the end of this year.

The Government is of the opinion that PEACE II and its predecessor, PEACE I, have been of great benefit in supporting the peace process in Ireland. The Government and its counterparts in Northern Ireland and Britain are exploring with the European Commission the possibility of securing an extension of the current PEACE programme to permit the consolidation of its valuable work. I emphasise that what is under discussion at this stage is an extension of the current programme for two years to the end of 2006 rather than the implementation of a new programme. A new programme will be considered in due course. The intention is to discover how best to focus the existing programme to meet its strategic priorities which are to reinforce progress towards a peaceful and stable society and promote reconciliation.

**Caoimhghín Ó Caoláin:** I thought the Minister would pull me up on my presumption in using in my question the phrasing "promised PEACE III programme". It is something which has not yet been committed to. I note the indication in the

Minister's reply that while the Government is supportive of the extension of PEACE II to 2006, which we accept, it is also committed to the implementation of a PEACE III programme thereafter. Will the Minister expand a little on that?

It is important that the Minister acknowledges the great work which has been done through PEACE I and PEACE II since the introduction of the programmes and that this is something which should be continued and built upon. Does the Minister accept the principle that funding from this source must be additional to ordinary Government and, indeed, local authority funding rather than in substitution for it? It is important to make the point. Does the Minister acknowledge the excellent work of the various bodies which have been established and through which the current programme is operated? Is he familiar with the recent report, *Building on PEACE: Supporting Peace and Reconciliation after 2006*, produced by the consortium of cross-Border bodies based at European Union House in Monaghan town? An excellent case for a PEACE III programme is made in the report.

The Minister has indicated contact with the British Government on the 2004 to 2006 extension. Will he indicate whether the Government or his Department have yet initiated a joint approach to the European Union in terms of post-2006? If not, when might those initial and important steps be taken? The counties, and communities therein, listed by the Minister in his reply are anxious and concerned that this programme continue.

**Mr. McCreevy:** I join the Deputy in pointing to the great benefits of the PEACE I and PEACE II programmes to the Border communities, the exceptional work done and the great success, which they have been. The Deputy has given a fair summation of what is involved. I was involved in the last round of negotiations concluded in Berlin regarding EU Structural Funds and the peace programme. The current peace programme will run to end 2004. The other EU funded programmes run to end 2006. We are endeavouring, in conjunction with the UK Government and the Commission, to extend the current Peace II programme from 2004 to 2006 to bring it into sync with other EU funded programmes.

The next round of EU funding is 2007-13. The EU Commission recently published the initial documentation in that regard. The negotiations on Structural and Cohesion Funds will be long, tedious and difficult and will not conclude this year. It is hoped they will be concluded in 2005. The Deputy will be aware that the current debate between the net contributor countries and the recipient countries is ongoing. As part of the negotiations on a broader financial perspective, we will discuss a peace programme. I agree with the Deputy that the Government should make a strong case to have a peace programme as part of

the financial perspectives of 2007-13. I welcome the Deputy's support in that regard.

#### **Tax Yield.**

4. **Mr. P. McGrath** asked the Minister for Finance the aggregate amount of tax of all types raised from the activities associated with the construction, sale, rental and occupation of housing; and if he has plans to change the taxation or other aspects of Government policy towards the housing sector. [13034/04]

**Mr. McCreevy:** I am informed by the Revenue Commissioners that the information furnished on tax returns does not generally require the yield from a particular sector or subsector of trade to be identified. Except for value added tax, VAT, and stamp duty, the amount of tax collected from the various activities specified in the question cannot be readily identified from the overall taxation yield. Accordingly, the specific information requested by the Deputy is not readily available in the form requested.

In the case of stamp duty, the total collected from residential property in 2003 was €528 million. However, data are not collected in a manner which would allow for a more detailed breakdown of this yield. Stamp duty is also chargeable on transfers of sites at the appropriate rates for non-residential property but it is not possible to determine what proportion of the total stamp duty yield on non-residential property relates to site transfers.

In the case of the sale of a new house or apartment to a purchaser, VAT applies at the reduced rate of 13.5% both on its construction and on the site where these are connected contracts and is included in the final price of the property to the purchaser. No VAT applies in respect of the purchase of a second-hand house. The relevant information available in respect of VAT is the estimated yield.

With regard to 2003, the VAT yield from the sale of new housing is estimated at approximately €1,250 million and the VAT yield from the maintenance and repair to all housing is estimated at approximately €320 million. With regard to inheritance tax, it is not possible to separately identify the yield relating to bequests of house property from within the overall tax yield. The net receipts associated with all inheritance tax was €131 million in 2003.

I remind the Deputy that under this Government house building has reached record levels, double the rate when his party were last in office. The best way to provide people with houses is to build them, and that is what we have done. Subsidising the purchase of houses without increasing their supply will only drive up prices. I also remind the Deputy that, as recently as budget 2003, I improved and enhanced mortgage interest relief and extended first-time buyer relief from five to seven years. It is my intention to continue with sensible fiscal policies in this area.

**Mr. P. McGrath:** I wish first to correct the Minister on his statement that VAT is charged on buildings at a reduced rate of 13.5%. That is not a reduced rate, the Minister increased that rate from 12.5% to 13.5%.

**Mr. McCreevy:** It is the new reduced rate.

**Mr. P. McGrath:** The Minister said he extended first-time buyer relief from five to seven years, but what he did not say is that at the same time he abolished the new house buyer's grant of €3,800. I am not surprised the Minister did not give us the amount collected from house building in terms of taxation. He would not want to state it. The Irish House Builders Association estimates that figure to be €5.6 billion arising out of VAT on houses, solicitors' fees, auctioneers' fees, architects' fees, engineers' fees, stamp duty on mortgages and second-hand buildings if not purchased by first-time buyers, tax on rent collected and, in more recent times, the newly imposed Government tax on houses by way of the development levy. In effect, Government levies account for an estimated 45% of the cost of a house in the Dublin area. The Government takes 45% of the purchase price of any house in the Dublin area and the figure nationwide is 42%.

Has the Minister no shame? He should be ashamed to levy such a tax on young people trying to get on the property ladder. I hope he will not tell the House the Government is contributing down the line. The number of affordable and council houses being built, do not come anywhere near meeting demand. Will the Minister suggest how young people might get on the property ladder?

**Mr. McCreevy:** As regards the Deputy's question on whether I have no shame, I am sure he is aware I am a member of the Fianna Fáil Party and, as written and established by official Ireland many years ago, when one comes from that background one accepts that is how things are.

**Mr. P. McGrath:** It is in the genes.

**Mr. McCreevy:** That is a joke though I know one can no longer make jokes in Irish life because they will be misinterpreted. I point that out for the benefit of those innocents abroad who might be watching.

I am not too sure from where the Irish House Builders Association got the figure of 45%. However, I presume it includes all taxes in that sector, including PAYE from employees pay cheques which are not specifically related to housing. The total general Government revenue in the State as a percentage of GNP is approximately 42%. In that regard, the figure of 45% is not out of line. As somebody who wants to spend 40% to 50% of GNP on public services, the Deputy should not be surprised if we have to

take in the same amount in taxes, otherwise we would run up mountains of unsustainable debt.

Let us take the figure of 45% as representing the amount of money accruing to Government from the sale of a house, though no one can establish that figure with exactitude. That money is spent on a variety of services for which the Deputy pleads each week. It pays nurses, doctors, teachers, gardaí, public servants, including politicians, road maintenance, sewerage services, social welfare and so on. The Government has to collect taxes to pay for those services. We all differ about how one should collect taxes and I have over the years examined some of the ideas put forward by the Deputy's party and others inside and outside the House.

Earlier I gave the figures for stamp duty. There are suggestions that we should abolish stamp duty for different classes of the housing sector. Having tinkered with stamp duty in my time as Minister for Finance, I have learned a great deal about it. I would need considerable encouragement and objective facts to change my view on it. I firmly believe that any change to the stamp duty system is taken up in the developer's price or the market, as happened in the case of the first-time buyer's grant which should have been abolished long before I did so two years ago.

**Mr. P. McGrath:** Lest the Minister be accused of misleading the House, social welfare is not paid for from such tax. The social welfare fund is in surplus, as I am sure the Minister is aware.

**Mr. McCreevy:** No, the Deputy is wrong. Social assistance is paid from the general Vote.

**Mr. P. McGrath:** Social assistance is, but the social welfare fund is €1.4 billion in surplus.

The Minister likes to see a building bonanza because he gets €100,000 from every new house sold. He has no incentive to reform the housing industry as long as that flow of income into the coffers of the Revenue Commissioners continues.

The Government has made no reforms to help young people get on the housing ladder. The Minister has not addressed that issue.

**An Ceann Comhairle:** The Leas-Cheann Comhairle has informed me that this question has run over time.

**Mr. P. McGrath:** That is not my fault.

**An Ceann Comhairle:** Since I came in Deputy McGrath is the only Deputy who has continued to speak.

**Mr. P. McGrath:** The Ceann Comhairle has not been here very long.

**Mr. McCreevy:** My answer to the Deputy's question is that I do not agree with him.

**Mr. P. McGrath:** The Minister's genes are all wrong as well.

### EU Presidency.

5. **Ms Burton** asked the Minister for Finance the outcome of the recent informal meeting of EU Finance and Economics Ministers held in PuncHESTOWN; and if he will make a statement on the matter. [13012/04]

**Mr. McCreevy:** The Council of Economics and Finance Ministers held an informal meeting on 3 April in PuncHESTOWN. Ministers were joined at the meeting by the central bank governors, Commission President Prodi, Commissioners Solbes, Bolkestein and Schreyer, President Trichet of the European Central Bank and President Maystadt of the European Investment Bank. As with all informal meetings, no formal decisions were taken at PuncHESTOWN.

With regard to EU financing in the period 2007 to 2013, President Prodi and Commissioner Schreyer elaborated on the Commission's recent communication on this subject. The meeting provided a valuable opportunity for a full exchange of views between Council members and with the Commission. Some member states believe the growth of the Union's budgetary spending should not exceed the growth of the Union's economy. Others could support a more rapid increase in the budget.

Ministers and governors discussed the current economic situation in the EU and the longer term strategies that will boost Europe's capacity to grow. They agreed that the economies of Europe should gather momentum over the course of 2004, helped by the global upturn and by the expected strengthening in domestic demand. Also discussed was the EU Presidency speech to be used at the IMF-World Bank spring meetings in Washington.

Ministers and governors considered financial market conditions and the progress made in relation to the integration of financial services in the EU. They noted that the financial services action plan had significantly enhanced the regulatory and supervisory framework for European financial markets.

Commissioner Bolkestein briefed Ministers and governors on the state of play on negotiations on the two outstanding international accounting standards, IAS 32 and IAS 39. Ministers also discussed the post of managing director of the International Monetary Fund. The Council had a productive meeting that made substantial progress on the important issues on its agenda.

**Ms Burton:** As the Minister has reminded me, EU Ministers were discussing accounting and auditing standards. Did he have an opportunity to give the Ministers a copy of the Comptroller and Auditor General's report on the PuncHESTOWN pony club? That would have been a good point at which to begin a discussion of

accounting and auditing standards. Did Ministers receive a special embossed copy of that report?

What does the Minister have to show for his stewardship during the Irish Presidency of the EU? When Deputy Quinn was Minister for Finance, at the end of the Irish Presidency the euro and other items on the EU agenda had been significantly reformed. What about the reform of the Stability and Growth Pact and what are the obstacles to such a reform? Is reform of the Stability and Growth Pact not in Ireland's direct interest, especially as we need so much capital spending on roads, public transport and other infrastructural projects? Why has the Minister not taken the opportunity to advance Ireland's interest in a reformed pact?

What has ECOFIN done under the Minister's stewardship to advance the Lisbon agenda? What did the Minister do with regard to the appointment to the IMF? A very conservative appointment was made. Is he not interested in a reform agenda in the Bretton Woods institutions, particularly with regard to the developing world?

What has the Minister got to show for the Presidency? We know about the pomp and circumstance — the Minister and Mrs. McCreevy looked very well in a magazine — but what does Ireland have to show as a consequence of the Presidency?

**Mr. McCreevy:** Several questions have been submitted today regarding the Stability and Growth Pact and the nomination of Rodrigo Rato as secretary general of the IMF. The ECOFIN meeting decided the matters to which I have just alluded. Progress was made during the Irish Presidency on a number of issues. We have progressed the agenda as best we could in a fair and effective manner and our colleagues in Europe will attest to that. I do not intend to introduce a new currency during my regime. The Deputy appears to imply that I should do so. In 1996 the rules of a pact were agreed which was the background to the introduction of the euro.

With regard to the reform of the Stability and Growth Pact, it is in Ireland's interest that there be rules. It is the smaller countries which will suffer if there are no rules regarding financial management as a background to the euro. For the past number of years Ireland has been spending 5% of gross national product on the multi-capital envelopes which were announced in the budget, and we will continue to do so. This is twice the EU average. We spent a long period leading up to the March 2003 meeting discussing the pact, and it was impossible to find unanimity among the member states. This was confirmed by the European Council meeting at that time. I am sure we will return to the question of the pact in the next year or so. Due to the outcome of the ECOFIN meeting of November 2003, the majority of members of the euro would prefer further reform of the pact to be discussed over the next year. That is where the matter now rests.

**Ms Burton:** Is the Minister saying that the Finance Ministers had a jolly in Punchestown? He cannot list one achievement of his period as chair of the Council of Ministers, whether reform of the IMF Bretton Woods agenda in favour of the developing world or reform of the Stability and Growth Pact to allow Ireland to make necessary capital investments in areas such as public transport. The Minister has nothing to show us. It is a pity.

**Mr. McCreevy:** It would not be in our interest if the Stability and Growth pact was reformed to allow Ministers for Finance to go off on ridiculous borrowing sprees. It would be to the detriment of this country if that were ever allowed.

**Ms Burton:** No one suggested that.

### Other Questions.

#### Telecommunications Services.

6. **Mr. Broughan** asked the Minister for Finance if, in the view of recent statements made that the State is one of the largest users of telecommunications services and should use this power to promote competition on voice and data telecommunications and lower prices, the measures he intends to take to achieve this result; and if he will make a statement on the matter. [10206/04]

**Mr. McCreevy:** My Department has policy responsibility for the public sector usage of telecommunications services. It does not have powers relating to regulation and pricing. Questions in that regard should be directed to my colleague, the Minister for Communications, Marine and Natural Resources, Deputy Dermot Ahern.

My Department is, effectively, a customer availing of telecommunications services and, similar to all other customers, is dependent on prevailing market conditions in the telecommunications sector. In addition, my Department, like all Government bodies, is obliged to comply with EU procurement law by sourcing its telecommunication services requirements through open competitions. As a result of taking this competitive approach, Government bodies avail of services provided by all the major telecommunications companies offering services in Ireland.

My Department has implemented all the measures it can implement at this stage to ensure that Departments, offices and non-commercial State agencies have as much access to competitive provision of telecommunications services at best prices as is possible.

My Department sources, negotiated and now manages the Government's virtual private network, VPN, contract which facilitates a range of voice and data telecommunications services, including secure interconnectivity between public

bodies. The contract, or elements thereof, are available for drawdown by any Department, office or non-commercial public body. The contract was awarded to a consortium comprising Eircom and Vodafone Ireland in 2002 on foot of an open EU procurement exercise operated by a cross-sectoral procurement working group. The aggregation of public sector telecommunications demand under the VPN contract ensures that the public service receives maximum value for money and substantial savings in its telecommunications expenditure as a result of the significant discounts available. As a result of this, all other major providers have also reduced their costs to public service bodies.

Although fixed voice services and data services relating to e-Government are mandatory under the VPN contract, all other services are at the discretion of individual bodies. Consequently, my Department has ensured that all other major telecommunications service providers can connect to the Government VPN to allow for the maximum competition in the provision of these services to public bodies.

I expect that we will be able to enhance this situation significantly once framework procurements become possible under the new procurement legislation. This legislation is expected later this year.

**Ms Burton:** This question was originally put to the Minister for Communications, Marine and Natural Resources, Deputy Dermot Ahern, by my colleague, Deputy Broughan, and it was not our decision to transfer it to the Department of Finance. I am concerned by the Minister's comments. He has not provided figures and I would be grateful if he would do so. What is the value of the total contracts awarded by his Department and among how many companies are the contracts spread? My understanding is that there is now one major—

**An Ceann Comhairle:** The Deputy should confine herself to questions. Other Deputies are offering on this question and I wish to facilitate them.

**Ms Burton:** Is it true there is now one major provider of services to the Department of Finance and the Government? Effectively, we are back in a monopoly situation. However, while it was a public monopoly during the Telecom Éireann era, it is now a private monopoly. Will the Minister provide figures on the number of suppliers and the percentage such suppliers hold? Does the Minister agree that many providers in this market are concerned they are not being successful in accessing the provision of services to his Department? The field is effectively, dominated by one party so that, effectively, there is a private monopoly.

**Mr. McCreevy:** I accept the Deputy's point that this question was originally put to the Minister

for Communications, Marine and Natural Resources, Deputy Dermot Ahern, and was transferred to my Department. I do not have the relevant figures but my officials will communicate with the Deputy to make them available to her.

**Mr. Eamon Ryan:** I may be able to help Deputy Burton in providing the figures as I am in possession of the replies to a series of questions asked last year on the question of percentage of market share. The Minister will be pleased to hear that his and a number of other Departments, including the Department of Enterprise, Trade and Employment, which one would expect to promote competition, were almost 100% users of supplies from one incumbent monopoly company. This is surprising given the——

**An Ceann Comhairle:** Has the Deputy a question?

**Mr. Eamon Ryan:** I do. When is the virtual private network, VPN, next up for review? Will the new legislation, which referred to European legislation, allow for competition issues to be taken into account when considering the best price offer? If the best price offer must be accepted in each case, the incumbent provider obviously has a massive advantage in terms of economies of scale and current dominance in the market, and will always be able to undercut any other bid. Is the Minister allowed to take into account the necessity of introducing competition in the market when making policy decisions? If not, would new legislation allow him to do this?

**Mr. McCreevy:** The VPN contract was awarded to a consortium comprising Eircom and Vodafone in 2002. I think it runs for five years but will confirm the details and make them available to the Deputy.

### Public Private Partnerships.

7. **Mr. Richard Bruton** asked the Minister for Finance if he has undertaken an evaluation of the performance of PPP projects which have been put in place. [12878/04]

**Mr. McCreevy:** The role of the central PPP unit in my Department is to provide guidance on best practice in the appraisal and procurement of PPP projects with a particular focus on establishing and providing value for money. Guidance issued to date, which will be elaborated further over the current year, places a particular emphasis on establishing the business case for a project and on the further steps to be followed to ensure a value for money approach is taken at each critical stage of the procurement of the project. The evaluation of the performance of individual PPP projects is a matter in the first instance for the Minister with primary responsibility for the areas to which these projects relate.

PPPs as a method of public procurement are subject to an open and transparent tendering process in accordance with national and EU

procurement rules. The reporting and other accountability arrangements for PPPs fall to be dealt with under the general financial procedures for capital investment. In addition, expenditure on projects is liable to scrutiny by the Comptroller and Auditor General and the Committee of Public Accounts. The Deputy may be interested to note that the Comptroller and Auditor General is currently undertaking a value for money audit of the bundle of schools pilot PPP project. This was the first of the approved pilot PPP projects for which a contract was signed.

PPPs offer a real prospect of enabling Departments to deliver infrastructure projects on a value for money basis by taking a whole-life approach and allocating risks to the party best placed to manage them. For example, the roads PPPs signed so far have demonstrated the potential for real risk transfer——

**Mr. P. McGrath:** There was no risk.

**Mr. McCreevy:** ——and value for money outcomes for the Exchequer. Indeed, from a public sector perspective, the N4-N6 Kilcock-Kinnegad PPP contract was awarded the *Project Finance* international infrastructure deal of the year for 2003 and the *Euromoney-Project Finance* transport deal of the year for Europe for 2003.

**Mr. R. Bruton:** It comes as a shock to many people that the Department of Finance takes no interest in evaluating whether any of these projects are a success. Is it not the case that the Department of Finance is essentially driving the idea of PPP as best practice? The Minister has given a strong, thumbs up to the idea in the House. On what evidence does he do so?

Have the five schools been a success in the Minister's view or has he sought information to ascertain whether this is so? Before deciding to embark on PPPs as the main vehicle for decentralisation, has the Minister sought the views of the Comptroller and Auditor General on the likely success of that approach? If the Minister is working to a three-year limit on decentralisation and has made it a significant political priority for the Government, is there not a danger that by taking the PPP route there will be such political determination to get a result the Minister will agree regardless of what terms are offered? Is it the case that the Government can still borrow money at less than 5% on the markets but that most private financiers will be looking for 15%?

**Mr. McCreevy:** With regard to the last point, the Government will always get the best deal when borrowing. The best public company in Ireland will not be able to borrow at the rate at which the Government can. While it could happen that the Government's financial policies would become daft, that is not expected, despite the requests of those on the left of the House.

[Mr. McCreevy.]

Therefore, the Government will always be in that position as a borrower.

However, there are many other reasons PPPs should be the approach. The bundle of schools project is being evaluated and the outcome will be available to everyone in due course. Regarding decentralisation, I will quote from the decentralisation implementation group report, chaired by Mr. Phil Flynn, which stated:

It allows for the transfer of significant risks to the developer, such as planning risks and responsibility for any cost and time over-runs: the developer is better placed to mitigate the risk and produce a lower cost solution.

The report continues with many reasons for taking this particular approach.

The Deputy asked the obvious question as to what would happen if the private sector does not provide a value for money solution for the decentralisation programme. He should remember that we measure such performance by taking a public service benchmark in regard to a Department or agency and then comparing this to the private sector. If the private sector does not provide a value for money solution, we will have the option of returning to the traditional approach.

**Mr. R. Bruton:** Will it all be open for us to see?

**Mr. McCreevy:** Of course.

**Mr. R. Bruton:** Does that include benchmarking?

**Mr. McCreevy:** If we were to make public service benchmarking details available at any particular time, competing private contractors would know of that. Therefore, we do not make such details available.

**Mr. R. Bruton:** There is no accountability.

**Ms Burton:** Has the Minister or his Department had an opportunity to review or consult with the National Audit Commission in the UK regarding its recent reports and evaluations on PPPs? I am referring to the reformed UK structure as everybody acknowledges there were problems with the early UK structure and that the Irish model set out to avoid these. Does the Minister have access to the reports? Is he aware of the number of PPP contractors going into liquidation and walking away from the later stages of PPP contracts? What steps has he taken to ensure this will not happen in this country?

**Mr. McCreevy:** The Fine Gael Party has made up its mind on this issue but I do not know if other parties have. Are we in favour of the PPP approach?

**Mr. R. Bruton:** It is not an ideological argument.

*(Interruptions).*

**An Ceann Comhairle:** The Minister to continue without interruption.

**Mr. McCreevy:** There will be successes and failures. It is inevitable that some projects will be done better by the PPP approach and that sometimes it will not work very well. We have tried to learn from the failures of the United Kingdom as well as its successes. This is not the only country which has adopted such an approach. Many countries have successes in this regard and many will have failures. What we are trying to do is eliminate the failures.

One of the main criticisms from the private sector about the PPP approach is that the State has been too picky and demanding in regard to such contracts. It states we have been so severe in beating companies down that some of them will no longer play the game. We have not left enough jam on the table for them. There is a balance to be struck at all times. In some instances public private partnership is the way to go but on many other occasions it is not. The question of finance is just part of the overall package. There are many reasons for adopting the PPP approach, which we try to incorporate in the value for money approach. There was an article recently in a very reputable magazine in which it was stated the State was taking such a severe approach to PPPs that it was killing it. In striking a balance, there will be successes and failures.

**An Ceann Comhairle:** I call Deputy Costello on Question No. 8.

**Mr. R. Bruton:** May I ask a brief supplementary question?

**An Ceann Comhairle:** I am sorry, Deputy, but we have gone two minutes over time on this question. There are six minutes allotted for each question. There are two minutes allotted for the Minister's initial reply, one minute for a supplementary question, one minute for a reply from the Minister, one minute for a further supplementary question and one minute for a reply from the Minister.

**Mr. R. Bruton:** Where did the final minute go? We had one minute. The Opposition has two one minute slots.

**An Ceann Comhairle:** I would like to make another point. If Deputies confined themselves to asking brief succinct questions, there would be more time for supplementary questions. However, if they continue to make statements, it will take up time.

**Mr. R. Bruton:** At the moment, a Ceann Comhairle, you are giving the Minister four of the six minutes allotted.

(Interruptions).

**An Ceann Comhairle:** The reality is that the Minister did not take his two minutes on that question. The Deputy took well over one minute to ask his supplementary questions. Deputy Burton took well over one minute to ask hers and the Minister took two minutes to reply, which brought us over the six minutes allotted. However, we do not want to delay time on questions.

#### Tax Code.

8. **Mr. Costello** asked the Minister for Finance when he intends to implement the commitment given in An Agreed Programme for Government to remove all those on the national minimum wage from the tax net; and if he will make a statement on the matter. [12971/04]

**Mr. McCreevy:** The position is that when the statutory minimum wage came into effect in 2000, less than 64% of the annualised figure of €11,330, or £8,923, was exempt from taxation. In budget 2002, 90% of the minimum wage became exempt from tax and in budgets 2003 and 2004, this position has been maintained, even though the minimum wage was increased in October 2002 and February 2004. It currently stands at €7 per hour, having been increased from €6.35 per hour on 1 February 2004. The annualised equivalent of the minimum wage is €14,196.

The Government programme, An Agreed Programme for Government, states that over the next five years the priority will be to achieve a position where all those on the minimum wage are removed from the tax net. The five year period mentioned commenced two years ago when the Government was elected to office. The commitment to exempt the minimum wage from tax is given in the context of a broader economic and budgetary strategy which provides, among other matters, that the public finances will be kept in a healthy condition and that personal and business taxes will be kept down in order to strengthen and maintain the competitive position of the economy.

The current national partnership agreement, Sustaining Progress, contains a commitment in generally similar terms. Accordingly, exemption from tax for those on the minimum wage will be a matter for consideration in the context of the annual budgets over the next number of years consistent with the Government's overall economic and budgetary strategy and commitments mentioned.

**Ms Burton:** Is the Minister not embarrassed that, as a consequence of the increase in the minimum wage, anyone who works a 40 hour week at €7 an hour earns €280? Those are caught in the PRSI and income tax traps. The Minister has stoutly defended very rich non-residents for tax purposes. He has stoutly defended the reason he will not review residency rules to allow them

to exercise fidelity to the State and pay income tax here. Will he not equally review the position of the lowest earners? Those on the minimum wage of approximately €280 a week, do not just pay tax, they also pay PRSI. In addition, their medical card is withdrawn — a triple whammy by this mean and miserable Government.

**Mr. McCreevy:** I am pleased with the progress made on taxation since becoming Minister for Finance. The facts are that following budget 2004, 35% of income earners — 668,700 — will be exempt from paying taxation compared to less than 25.5% of income earners — 380,400 — in the 1997-98 tax year. I am equally pleased that in the OECD area and in the international context it has been pointed out that in 2003 Ireland had the lowest tax wedge for a single person on the average industrial wage, that is, income tax levies and employer's and employee's PRSI as a percentage of gross income in the European Union and one of the lowest in the OECD.

For the average industrial worker, married with two children, with a carer in the home, Ireland has the lowest tax wedge in the European Union and perhaps the entire OECD. Recently released OECD data indicated that the tax wedge for such workers was followed most starkly in Ireland than in any other OECD country, reflecting the progress the Government has made in this area. I am absolutely thrilled that the tremendous achievements in this area of taxation have been recognised.

**Mr. P. McGrath:** Since the Minister said he had no shame, perhaps we might get him to admit to a small degree of embarrassment. I remind him that he gave back on an annual basis €7,000 to single persons earning €100,000 or more. At the same time, he could not see his way to remove those on the minimum wage from the tax net. How can he justify giving an additional €7,000 per annum to those earning €100,000 or more when he cannot give a relatively small amount to those on the minimum wage? After all, they are at the bottom end of the income scale and surely deserve to be taken from the tax net.

**Mr. McCreevy:** My party introduced the concept of the minimum wage. It was a commitment given in the 1997 Fianna Fáil election manifesto. The concept was brought forward many months prior to that election by this well, known right-winger. I made a speech during the winter period that it would be a Fianna Fáil commitment. The then rainbow Government of Fine Gael, the Labour Party and Democratic Left said it could not be done. None of these parties included it in their election manifestos. The concept was introduced by me and Fianna Fáil.

**Mr. P. McGrath:** The Minister is taxing the people concerned.

**Mr. McCreevy:** All of the figures, including the analysis done by the ESRI post the last and previous budgets, indicate that the benefits of the taxation changes made during my time as Minister for Finance have assisted those on the lowest incomes more than anyone else.

**Mr. P. McGrath:** That is not true.

**Mr. McCreevy:** These are the facts.

*(Interruptions).*

**An Ceann Comhairle:** The Minister to continue without interruption.

**Mr. McCreevy:** The proof of the pudding is that for those on the average wage, there is a lower tax take by the Exchequer than in any other country in the European Union. It is one of the lowest in the OECD. This has been the success of our taxation policy which is recognised internationally.

**Ms Burton:** The Minister's achievement is that the majority of PAYE taxpayers pay tax at the rate of 42%.

**An Ceann Comhairle:** Sorry, Deputy, we have already gone over time on this question.

**Ms Burton:** That is the Minister's achievement and it is nothing to be proud of.

**An Ceann Comhairle:** A brief final reply from the Minister.

**Ms Burton:** He has achieved stealth taxes.

**Mr. McCreevy:** I am well aware that at least some journalists are more literate than they are numerate. The figures to which Deputy Burton referred are a statistical abomination.

**Ms Burton:** They are in a report from the Minister's Department.

**Mr. McCreevy:** On that basis, if I were lucky enough, for instance, to leave just 5,000 people in the tax net with more than 1.5 million outside it, with 1,000 of them paying tax at 20% and 4,000 paying at 42%, Deputy Burton and some commentators would state that 80% of taxpayers were paying at the highest rate. The more people I leave out of the tax net, the lower my figures will be. I have seen some of the most ridiculously innumerate commentary in this regard recently. There is a strong case for bringing back the primary certificate and including arithmetic again.

### **Carbon Tax.**

9. **Mr. Gogarty** asked the Minister for Finance the situation regarding the introduction of a carbon tax. [12959/04]

34. **Mr. P. Breen** asked the Minister for Finance if he is committed to the introduction of a carbon tax in 2005. [12906/04]

54. **Mr. Sargent** asked the Minister for Finance if his attention has been drawn to the fact that growers in the glasshouse sector depending on gas for heating need to discuss the extent to which they avail of CO<sub>2</sub> emissions to assist in their produce growing and the need to take this into account before carbon taxes are levied. [9204/04]

65. **Mr. Penrose** asked the Minister for Finance the progress made by his Department in its consideration of the consultation papers on carbon taxes; and if he will make a statement on the matter. [12989/04]

**Mr. McCreevy:** I propose to take Questions Nos. 9, 34, 54 and 65 together.

As I stated in my budget speech on 4 December 2002, Ireland has international obligations under the Kyoto Protocol to reduce greenhouse gas emissions. For this reason, the Government asked the relevant Departments to advance the plans for a general carbon energy tax, with a view to introducing it from the end of 2004. I also said that there would be full consultation with interested parties on the design of a carbon energy tax.

In July 2003, I commenced this consultation process and made available a carbon energy tax consultation paper prepared by my Department. This consultation paper was designed to facilitate discussions on the introduction and design of the carbon energy tax while recognising that there are divergent views on the issue. The paper gave a concise overview of the issues relevant to consideration of the proposal. Submissions in response to the paper were invited from interested parties to be received in this Department by 30 September 2003, but extra time was given where requested by organisations to complete their submissions. A total of 117 submissions were received by my Department in response to the carbon taxation consultation paper. As part of the consultation process, these submissions are now also available publicly on my Department's website.

A large proportion of those who made these submissions did not wish to see a carbon tax imposed in the State. A significant number who might agree in principle wanted exclusion or exemptions for themselves. Others raised serious misgivings about the impact of a tax on inflation, competitiveness and the poor.

The current step in this process is the examination of submissions received in my Department. This is being assisted via the green tax group, which is an interdepartmental group chaired by my Department, comprised of relevant Departments with an interest in environmental tax issues.

With regard to the specific question on growers in the glasshouse sector, I am aware that a

submission was made on this issue by the IFA horticulture committee and it is currently being examined with all other relevant considerations in the context of the development of the carbon energy tax proposal. It would not be appropriate for me to comment further on this or any other issue at this stage.

**Mr. Eamon Ryan:** This is one of the most important issues facing us in an environmental as well as tax context. When will the Minister give the Government's position on the issue? Do we have to wait until budget day 2004 and have a short, one month, gap before it is introduced. I imagine the companies which will be affected by this will need to have advance notice of when it will be introduced and in what form. The Minister stated that we are in extra time in examining the submission, but we are well beyond it, the game is over and the crowd has gone home, yet the Minister is still prevaricating over whether we will introduce carbon taxes.

Does the Minister have full agreement among his Cabinet colleagues on the issue or is there division between him and, for example, the Tánaiste and Minister for Enterprise, Trade and Employment? Has the matter been brought to the Cabinet yet for approval? Has the Minister decided the manner in which revenues from such a tax will be used? Whatever about the plight of the greenhouse growers in Fingal, about whom he seems to be concerned, has the Minister set out a definite policy about how the revenue will be used? Will he give a commitment that the revenues from any such tax will be recycled through lower PRSI contributions, lower VAT rates or higher social welfare payments to offset some of the consequences of the tax on people with low incomes or does he see the revenue being used for general Government spending?

**Mr. McCreevy:** In my budget speech in December 2002, I stated that the Government would consider the introduction of a carbon energy tax by the end of 2004. Consequent to that, we have invited submissions and, as I pointed out, of the 117 submissions, 42 are in favour or could accept the tax, 53, or 45%, are not in favour of the tax, 11 would like their own company or sector to be exempt and 11 did not comment on whether they were in favour.

**Mr. Eamon Ryan:** Is this how we decide policy?

**Mr. McCreevy:** As the Deputy can see from the submissions received, there is a considerable divergence of views on this issue, as there will be among members of all the political parties in the House.

**Mr. Eamon Ryan:** Not among the Green Party, we are fully in favour of it.

**An Ceann Comhairle:** Deputy Ryan, I ask you to afford the Minister the same courtesy you received. We cannot have a situation in the

House in which Members submit a question to a member of the Government and do not allow the Minister to reply.

**Mr. Eamon Ryan:** The Minister stated that—

**An Ceann Comhairle:** It does not matter what the Minister stated, he is entitled to reply to your first question without interruption.

**Mr. McCreevy:** The Deputy raised a number of issues in regard to whether, if there is to be a carbon energy tax, it would go into the general maw of the Government or would be specifically linked to changes in PRSI or specific actions affecting some of the poorer sectors of society. This is a very involved area and the Government will give it further consideration in the coming months.

**Mr. R. Bruton:** I am sure the Minister will know Edmund Burke's famous saying: "To tax and to please, no more than to love and be wise, is not given to men." Is the Minister applying this a little too acutely to his situation by continually postponing a decision on this important issue? Will we wait until budget day next year before we hear of the Government's decision or will there be Government proposals in the nature of a White Paper or similar, whereby there can be a reasonable and sensible debate in the House about solid options the Government proposes to implement? We have seen the discussion document and the submissions, but we want to engage at the level of a White Paper.

Is the Minister concerned that the system in place in respect of carbon tax and emissions trading is having the perverse effect that polluting industries have no incentive to conform but rather wait for their next emissions allowances to be issued to them? Does he believe we have a coherent policy in this area to achieve the Kyoto objectives and how does the carbon tax fit in?

**Mr. McCreevy:** If Deputy Bruton is making the point that there is not one simple solution in regard to carbon energy taxes, I agree with him. Some people have taken a very simplistic view of this over the past few years when there is no simple answer. The Government will consider the matter further in the coming months and will decide what to do. The matter has not yet been considered by the Government. The emissions trading issue was decided by the Government in recent months.

**Mr. R. Bruton:** I am only asking about the process. Will there be a White Paper and a debate?

**Mr. McCreevy:** I have put no proposals to the Government in that regard. As the Deputy well knows, I am not in a position to tell him what I might put before the Government, but it will consider the matter in the coming months and I

[Mr. McCreevy.]  
will take on board some of the ideas the Deputy has put forward.

**Ms Burton:** In regard to the permit structure of carbon emissions trading, has an evaluation been made of the announcements made by the Minister for the Environment, Heritage and Local Government, Deputy Cullen, in regard to their impact on Irish industry, in particular the structure for new large-scale incoming foreign direct investment, such as Hewlett-Packard or Intel? Those have high energy requirements and, under the scheme, they may in future have to purchase such permits from older industries in the State, which may be relatively heavy polluters.

I repeat a question I asked the Minister before. Has his Department carried out any further evaluation of the impact of the proposed carbon taxation structure on older people? I refer to the lack of insulation in many old people's homes and the impact on them of increased prices for turf and coal.

**Mr. McCreevy:** The question on emissions trading would be more properly addressed to the Minister for the Environment, Heritage and Local Government, who has dealt with this matter.

**Ms Burton:** I am asking about the financial implications.

**Mr. McCreevy:** When considering the emissions trading issue, the Government considered all these matters. The issues referred to by the Deputy were considered by the Government and, in particular, by the Department of Enterprise, Trade and Employment in its contribution to that debate.

Deputy Burton referred to a carbon energy tax and, if one were to be introduced, the effect it would have on older and poorer people would certainly be examined by the Government. With respect to Deputy Ryan's party, which has campaigned forcefully for a carbon energy tax for several years, all those issues must be considered. This is not a simple issue, as is evidenced by the submissions we received. Even if we had received no submissions, people would come to realise that this is a difficult issue.

**Mr. Eamon Ryan:** I want to ensure the Minister is aware of Green Party position on this. To take the ESRI line, the revenues from a carbon tax should be fully recycled into lower employers' PRSI payments, lower VAT, increased social welfare contributions and a fund for cleaner technology. That is exactly what we will be looking for from the Minister.

The Minister said this is a complex issue, which it is. There is not one solution. Is the Minister's Department beginning to investigate the scientific analysis presented at the Environmental

Protection Agency conference last week, that Ireland and other western states will have to examine an 80% reduction in our CO2 emissions in the short to medium term to address the climate change fears of the scientific community? Given the complexity of the issue, how does the Government justify its massive roads expenditure? That will lead to high emissions growth in the transport sector. What role does that expenditure have in terms of energy policy when we have a block on the development of renewable energy sources? If this is a complex issue with multiple and variable responses, what is the Department of Finance's role in the investment and funding decisions we make for a lower-emissions future? Why in God's name are we investing so much in roads when we will have to shut them in 20 years' time because of emissions from the transport involved?

**Ms Burton:** Does the Minister have any proposals for the promotion of alternative energy as another way of reducing our emissions levels?

**Mr. McCreevy:** The original question related to the carbon energy tax. I am conscious of climate change and our obligations under Kyoto. Deputy Ryan is correct if he is putting forward the view that we will have to take some dramatic action in reducing these pollutants. We will have to do that but is a carbon energy tax the way to do so? That will have to be addressed.

Taxation certainly plays a part in preventing people from creating pollution. I accept that. However, as I have pointed out previously, this area is complex because of the other issues it raises, which leads me to Deputy Burton's supplementary question. There may be other incentivising steps we could take to achieve what she suggested, but this question related to a carbon energy tax.

*Written Answers follow Adjournment Debate.*

#### **Messages from Select Committees.**

**An Ceann Comhairle:** The Select Committee on Education and Science has completed its consideration of the following Revised Estimates for Public Services for the service of the year ending 31 December 2004: Vote 26 — Education and Science.

The Select Committee on Finance and the Public Service has completed its consideration of the following Revised Estimates for Public Services for the year ending 31 December 2004: Vote 2 — Department of the Taoiseach; Vote 3 — Office of the Attorney General; Vote 4 — Central Statistics Office; Vote 13 — Office of the Chief State Solicitor; and Vote 14 — Office of the Director of Public Prosecutions.

#### **Adjournment Debate Matters.**

**An Ceann Comhairle:** I wish to advise the House of the following matters in respect of

which notice has been given under Standing Order 21 and the name of the Member in each case: (1) Deputy Broughan — the urgent need to reverse the decision by trustees to close the outstanding Greendale Community School, Kilbarrack, Dublin 5; (2) Deputy Burton — the circumstances in which a report on allegations of multiple breaches of procurement guidelines by the Office of Public Works was given to a national newspaper yesterday in advance of the Minister replying to parliamentary questions on the subject today; (3) Deputy Sargent — the need for the Minister to report on his visit to a school (details supplied) and indicate how he proposes to address the inadequate opportunities for physical education and sport at this school; (4) Deputy Ó Snodaigh — the urgent need for the Minister for Health and Children to explain his decision to refuse to review the rules governing the granting of foster care allowances as requested by the Ombudsman in her annual report last week; (5) Deputy McGinley — an géarghá le halla spóirt a chur ar fáil láithreach do Phobalscoil Ghaoth Dobhair; the urgent need to provide a sports hall for Gweedore Community School.

The matters raised by Deputies Burton, Broughan, Sargent and McGinley have been selected for discussion.

### Adjournment Debate.

#### Procurement Procedures.

**Ms Burton:** I have now had an opportunity to read in more detail the results of the review carried out by the consultants, PricewaterhouseCoopers, into procurement procedures used by the Office of Public Works in Dublin Castle. I am disappointed that the Minister involved, the Minister of State at the Department of Finance, Deputy Parlon, is not present as I have questioned him previously on this issue.

The conclusions of the consultants are quite shocking as they find that EU tender procedures, OPW procedures and public procurement procedures have all been breached in a systematic way. This report raises serious questions for the Minister in charge, Deputy Parlon, who must accept the ultimate responsibility for what can only be described as serious lapses in the OPW operation in Dublin Castle.

This is not some trivial matter but a clear and systematic breach of the principles that should govern the State's approach to doing business with the private sector. What confidence can private firms, seeking to do business with the OPW or other State agencies, have that they too are not being victimised by the failure to implement proper procurement procedures?

It is also clear from the report that the last minute decision of the Government to increase

substantially the number of EU Presidency events to be held in the country created pressures on the OPW and encouraged the cutting of corners and bypassing of normal procedures. The report states that the OPW was originally informed that there would be no more than seven informal ministerial council meetings in the first six months of this year. The clear desire of individual Ministers to secure a bit of the action led to this number increasing to an unbelievable 32, which clearly created great planning difficulties for the OPW.

However, none of this excuses the systematic ignoring of procedures designed to ensure that public contracts are offered on a fair and impartial basis and that taxpayers get the best possible value for their money. Neither does it excuse what seems to have been the absence of the Minister of State, Deputy Parlon, when all this was happening. Given the key role that the OPW was asked to play in the organisation of Irish Presidency events, I assume that the Minister of State, Deputy Parlon, would have been closely involved in the preparation and planning for these meetings. Why did he not satisfy himself that appropriate procedures were being applied in regard to the allocation of valuable contracts? Did he or any other member of the Government lobby for any contract to be awarded to any particular firm? If confidence in the OPW is now to be restored, it is essential that the recommendations made by the consultants for procurement procedures are implemented in full.

It is also essential that new procedures be introduced to provide greater transparency regarding the involvement by public servants in outside commercial activities. There must be a demarcation line drawn to ensure that not only is there no conflict between a public sector employee's role and any outside interest they may hold, there must be no basis on which anyone dealing with a public sector company could even fear that there was such a conflict. That statement is clearly made in this report in which PricewaterhouseCoopers says it can understand how contractors might have feared there was an inside track on Government contracts.

I have questioned the Minister of State at the Department of Finance, Deputy Parlon, on at least four occasions on this matter. I have tabled a parliamentary question to the Minister for Finance on the issue today. I regret the report was issued last evening before there was the opportunity to debate it in the House.

**Minister of State at the Department of Education and Science (Miss de Valera):** In the absence of my colleague, the Minister of State at the Department of Finance, Deputy Parlon, I welcome the opportunity to respond to the issue raised by Deputy Burton and to outline to the House the facts on this matter.

[Miss de Valera.]

The Minister of State, Deputy Parlon, wishes to state categorically that in issuing the report to which the Deputy refers to the newspaper in question, in advance of replying to parliamentary questions today on the subject, he has not shown any discourtesy or disrespect to Deputy Burton or to this House. In the interest of giving a speedy and open public response following receipt of the report, the Minister of State made copies available yesterday to the media and to Deputy Burton and other Members. The Minister of State is satisfied he has acted appropriately, reasonably and in an open and fair way in the manner in which he has handled the release of the report.

It is important that the background and circumstances giving rise to the commissioning of the report to which the Deputy refers are clearly understood. The issues that are the subject matter of the report were first reported on in a national newspaper in December 2003. It was only subsequent to this reporting in the newspaper and when the issues were already in the public domain, that the matter was raised in the House by Deputy Burton. In light of his attention being drawn to the matters in question through the newspaper articles, the Minister of State initiated an independent investigation of the matter. The examination was already under way when the matter was raised through parliamentary questions tabled by Deputy Burton and answered by the Minister of State on 17 February 2004.

As regards the facts of the release of the report the following is the position. The report was received by the Minister of State on Tuesday, 4 May 2004. On Wednesday, 5 May, copies of the report were made available to Deputy Burton and to certain other Deputies in and around the same time as a copy was made available to the newspaper in question. Copies of the report were hand delivered to Leinster House marked "Urgent" at 6.15 p.m. on Wednesday, 5 May.

The Minister of State does not accept there was in intent or in fact, any discourtesy or impropriety on his part in issuing the report in question to a national newspaper in advance of parliamentary discussion on the matter today. He made it clear all along that he would deal with the matter in an open and transparent way as a matter of public interest and he believes he has done this in the way in which the report was released yesterday. The matter was already in the public domain and the Minister of State is satisfied he has acted openly, fairly and in the public interest in releasing the report in the way he has done.

### School Closures.

**Mr. Broughan:** A few weeks ago the parents of Foxfield St. John's parish and St. Benedict's parish, Kilbarrack, Dublin 5, were "devastated and distraught" in the words of one of the sixth year pupils at the sudden announcement of the closure of Greendale community school by the trustees, the Holy Faith Order, the Jesuit Order and the City of Dublin Vocational Education

Committee. The closure announcement took place without consultation with the local community, Kilbarrack and District Residents Association, the Northside Partnership, Foxfield St. John's parish, St. Benedict's parish, west or east Kilbarrack, the parents of the 200 plus students or staff.

A few years ago we tried to establish regional educational council to look at numbers and needs of educational provision in the various districts around Ireland. Unfortunately when the then Minister for Education and Science, Niamh Bhreathnach, and our party went out of Government that proposal was abandoned. There was a clear need for some kind of regional educational planning structure.

Greendale community college has been a wonderful community resource for the two Kilbarrack parishes and surrounding districts of Raheny, Kilbarrack and mid-Sutton. The school was founded in 1975 and with a peak enrolment of 950 students in the early 1980s made a powerful contribution towards the education of generations of children from the Kilbarrack area.

When I meet many of my constituents in the public and private sector it is striking how many of them are proud of the wonderful education they received from the principal Antóin Carroll. The staff of Greendale community college created a strong learning atmosphere and included such famous people as the great Dublin writer, Roddy Doyle, the playwright, Paul Mercier, and one of the immortal members of Dublin GAA teams, the great Brian Mullins. That staff, lead by an tUasal Antóin Carroll, made a very significant contribution to a low-income area and one that was educationally deprived up to the mid-1970s.

With the maturing of this area, second-level numbers in the college had fallen to the current 220 students with a staff of 34 teachers. As pointed out on the day of the announcement, over 1,000 adult students use the Greendale campus. Over the years, the school had an important link to Trinity College, Dublin, for adults going on to second chance and university education. This is the second body blow my constituency has received in recent months.

A couple of months earlier we heard of the proposed closure by the Oblate Order of the famous Belcamp College in north Coolock from where the great Henry Grattan came, and which for over 100 years had turned out generations of distinguished Dublin men, and provided an important resource for areas which had been educationally deprived. It also has a large and happily settled Traveller community whose education was of particular interest to Belcamp College.

Throughout its 30 year history, Greendale community school has been a readily available and pleasant facility for all community groups, sports clubs, Naomh Barróg GAA Club, Kilbarrack United, Kilbarrack and District Residents Association and all the other residents

associations, sports bodies and communities of Kilbarrack and district. It is regrettable there was no consultation with any of those bodies, committees, myself or any of the other public representatives, one of whom is the former Minister for Education and Science, my colleague, Deputy Woods. I call on the Minister for Education and Science, Deputy Noel Dempsey, to re-examine all the reports on Greendale community school. I call on the VEC and the two religious orders concerned to review this decision urgently to ensure we do not lose a key community resource for the parish of Kilbarrack and have it replaced, as the district fears, with a high-rise monstrosity which would be to the advantage of developers and not the people of the area.

**Miss de Valera:** I thank the Deputy for providing me with the opportunity to outline the current position with regard to the planned closure of Greendale community school, Kilbarrack, Dublin 5. *5 o'clock* Greendale community school was built in 1975 to accommodate 800 pupils. The school expanded quickly to exceed its capacity. An extension was provided in the early 1980s to cater for an extra 100 pupils, bringing the overall capacity to 900 pupil places.

In line with demographic changes in the area, the school has experienced a steady decline in enrolments in recent years. Since 1996-97, enrolment has declined by 50%. At that time the enrolment was 449 pupils. The current enrolment is 215 pupils. Enrolments at primary level in the area indicate that this decline will continue. The school made an application to my Department for major capital funding in 1999. My Department commissioned a feasibility study, which estimated that an investment of €2.4 million was required to carry out the works necessary at the school.

The decline in enrolments in the general area has resulted in an estimated spare capacity of some 2,300 places in post-primary schools. In the circumstances, my Department did not consider that the level of capital investment sought by the school was a viable option. Grant aid was provided, however, to ensure that immediate health and safety issues at the school were addressed. Subsequently, my Department held meetings with the school's trustees to discuss options for its future, given that there did not appear to be adequate pupil numbers in the locality to enable it to regenerate.

The trustees of Greendale Community School notified the school planning section on 31 March 2004 that a decision had been taken to close the school. The timing of the closure has yet to be determined. Given the pattern of falling enrolments at the school, together with surplus capacity in the general area, my Department has no objection to the school's closure.

My Department's main role 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 alternative provision is available to accommodate the pupils who would have ordinarily attended Greendale Community School. My Department is awaiting proposals from the trustees with regard to the timing of the closure of the school. The future use of the building will be determined in due course.

### **Physical Education Facilities.**

**Mr. Sargent:** Gabhaim buíochas leis an Ceann Comhairle as cead a thabhairt dom an t-ábhar seo a ardú ar an Athló. Cuirim fáilte roimh an Aire Stáit ag an Roinn Oideachais agus Eolaíochta a bhfuil eolas aici ar Bhaile Brigín agus ar Scoil Loreto. I ask that this matter be given priority following the visit of the Minister for Education and Science to Loreto Secondary School in Balbriggan. I ask for an indication of the action to be taken by the Department in addressing the inadequate facilities for physical education and sport at this fast-growing school which has 1,027 students. This year is the European year for education through sport. The Olympic Games will be held in Athens this year and there will be increased interest in sport. It will become a mainstream political issue which I ask the Minister to consider.

The school offers hockey, basketball, soccer, badminton and it fields GAA teams. It does not have the facilities for bad weather training nor to offer refreshments or sufficient changing facilities to visiting teams. This is a serious deprivation of basic education in this school.

The building in use as a sports hall was built in 1909. It is approximately the size of a small badminton court and is in bad condition. A student informed me a few minutes ago that a lump of plaster recently fell off the wall during a basketball session. The floor is cracked and slanted and is slippery in wet weather. It is a liability. I am concerned that the Department is facing a serious liability by not remedying and providing new facilities for this school. The hall has room for only 30 pupils at a time. When two classes are timetabled for physical education, one class is forced to sit out the class. Sixth years do not have any physical education. It is a case of bad facilities, which need to be urgently remedied. Ventilation is inadequate and dry rot is present. There are only two cubicles for lavatory facilities. It is a serious situation.

I understand plans have been drawn up but the issue is how soon they will be realised. The school is aware of new classroom facilities being planned. While this is welcome, it does not meet the needs of physical education facilities. The Department should recognise that this facility will be available for use by all the community. Balbriggan football club enjoys the outdoor all-weather facilities.

The matter requires urgent attention. The school services not just Balbriggan but areas of County Meath such as Laytown and Bettystown, as well as areas of County Dublin such as Donabate, Portrane and Lusk, which do not have

[Mr. Sargent.]

secondary schools. The school serves a large hinterland with which the Minister of State is well acquainted.

The ratio of 515 students to one physical education teacher is bad. Will the Minister of State ensure that the facilities for physical education in this all-girls' school are as good as those in all-male schools? The impression is given that physical education for girls is a lower priority for the Department of Education and Science than that for male students. That would be a sad impression to give but it appears to be true from the evidence of this school.

The school has planned seven first year classes for next year and 60 children are on a waiting list. The Minister of State's grandmother was from Balbriggan. I hope she will recognise the interests of the pupils and, in remembrance of her grandmother, give this matter the priority it needs.

**Miss de Valera:** I am aware of Deputy Sargent's great interest in his area and its history and also in certain members of my family, especially my grandmother, and I thank him for that interest. I apologise on behalf of the Minister, Deputy Noel Dempsey, who is unable to be present. He has asked me to stand in for him on the adjournment. On his behalf, I thank the Deputy for raising this matter as it provides me with an opportunity to outline to the House the steps, which are being taken by my Department to tackle the accommodation issues at the Loreto Secondary School in Balbriggan.

The Loreto Secondary School, Balbriggan, is an all-girls' secondary school located in a rapidly developing area. It has a current enrolment of 1,027 pupils. In recent years my Department has provided major funding in the amount of €1.275 million for significant extension and refurbishment works at the school. Plans for a further multi-million euro capital investment in the school are well under way. This investment will commence this year.

It has been previously determined and agreed with the school management authority that the school has a deficit of accommodation of about 4,200 sq. m. which includes a PE hall provision. My Department plans to address this deficit in two phases. Phase 1 will be implemented this year with the delivery of about 570 sq. m. of predominantly specialist accommodation. Phase 2 will deliver the remaining accommodation of about 3,650 sq. m., including the PE hall.

A key strategy for the delivery of school infrastructure will be grounded on the announcement in the budget of multi-annual allocations for capital investment in education projects. All projects not proceeding to construction as part of the 2004 school building programme will be re-evaluated with a view to

including them as part of a multi-annual building programme from 2005 onwards. This will include phase 2 of the project at Loreto Secondary School.

As a first step in this process, my Department is in consultation with the education partners regarding the prioritisation criteria used for large-scale building projects. The purpose of these consultations is to ensure that the criteria have optimum precision and are fully tuned to meeting the priority accommodation needs of the primary and post-primary sectors. When the consultations have been completed the review of all large-scale projects, to which I have referred, will be undertaken to map out the first ever multi-annual schools building programme. This approach will give schools greater clarity in terms of when they can expect their building projects to be delivered. The Minister for Education and Science expects to be in a position to make a further announcement on this matter later this year.

I assure the Deputy that the Minister is aware of the rapidly developing nature of the Balbriggan area and that delivering accommodation in rapidly developing areas is a key priority of the school planning and building unit of the Department. I am confident that the steps being taken by my Department regarding Loreto secondary school demonstrate its commitment to tackling accommodation issues in these areas. I am also confident that the strategy being implemented as regards Loreto secondary school will address all its accommodation needs, including its physical education facilities, well into the future. My Department will continue to monitor the situation.

### Schools Building Project.

**Mr. McGinley:** Go raibh maith agat, a Cheann Comhairle, as deis a thabhairt dom an cheist thábhachtach seo a thógáil ar Athló na Dála.

I ndiaidh 25 bliain ó tógadh Pobalscoil Ghaoth Dobhair tá sé scannalach nach bhfuil halla spóirt curtha ar fáil do na daltaí go fóill. Tá an scoil suite i gceartlár na Gaeltachta agus déantar gach ábhar tré Ghaeilge inti ach i ndiaidh 25 bliain níl áiseanna spóirt curtha ar fáil. Tá an scoil ag fás agus ag dul i méid, bliain i ndiaidh bliana.

Tá mé féin mar chathaoirleach ar bord bainistíochta na scoile. I mbliana féin, tá 330 dalta ag freasal ar an scoil. Tá ard-chaighdeán bainte amach ag an scoil, ní hamháin i gcúrsaí acadúla ach i gcúrsaí spóirt chomh maith. Is iomaí craobh na hÉireann atá bainte aici, ní hamháin i gcúrsaí cultúrtha ach i bpeil Ghaelach, i sacar agus i gluichí eile. Tá sé sin go léir déanta agus níl aon halla spóirt curtha ar fáil don scoil.

I 1987, gealladh halla spóirt ach tháinig ciorruithe airgid sa bhliain sin agus thit an tionsamh as a chéile. Tá ceithre bliain ó shin dúradh leis an scoil arís go mb'fhéidir go bhfaigheadh an scoil halla spóirt. Chuaigh an

scéim go dtí céim a haon agus céim a dó ach tá an scéal mar sin le dhá bhliain agus níor tharla aon rud ó shin. Tá sé seo ag cur deacrachtaí móra i gcasán fhorbairt na scoile. Má tá cluichí le himirt nó aon rud mar sin, caithfidh na daltaí dul go dtí ionad Chumann Lúthchleas Gael nó go dtí ionad poball Chnoc Fola. Cosnaíonn sé sin airgead mór do na daltaí agus don bhord bainistíochta agus níl sé fóirsteanach nó oriúnach.

Níl aon pobalscoil nó scoil chuimsitheach i nDún na nGall nach bhfuil halla spóirt curtha ar fáil di. Sa Dáil inniu pléadh an Bille um Chomhionannas. Bhíomar ag caint ar chomhionannas agus aontaím leis sin. Ach, cá bhfuil an comhionannas nuair atá daltaí Phobalscoil Ghaoth Dobhair gan an áis seo curtha ar fáil dóibh.

Táimid tuirseach ag éisteacht le geallúintí, le cur ó dhoras agus le hAirí agus le hAirí Stáit ag tarraingt na gcos. Tá lúcháir orm go bhfuil an tAire Stáit, an Teachta de Valera, sa Teach inniu mar bhí cónascadh idir Ardscoil Mhuire, a d'oscail athair mór an Aire Stáit, Éamon de Valera, nuair a bhí sé ina Thaoiseach. Tá súil agam go ndéanfaidh an tAire Stáit machnamh ar seo.

Gweedore community school, which has 330 pupils, was built 25 years ago. It has an excellent record and has achieved recognition and glory many times on the football field and in various other games. After 25 years it is scandalous that it is the only one of the community and comprehensive schools in County Donegal without a sports hall.

A sports hall was promised in 1987 but the school fell victim to cutbacks in the 1980s. The issue was resurrected four years ago and the proposal proceeded to stage 1 and eventually, in February 2002, to stage 2. Since then, however, nothing has happened apart from regular letters being issued by the Department seeking clarification on various matters. These letters are not even written by the same members of staff, who appear to change weekly.

We have had much waffle and many promises. The school now needs a guarantee that the project will at least progress to stage 3 to ensure that once the cutbacks end, Gweedore community school will receive a sports hall like every other school of its size in County Donegal and probably most other parts of the country. We are no longer willing to accept the current position, which is most unfair. The teachers and staff of the school are doing excellent work and students achieve excellent academic and sporting results. In north-west Donegal where the climate is not like the sunny south-east, winters are difficult.

I spent half an hour earlier preparing to speak on the Equality Bill. I and my party support equality but there is no sign of it with regard to Gweedore community school, which is 25 years

old and still does not have a sports hall. The children of the Gaeltacht are not being treated equally. Every subject is taught through the medium of Irish in Gweedore community school. I remember, as a young boy, a visit by the Minister of State's grandfather to Gweedore to open the school's predecessor, Ardscoil Mhuire in Machaire Chlochair, which served our community very well but we had to move with the times. Corp oideachais, physical education, is becoming part and parcel of the curriculum yet the school does not have basic facilities.

This is not the first time the Ceann Comhairle has generously granted me time to raise this matter on the Adjournment. My appeal is from the heart and from the young people of Gweedore community school who have proved themselves academically and on the sporting field. This is the Minister of State's opportunity to give me something with which to return this evening. I do not expect her to announce that a sports hall will be built immediately but I will be more than happy if the project proceeds to the next stage of development today. The matter is in her hands and I hope she will use her offices on behalf of the people of Gweedore in remembrance of her grandfather's visit to the town many years ago.

**Miss de Valera:** I apologise again for the absence of the Minister who is unable to attend the debate. I accept that Deputy McGinley's views are sincerely held and I am sure his impassioned plea will not go unnoticed either in the Department or in County Donegal. I thank him for giving me the opportunity to outline to the House my Department's proposals regarding the provision of a sports hall for Gweedore community school.

My Department has accepted that there is a need to provide a sports hall for students of Gweedore community school. A full design team has been appointed and architectural design of the project has commenced. A sports hall for the school is listed in section 9 of the Department's 2004 school building programme. This project is at stage 2 of architectural planning, developed sketch received. It has been assigned a band 4 rating by my Department in accordance with the published criteria for prioritising large-scale projects.

The 2004 school building programme at primary and post-primary level amounts to €387 million. The programme will deliver more than 200 large-scale projects. However, it was not possible to include all necessary projects in one year's programme. The proposed project at Gweedore community school is one of a number which has to be considered in the context of future capital allocation for school building.

When publishing the 2004 school building programme, my Department outlined that its

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strategy will be grounded in capital investment based on multi-annual allocations. Officials from the Department are reviewing all projects which were not authorised to proceed to construction as part of the 2004 school building programme, with a view to including them as part of a multi-annual school building programme from 2005 and they

expect to be in a position to make further announcements on this matter in the course of the year. I thank the Deputy for raising the matter.

The Dáil adjourned at 5.10 p.m. until 2.30 p.m. on Tuesday, 11 May 2004.

## Written Answers.

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### The following are questions tabled by Members for written response and the ministerial replies received from the Departments [unrevised].

*Questions Nos. 1 to 9, inclusive, answered orally.*

#### Money Laundering.

10. **Mr. Sherlock** asked the Minister for Finance the total number of suspicious financial transactions that might involve money laundering reported to the Revenue Commissioners during 2003; if he has satisfied himself that adequate procedures are in place to prevent money laundering; the work being undertaken by the money laundering steering committee; and if he will make a statement on the matter. [12870/04]

**Minister for Finance (Mr. McCreevy):** I am advised by the Revenue Commissioners that they have received 2,688 suspicious transaction reports, which may relate to money laundering, between 1 May 2003, the date the reporting obligation under section 57 of the Criminal Justice Act 1994 was extended to the Revenue Commissioners, and 31 December 2003. A dedicated office, the suspicious transactions reports office, has been set up to ensure these reports are comprehensively followed through by Revenue. That office and the Garda meet regularly to review the reports received and to ensure their respective actions are co-ordinated. Money laundering investigations are conducted by the Garda, and Revenue deals with cases of suspected tax evasion.

Irish legislation on money laundering is set out in the Criminal Justice Act 1994, as amended. Primary responsibility for legislation in the area of money laundering rests with the Minister for Justice, Equality and Law Reform. Under the legislation designated bodies are required to identify their customers, report suspicious transaction to the Garda and the Revenue, keep records and ensure that they have adequate anti-money laundering procedures, including staff training, in place.

The Irish Financial Services Regulatory Authority requires all institutions which it supervises to comply with the anti-money laundering legislation and relevant sectoral guidance notes and to have in place the necessary procedures and controls to ensure such compliance. It reviews the adequacy of such systems in the course of its ongoing supervision. Furthermore, it too is obliged to make reports to the Garda and Revenue if it suspects that an institution has not complied with the legislation.

IFSRA ensures that institutions are informed of international developments in the area of prevention of money laundering, in particular in relation to recommendations and reports issued

by the international financial action task force on money laundering.

The money laundering steering committee which was set up in 1994 under the chairmanship of the Department of Finance includes representatives of Departments, enforcement agencies and designated bodies. Its main function is to facilitate consistent application of the money laundering legislation provisions of the Criminal Justice Act 1994 across the range of body's affected by it.

Ireland's law and procedures on money laundering were the subject of a favourable review by the financial action task force, in 1998, under that bodies procedure for the mutual evaluation of its members. The next mutual evaluation of Ireland is due in 2005.

#### Departmental Policies.

11. **Mr. P. McGrath** asked the Minister for Finance if a review will be arranged of the policies and practices in relation to the disposal of equipment and stocks which are surplus to requirement by public sector bodies to ensure that value for money from such disposal is maximised. [12900/04]

102. **Mr. R. Bruton** asked the Minister for Finance if he has satisfied himself that disposals of equipment or chattels by public bodies are arranged in such a way to maximise return to the taxpayer; and if he will make a statement on the matter. [13035/04]

**Minister for Finance (Mr. McCreevy):** I propose to take Question Nos. 11 and 102 together.

Primary responsibility for the management and disposal of assets rests with Departments and public bodies under their aegis. As Accounting Officers, Secretaries General of Departments are personally accountable to the Committee of Public Accounts Committee for the regularity and propriety of transactions, including disposal of assets, and for economy and efficiency in the use of resources and systems in their Departments. My Department has a strong concern to ensure that all public assets are properly managed, accounted for and disposed of in a manner which secures maximum value for money for the taxpayer and there are a number of arrangements in place to ensure that this is the case.

The Department of Finance, Public Financial Procedures, or blue book, provides general guidance to Civil Service Departments on asset management. Departments are required to have asset management systems in place which ensure that assets are acquired only when needed, are adequately controlled and maintained, are properly safeguarded and disposed of, and that utilisation is monitored.

Each Department-office is required to maintain an assets register recording the description, historical cost, rate and method of charging for depreciation, present value, that is,

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depreciated historical cost or valuation, date of acquisition and physical location of each material capital asset, that is, an asset intended for use on a continuing basis for more than one year. The assets register must be available to the Comptroller and Auditor General during the annual audit of the Appropriation Accounts. A statement of capital assets, compiled from the assets register, including details of disposals, must be included in the Appropriation Accounts which are subject to annual examination by the PAC. Guidelines on internal audit standards provide that the range of activities conducted by internal audit functions in Departments and offices should include reviewing the compliance with procedures for the acquisition and disposal of assets and their safeguarding.

My Departments 1994 Guidelines on Public Procurement, or green Book, which apply throughout the public sector, state that the disposal or letting of property should be dealt with by competitive tendering or by auction in order to ensure that disposals are both transparent and likely to achieve a fair price. It also provides for the possible disposal of surplus materials elsewhere in the public sector and directs that this possibility should be investigated before disposal by contacting other likely users.

In relation to IT disposal, Department of Finance circular 30/03 sets out the principles, intended to maximise value for money, which should be applied by Departments-offices. Among the requirements are that disposal of unwanted equipment should be carried out in the most financially advantageous manner possible, including minimising storage and removal costs and that it should be sold at market value, in accordance with the general guidelines for the disposal of State assets, regardless of the depreciated book value. This may include sale to staff.

As regards semi-State bodies, the Code of Practice for the Governance of State Bodies addresses in considerable detail the disposal of assets by any State-sponsored body, whether commercial or non-commercial. The code was approved by Government in October 2001 and is binding on all State-sponsored bodies. Under the code it is necessary to ensure that transparency applies and that a fair market price is achieved. The disposal of assets with an anticipated value at or above a threshold of €70,000 should be by auction or competitive tendering. Any exceptional cases, where assets above the threshold have been disposed of without auction or competitive tendering, must be set out in detail and explained in the chairperson's annual report to the relevant Minister. Chairpersons are required to affirm, in their annual report to their respective Ministers, that the disposal procedures set out in the code have been complied with.

In relation to health boards and local authorities, I am informed that recent legislative changes should assist in better management of

assets by these agencies. Accordingly, the arrangements which are in place in relation to the management and disposal of assets provide sufficient guidance to Departments and public bodies to enable them to secure value for money in relation to the management and disposal of their assets.

#### Promotions System.

12. **Ms Enright** asked the Minister for Finance if he has satisfied himself that the promotion systems operated within the Civil Service are achieving best international practice; and if he will make a statement on the matter. [12874/04]

**Minister for Finance (Mr. McCreevy):** I am satisfied that the Civil Service is operating a best practice model for promotion systems. Best practice for both recruitment and promotion, as accepted internationally, involves the use of a process whereby each candidate is objectively assessed against the requirements of the job and selected on that basis. This selection process can involve a number of different methods, for example, aptitude testing, assessment of competencies and interviews.

In recent years, the Civil Service Commissioners and Departments have put in place a range of modern selection systems to improve interdepartmental promotion competitions at all grades, including key management levels within the Civil Service. The Civil Service Commissioners have carried out comprehensive job analysis studies in line with best practice models on all the main general service grades, and these are informing the selection process.

With regard to promotions within Departments, which are not handled by the Civil Service Commissioners, the modernisation programme outlined in the Sustaining Progress Agreement contains a number of important measures designed to improve promotion procedures. In particular, paragraphs 22.14 of the Agreement commits the Civil Service to "greater use of competitive, merit-based promotions within Departments".

In 2003, a cross-departmental group of Assistant Secretaries examined the area of competitive promotions within Departments, in the light of best practice in Ireland and elsewhere, and considered the steps which should be taken by Departments to meet the commitments in this regard. The group recommended that the personnel officers network, in consultation with the Civil Service Commissioners, draw up detailed guidelines on appropriate competitive processes, to further strengthen the internal promotion systems currently in operation in Departments. This is currently being done. In addition, my Department, in consultation with the Civil Service Commissioners, is also drawing up best practice guidelines on methods of selection which will be issued to Departments shortly. I am confident that the promotion

procedures being used within the Civil Service are in line with international best practice.

### Special Savings Incentive Scheme.

13. **Mr. Connaughton** asked the Minister for Finance his estimate of the aggregate value of money which will be released from SSIA accounts; the period over which it will be released; and if he has conducted any assessment of its impact on the economy in that period. [12890/04]

**Minister for Finance (Mr. McCreevy):** The SSIA scheme was opened on 1 May 2001 and entry to it closed on 30 April 2002. SSIA accounts must be held for five years from the date of the first subscription in order for the holders to get the full tax benefits. SSIA accounts are due to mature between 31 May 2006 and 30 April 2007.

It is not possible to give an estimate of the aggregate value of money which will be released from the SSIA accounts when they mature as the scheme has still two to three years to run and such aggregate value is also subject to a number of variables such as when participants die, withdraw from the scheme or vary their monthly contributions. In addition, the income or gains arising on the investment over the entire period will depend on whether the investment is in a fixed deposit account or variable deposit account or in equities and what returns these investments will provide over the entire five year period.

As regards the economic impact, my Department is keeping the issue under review in the context of the normal assessment of the economic and budgetary position going forward. Any assessment must take into account that there are a range of uncertainties in any assumptions to be made, in particular whether on SSIA maturity, account holders continue to save the amounts in whole or in part and if not, the use to which these funds will be put.

### Tax Code.

14. **Mr. Ring** asked the Minister for Finance the number of houses which qualify for section 19 relief as heritage homes open to the public; and the total value of tax refunded under this scheme. [12935/04]

**Minister for Finance (Mr. McCreevy):** I am advised by the Revenue Commissioners that the number of houses that qualify for tax relief under section 482 of the Taxes Consolidation Act 1997, formerly section 19 of Finance Act 1982 is 171. The most recent annual cost available is that for the tax year 2000-01 and is estimated at €2.7 million. The estimated cost of the relief from the tax year 1982-83 to the tax year 2000-01 inclusive is €14.7 million.

A list of properties that qualify for relief under section 482 is available on the Revenue website. This information is also available in booklet form, a new edition of which will be available shortly.

### ECOFIN Meeting.

15. **Mr. Boyle** asked the Minister for Finance the areas of agreement reached between the ECOFIN Ministers meeting at PuncHESTOWN, County Kildare. [12955/04]

46. **Mr. Hayes** asked the Minister for Finance the agenda items which will be discussed at the ECOFIN meeting planned for Ireland. [12867/04]

50. **Mr. Broughan** asked the Minister for Finance the outcome of the recent informal meeting of EU Finance and Economics Ministers held in PuncHESTOWN; and if he will make a statement on the matter. [12969/04]

**Minister for Finance (Mr. McCreevy):** I propose to take Questions Nos. 15, 46 and 50 together.

The Council of Economics and Finance Ministers of the EU, widely known as ECOFIN, held an informal meeting on 3 April last in PuncHESTOWN, County Kildare. I chaired the meeting as part of the Irish Presidency of the EU.

The Ministers from the 25 member states of the enlarged EU were joined at the meeting by the Central Bank Governors from those states. The participants also included President Prodi of the Commission and Commissioners Solbes, Bolkestein and Schreyer, President Trichet of the European Central Bank and President Maystadt of the European Investment Bank.

The agenda for the meeting focused on: the future provisions for the EU budget for the post-2006 period, known as the financial perspective 2007-13; the EU's general economic situation and economic policy stance; IMF-World Bank spring meetings in Washington and; the current state of financial markets and further promotion of the financial services action plan to establish a single market in financial services in the EU.

As is the case with all informal meetings of the Council, no formal decisions were taken at PuncHESTOWN. The progress made on each issue was as follows. With regard to future EU financing in the period 2007-13, the meeting saw a very comprehensive debate on a range of topics. President Prodi and Commissioner Schreyer provided ECOFIN with additional insights into the Commission's recent Communication on the future direction of the Union and its ideas on funding requirements. There was a wide range of views expressed on the Commission's communication which envisages a substantial increase in the size of the EU budget. Some member states believe that the growth of the Union's budgetary spending should not exceed the growth of the Union's economy. Others could support a more rapid increase in the budget.

The Commission reiterated its view that the increase in spending which it envisages is essential if the Union is to meet its existing commitments, including the requirements arising from enlargement, and maintain the impetus of the overall political project. The meeting

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provided a valuable opportunity for a first full exchange of views between Council Members and for the Commission to explain the basis for its approach in advance of its tabling of its formal legislative proposals in this area in July.

Ministers and governors then discussed the current economic situation in the EU. They agreed that the economies of Europe, which have been recovering tentatively up to now, should gather momentum over the course of 2004, helped by the global upturn and by the expected strengthening in domestic demand. Ministers and governors also discussed the longer term strategies that will boost Europe's capacity to grow. These priorities for structural reform will be at the heart of EU economic policy-making into the future. There was a full discussion about the EU Presidency speech to be used at the IMF-World Bank spring meetings in Washington.

Ministers and governors also discussed financial market conditions and the progress made in relation to the integration of financial services in the EU. They noted that the financial services action plan, FSAP, which aims to promote financial markets integration in the EU, had significantly enhanced the regulatory and supervisory framework for the European financial markets. This topic will be revisited by ECOFIN next month when it considers the broad outlines for a strategy for the further integration of Europe's financial markets in the wake of the current FSAP.

Commissioner Bolkestein briefed Ministers and governors on the state of play on negotiations on the two outstanding international accounting standards, IAS 32 and 39. Ministers acknowledged the importance of the project for convergence of accounting standards and asked for a further update on developments to be given to them at a future meeting. Ministers also discussed the post of managing director of the International Monetary Fund, to which Mr. Rodrigo Rato, the former Spanish Finance Minister, has since been nominated. Overall, the Council had a very productive meeting that made substantial progress on the important issues on its agenda.

#### **Tax Yield.**

16. **Ms Burton** asked the Minister for Finance the main features of the Exchequer returns for the first quarter of 2004; the way in which spending and the tax take for the first quarter compares with the projected levels; if he intends to review any of the budgetary targets for 2004 in view of these returns; and if he will make a statement on the matter. [12967/04]

**Minister for Finance (Mr. McCreevy):** The full, detailed Exchequer statement is published on my Department's website each month. The Exchequer balance for the first quarter of 2004 showed a surplus of €272 million. The current account balance showed a surplus of €942 million, while the capital account balance showed a deficit of €670 million. Tax receipts, at €8,012 million, were 4.1 % ahead of the Department's tax profile

published in January. Overall net voted spending, at €7,082 million, was 5.4% below the Department's spending profile.

The Deputy will be aware that the April Exchequer statement was published yesterday. The Exchequer balance for the first four months of 2004 showed a deficit of €1,338 million. My Department's budget day forecast is for a deficit of €2,806 million for the year as a whole.

Tax receipts to end-April, at €9,876 million, were 5.5% ahead of the Department's tax profile published in January. The bulk of the €515 million excess over target for the first four months was due to a better than expected performance from capital gains tax, CGT, and income tax which were €227 million and €167 million, respectively, above target. From 2003, the payment dates for CGT were changed to bring payment to a largely current year basis. The bringing forward of the payment date and an apparent increase in transactions liable to the tax resulted in significant CGT revenues in 2003. These effects carried through into the first quarter of 2004 resulting in the performance recorded. However, CGT receipts are already slowing down and are expected to return to a more normal pattern by the year's end. The greater part of the excess over target on income tax was in the non-PAYE tax area.

Of the other significant tax subheads, VAT, corporation tax and excise were marginally below target in the period to end-April. Overall net voted spending, at €9,703 million, was 5.7% below the Department's spending profile. Current expenditure was €231 million behind profile, while capital spending was €311 million below profile. While the performance of taxes to end-April 2004 may provide some basis for expecting that targets for the year might be met, it is too early at this stage to be definitive about the overall trend in receipts for the year as a whole. On the expenditure side, at this time there are no projected excesses or savings on the spending totals in the Revised Estimates and the Government remains fully committed to staying within its spending targets. Therefore, I am not reviewing the targets set at budget time at this stage.

#### **Decentralisation Programme.**

17. **Ms O. Mitchell** asked the Minister for Finance if he has finalised discussions with the public service unions on the proposed centralised applications facility; if he has identified each of the locations at which an existing building is to be acquired; and the locations at which site purchase is proposed. [12928/04]

**Minister for Finance (Mr. McCreevy):** There have been ongoing discussions with the unions representing civil servants in a sub-committee of the Civil Service general council. These discussions commenced almost immediately after the budget announcement. In addition there have been a series of discussions with the ICTU group of unions representing staff in the State agencies. The central applications facility, CAF, will be launched next week. The terms under which the

CAF will operate take account of the discussions held with the unions. It will be made clear in the CAF that there will have to be further discussions between management and staff interests about whether certain types of transfer requests can be facilitated and, if so, what conditions would apply, for example, where a person wishes to move from a state agency to the Civil Service or vice versa, or where a person wishes to transfer from one agency to another.

The Office of Public Works is currently assessing the proposals it has received for each of the locations. Most of the proposals are for the provision of sites but the potential to purchase existing buildings is still an option in a small number of locations. If a site is purchased, the move to the new location could take between two and three years: if an existing building is purchased the move could take place within a nine to 15 month timeframe.

#### Tax Yield.

18. **Mr. J. Bruton** asked the Minister for Finance his estimate of the total value of tax revenue collected from the purchase, registration and use of motor vehicles, distinguishing the amount collected under different tax headings. [12936/04]

**Minister for Finance (Mr. McCreevy):** I am informed by the Revenue Commissioners that the relevant information available is the amount of tax revenues collected as VAT, excise and VRT in respect of motor vehicles. The latest provisional figures for 2003 in respect of the yield of VAT, excise and VRT from various commodities associated with motoring are shown in the following tables:

VAT Yield 2003

|                     | € million (estimated) |
|---------------------|-----------------------|
| Petrol              | 290                   |
| Auto Diesel         | 32                    |
| Motor Oil & LPG     | 2                     |
| Cars                | 431                   |
| Motor Cycles        | 6                     |
| Car Repairs         | 47                    |
| Car Accessories     | 26                    |
| Car Hire            | 12                    |
| Driving Instruction | 5                     |
| Haulage             | 28                    |
| Total               | 879                   |

Excise Duty 2003

|             | € million (estimated) |
|-------------|-----------------------|
| Petrol      | 854                   |
| Auto Diesel | 703                   |
| Auto LPG    | 0.10                  |
| Total       | 1557.10               |

VRT 2003

|                     | € million (estimated) |
|---------------------|-----------------------|
| Cars                | 807                   |
| Motor Cycles        | 3                     |
| Car Derived Vans    | 7                     |
| Commercial Vehicles | 3                     |
| Total               | 820                   |

I am informed by the Department of the Environment, Heritage and Local Government that the revenue collected in motor tax during 2003 was approximately €680 million.

I have clarified with the Deputy that he is also interested in the revenue received from toll roads. VAT returns are not required to be compiled in a manner which identifies the yield from particular goods and services. However, the estimated VAT yield on toll roads for 2003 is €6 million. The Exchequer also receives an annual fee, known as the gross toll revenue, GTR, and this was estimated at €8 million for 2003.

#### Wage Levels.

19. **Mr. Eamon Ryan** asked the Minister for Finance the level of wage increases that can at present be sustained without adding to inflationary pressures. [12963/04]

**Minister for Finance (Mr. McCreevy):** All wage increases add inflationary pressures unless they are fully compensated by increases in productivity. Over the five years to 2003, economy-wide employee earnings rose by 37% in Ireland, compared to about 14% in the euro area. The impact on our international competitiveness of relatively higher pay increases in Ireland was cushioned to a large extent by the weakness of the euro. However, we are now faced with a much stronger euro. If we are to take advantage of international recovery then we must ensure that our competitive position is not harmed by any decisions we make in the current pay talks. We must ensure that we do not price ourselves out of the market. We must address our loss of competitiveness and face the challenges for investment and jobs that are, and will continue to be, posed by other countries with lower cost bases. Pay increases which are out of step with our trading partners will result in job losses. The lower inflation rates of recent times need to be reflected in the next pay agreement in a moderate level of increases.

#### Tax Settlements.

20. **Ms McManus** asked the Minister for Finance if he will make a statement on the most recent list of settlements announced by the Revenue Commissioners in *Iris Oifigiúil* on 19 March 2004. [12981/04]

**Minister for Finance (Mr. McCreevy):** The criteria governing the compilation and publication of lists of certain tax defaulters are set out in section 1086 of the Taxes Consolidation

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Act 1997, as amended. This section imposes an obligation on the Revenue Commissioners to publish in *Iris Oifigiúil* a list, within three months of the end of each quarter, of the name, address and occupation of every defaulter who falls within the relevant criteria.

I understand from the Revenue Commissioners that the audit settlements referred to in the question posed by the Deputy are where the Revenue Commissioners accepted a specified sum in excess of €12,700 in settlement of any additional liability for tax, interest and penalties instead of instituting proceedings for the recovery of the penalties and where: a voluntary disclosure was not made by the taxpayer prior to the commencement of an audit and the amount of fine or penalty included in the settlement exceeded 15% of the tax. In the three month period to 31 December 2003 there were 182 settlements in excess of €12,700 which fell to be published. The settlements in these cases total €25.20 million.

Of the 182 published settlements, the Revenue have advised me that 62 were for amounts exceeding €100,000. Included in this figure are eight settlements with a yield in excess of €500,000, four of which had a yield in excess of €1 million. Of the 182 settlements: 141 settlements totalling €22.25 million related to bogus non-resident holders; one settlement totalling €0.58 million related to an Ansbacher account holder; and one settlement totalling €0.11 million related to Revenue's NIB investigation.

The publication of the names of defaulters has been in operation for 21 years. I have introduced changes to make the impact of the lists more effective. In that time the monetary limit of €10,000, €12,700, has not been increased although the Revenue powers group has recommended that it be increased to €50,000. I will review this and other recommendations of the group in the context of Finance Bill 2005.

#### **National Development Finance Agency.**

21. **Dr. Upton** asked the Minister for Finance the number of capital projects which have been referred to the National Development Finance Agency; the number which have been approved; the percentage that have been funded by PPP; and if he will make a statement on the matter. [12994/04]

**Minister for Finance (Mr. McCreevy):** The role of the National Development Financing Agency is to advise Departments about the optimum means of financing the cost of capital projects in order to achieve value for money, including those procured through a PPP approach or through traditional procurement. Departments and agencies, which are the decision-making bodies, are obliged to seek the advice of the National Development Finance Agency in relation to all capital projects valued in excess of €20 million. For projects valued under that amount the advice of the agency may be sought but is not obligatory. The National Development Financing Agency does not have a project approval role.

I am advised by the agency, which was established just over one year ago, that it has completed or substantially completed its input on six major infrastructure projects with a combined value of over €700 million. To date, all but one of the six projects have been approved. Two of these projects are PPPs involving private finance of €470 million. As I mentioned in my budget 2004 speech in December last I have initiated a major change in the financial treatment of capital spending by introducing a system of five year multi-annual capital investment envelopes. These envelopes include a commitment to keep the level of Exchequer funded capital investment at close to 5% of GNP over the period 2004 to 2008. A significant development of these capital envelopes is the setting of specific targets for projects financed through public private partnership or by the NDFA. These targets increase from 3% of total spending in 2004 to 15% by 2008 and amount to €3.6 billion in total. This is in addition to a target of €1.3 billion for PPPs funded by user charges over the same period, giving a total target for PPP-NDFA funded investment of almost €5 billion by 2008. The NDFA will have an important role to play in advising Departments and agencies in regard to the optimum financing of these projects to achieve value for money.

#### **Tax Code.**

22. **Mr. Wall** asked the Minister for Finance the progress made by the Revenue Commissioners into allegations that tax improprieties may surround trust operations in a bank (details supplied) in Jersey; if the Revenue has reached a determination regarding whether these trusts facilitated tax evasion as distinct from tax avoidance; and if he will make a statement on the matter. [12985/04]

**Minister for Finance (Mr. McCreevy):** I am advised by the Revenue Commissioners that substantial progress has been made in relation to this inquiry. Arising from a voluntary disclosure initiative the Deputy will be aware that 254 individuals came forward and made voluntary disclosures and to date the Revenue Commissioners have recovered €105 million for the Exchequer. The current phase of this programme is to pursue those individuals who have failed to come forward. It is clear from some of the disclosures and the amount collected to date that some trusts were used to evade tax.

#### **Decentralisation Programme.**

23. **Mr. Gilmore** asked the Minister for Finance if, in regard to his decentralisation proposals, a survey has been carried out generally to establish the number of public servants willing to transfer to new locations; if not, if such a survey is planned; if the move will be voluntary and no public servant will suffer in regard to career options or promotional opportunities if they do not wish to move to a new location; if his attention has been drawn to the serious concern that has been expressed by various trade unions

representing virtually all grades in the public service at the implication of the proposals; and if he will make a statement on the matter. [12973/04]

**Minister for Finance (Mr. McCreevy):** No central survey of civil and public servants has been carried out to date to ascertain the number seeking transfer to the decentralised locations. In accordance with the recommendations of the decentralisation implementation group, a central applications facility will be opened next week to receive applications from those willing to relocate. This facility will also provide information on the towns to which the organisations will transfer. As the Government has made clear from the outset participation in the programme is voluntary and any public servant not wishing to relocate will be offered an alternative public service post in Dublin. The same number of promotion opportunities will continue to exist across the public service but in the future will reflect the geographical spread of staff.

Since the budget announcement of the decentralisation programme regular discussions have been taking place not only with the Civil Service unions but also with the ICTU group of unions representing staff in the State agencies. These discussions will continue with a view to addressing the concerns of the unions in the ongoing implementation of the programme.

#### Evaluation Unit.

24. **Mr. Deenihan** asked the Minister for Finance his views on the proposal of an evaluation unit within his Department for independently evaluating capital projects as proposed by the ESRI. [12859/04]

**Minister for Finance (Mr. McCreevy):** The key responsibility for the evaluation, planning and execution of capital projects rests with line Departments and the relevant implementing agencies. My Department has a strong concern to promote the pursuit of optimal value for money by Departments and has provided guidance to Departments in this regard. This guidance is set out in the 1994 capital appraisal guidelines. My Department is currently drafting revised capital appraisal guidelines in the light of experience of the operation of the existing guidelines and of the implementation of infrastructure projects in recent years.

As regards the specific proposal to establish an evaluation unit in my Department, as I have advised previously, the NDP-CSF evaluation unit is an independent evaluation unit under the aegis of my Department which is co-financed by the Exchequer and the EU and has responsibility under the direction of the technical assistance monitoring committee for evaluation of the NDP operational programmes and related issues. It has engaged in, or overseen, a number of evaluations since the commencement of the current NDP, including the evaluation of investment in key capital programmes such as the road network and in public transport. The NDP-CSF evaluation

unit has also been engaging with my Department in relation to the ongoing work on the revision of the capital appraisal guidelines.

My Department co-ordinates the expenditure review initiative under which Departments conduct internal evaluations or reviews of their key expenditure programmes or policy areas on the basis of centrally agreed criteria. Final responsibility for conducting reviews, submitting them for external quality assessment, disseminating their findings and implementing their recommendations rests with each individual Department. My Department also provides the secretariat to the expenditure review central steering committee, ERCSC, a committee chaired by the Secretary General of my Department and comprising a number of Secretaries General and an external expert. The ERCSC supports the expenditure review process at a strategic level. This includes making recommendations on future reforms to the process.

The issue of the evaluative capacity of my Department will be kept under review in the context of the arrangements for implementing the five year rolling capital envelopes framework which I announced in the 2004 budget, the ongoing work programme of the NDP-CSF evaluation unit and the ERI and the review of the capital appraisal guidelines.

#### Tax Code.

25. **Ms Enright** asked the Minister for Finance his views on the desirability of capping the aggregate value of special tax reliefs which can be claimed by an individual. [12857/04]

80. **Mr. Kenny** asked the Minister for Finance his views on the desirability of capping the aggregate value of special tax reliefs which can be claimed by an individual. [12858/04]

**Minister for Finance (Mr. McCreevy):** I propose to take Questions Nos. 25 and 80 together.

There is no cap on the aggregate value of special tax reliefs which can be claimed by an individual. However, as the Deputies may be aware, in budget 1998 I announced, as and from 3 December 1997, that an annual cap of €31,750 would apply on the amount of capital allowances that an individual passive investor could claim against non-rental income in relation to capital expenditure incurred on certain industrial buildings. Any unrelieved capital allowances can be carried forward for offset against the individual's rental income. Industrial buildings such as factories, docks, hotels, etc., are affected by this provision as well as buildings under the area-based schemes such as the urban, rural and town renewal schemes and a range of other schemes such as multi-storey car parks, private hospitals, etc. There is also a cap of €31,750 on the annual amount that can be claimed by individual investors under the business expansion scheme and as well as cap of €31,750 on the maximum annual amount that can be claimed in respect of a qualifying film under the scheme of relief for investment in films. In the case of the

[Mr. McCreevy.]  
latter scheme, this is further restricted as only 80% of total investment is eligible for relief under the scheme.

In my response to the Dáil debate on the Second Stage of the 2004 Finance Bill, I referred to the fact that the special reliefs provide undoubted economic and social benefits. On the other hand, they narrow the tax base, have a cost, and inevitably are used by high earners to reduce their tax bill. A judgment must be made as to whether the advantages outweigh the disadvantages. Imposing an overall cap on the aggregate value of special tax reliefs, other than the caps already applying to specific reliefs, which can be claimed by an individual could undermine the effectiveness of many incentive schemes in providing the economic and social benefits referred to above. However, as I have stated previously, I will be keeping the various tax reliefs under review in the context of annual budgets and Finance Bills.

#### Stability and Growth Pact.

26. **Mr. Deenihan** asked the Minister for Finance if the Irish Presidency has made progress towards the reform of the stability pact. [12895/04]

**Minister for Finance (Mr. McCreevy):** Ireland supports the stability and growth pact and during Ireland's Presidency of the Economic and Financial Affairs Council, ECOFIN, our priority is the continued implementation of the pact. In principle, I am in favour of introducing more flexibility into certain aspects of the pact. As of now, the general view among my colleagues in ECOFIN is that there should be a period of reflection, so that we can consider in a thoughtful and deliberate way how the EU economic governance system operates. We need to ensure that any proposed changes to the pact are developed on the basis of consensus, so that any reforms can command the broad level of support that is required.

The Commission is expected to bring forward, in the months ahead, its own initiative on improving economic governance in the EU, including proposals for improving the workings of the pact. I anticipate that this initiative will contribute to the ongoing deliberations on this matter.

#### International Monetary Fund.

27. **Mr. Cuffe** asked the Minister for Finance the reasons the Government supported the recent selection of a new managing director for the International Monetary Fund. [12956/04]

42. **Aengus Ó Snodaigh** asked the Minister for Finance the procedure whereby he nominated Rodrigo Rato for the vacancy of managing director of the International Monetary Fund; and if he will make a statement on the matter. [12998/04]

**Minister for Finance (Mr. McCreevy):** I propose to take Questions Nos. 27 and 42 together.

The representative of Ireland at the International Monetary Fund made the formal nomination of Senor Rato on behalf of the European Union. Following community wide consultation, the EU member states had decided that Senor Rodrigo Rato, the former Minister for Finance in Spain, would be the nomination of the European Union for the post of managing director of the IMF. I supported the nomination of Mr. Rato. Mr. Rato was also supported publicly by a number of non EU states, particularly from Latin America. The appointment of the managing director of the IMF is a matter for the board of the IMF. Yesterday, Senor Rodrigo Rato was formally appointed as managing director of the International Fund for a period of five years.

#### European Central Bank.

28. **Mr. Sherlock** asked the Minister for Finance if he will make a statement on the decision of the Finance Ministers on 25 March 2004 to nominate a Spanish candidate to fill the vacancy on the board on the European Central Bank. [12970/04]

**Minister for Finance (Mr. McCreevy):** The decision on appointments to the executive board of the European Central Bank is taken by common accord of Heads of State or Government of euro area member states, on the basis of a recommendation of the ECOFIN Council. The European Parliament and the European Central Bank have to be consulted beforehand on the recommended candidate prior to the final decision by the Heads of State or Government.

Candidates for the executive board must be persons of recognised standing and professional experience in monetary or banking matters and nationals of member states. On this occasion there were three candidates nominated for consideration by the ECOFIN Council. Following consideration of the candidates, the Council reached a consensus on the person to be recommended, which was Mr. González-Páramo, a Spanish national.

The procedures leading to Mr. González-Páramo's appointment have now been completed and he will take up his post with effect from 1 June 2004, for an eight year term of office.

#### Ordnance Survey Posts.

29. **Mr. Connaughton** asked the Minister for Finance the number of posts in the Ordnance Survey which are proposed for decentralisation indicating the number with specialist technical qualifications; and the key issues which are being evaluated in the risk assessment process. [12930/04]

**Minister for Finance (Mr. McCreevy):** As I stated in my reply to Question No. 241 of 4 February 2004, there are approximately 200 posts in Ordnance Survey Ireland, OSI, which are to

decentralise to Dungarvan. In accordance with the recommendations of the decentralisation implementation group the OSI is preparing a decentralisation implementation plan, including risk assessment and mitigation strategies. Currently, the organisation is assessing all of its posts with a view to determining their specialist nature, having regard to the business continuity requirements of the organisation.

### EUROSTAT Proposals.

30. **Ms Shortall** asked the Minister for Finance the implications of the proposals from EUROSTAT to change the method of calculation of the general Government balance; the way in which the forecast general Government balance for 2004, 2005 and 2006 would be affected; and if he will make a statement on the matter. [12991/04]

**Minister for Finance (Mr. McCreevy):** The EUROSTAT decision of 11 February 2004 gives guidance as to how public private partnership projects should impact on the general Government balance, GGB. The EUROSTAT decision means that an asset is off balance sheet and, therefore, does not affect the GGB upfront, provided the private sector partner carries the construction risk and carries either availability or demand risk. This means that some projects' costs previously included up-front in the GGB can now be treated as off the Government's balance sheet. Annual payments made by Government to the private operators of such public private partnership projects will impact on the GGB as they are made.

If a public private partnership project is on the Government's balance sheet, then the full construction costs count against the GGB upfront. The capital element of the subsequent annual payments by Government does not affect the GGB but the interest and service charge element does.

The fact that some public private partnership projects which hitherto were on balance sheet might now be off it does not in any sense obviate the need for value for money assessment of all public private partnership projects. Evaluation and value for money appraisal is just as important for projects involving annual payments as it is for other projects. The overall framework for the delivery of all public private partnership projects, involving annual payments, whether on or off balance sheet is the five year rolling multi-annual capital investment envelopes which I set out in the Budget Statement 2004. The multi-annual envelopes will be subject to review in budget 2005.

As regards specific budgetary impact the EUROSTAT decision will lead to a minor disimprovement in the 2004 budgetary arithmetic of about €2 million in respect of capital payments made by Government in relation to the bundle of schools public private partnership project. This arises because the capital costs which up to now were charged to the GGB upfront will now be a charge on the GGB over the life of the public private partnership agreement.

The general Government budgets for 2005 and 2006 had provided for more public private partnership projects impacting on the GGB upfront than is now likely to be the case. Under the EUROSTAT decision the GGB for 2005 and 2006 may improve by about 0.1% — €100 million to €150 million — or so, assuming that nothing else in the budgetary arithmetic changes, with these costs being spread over subsequent budgets.

### Public Service Contracts.

31. **Mr. Rabbitte** asked the Minister for Finance if he has received the results of the independent investigation into concerns expressed in relation to the procurement of certain goods and services by the OPW in connection with the EU Presidency; the main findings of the investigation; if it is intended to publish the report; and if he will make a statement on the matter. [13002/04]

51. **Mr. Quinn** asked the Minister for Finance the position in regard to the investigation being carried out on behalf of his Department into the circumstances in which contracts were awarded by the Office of Public Works to a company (details supplied) whose managing director was a business associate of an OPW official; the main findings of the investigation; if it is intended to publish the report; and if he will make a statement on the matter. [13001/04]

**Minister of State at the Department of Finance (Mr. Parlon):** I propose to take Questions Nos. 31 and 51 together.

The report on the investigation into the matter to which the Deputy refers was presented to me on Tuesday, 4 May 2004. A copy of the report was made available to the Deputy on Wednesday, 5 May. I welcome the report and acknowledge the comprehensive work undertaken by PriceWaterhouse Coopers in compiling the report. I accept the findings of the review and I am committed to implementing, in full, the recommendations contained in the report.

### State Revenues.

32. **Mr. J. Bruton** asked the Minister for Finance the circumstances in which the provision of Article 11 of the Constitution have been used to exempt revenues of the State from inclusion in one central fund. [12822/04]

**Minister for Finance (Mr. McCreevy):** The central fund is provided for under Article 11 of the Constitution which states:

All revenues of the State from whatever source arising shall, subject to such exception as may be provided by law, form one fund, and shall be appropriated for the purposes and in the manner and subject to the charges and liabilities determined and imposed by law.

In general, State revenues, including tax revenue, non-tax revenue and Exchequer borrowing, are paid to the central fund, being paid first into accounts, for example, the accounts of the Revenue Commissioners, from which they are

[Mr. McCreevy.] transferred to the central fund. However, in accordance with the provisions of Article 11, exceptions have been provided for over the years. Examples of such exceptions, along with the legislation which provides for them, include: appropriations-in-aid, section 2 of the Public Accounts and Charges Act 1891; the social insurance fund, Social Welfare Act 1952; the health levy, Health Contributions Act 1979; the capital services redemption account, Finance Act 1988; the tobacco excise levy, Appropriation Act 1999; the national pension reserve fund, National Pensions Reserve Fund Act 2000; the national training fund, National Training Fund Act 2000; the horse and greyhound racing fund, Horse and Greyhound Racing Act 2001; and the environment fund, Waste Management (Amendment) Act 2001.

### Seirbhís Trí Ghaeilge.

33. D'fhiafraigh **Mr. O'Shea** den Aire Airgeadais an bhfuil sé ar intinn aige ardú pá a thabhairt do státseirbhísigh atá in ann agus toilteanach seirbhís a chur ar fáil trí Ghaeilge; agus an ndéanfaidh sé ráiteas ina leith. [12069/04]

**Minister for Finance (Mr. McCreevy):** Is í an Scéim Chomhréitigh agus Eadrána don Státseirbhís an córas comhaontaithe caidreamh tionsclaíoch atá ann chun éilimh ar arduithe pá agus ar leasuithe ar choinníollacha státseirbhíseach a phlé. Níl aon éileamh ar luach saothair breise ann i láthair na huairé ó aon cheann de cheardchumainn na státseirbhíse dóibh siúd atá in ann agus toilteanach seirbhís a chur ar fáil trí Ghaeilge.

Bheinnse go mór in aghaidh aon íocaíochtaí breise le státseirbhísigh as gnó oifigiúil a dhéanamh trí Ghaeilge. Chomh maith leis sin ní bheadh éileamh ar íocaíochtaí dá leithéid ag teacht leis an gComhaontú Pá a ghabhann le Ag Coinneáil an Dul chun Cinn. Forálann an Comhaontú seo nach ndéanfaidh cearrchumainn ná fostaithe éilimh ar arduithe pá ná leasuithe ar choinníollacha fostaíochta a chuirfeadh le costais, lasmuigh d'arduithe a tharlaíonn faoin gComhaontú.

*Question No. 34 answered with Question No. 9.*

### Committee of Public Accounts.

35. **Mr. Howlin** asked the Minister for Finance if, in regard to the comments to the Committee of Public Accounts on 22 April 2004 by the Secretary General of his Department, he will outline the review it is proposed to take of the State's tax incentive and exemption schemes; and if he will make a statement on the matter. [12977/04]

**Minister for Finance (Mr. McCreevy):** As the Deputy may know, tax based schemes are regularly reviewed and are invariably looked at in the context of the annual Budget Statement and Finance Bill process to ensure they continue

to meet the purpose or purposes for which they were introduced. What the Secretary General said to the PAC was that it is important that data be improved to facilitate assessments of such expenditures and reliefs. In this context, my Department has been working closely with the Revenue Commissioners to investigate information and data capture issues arising with a view to producing possible solutions.

I am conscious that capturing additional information on tax return forms requires balancing the manner of obtaining the information with due regard to not overburdening compliant taxpayers and, bearing this in mind, the Revenue Commissioners will be introducing a number of changes to the forms relating to the annual return of income in respect of the tax year 2004 and to the P35 form which is returned to Revenue at end year with totals for earnings and deductions for each employee — in respect of the tax year 2005.

These changes will yield additional information regarding the cost of various tax reliefs and relief in relation to pensions. I included provisions in Finance Act 2004 to underpin these changes. In addition the use of the Revenue on-line system, ROS, has been increasing and will continue to be encouraged. Returns filed in this way can readily accommodate information data capture in relation to tax reliefs being claimed without overburdening the taxpayer.

Detailed reviews of the costs and benefits of various tax reliefs are carried out from time to time. Examples of this are the reviews carried out on tax reliefs for urban renewal, films and the business expansion scheme.

### Tax Collection.

36. **Mr. Coveney** asked the Minister for Finance his estimate of the total value of tax revenue collected from the sites, construction, sale and purchase adaptation, rental, repair and bequest of housing, distinguishing the amount collected under different tax headings. [12888/04]

**Minister for Finance (Mr. McCreevy):** I have been informed by the Revenue Commissioners that the information furnished on tax returns does not, generally, require the yield from a particular sector or sub-sector of trade to be identified. Except for value added tax, VAT, and stamp duty, the amount of tax collected from the various activities specified in the question cannot be readily identified from the overall taxation yield. Accordingly, the specific information requested by the Deputy is not readily available in the form he requires.

In the case of stamp duty, the total collected from residential property in 2003 was €528 million. However, data is not collected in a manner which would allow for a more detailed breakdown of this yield. Stamp duty is also chargeable on transfers of sites at the appropriate rates for non-residential property but it is not possible to determine what proportion of the total stamp duty yield on non-residential property relates to site transfers.

In the case of the sale of a new house or apartment to a purchaser, VAT applies at the reduced rate of 13.5 % both on its construction and on the site, where these are connected contracts and is included in the final price of the property to the purchaser. No VAT applies in respect of the purchase of a second-hand house. The relevant information available in respect of VAT is the estimated yield. With regard to 2003, the VAT yield from the sale of new housing is estimated at approximately €1,250 million and the VAT yield from the maintenance and repair to all housing is estimated at approximately €320 million.

With regard to inheritance tax, it is not possible to separately identify the yield relating to bequests of house property from within the overall tax yield. The net receipts associated with all inheritance tax was €131 million in 2003.

### Capital Projects.

37. **Mr. Murphy** asked the Minister for Finance if he has proposals to make the Departments and Ministers promoting capital projects shoulder greater responsibility for their delivery on time and within budget. [12881/04]

58. **Mr. Durkan** asked the Minister for Finance if he has proposals to eliminate cost overruns on State contracts or procurements; and if he will make a statement on the matter. [12938/04]

72. **Mr. Gogarty** asked the Minister for Finance the changes likely within his Department following the report of the Committee of Public Accounts on funding for a National Equestrian Centre at Punchestown, County Kildare. [12958/04]

108. **Mr. Durkan** asked the Minister for Finance the extent to which his Department approves or authorises project expenditure in other Departments or his own; if a particular sector or section within his Department has particular responsibilities in this area; and if he will make a statement on the matter. [13104/04]

109. **Mr. Durkan** asked the Minister for Finance the procedures applicable in respect of Government approval of State funded projects; the personnel whose approval is sought within the respective Department for such projects; and other checks or balances involved; and if he will make a statement on the matter. [13105/04]

111. **Mr. Durkan** asked the Minister for Finance the procedures that are currently in place to prevent cost overruns on State funded projects, contracts or procurements and the sanctions applicable for non-compliance; and if he will make a statement on the matter. [13107/04]

**Minister for Finance (Mr. McCreevy):** I propose to take Questions Nos. 37, 58, 72, 108, 109 and 111 together.

Primary responsibility for the evaluation, planning and execution of capital projects rests with line Departments and the relevant implementing agencies. Accounting officers in the relevant Departments are accountable to the

Public Accounts Committee for expenditure under their Votes on such capital projects.

The Department of Finance's role is to agree with Departments, subject to the direction of the Government, the policy framework for capital programmes and projects, to make global provision for the resources required and to put in place best practice guidelines for the appraisal and management of capital projects. Line Departments and their agencies are primarily responsible for managing their programmes and projects within budget and in compliance with the policy framework and with guidelines laid down by my Department. In general therefore, most Departments have delegated sanction to execute projects. My Department has a role in relation to the sanctioning of resources for individual projects not covered by the delegated sanction given to line Departments or not within approved programme budgets. Line Departments in turn, generally act as the sanctioning authority for projects promoted by public bodies under their aegis.

In my 2004 Budget, I announced a number of initiatives aimed at achieving better value for money from infrastructural investment, in particular, the introduction of rolling 5 year multi annual capital envelopes and significant proposed changes in the area of public sector contracts for construction and construction related services. These initiatives seek to address the issues of improved project management and to reduce the potential for project costs overruns etc.

The Department of Finance is currently in the process of entering into framework agreements with each Department to underpin the capital envelopes. The framework agreements will, among other things, put a system in place to require Departments to report to management regularly on their capital projects, to carry out spot checks of projects to ensure compliance with the Department of Finance capital appraisal guidelines, and to report the findings of such spot checks annually to the Department of Finance.

The Department of Finance's 1994 capital appraisal guidelines are being reviewed and updated to complement the new capital framework agreements and to reflect recent developments. Both the framework agreements and the revised capital appraisal guidelines will take account of the report of the PAC referred to in Parliamentary Question No. 72.

Cost overruns can occur for a number of reasons. In the procurement of public sector construction contracts, national guidelines on best practice are set out in the Department of Finance's guidelines, Public Procurement — 1994 edition — green Book. As indicated above, I announced in broad outline in budget 2004, significant proposed changes in the area of public sector construction contracts to help reduce the scale and scope of cost over runs on public sector construction contracts. These will be advanced following the recent agreement on the principles involved at Government.

### **Voluntary Disclosure Scheme.**

38. **Mr. Rabbitte** asked the Minister for Finance the number of High Court orders sought to date by the Revenue Commissioners under the Finance Act 1999 to require financial institutions to supply names, addresses and other relevant information regarding holders of bogus accounts at the latest date for which figures are available; the number of cases in which orders have been granted; the general progress made to date in identifying the holders of such accounts who did not avail of the recent voluntary disclosure scheme; and if he will make a statement on the matter. [13003/04]

**Minister for Finance (Mr. McCreevy):** Authorised Revenue officers are empowered to make an application to a judge of the High Court seeking an order requiring financial institutions to supply names, addresses and other relevant information concerning account holders who may have held bogus non-resident deposit accounts. Such applications are made under section 908 of the Taxes Consolidation Act 1997, as amended by the Finance Act 1999.

I am advised by the Revenue Commissioners that 18 applications for orders under section 908 have been made and have been granted. When one includes institutions which have been taken over or amalgamated with other institutions, these orders seek information in respect of accounts in 26 financial institutions. No further applications for such orders are pending in regard to the bogus non-resident account inquiries.

A large volume of information has been reported to Revenue under the High Court orders. Inquiry work in the examination of the first batch of taxpayers commenced on 11 October 2002. Further general issues of inquiry letters were made in January, May, July, September, October 2003 and January 2004. These general inquiry letter issues relate to 91,000 non-resident accounts that had Irish addresses connected to them. A total of 177,000 inquiry letters have been issued to taxpayers in respect of these non-resident accounts. The final general inquiry letter issue took place in January 2004.

While it is clear that Revenue is facing a long programme of investigations over a number of years, the Revenue Commissioners have informed me that they are satisfied that significant progress has been made in this the final phase of the investigations. Since 15 November 2001, payments of €285 million have been made to Revenue by taxpayers who held bogus non-resident accounts.

### **National Pension Reserve Fund.**

39. **Ms O. Mitchell** asked the Minister for Finance if he has considered the approach advocated by the ESRI for the deployment of funds set aside for the National Pension Reserve Fund. [12862/04]

**Minister for Finance (Mr. McCreevy):** I am aware of various views expressed by individuals

and institutions concerning the National Pensions Reserve Fund, NPRF. The NPRF was established in April 2001 with the objective to meet as much as possible of the cost to the Exchequer of social welfare and public service pensions to be paid from the year 2025 until at least 2055. I have no plans to alter the basic levels at which contributions are made to the NPRF.

As explained in answers to other parliamentary questions on the National Pension Reserve Fund, I am committed to the investment mandate of the fund as set out in section 19 of the National Pensions Reserve Fund Act 2000. This provides that, in investing fund moneys, the Commission shall seek to optimise total financial return provided the level of risk is acceptable to the Commission. Therefore the Commission is required to adopt a standard commercial investment policy and it does not have discretion to choose not to invest in particular sectors or companies for anything other than commercial reasons. Accordingly there is nothing to prevent the Commissioners from investing in projects in Ireland should they be satisfied that such investments are likely to yield a commercial return.

I note that the ESRI has stressed the importance of infrastructural spending. It should be clear that the Government is fully committed to the development of the national infrastructure. As I announced in my recent Budget Statement, the Government will implement multi-annual capital investment envelopes over the period 2004-2008, providing for investment of about 5% of GNP per annum, which is twice the EU average.

### **Report of Ansbacher Inspectors.**

40. **Mr. S. Ryan** asked the Minister for Finance the number of persons, companies and trusts being investigated by the Revenue Commissioners arising from the Ansbacher accounts at the latest date for which figures are available; the number of cases in which settlements have been agreed and the total amount paid to date; the number of cases still outstanding; if additional action has been taken by the Revenue Commissioners arising from the Report of the Ansbacher inspectors; and if he will make a statement on the matter. [13004/04]

**Minister for Finance (Mr. McCreevy):** I am advised by the Revenue Commissioners that their Ansbacher review team has inquired into 289 cases to date and 72 of these cases have concluded settlements with Revenue. The 289 cases, taking account of spouses and connected companies, consist of 300 names. The 289 cases are made up of 179 cases listed on the High Court inspectors' report and 110 similar cases discovered by Revenue or listed on the authorised officer's report.

A total of 211 cases have been under active investigation. The remaining cases consist of 62 non-resident persons, including 17 former Irish residents, 12 individuals who claimed the 1993

Amnesty provisions and four cases with insufficient identity information.

The investigation includes examining the tax position of disclosed entities and accumulating and assembling information on other connected entities. The number of connected entities in relation to cases under investigation is now nearly 700.

Revenue continues to make use of its legislative powers to seek books, records, documents and information in the cases being investigated. Where appropriate, prosecutions will be considered but these will depend on the

level of evidence available. Revenue has made five successful applications to the High Court for the production by financial institutions and third parties of books, records and other documentation, which are relevant to liabilities of Ansbacher account holders. Some 150,000 documents have been received under the terms of the High Court Orders. Advanced investigative computer software is used in controlling and managing the documentation.

To date a total of €42.15 million has been received, mostly by way of payments on account, in respect of 83 cases. This is made up of:

|  |          | €million |
|--|----------|----------|
| Cases involving Ansbacher or Ansbacher type arrangements | 73 Cases | 34.43    |
| Other cases involving offshore funds or deposits         | 10 Cases | 7.72     |
| Total  | 83 Cases | 42.15    |

The 72 cases which have concluded settlements with Revenue consist of 37 cases which were settled on payments of €25.17 million, included in the amount above, 25 non-resident cases which are covered by the provisions of double taxation agreements, eight which had no additional liability and two which were covered by the 1993 amnesty provisions.

Revenue made an application under section 11 of the Companies Act 1990 for a copy of the High Court inspectors' report which was made available to Revenue on 6 July 2002. The information in this report has been carefully considered as regards the tax liabilities of the persons concerned. In addition, Revenue has made a further application to the High Court for access to the supporting papers to the High Court inspectors' report. The matter was heard by the High Court on 26, 27 and 28 November 2002 and judgment is reserved. Revenue have informed me that the investigations are time-consuming and complex and are likely to continue for some time to come.

### Freedom of Information Act.

41. **Mr. Stagg** asked the Minister for Finance the percentage of requests under the Freedom of Information Act which proceed to internal appeal

in his Department; the way in which that percentage compares with the percentage in previous years; and if he will make a statement on the matter. [12993/04]

52. **Mr. Stagg** asked the Minister for Finance the number of requests under the Freedom of Information Act received by his Department in the first quarter of 2004; the way in which this compares with the number of FOI requests received in a similar period in previous years; and if he will make a statement on the matter. [12992/04]

**Minister for Finance (Mr. McCreevy):** I propose to take Questions Nos. 41 and 52 together.

The information requested by the Deputy is set out in the following tables. It should be borne in mind that the number of FOI requests and internal reviews received in any specific period can vary due to a number of factors, including which issues are topical at a particular time. My Department is committed to providing an efficient and helpful response to FOI requests and to assisting the public with their information inquiries.

The percentage of FOI requests received by the Department of Finance that proceeded to internal review in 1998 to 2004 is as follows:

| Year              | Number of requests received by the Department | Internal Reviews received | Percentage of requests that went to Internal Review |
|-------------------|---|---------------------------|---|
|                   |   |                           | %   |
| 1998              | 205   | 26                        | 12.7  |
| 1999              | 349   | 32                        | 9.2   |
| 2000              | 342   | 34                        | 9.9   |
| 2001              | 326   | 30                        | 9.2   |
| 2002              | 326   | 24                        | 7.4   |
| 2003              | 305   | 34                        | 11.1  |
| 2004 to end April | 31  | 2                         | 6.5   |
| Total             | 1,884   | 182                       | 9.7   |

Number of FOI requests received by the Department of Finance in the first quarter of 1999 to 2004.

|                     | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|---------------------|------|------|------|------|------|------|
| January             | 38   | 39   | 22   | 30   | 36   | 5    |
| February            | 31   | 35   | 24   | 31   | 53   | 11   |
| March               | 11   | 29   | 35   | 29   | 71   | 8    |
| Total First Quarter | 80   | 103  | 81   | 90   | 160  | 24   |

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*Question No. 42 answered with Question No. 27.*

### EU Funding.

43. **Ms O'Sullivan** asked the Minister for Finance the position regarding the consideration of proposals from the EU Commission for financing of the EU in the post 2006 period; and if he will make a statement on the matter. [12988/04]

49. **Mr. English** asked the Minister for Finance the impact on the net flow of funds between Ireland and the EU if the proposals of the Commission for a multi-annual framework for the EU budget were adopted; and Ireland's key objective in negotiations surrounding this framework. [12877/04]

**Minister for Finance (Mr. McCreevy):** I propose to take Questions Nos. 43 and 49 together.

The Commission communication on the post-2006 financing of the European Union was published in February this year. Since then there have been preliminary discussions of the proposals set out by the Commission. The Irish Presidency has set in motion a detailed examination of the Commission's proposals with a view to preparing an analytical report in advance of the European Council next month.

In the past, Ireland has received large transfers from the Structural and Cohesion Funds. This generous support reflected Ireland's relatively low levels of prosperity compared to other member states. Ireland's economic progress in recent years has been spectacular. This enhanced prosperity will in time axiomatically lead to Ireland's moving from being a net beneficiary of the EU budget to being a net contributor. The great improvement in Ireland's prosperity means that we can expect less structural assistance from the EU. Indeed, this move has already commenced with the current Agenda 2000 agreement, covering the period 2000 to 2006, under which Ireland's southern and eastern region is in transition from full Objective One status.

Ireland has also exceeded the eligibility threshold for support from the Cohesion Fund and commitments from the Cohesion Fund ceased at the end of 2003. Ireland's increased prosperity also results in Ireland's bearing an increased role in the financing of the EU. It is important to emphasise that this evolution of

Ireland's position would happen even without the recent enlargement of the European Union.

The relatively significant part of our economy engaged in agriculture means that large transfers from the Common Agricultural Policy, as renewed under the mid-term review last year, will support Irish agriculture for the foreseeable future.

The Commission's proposals, if agreed, would not change the fundamental direction in which Ireland's budgetary relationship with the EU is going. However, the extent and timing of Ireland's move to being a net contributor will be influenced by the outcome of the negotiations. Like all member states, Ireland will pursue the best possible outcome for itself in the context of what is the best outcome for the EU as a whole. Of particular interest to us will be to protect our substantial interests under the Common Agricultural Policy. We will also seek an acceptable and equitable outcome for Ireland with regard to future cohesion policy, particularly in respect of the BMW region. Ireland's approach will also be influenced by its prospective net contributor status and the need to keep our contributions at the level appropriate for the financing of agreed EU policies.

While we will pursue our own best interests, we also strongly support the need for convergence of the new member states in the interests of a strong and dynamic Europe. We appreciate therefore that the development needs of the new member states must be reflected in the new financial framework, which will underpin the success of the enlarged Union over the coming years.

### Decentralisation Proposals.

44. **Mr. Gilmore** asked the Minister for Finance the number of civil servants, as distinct from public servants working in Dublin; the breakdown by headquarters offices and local offices; the number of Dublin based civil servants who have expressed an interest in decentralisation within their current Department; the number of Dublin based civil servants who have expressed an interest in decentralisation to another Department; the number of Dublin based civil servants who will move with their job to the proposed decentralisation location; and if he will make a statement on the matter. [12975/04]

**Minister for Finance (Mr. McCreevy):** The number of civil servants working in Dublin as at June 2003, the latest information available was

18,338. A breakdown of these staff by Department-office is set out below. It is not possible to accurately provide a further breakdown between staff attached to the headquarters of organisations and those serving a Dublin customer base. The central applications facility which will receive applications from civil

and public servants to participate in the Government's decentralisation programme will not commence operation until next week and therefore it is not possible to state how many Dublin based civil servants will apply to move with their job to each of the decentralised locations.

## Dublin Based Staff.

| Department Title                           | Office Title                  | Wholetime Equivalent |
|--|-------------------------------|----------------------|
| Agriculture & Food                         |                               | 1,185.20             |
| Arts, Sport & Tourism                      |                               | 425.7                |
| Attorney General                           |                               | 110                  |
| Central Statistics Office                  |                               | 183.4                |
| Chief State Solicitor                      |                               | 219.8                |
| Civil Service Commission                   |                               | 156.9                |
| Communications, Marine & Natural Resources |                               | 526.2                |
| Community, Rural & Gaeltacht Affairs       |                               | 178.1                |
| Comptroller & Auditor General              |                               | 161.8                |
| Courts Service                             |                               | 567.56               |
| Defence                                    |                               | 228.15               |
| Director of Public Prosecutions            |                               | 161.8                |
| Education & Science                        |                               | 609.8                |
| Enterprise, Trade & Employment             | Head Office                   | 957.8                |
| Enterprise, Trade & Employment             | Labour Relations Commission   | 34.5                 |
| Environment Heritage & Local Government    |                               | 1,010.99             |
| Finance                                    |                               | 625.62               |
| Foreign Affairs                            | Head Office                   | 712.5                |
| Foreign Affairs                            | International Co-Operation    | 93                   |
| Health & Children                          |                               | 612.66               |
| Justice, Equality & Law Reform             | Asylum Service                | 372.05               |
| Justice, Equality & Law Reform             | Data Protection Commissioner  | 16.6                 |
| Justice, Equality & Law Reform             | Forensic Science Laboratory   | 57.4                 |
| Justice, Equality & Law Reform             | Garda Civilians               | 441.2                |
| Justice, Equality & Law Reform             | Garda Complaints Board        | 19                   |
| Justice, Equality & Law Reform             | Irish Prison Service          | 120.5                |
| Justice, Equality & Law Reform             | Land Registry                 | 449.05               |
| Justice, Equality & Law Reform             | Office H.Q.                   | 674.7                |
| Justice, Equality & Law Reform             | Probation and Welfare Service | 235.9                |
| National Gallery                           |                               | 31                   |
| Office of Public Works                     |                               | 457.23               |
| Oireachtas                                 |                               | 328.7                |
| Ombudsman                                  |                               | 80.3                 |
| President's Establishment                  |                               | 18.5                 |
| Revenue Commissioners                      |                               | 3,292.08             |
| Social & Family Affairs                    | Head Office                   | 2,160.63             |
| State Laboratory                           |                               | 93.9                 |
| Taoiseach                                  |                               | 240                  |
| Transport                                  |                               | 362                  |
| Valuation Office                           |                               | 125.3                |
| Total                                      |                               | 18,337.52            |

**National Pension Reserve Fund.**

45. **Dr. Upton** asked the Minister for Finance the reason, in view of the recent statement by the National Pension Reserve Fund that it has made €200 million available for participation in PPP projects but has as yet received no proposals, that

Departments have failed to take up this opportunity to fund much needed projects. [12995/04]

**Minister for Finance (Mr. McCreevy):** The National Pensions Reserve Fund is managed by commissioners who are independent of

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Government. They control and manage the fund with discretionary authority to determine and implement an investment strategy for the fund. This investment strategy is based on a commercial investment mandate with the objective of securing the optimal return over the long-term, having regard to the purpose of the fund as set out in section 18(1) of the National Pensions Reserve Fund Act 2000, and the payment requirements of the fund as provided for under section 20 of the Act, provided the level of risk to the moneys held or invested is acceptable to the commission.

Section 19 of the National Pensions Reserve Fund Act 2000 provides that, in investing fund moneys, the commission shall seek to optimise total financial return provided the level of risk is acceptable to the commission. The commission is, as a result, required to adopt a standard commercial investment policy.

*Question No. 46 answered with Question No. 15.*

#### **Insurance Levy.**

47. **Mr. Murphy** asked the Minister for Finance if it is planned to reduce or eliminate the insurance levy. [12864/04]

71. **Mr. McGinley** asked the Minister for Finance if it is planned to reduce or eliminate the insurance levy. [12863/04]

**Minister for Finance (Mr. McCreevy):** I propose to take Questions Nos. 47 and 71 together.

I have no plans to reduce or eliminate this levy, which forms part of stamp duty receipts, and yielded about €100 million in 2003 and is forecast to yield a similar amount in 2004.

#### **Tax Code.**

48. **Ms O'Sullivan** asked the Minister for Finance the number of breaches of the Waiver of Certain Tax, Interest and Penalties Act 1993 detected in respect of each year since 1994; the number of prosecutions initiated and convictions secured arising from such detections; if he has satisfied himself that the law is being applied in the manner intended by the Houses of the Oireachtas; and if he will make a statement on the matter. [12987/04]

**Minister for Finance (Mr. McCreevy):** I am advised by the Revenue Commissioners that there are two ways in which a taxpayer may have been in breach of the amnesty, first, in making a declaration under that Act he-she did not comply with the terms of the declaration or secondly a declaration was not made when it should have been made. I am informed that Revenue do not

have figures for the number of breaches of the amnesty. Given the confidentiality conditions built into the 1993 amnesty legislation, such breaches are difficult to identify and prove. No individual has been successfully prosecuted to date for failure to comply with the obligatory provisions of the Waiver of Certain Tax, Interest and Penalties Act 1993.

Growing numbers of individuals and companies have been successfully prosecuted in recent years as a result of Revenue investigations, and although these investigations have in some instances involved consideration of possible amnesty breaches, it was not possible in any of them to obtain the evidence necessary to meet the required standards of beyond reasonable doubt, in relation to those offences. Revenue's criminal investigation programmes have been refocused recently with the establishment of an investigations and prosecutions division, one of whose functions is to increase the number of prosecutions for serious tax evasion. Where in the course of investigations, amnesty offences are identified they will be investigated with a view to taking a criminal prosecution.

Given the evidential difficulties which arise in successfully bringing a case through the courts for amnesty non-compliance, I am satisfied that the Revenue Commissioners are making every effort to ensure the law is being applied in the manner intended by the legislation as passed by the Houses of the Oireachtas.

*Question No. 49 answered with Question No. 43.*

*Question No. 50 answered with Question No. 15.*

*Question No. 51 answered with Question No. 31.*

*Question No. 52 answered with Question No. 41.*

#### **Decentralisation Proposals.**

53. **Mr. Gormley** asked the Minister for Finance the numbers of civil servants who have been working in Dublin and are now working in another location after his recent Budget Statement; and if he will make a statement on the matter. [12961/04]

**Minister for Finance (Mr. McCreevy):** Immediately after the Budget announcement on decentralisation an implementation group was set up to drive the process forward. In its report to the Government on 31 March 2004, the implementation committee recommended the setting up of a central applications facility to receive all applications from civil and public servants to decentralise. This facility will be

launched next week and, in the interim, no applications have been sought from civil or public servants for transfer. Consequently, no staff have yet been transferred out of Dublin under the programme to date.

*Question No. 54 answered with Question No. 9.*

### **Central Bank Quarterly Review.**

55. **Mr. Howlin** asked the Minister for Finance if he will make a statement on the Central Bank's first quarterly review for 2004. [12978/04]

**Minister for Finance (Mr. McCreevy):** I can confirm to the Deputy that I have received the spring quarterly bulletin of the Central Bank and have taken note of its contents, in particular the economic forecasts. The Central Bank is forecasting GDP and GNP growth of 3.7% and 3.3% respectively this year. These forecasts are slightly higher than my own Department's budget day forecasts last December of 3.3% and 3%, for GDP and GNP respectively this year.

The bank forecast that inflation, as measured by the CPI, will average 2% this year. I very much welcome the continued moderation of the rate of inflation and the improved inflation outlook. I also agree with the bank that our competitiveness is a concern going forward, and that moderate pay increases are crucial if we are to improve our competitive position. However, I am confident that if we continue to manage our economy and public finances prudently we will continue to benefit from the emerging global economic recovery.

### **Tax Code.**

56. **Ms Lynch** asked the Minister for Finance the progress made to date by the large cases division established within the Revenue Commissioners. [12980/04]

**Minister for Finance (Mr. McCreevy):** I am informed by the Revenue Commissioners that the division was established last October. It is responsible for ensuring the highest possible level of tax and customs compliance by 340 of the largest business enterprises. This means firms with an annual turnover in excess of €125 million. The division is also responsible for 250 of the wealthiest individual taxpayers or those with an estimated net worth in excess of €125 million. It also deals with the entire financial services sector. Business units have been built around the main economic sectors and high wealth individuals and two further specialist units concentrate on counter-avoidance work.

The division operates a two-pronged strategy to ensure compliance. This involves audit and control programmes based on assessment of the risks in any area of tax or customs. There is also direct contact with the management of large

businesses to encourage and support high compliance practices. An explanation is given on the downsides of non-compliance in terms of interest, penalties, publication and potential prosecution.

To date the division has written to all its large businesses and wealthy individuals explaining its strategy. It has met senior management of around 150 businesses as part of a programme that will involve meeting them all over the next year. Bilateral meetings have taken place with the main accountancy or tax advisory firms that deal with large businesses. Recently a seminar was held for the accountants or tax advisors.

Contact persons have been assigned to all of the large businesses and wealthy individuals and they are now working with them. This is to help ensure the growth in Revenue of knowledge of these businesses and of their sectors to allow greater understanding of the main risk areas. The office want to ensure that the taxpayer and the tax advisor's interpretation of tax, customs law and practice corresponds with its interpretation.

Profiles of the risks associated with each tax and with customs have been compiled. At present profiles of the business sectors, businesses and individuals, including risk profiles, are being assembled to ensure that the audit programmes are directed at the areas of highest risk.

Substantial training and retraining of the division's staff has been under way for some months. They are being equipped to deal with the business and technical complexities presented by large taxpayers across the entire range of taxes, duties and customs. The training includes specialised training in computer auditing and forensic auditing.

Audit and control programmes are under way in all the business units. They focus on issues associated with the risk areas identified.

57. **Ms Lynch** asked the Minister for Finance the response received to date by the Revenue Commissioners to the letters sent by ten top banks to 120,000 customers warning them to regularise their tax affairs by the end of March; the number of responses received; and the amount collected to date. [12979/04]

81. **Ms McManus** asked the Minister for Finance the progress made to date by the offshore assets group of the Revenue Commissioners in their investigations into the use, for the purposes of tax evasion, of offshore bank accounts and trusts by Irish residents; the total number of such funds identified to date; and the total amount of tax collected in respect of these accounts. [12982/04]

**Minister for Finance (Mr. McCreevy):** I propose to take Questions Nos. 57 and 81 together.

I am informed by the Revenue Commissioners that substantial progress is being made in the

[Mr. McCreevy.] inquiry. Arising from an earlier part of the inquiry 254 individuals with trust operations in a particular offshore institution came forward, made voluntary disclosures and to date have paid €105 million. Subsequently 1,300 individuals with accounts in another offshore institution came forward, made voluntary disclosures and paid €45 million to date.

Last December, following these disclosures, the chairman of the Revenue Commissioners met the chief executive officers of the ten main Irish financial institutions who have offshore subsidiaries or branches. They agreed to cooperate with Revenue in a major initiative to tackle tax evasion by Irish residents using offshore accounts and structures.

The financial institutions arranged to notify their customers that the investigation would commence on 29 March 2004. Accordingly, they were advised that if a customer was in a default position they should ask them to avail of the opportunity to make a voluntary disclosure prior to the commencement of the formal investigation.

By the time the deadline was reached in excess of 15,000 individuals indicated that they would make a disclosure. The voluntary disclosure programme allows taxpayers a further 60 days to compute their liability and to make a payment. Therefore, payments on foot of these disclosures will be made in the period up to 28 May 2004.

From January 2003 to date payments of about €206 million, inclusive of the amounts referred to earlier, have been made in connection with inquiries into offshore assets.

*Question No. 58 answered with Question No. 37.*

59. **Ms B. Moynihan-Cronin** asked the Minister for Finance the progress that has been made by the Revenue Commissioners in their discussions with the Portuguese authorities with a view to closing off a tax loophole that allows those who sell off assets here to avoid tax by taking up residence in such countries as Portugal. [12983/04]

**Minister for Finance (Mr. McCreevy):** In response to earlier parliamentary questions on the matter I stated that a first round of negotiations between the authorities in Portugal and the Revenue Commissioners for a Protocol to amend certain provisions of the Ireland-Portugal double taxation convention was held in Lisbon last May. A further round of negotiations was rescheduled twice. Unfortunately, the negotiations had to be deferred until the week commencing 10 May 2004 as the Portuguese delegation was not available to travel to Dublin on the previous dates. It is not possible at this stage of the negotiations to comment further on their likely outcome.

As I also mentioned in my previous replies to questions on the matter, section 69 of the Finance

Act 2003 amended Irish domestic law to impose a charge to capital gains tax on an individual in respect of a deemed disposal of certain assets on the last day of the last year of assessment for which the individual is taxable in the State. This is prior to becoming taxable elsewhere and where the individual disposes of these assets while resident outside the State and returns within five years. I announced this anti-avoidance measure in my 2003 budget on 4 December 2002 with effect from that date.

#### **Freedom of Information.**

60. **Mr. Eamon Ryan** asked the Minister for Finance the number of freedom of information requests made to the information commissioner on an annual basis since 1997. [12962/04]

**Minister for Finance (Mr. McCreevy):** The number requests received by the Office of the Information Commissioner on an annual basis since 1997 are as follows: 1997 — 0; 1998 — 3; 1999 — 5; 2000 — 8; 2001 — 9; 2002 — 3; 2003 — 11; and 2004 — 3 to date.

#### **Decentralisation Programme.**

61. **Mr. M. Higgins** asked the Minister for Finance if he will make a statement on the first report of the group (details supplied) to oversee the decentralisation programme. [12974/04]

**Minister for Finance (Mr. McCreevy):** The decentralisation implementation group was appointed immediately after the 2004 budget to move the decentralisation programme forward. It delivered its first report on 31 March. The full text of the report is available on the decentralisation homepage of my Department's website [www.finance.gov.ie](http://www.finance.gov.ie)

The Government considered its contents and has accepted all of the recommendations. Work is already progressing on them. The group will deliver a further report to Government at the end of July.

#### **Freedom of Information.**

62. **Mr. Penrose** asked the Minister for Finance the progress made to date with regard to efforts to clear the backlog of appeals in the Office of the Information Commissioner; and the number of appeals outstanding at the latest date for which figures are available and the average time being taken to hear an appeal. [12999/04]

**Minister for Finance (Mr. McCreevy):** The Office of the Information Commissioner supplied my Department with the following information.

Number of valid review applications increased by 58% between 2002 and 2003 from 585 to 924. There were 729 completed reviews during 2003, compared to 534 cases in 2002, an increase of 37%.

| Year  | No. of Review Applications Received |
|-------|-------------------------------------|
| 1999  | 6                                   |
| 2000  | 62                                  |
| 2001  | 81                                  |
| 2002  | 143                                 |
| 2003  | 437                                 |
| 2004  | —                                   |
| Total | 729 completed reviews during 2003   |

| Date            | Valid Reviews | % increase on previous year |
|-----------------|---------------|-----------------------------|
| 31 January 2004 | 796           | up 28%                      |
| 31 January 2003 | 622           |                             |

| Year  | No. of Cases Received                |
|-------|--------------------------------------|
| 1999  | 2                                    |
| 2000  | 19                                   |
| 2001  | 182                                  |
| 2002  | 130                                  |
| 2003  | 451                                  |
| 2004  | 12                                   |
| Total | 796 cases on hand on 31 January 2004 |

At present figures on the average time taken to conclude reviews or appeals are not available. The commissioner is dealing with applications and older cases, including some applications received in 2000. She hopes to give more details on case completion timescales in her annual report for 2003.

### Fiscal Policy.

63. **Mr. Naughten** asked the Minister for Finance if he plans to introduce new procedures for the presentation of proposals for spending and taxation in Dáil Éireann that would be more meaningful and more timely. [12861/04]

76. **Mr. English** asked the Minister for Finance if he plans to introduce new procedures for the presentation of proposals for spending and taxation in Dáil Éireann. [12860/04]

**Minister for Finance (Mr. McCreevy):** I propose to take Questions Nos. 63 and 76 together.

The Government's spending proposals are outlined in the two Estimates Volumes presented to Dáil Éireann in accordance with the Standing Orders of the Dáil. I normally present the pre-budget or Abridged Estimates Volume to Dáil Éireann approximately two weeks before budget day. The post-budget or Revised Estimates Volume is normally presented to the Dáil within eight weeks of the start of the fiscal year to which it relates. The Estimates by departmental Vote

are then subject to scrutiny and approval by the relevant Oireachtas committee.

The financial statement on budget day outlines the main taxation measures proposed. The details are contained in the accompanying budget book that is distributed to Members on budget day. I presented my first budget, 1998, on the first Wednesday in December so that the details were announced before the start of the fiscal year. I continued the practice for the following six budgets. The budget and Finance Bill debates provide the House with an opportunity to give its views on these measures.

I do not have any plans to amend the arrangements. Some reforms were introduced and ongoing considerations are under way that are of relevance to these questions.

In my Budget Statement on 3 December 2003 I announced a major change in the financial treatment of capital spending through the introduction of rolling five year multi-annual capital envelopes. In implementing the new envelope system, Departments can carry over to the following year, subject to Dáil approval, any unused Exchequer capital allocations up to a maximum of 10 per cent of each year's voted capital allocation.

The capital envelopes, including the carryover arrangement, lead to improvements in the management of capital programmes and changes in the presentation of voted capital moneys to the Dáil. The Finance Act 2004 made provision for the new carryover arrangement. Under the new arrangements, as envisaged in the Finance Act, the Dáil will be apprised of the amounts to be carried over in the AEV. It will be asked to approve the amounts on three separate occasions: the Appropriation Act of the carryover year; a ministerial order that must be approved by the Dáil in the following year; and in the REV of the following year. The 2004 public capital programme included material on the multi-annual capital envelopes and more project level information on major capital projects.

Changes by way of tidying up or rationalisation of subheads and Votes have been made in the REV in recent years in consultation, as appropriate, with the Committee of Public Accounts. The 2004 REV contained a revised presentation of the subheads in the Vote for the Department of Agriculture and Food so that the Vote better reflects its main goals outlined in its strategy statement. It also facilitates a match between the subheads of the Vote and the main programmes or strategic areas of the Department.

Work is ongoing on a pilot project, under the aegis of my Department, involving the Departments of Agriculture and Food, Social and Family Affairs and Transport. Its purpose is to examine ways of improving the links between departmental strategy statements, business planning and resource allocation and performance measurement. The results will be

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evaluated and consideration will be given to whether the approach should be mainstreamed across Departments. If it is considered that the pilot project should be further developed and mainstreamed, I will bring proposals to Government and, if approved, to the Committee of Public Accounts.

#### **Tax Information Exchange Agreement.**

64. **Ms B. Moynihan-Cronin** asked the Minister for Finance the progress made to date with regard to the negotiations between the Revenue Commissioners and the authorities in the Cayman Islands with a view to the conclusion of a tax information exchange agreement. [12984/04]

**Minister for Finance (Mr. McCreevy):** In response to a parliamentary question on 23 March I stated that first round negotiations between the Cayman Islands authorities and the Revenue Commissioners for a tax information exchange agreement were held in Dublin on 24 November 2003. A second round of negotiations took place on 7 April 2004. A date has not yet been fixed for a further round of negotiations. At this stage it is not possible to comment on their outcome.

*Question No. 65 answered with Question No. 9.*

#### **Tax Collection.**

66. **Mr. O'Shea** asked the Minister for Finance the progress made by his Department and the Revenue Commissioners in their consideration of the recommendations of the Revenue Powers Group; and when he expects a decision will be made on its recommendations. [12986/04]

**Minister for Finance (Mr. McCreevy):** I established the group and it is chaired by Mr. Justice Frank Murphy. It must examine Revenue's main statutory powers and report any necessary changes to me. As I have pointed out to Deputies in my response to several parliamentary questions on the group over the past few months, I have decided to allow a period for debate and public reflection on the many and varied issues with which the report deals. I published the group's report on 4 February in order to facilitate such a debate.

I implemented one of the group's recommendations in this year's Finance Bill, the power to allow Revenue access to information held by a non-resident entity over which a domestic financial institution has control. The matter would have arisen anyway. I will review all of the group's recommendations for next year's Finance Bill.

My Department and the Office of the Revenue Commissioners are examining the contents of the report. Given my view that these issues should be considered it is not appropriate to comment on the recommendations.

#### **Special Savings Incentive Scheme.**

67. **Mr. Cuffe** asked the Minister for Finance if he will report on the special savings investment accounts. [12964/04]

70. **Mr. Quinn** asked the Minister for Finance the number of SSIA's opened at the latest date for which figures are available; the average amount of savings per investor per month; and the likely cost to the Exchequer of the scheme on the basis of such figures. [13000/04]

**Minister for Finance (Mr. McCreevy):** I propose to take Questions Nos. 67 and 70 together.

I am informed by the Revenue Commissioners that, based on the analysis of the 2003 returns and declarations furnished to date by all qualifying savings managers, the total number of active accounts at 31 December 2003 was 1,113,317. The average monthly subscription at that date was €165. Revisions may be necessary if amendments are received at a later date.

It is not possible to give a definitive answer as to the eventual cost of the scheme as it is subject to a number of variables such as participants dying, withdrawing from the scheme or varying their monthly contributions. The cost of the scheme in 2003 was €531.9 million. If the current average monthly payment for the first four months of 2004 continues for a full year the annual cost in 2004 will be approximately €540 million. It is not a conclusive figure and the final figure may be different if account holders change their monthly contributions. The total gross cost for the period will be reduced by the exit tax to be received at the end.

#### **Tax Harmonisation.**

68. **Mr. Allen** asked the Minister for Finance his views on the proposal by the French Finance Minister to harmonise corporation taxes among some member states under the enhanced co-operation provision of the EU treaties. [12866/04]

**Minister for Finance (Mr. McCreevy):** As I said in my reply to Parliamentary Questions Nos. 15 and 46 on 23 March, the Commission issued a communication in 2001 setting out its twin track approach in the company taxation area as follows: targeting particular obstacles in the short to medium term by taking a direct approach to each of the issues and finding a specific answer to the problem; and adopting a long-term comprehensive measure, a common consolidated corporate tax base for companies for their EU-wide activities. The Commission made it clear that this did not involve harmonising rates.

In November 2003 the Commission updated its position with a communication entitled *An Internal Market without company tax obstacles — achievements, ongoing initiatives and remaining challenges*. The common consolidated tax base was discussed at EU conferences and

was the subject of a Commission consultation paper.

Ireland does not see the Commission's proposals for a common consolidated base as an appropriate way forward. We support efforts to eliminate unfair business tax practices within the EU and the removal of barriers to cross-border trade and business.

It is now suggested that member states who favour the common consolidated corporate tax base should proceed under enhanced co-operation. Ireland would not favour such a course of action. However, it is a matter for each member state to decide on whether to participate in an enhanced co-operation procedure. Ireland does not intend to do so. It has not been established that we are in a position of last resort where the adoption of enhanced co-operation would be appropriate.

Ireland's opposition to the harmonisation of corporation tax is well known and clear. It is important that the tax rights of member states are retained at the national level.

#### Decentralisation Programme.

69. **Mr. G. Mitchell** asked the Minister for Finance if a report on leases of public service units proposed for removal from Dublin was considered as part of the decision on decentralisation. [12865/04]

**Minister for Finance (Mr. McCreevy):** At present the State rents 200,000 sq. m. of office space in the Dublin area at a cost of €70 million per annum. It also uses 230,000 sq. m. of State owned office accommodation in Dublin.

Under the decentralisation programme in excess of 200,000 sq. m. of office accommodation

will be required in the regions for staff leaving Dublin. As a result an equivalent amount of space will no longer be required in the Dublin area.

The issues surrounding the disposal of surplus Dublin space, both owned and leased, are being addressed. The following considerations will be taken into account: the specific circumstances associated with each building including location, quality and design, tenure, office area and whether its leasehold or freehold; the relocation of Departments or offices within the Dublin portfolio with a view to the optimum consolidation of Dublin office space; and the timing of property disposals. The market value of a building can be greatly affected by prevailing market conditions, including a significant influx of properties to the market

*Question No. 70 answered with Question No. 67.*

*Question No. 71 answered with Question No. 47.*

*Question No. 72 answered with Question No. 37.*

73. **Mr. Boyle** asked the Minister for Finance the number of Government offices that have already been relocated outside of Dublin. [12954/04]

**Minister for Finance (Mr. McCreevy):** The following tabular statement gives details of Civil Service offices relocated during previous phases of the Government's decentralisation programme. It excludes local offices of various State agencies that exist to serve a local customer base in a particular county or region.

List of Previously Decentralised Offices.

| Department                                   | Department-Agency      | Centre     |
|--|------------------------|------------|
| Agriculture and Food                         | Department             | Cavan      |
|  | Department             | Castlebar  |
|  | Department             | Wexford    |
|  | Department             | Portlaoise |
| Communications, Marine and Natural Resources | Department             | Castlebar  |
|  | Department             | Galway     |
| Community, Rural and Gaeltacht Affairs       | Department             | Furbo      |
| Defence                                      | Department             | Galway     |
| Education and Science                        | Department             | Athlone    |
|  | Department             | Tullamore  |
| Enterprise, Trade and Employment             | Patents Office         | Kilkenny   |
| Environment, Heritage and Local Government   | Department             | Ballina    |
|  | Department             | Shannon    |
|  |                        | Wexford    |
| Finance                                      | Office of Public Works | Kilkenny   |
|  | Revenue Commissioners  | Ennis      |

| Department                | Department-Agency  | Centre  |
|---------------------------|--|---|
|                           | Revenue Commissioners<br>Revenue Commissioners<br>Revenue Commissioners<br>Revenue Commissioners | Limerick<br>Nenagh<br>Dundalk<br>Rosslare           |
| Foreign Affairs           | Department   | Cork city   |
| Health and Children       | General Registration Office  | Roscommon<br>Clane, Kildare<br>Naas<br>Cork<br>Cork |
| Justice                   | Department Land Registry<br>Legal Aid Board  | Killarney<br>Waterford<br>Cahirciveen               |
| Social and Family Affairs | Department<br>Department<br>Department   | Letterkenny<br>Longford<br>Sligo                    |
| Taoiseach                 | Central Statistics Office  | Cork city   |
| Transport                 | Driver Licensing & Testing   | Ballina   |

#### Disabled Drivers.

74. **Mr. Durkan** asked the Minister for Finance when he expects to act on the recommendations contained in the interdepartmental report on the disabled drivers and disabled passengers tax concessions regulations 1994 which is currently before his Department; and if he will make a statement on the matter. [12939/04]

**Minister for Finance (Mr. McCreevy):** As I have said in a reply to a previous parliamentary question, the interdepartmental report of the review group on the disabled drivers' and disabled passengers' (tax concessions) scheme is under consideration in my Department. The report is a substantive one and needs to be studied carefully. On completion of this process, I envisage that the report will be made available publicly.

As the Deputy may be aware, in the context of debate in the Dáil on the Finance Bill, 2004, I stated that I intended that the report would go to Government and would be published this year.

#### Tax Clearance Certificates.

75. **Mr. S. Ryan** asked the Minister for Finance if he has concluded his consideration of correspondence received from the Standards in Public Office Commission drawing his attention to limitations in the Ethics in Public Office Act 1995, arising from consideration of a case (details supplied); if he has decided on the steps to be taken to address the issues raised by the Commission; and if he will make a statement on the matter. [12990/04]

**Minister for Finance (Mr. McCreevy):** As I informed the House in previous replies on this matter, it was suggested to me by the Standards

in Public Commission — the Commission — in December 2003 that consideration be given to amending section 21(4) of the Standards in Public Office Act 2001 to provide the Commission with additional powers of investigation in relation to evidence of compliance with the Tax Acts provided to it by Members of each House under that section. Such evidence must be supplied to the Commission in the form of a tax clearance certificate and a statutory declaration within certain time periods either side of the Member's election.

The Commission's suggestion raised a number of broad and complex issues relating to the functions of the Revenue Commissioners and in particular to information obtained in the course of an investigation that may already have been undertaken by the Revenue Commissioners on the tax affairs of an individual concerned.

Having had regard to these considerations, I do not anticipate bringing forward legislation to amend section 21(4) in line with the suggestion made to me by the Commission at this time. However, the suggestion from the Commission will be kept under review in the context of further experience of the operation of the Standards in Public Office Act 2001.

The Deputy will be aware that the Department of Justice, Equality and Law Reform is considering, in consultation with my Department, a separate suggestion made by the Commission for possible amendment of the Petty Sessions (Ireland) Act 1851 relating to the timescale within which a possible offence under section 6 of the Statutory Declarations Act 1938 could be referred to the Director of Public Prosecutions.

*Question No. 76 answered with Question No. 63.*

### EC Presidency.

77. **Caoimhghín Ó Caoláin** asked the Minister for Finance if he will report on his participation in the special high level meeting of ECOSOC with the Bretton Woods Institutions and the World Trade Organisation at New York on 26 April 2004; and if he will make a statement on the matter. [12996/04]

**Minister for Finance (Mr. McCreevy):** On behalf of the European Union member states I made a speech to the ECOSOC high level dialogue meeting in the United Nations on Monday 26 April. This meeting with the Bretton Woods Institutions and the World Trade Organisation was held one day after the spring meetings of the IMF and the World Bank in Washington. The speech was prepared in consultation with our EU colleagues and it covered a number of issues. In particular, it dealt with the millennium development goals and the concern of the European Union about the situation in sub-Saharan Africa.

### Tax Collection.

78. **Ms Shortall** asked the Minister for Finance the number of persons, companies and trusts being investigated by the Revenue Commissioners arising from the Clerical Medical Insurance-NIB inquiry at the latest date for which figures are available; the number of cases in which settlements have been agreed and the total amount paid to date; the number of cases still outstanding; and if he will make a statement on the matter. [13005/04]

**Minister for Finance (Mr. McCreevy):** I am informed by the Revenue Commissioners that arising from the Clerical Medical Insurance-NIB inquiry, 452 cases have been targeted for investigation. To date, 287 cases have been settled on payment of tax, interest and penalties amounting to a total of €44.46 million. A further 111 cases have been finalised with no additional liability arising. The remaining 54 cases are the subject of ongoing investigation, in respect of which €4.58 million has been paid on account.

In the course of 2003, three cases were prosecuted, with fines being imposed in two cases and a suspended sentence imposed in the other. The individuals concerned have also settled their tax affairs and paid the outstanding tax, together with interest and penalties. A further case is currently under investigation with a view to prosecution.

Aggregate results of the ongoing investigations have been published each year since 1998 in the annual reports of the Revenue Commissioners. Individual details of settlements have also been published where the provisions of section 1086 of the Taxes Consolidation Act 1997 applied.

### Interdepartmental Committees.

79. **Caoimhghín Ó Caoláin** asked the Minister

for Finance when the tax strategy group last met; its programme of work for the remainder of 2004; and if he will make a statement on the matter. [12997/04]

103. **Caoimhghín Ó Caoláin** asked the Minister for Finance when the tax strategy group last met; its programme of work for the remainder of 2004; and if he will make a statement on the matter. [13099/04]

**Minister for Finance (Mr. McCreevy):** I propose to take Questions Nos. 79 and 103 together.

The tax strategy group is an interdepartmental committee chaired by the Department of Finance, with membership comprising senior officials and advisers from the Departments of Finance, Taoiseach, Enterprise Trade and Employment, Social Community and Family Affairs and the Revenue Commissioners.

The precise terms of reference of the group are: to examine and develop proposals for measures in the areas of taxation, PRSI and levies, for the budget and Finance Bill within agreed Government parameters for the overall budget position and in the context of the framework of a medium-term and longer-term strategy set out in the Government's programme, and to examine the strategic approach for a general social welfare package and to assess the interaction of income tax-PRSI-levies proposals with social welfare proposals including child income support, and in particular the impact of this interaction on the labour market and income distribution.

Under its terms of reference, the group will be examining, over the course of the coming year, a range of issues, with a particular focus on budget 2005 and the subsequent finance Bill and social welfare Bill.

Many of the past policy papers and minutes of the meetings of the group can be found on the Department's website, *www.finance.gov.ie*. It is intended that further documents relating to the budget and Finance Bill 2004 will be made available this month.

*Question No. 80 answered with Question No. 25.*

*Question No. 81 answered with Question No. 57.*

### Tax Code.

82. **Mr. M. Higgins** asked the Minister for Finance if he intends to introduce new procedures to ensure that Irish citizens claiming residency abroad for tax purposes comply with the requirement to be out of Ireland for a minimum of 183 days; if the large cases division of the Revenue Commissioners is putting together recommendations as to the way in which to best monitor the situation in regard to those who

[Mr. M. Higgins.]  
claim residency abroad for tax purposes; and if he will make a statement on the matter. [12976/04]

**Minister for Finance (Mr. McCreevy):** The administration of the validation procedures for claims of non-residency is a matter for the Revenue Commissioners and I am informed by them that these procedures are kept under constant review.

83. **Mr. Gormley** asked the Minister for Finance the number of tax expenditure currently made available; the estimated annual tax foregone from each measure; and if he will make a statement on the matter. [12960/04]

**Minister for Finance (Mr. McCreevy):** I presume the Deputy when referring to tax expenditures means certain provisions that represent spending within the tax code, for example, the homecarers' credit, but not to those which are part of the structure of the income tax system, such as the personal tax credits.

Tax expenditures and tax reliefs are spread through the tax system and are found under all tax headings, including income tax and corporation tax, the capital taxes and the indirect taxes. The number is dependent on the interpretation of what constitutes a tax expenditure. A wide definition would be that it is a provision that reduces or eliminates the tax due to be paid in certain circumstances and there are very many examples of these in the tax code. An example might be the exemption from capital gains tax which is granted to transfers of assets between spouses. A narrower definition would be a tax provision which has a clear public policy aim separate from the tax system and that there could be alternative measures for promoting this aim such as grants, an example here might be the business expansion or film relief schemes.

The following table which details major tax incentives-expenditures, that is, those where estimates can be made and are estimated to cost in excess of €20 million per year, under the headings: provisions; numbers benefiting; cost —

€ million — per annum; and year to which the costing refers. Each figure represents the reduction in tax liabilities arising from the existence of the tax incentives-expenditures and should not be regarded as the yield that would be secured should the tax incentives-expenditures be withdrawn. I draw the Deputy's attention to the footnotes to the table, which are important.

In addition, I refer the Deputy to table IT6 on page 63 of the most recent Revenue statistical report for 2002 which sets out the cost of income tax and corporation tax allowances and reliefs for the tax years 1999-2000 and 2000-01, the most recent for which data are available. It is available to be downloaded from the website of the Office of the Revenue Commissioners at [www.revenue.ie/publications/corppubs/anreports.htm](http://www.revenue.ie/publications/corppubs/anreports.htm). Due to the substantial number of footnotes I regret that this table cannot be reproduced in this reply.

The Deputy may also be aware that the Revenue Commissioners will be introducing a number of changes to the forms relating to the annual return of income by PAYE and self-employed individuals and companies in respect of 2004 as well as to the P35 form, which is returned to Revenue by employers at end year with totals for earnings and deductions for each employee — in respect of the tax year 2005. The changes to the return of income forms will, over time, yield additional information regarding the cost of various tax reliefs particularly in the area of capital allowances. The P35 return will supply additional data concerning tax relief on pensions. To underpin this work, the Finance Act 2004 made legislative changes to require an employer to provide the aggregate pension data sought on the P35 form and which will mean that if a taxpayer declines to fill in the additional sections of the return of income form, they will be liable to the usual surcharge and penalties for making an incomplete return.

Tax-based schemes are kept under constant review, especially in the context of the annual Budget Statement and Finance Bill process, to ensure they continue to meet the purpose or purposes for which they were introduced.

Major Tax Incentives-Expenditures.

|   | Numbers benefiting | Estimated Cost (€ million) | Year of Costing | Notes |
|---|--------------------|----------------------------|-----------------|-------|
| <i>Corporate</i>  |                    |                            |                 |       |
| Capital Allowances (includes business capital allowances and capital allowances to incentivise certain behaviour such as urban and rural renewal) | n/a                | 1,720                      | 2000/01         | (1)   |
| Group Relief  | 1,789              | 337                        | 2000/01         |       |
| Resort Relief   | n/a                | 106*                       | 2000            | (2)   |
| <i>Pensions/Savings</i>   |                    |                            |                 |       |
| Exemption of the Income of Approved Superannuation Funds (Net of Pension Payments)  | n/a                | 1,292*                     | 2000/01         | (3)   |
| Employers' Contributions to Approved Superannuation Schemes   | n/a                | 645*                       | 2000/01         |       |

|   | Numbers benefiting | Estimated Cost (€ million) | Year of Costing | Notes   |
|---|--------------------|----------------------------|-----------------|---------|
| Employees' Contributions to Approved Superannuation Schemes   | n/a                | 472*                       | 2000/01         |         |
| Special Savings Investment Accounts   | 1,143,400          | 433                        | 2002            | (4)     |
| Retirement Annuity Premiums by Self-Employed  | 109,300            | 205                        | 2000/01         |         |
| <i>Pension Lump Sums</i>  | n/a                | 124                        | 2000/01         | (3) (5) |
| Exemption of Interest on Savings Certificates, National Instalment-Savings and Index-Linked Savings Bonds | n/a                | 124                        | 2000/01         |         |
| <i>Personal</i>   |                    |                            |                 |         |
| Child Benefit — exemption from income tax   | 730,000            | 315*                       | 2003            |         |
| Loans relating to principal private residence — interest relief   | 488,400            | 211                        | 2003            |         |
| Relief in respect of Medical Insurance Premiums   | 600,000            | 192                        | 2003            |         |
| Expenses allowable to Employees under Schedule E (work related)   | 845,500            | 61                         | 2000/01         |         |
| Health Expenses Relief  | 107,800            | 41                         | 2000/01         |         |
| Rented Residential Accommodation  | n/a                | 28*                        | 2000/01         |         |
| Investment in Corporate Trades (BES)  | n/a                | 17                         | 2000/01         | (6)     |
| Investment in Films   | n/a                | 29                         | 2000/01         | (7)     |
| <i>Capital Taxes</i>  |                    |                            |                 |         |
| Principal Private Residence — CGT exemption   | n/a                | 1322                       | 2002            | (8)     |
| Stamp Duty Relief for new homes   | n/a                | 112                        | 2001            |         |
| <i>Indirect Tax</i>   |                    |                            |                 |         |
| Exemption from CGT on occasion of Death   | n/a                | 47                         | 2002            | (8)     |
| Disabled Drivers and Disabled Passengers Tax Concessions  | 7,500              | 38                         | 2002            | (9)     |
| Farm Buildings and Land (VAT Refund)  | n/a                | 31                         | 2002            |         |
| Excise relief for local public transport vehicles   | n/a                | 20                         | 2002            |         |
| <i>Other Income Tax</i>   |                    |                            |                 |         |
| Exemption of income of Charities, Colleges, Hospitals, Schools, Friendly Societies etc.                   | n/a                | 34                         | 2000/01         | (10)    |
| Artists Relief  | 1,200              | 37                         | 2000/01         |         |
| Donations to Charitable Organisations   | n/a                | 13                         | 2000/01         |         |
| Relief under Profit Sharing Schemes   | n/a                | 31*                        | 2000/01         |         |

## NOTES ON TABLE

Figures accompanied by an asterisk \* are particularly tentative and subject to a considerable margin of error.

(1) The cost shown for capital allowances does not include any cost associated with unused capital allowances, that is, capital allowances which are not absorbed by a company in the accounting period in which they arise because they exceed the amount of the company's profits of that accounting period and which are available for offset. Unused capital allowances can be offset as losses against taxable profits arising in the previous accounting period and against certain profits arising in future accounting periods and can be offset against the profits of another company in the same group of companies. Approximately, €2,270 million of unused capital allowances were claimed for carry forward in respect of 1999-2000 accounting periods but as the proportion of this item which is included in previous years losses and in group relief is not separately identifiable a reliable estimate of the cost of the capital allowance element cannot be provided.

There are no statistics available on urban renewal for 1999-2000 because Revenue figures on urban renewal are merged with figures for other reliefs under existing computer codes and the urban renewal segment is not distinguishable. However, an exercise was done to estimate the urban renewal element. Based on 1998-99 figures the urban renewal element of the total capital allowances figure of €1,406 million was estimated to be €68 million. This cost represents a tentative estimate of the cost of capital allowances derived from the Department of the Environment, Heritage and Local Government's estimates of expenditure on new construction and refurbishment projects for urban renewal. These statistics do not include any estimate in relation to seaside resorts, island resorts, Custom House Docks and certain Temple Bar projects. The cost is mainly based on expenditure figures for 1997.

Budget 2003 announced the termination of a range of capital allowance schemes on 31 December 2004, including the urban, rural and town renewal schemes, the multi-storey car park scheme and the park and ride scheme. The immediate termination of the capital allowance schemes for hotels and for holiday cottages was also announced.

(2) The resort relief figure relates to an exercise carried out by Revenue and is a very tentative estimate. The figure for the cost of the relief from its introduction until September 2000, the scheme was introduced in January 1995, is estimated at €317 million; the figure shown is an annual estimate.

(3) In the absence of other information, tax has been assumed at the standard rate even though a different rate might be appropriate in many cases.

(4) For the period January 2003 to September 2003, tax credit payouts amounted to €398 million. Based on this level of payout, the expected full year cost in 2003 is €531 million. The cost of the scheme is affected where participants die, withdraw from the scheme or vary their monthly contributions and this estimate for 2003 assumes that these variations will broadly cancel

each other out. The SSIA scheme will end five years from when the first contribution was made, that is, between 1 May 2006 and 30 April 2007.

- (5) This is the most recent estimate provided by Revenue; it is not currently possible to capture this figure by way of tax returns.
- (6) Due to an increase in the BES investment limit, there will be an additional cost of €3.7 million in 2002.
- (7) Budget 2004 brought forward the termination of the film relief scheme by one year to 31 December 2008.
- (8) CGT is not payable where the capital gain is in respect of the disposal of a person's principal private residence. The figure for the cost of this relief makes no allowance for the number of cases where the disposal of the property was on death, and would therefore be exempt from CGT even in the absence of this relief. The Revenue Commissioners have no basis upon which to estimate the proportion of disposals of principal private residences which are sales on the death of owners. If this relief was abolished it would however, in all probability, be necessary to introduce a form of rollover relief for taxpayers changing residence, though rollover relief for business assets was abolished in budget 2003.
- (9) Benefits here include refunds of VRT and VAT on the purchase of the vehicle, VAT, subject to a limit, on the cost of adaptations carried out, repayment of excise duty up to a maximum of 600 gallons and anyone with a primary medical certificate is exempt from road tax.
- (10) The cost of exempting the income of charities, colleges, hospitals, schools, friendly societies, etc. from income tax includes the sums repaid in respect of tax credits and income tax deducted at source, certain dividends, other investment income and payments received under covenant. It also includes the cost of exempting certain bodies from the deduction on income arising from Government securities.

### Departmental Staff.

84. **Mr. Kehoe** asked the Tánaiste and Minister for Enterprise, Trade and Employment the number of staff that have been made permanent in her Department since 1994 to date; and if she will make a statement on the matter. [13084/04]

**Tánaiste and Minister for Enterprise, Trade and Employment (Ms Harney):** Recruitment to permanent posts in the Department of Enterprise, Trade and Employment is undertaken primarily by the Office of the Civil Service and Local Appointments Commissioners. The Department also fills permanent posts by effecting transfers for existing civil servants from other Departments via agreed transfer schemes. Since 1994 the Department has recruited 960 staff to permanent positions.

### Departmental Projects.

85. **Mr. Durkan** asked the Tánaiste and Minister for Enterprise, Trade and Employment the number of State contracts, projects or procurements in respect of which cost overruns have occurred in the past five years; and if she will make a statement on the matter. [13204/04]

**Tánaiste and Minister for Enterprise, Trade and Employment (Ms Harney):** My Department has entered into a very significant number of contracts, projects and procurements during the past five years in order to fulfil its administrative functions. The Deputy tabled a similar question to this one earlier this year, and at that time I informed him that assessing all contracts and procurements, and establishing whether or not overruns occurred and the nature of those overruns, would require considerable staff time and resources, and could not be provided within the time available. I instructed officials of my Department to compile the details for the Deputy. I wrote to the Deputy on 9 March 2004, and forwarded a complete list of overruns during the previous seven years, together with details of the reasons for the overruns, and the actions taken to prevent reoccurrence.

Establishing whether any further cost overruns have occurred since my reply last March to the Deputy will take some time, and, in order to

ensure the accuracy of the reply, will not be available within the current timescale. I have therefore again instructed officials of my Department to compile details of any overruns since my letter to the Deputy last March, and have them forwarded to him as soon as possible.

### Legislative Programme.

86. **Mr. Wall** asked the Minister for Defence when the Curragh of Kildare Bill will be brought before Dáil Éireann; if the heads of the Bill have been agreed; and if he will make a statement on the matter. [13015/04]

**Minister for Defence (Mr. M. Smith):** Heads of the Bill on the proposed Curragh of Kildare Bill have recently been circulated to all Government Departments and to the Office of the Attorney General for observations and it is anticipated that they will be submitted for the approval of Government in the near future. The draft Curragh of Kildare Bill will be presented to Dáil Éireann at the earliest possible opportunity.

### Defence Forces.

87. **Mr. Wall** asked the Minister for Defence the plans his Department has to produce a film highlighting the record of the Army as representatives of the United Nations in all of its tours of duty since such tours began; and if he will make a statement on the matter. [13016/04]

88. **Mr. Wall** asked the Minister for Defence if he has plans to assist in the production of a film on the history of the Defence Forces; if parties have expressed an interest in such a production; and if he will make a statement on the matter. [13017/04]

**Minister for Defence (Mr. M. Smith):** I propose to take Questions Nos. 87 and 88 together.

There are no plans at this time to produce a film on the history of the Defence Forces or on the United Nations tours of duty. My Department has not received any request for assistance in any such production.

### Overseas Missions.

89. **Mr. Wall** asked the Minister for Defence

the position on Defence Force Reserve members acting on the tours of duty of United Nations peace keeping forces as determined by the Department and if he will make a statement on the matter. [13018/04]

**Minister for Defence (Mr. M. Smith):** On 15 January, 2003 I approved, in principle, the report of the Reserve Defence Forces Review Implementation Board for the implementation of the recommendations of the special steering group on the reserve. As indicated in the White Paper on Defence, an important change recommended by the study of the reserve is that members of the FCA should be considered for participation in overseas peace support missions subject to suitable qualifications, personal availability and appropriate advance training. Service by reservists on overseas peace support missions in other countries is quite common.

General criteria governing selection for overseas service come within the scope of representation and any matters relating to overseas service by members of the reserve which come within the scope of representation will be raised with the representative associations at the appropriate forum. The question of the security of civilian employment for the members of the reserve who may wish to serve overseas will be considered as part of the ongoing implementation process.

#### Departmental Staff.

90. **Mr. Kehoe** asked the Minister for Defence the number of staff that have been made permanent in his Department since 1994 to date and if he will make a statement on the matter. [13085/04]

**Minister for Defence (Mr. M. Smith):** Other than civil servants recruited through the Office of the Civil Service and Local Appointments Commissioners, a total of 17 staff, in the grades of services officer, night-watchmen and cleaner, have been appointed in a permanent capacity in my Department since 1 January 1994.

In addition, 198 State industrial employees, working with the Defence Forces, have been appointed in a permanent capacity since 1 January 1994.

#### Departmental Projects.

91. **Mr. Durkan** asked the Minister for Defence the number of State contracts, projects or procurements in respect of which cost overruns have occurred in the past five years and if he will make a statement on the matter. [13205/04]

**Minister for Defence (Mr. M. Smith):** As I indicated in my reply to the Deputy on 17 February 2004 the position is that the type of detailed statistical information sought is not readily available in my Department.

It would take a disproportionate amount of time to compile this information as it would

necessitate examination of all procurement files over the five year period mentioned. I regret, therefore, that again I cannot accede to the Deputy's request.

#### Grant Payments.

92. **Mr. Durkan** asked the Minister for Agriculture and Food the Acts and the sections of those Acts the decision on the Punchestown centre was grant aided; and if he will make a statement on the matter. [13115/04]

**Minister for Agriculture and Food (Mr. Walsh):** I took the decision to provide funding for the Punchestown centre as part of my functions as Minister for Agriculture and Food under the Ministers and Secretaries Act 1924, as amended, to aid, improve and develop agriculture. A separate subhead was provided for the project in the Department of Agriculture and Food's Estimates in each of the years 2000, 2001, 2002 and 2003. This particular provision came before Deputies on eight separate occasions, first in the House and then in select committees. The basis for the expenditure came from the Dáil resolution on the spending estimates in each of these years. This annual resolution is confirmed statutorily in the Appropriations Act.

#### Departmental Staff.

93. **Mr. Kehoe** asked the Minister for Agriculture and Food the number of new staff who have been taken on by his Department from 1994 to the end of July 1998; and if he will make a statement on the matter. [13059/04]

**Minister for Agriculture and Food (Mr. Walsh):** The numbers of staff recruited by my Department from 1994 to the end of July 1998 are as follows: 1994, 226; 1995, 310; 1996, 140; 1997, 198; and 1998, 214. The total number is 1,088. These figures do not include temporary staff employed by my Department.

94. **Mr. Kehoe** asked the Minister for Agriculture and Food the number of new staff of all grades who have been taken on by his Department from 1 August 2003 to the present; and if he will make a statement on the matter. [13060/04]

**Minister for Agriculture and Food (Mr. Walsh):** The numbers of staff of all grades recruited by the Department of Agriculture and Food from 1 August 2003 to 4 May 2004 are as follows:

|  | Number |
|--|--------|
| Clerical Officer                       | 33     |
| Executive Officer                      | 7      |
| Staff Officer                          | 1      |
| Higher Executive Officer               | 6      |
| Assistant Agricultural Inspector       | 6      |
| Assistant Agricultural Insp. — Chemist | 2      |

|                                | Number |
|--------------------------------|--------|
| Chemist                        | 1      |
| Veterinary Inspector           | 7      |
| Administrative Officer         | 1      |
| Technical Agricultural Officer | 2      |
| Farm Operative                 | 1      |
| Farm Worker                    | 1      |
| Laboratory Technician          | 6      |
| Total                          | 74     |

\* The above figures do not include temporary staff employed by my Department or the 93 staff who were transferred to my Department from the Department of Communications, Marine and Natural Resources on 1 January 2004.

95. **Mr. Kehoe** asked the Minister for Agriculture and Food if his Department has temporary staff such as technical agricultural officers and cleaners; the number of technical agricultural officers who have been made permanent from 1994 to the present; and if he will make a statement on the matter. [13061/04]

**Minister for Agriculture and Food (Mr. Walsh):** My Department employs a number of cleaners from time to time on a temporary basis. My Department has currently no officers serving in the technical agricultural officer, TAO, grade on a temporary basis.

Since 1994 approximately 48 officers, while serving as temporary technical agricultural officers, were appointed to unestablished positions of technical agricultural officer from competitions held by the Civil Service and Local Appointments Commissioners. A number of these officers have since been appointed to established positions.

96. **Mr. Kehoe** asked the Minister for Agriculture and Food the number of staff that have been made permanent in his Department since 1994 to date; and if he will make a statement on the matter. [13086/04]

**Minister for Agriculture and Food (Mr. Walsh):** The numbers of staff recruited by my Department from 1994 to date are as follows: 1994, 226; 1995, 310; 1996, 140; 1997, 198; 1998, 412; 1999, 269; 2000, 266; 2001, 538; 2002, 369; 2003, 108; and 2004, 34. The total is 2,870. A number of these would have been made permanent in the service before being taken on by my Department. This figure does not include temporary staff.

#### Grant Payments.

97. **Mr. N. O'Keeffe** asked the Minister for Agriculture and Food the reason there is no payment due to a farm (details supplied) in County Cork under the disadvantaged areas compensatory allowance scheme 2003. [13100/04]

**Minister for Agriculture and Food (Mr. Walsh):** The closing date for receipt of 2003 area

aid applications was 7 April 2003. Late applications could still have been accepted with a penalty until 1 July 2003. Applications received after 1 July 2003 carried a 100% penalty.

The 2003 area aid application of the person named was not received in the area aid unit until 24 September 2003 and therefore a 100% penalty was imposed.

98. **Mr. N. O'Keeffe** asked the Minister for Agriculture and Food if payment will issue to a person (details supplied) in County Cork at an early date in respect of the balance of payment due for the slaughter premium 2003 and the special beef premium 2003. [13101/04]

**Minister for Agriculture and Food (Mr. Walsh):** Balancing payments due to the person named under the 2003 Special Beef Premium and 2003 Slaughter Premium schemes will issue shortly following resolutions of a problem involving the recording of incorrect movement dates for two animals on the CMMS database.

#### Cost Overruns.

99. **Mr. Durkan** asked the Minister for Agriculture and Food the number of State contracts, projects or procurements in respect of which cost overruns have occurred in the past five years; and if he will make a statement on the matter. [13206/04]

**Minister for Agriculture and Food (Mr. Walsh):** There have been no cost overruns on contracts or procurements in the strict sense during the past five years. However, on occasion my Department has approved some additional costs, mainly arising from changes in specifications. These relate in particular to IT projects and the Punchestown Event and Exhibition Centre.

On IT projects, it is the practice when outsourcing bespoke software development to do so on the basis of a fixed price for the specified work. To this extent, the cost of the work set out in the request for tender does not vary. However, in such tenders the supplier is normally asked to quote a daily rate for additional work or changes that arise during the duration of the contract. The option of having additional work carried out at these rates is included in the contract. Any such additional work or changes to existing work is controlled under and must be approved by my Department before being carried out by the supplier.

An exception to this practice, was the new accounts system for agriculture projects, my Department's new accounting system. It became clear that the software delivered did not meet the Department's requirements, especially regarding Government cash accounting. My Department had to renegotiate the contract to have a suitable solution delivered. As a result of the extended implementation timescale, there were increased costs for external management consulting. The

total external costs of the project came to €6.4 million excluding VAT. The total overrun on the original contract together with consequential costs in additional contracts for management consultancy comes to €3.3 million excluding VAT.

Major IT projects carry inherent risks that some specified functionality may not be deliverable by the solution providers. In order to minimise these risks, my Department has revised its policy on such projects and current policy includes the following: minimising the customisation of packaged software solutions; and the segmenting of major projects into smaller phases, each of which is signed off and delivered before proceeding with further phases.

On 1 August 2000, the Punchestown Event and Exhibition Centre was provided with funding which would not exceed €13.3 million. This was increased by €1.5 million on 3 October 2001 to meet local authority planning requirements — sewage treatment and additional car parking. In the end, a total of €14.6 million was paid for the project.

#### **Election Costs**

100. **Mr. Quinn** asked the Minister for Finance the estimated cost of the election process in Dublin city and county with regard to the forthcoming local and European Parliament elections and referendum; and if he will make a statement on the matter. [13039/04]

**Minister for Finance (Mr. McCreevy):** An estimate of the costs of the elections in Dublin city and county for the forthcoming local and European Parliament elections, and the referendum, is not available, as estimates are not disaggregated in such a way. The Deputy might wish to note that the Central Fund costs for Dublin city and county in 1999 of the European Parliament and local elections, and the referendum about recognising the role of local authorities in the Constitution, amounted to approximately €1.5 million, £1.2 million. This figure is based on the returns of expenditure incurred by the relevant returning officers.

#### **Tax Yield.**

101. **Ms Burton** asked the Minister for Finance the main features of the Exchequer returns for the first quarter of 2004; the way in which spending and the tax take for the first quarter compares with the projected levels; if he intends to review any of the budgetary targets for 2004 in view of these returns; and if he will make a statement on the matter. [13013/04]

**Minister for Finance (Mr. McCreevy):** The full, detailed Exchequer statement is published on my Department's website each month. The Exchequer balance for the first quarter of 2004 showed a surplus of €272 million. The current account balance showed a surplus of €942 million, while the capital account balance showed a deficit

of €670 million. Tax receipts, at €8,012 million, were 4.1% ahead of the Department's tax profile published in January. Overall net voted spending, at €7,082 million, was 5.4% below the Department's spending profile.

The Deputy will be aware that the April Exchequer statement was published yesterday. The Exchequer balance for the first four months of 2004 showed a deficit of €1,338 million. My Department's budget day forecast is for a deficit of €2,806 million for the year as a whole.

Tax receipts to the end of April, at €9,876 million, were 5.5% ahead of the Department's tax profile published in January. The bulk of the €515 million excess over target for the first four months was due to a better than expected performance from capital gains tax, CGT, and income tax, which were €227 million and €167 million, respectively, above target. From 2003, the payment dates for CGT were changed to bring payment to a largely current year basis. The bringing forward of the payment date and an apparent increase in transactions liable to the tax resulted in significant CGT revenues in 2003. These effects carried through into the first quarter of 2004 resulting in the performance recorded. However, CGT receipts are already slowing down and are expected to return to a more normal pattern by the year's end. The greater part of the excess over target on income tax was in the non-PAYE tax area.

Of the other significant tax subheads, VAT, corporation tax and excise were marginally below target in the period to the end of April. Overall net voted spending, at €9,703 million, was 5.7% below the Department's spending profile. Current expenditure was €231 million behind profile, while capital spending was €311 million below profile.

While the performance of taxes to the end of April 2004 may provide some basis for expecting that targets for the year might be met, it is too early at this stage to be definitive about the overall trend in receipts for the year as a whole. On the expenditure side, at this time there are no projected excesses or savings on the spending totals in the Revised Estimates and the Government remains fully committed to staying within its spending targets. Therefore, I am not reviewing the targets set at budget time at this stage.

*Question No. 102 answered with Question No. 11.*

*Question No. 103 answered with Question No. 79.*

#### **Tax Code.**

104. **Mr. Quinn** asked the Minister for Finance if his attention has been drawn to the fact that injured children awarded money by the courts, on foot of a legal claim, are taxed on the interest of the capital sum of the award which is invested on

[Mr. Quinn.]  
 their behalf by the courts until they reach the age of 18; if the Revenue Commissioners are automatically entitled to deduct DIRT from these deposits; if, in consultation with the Revenue Commissioners and the courts, he will put arrangements in place ensuring that DIRT will not be applied to awards invested by the courts on behalf of minors; and if he will make a statement on the matter. [13024/04]

**Minister for Finance (Mr. McCreevy):** In a response to parliamentary questions on 4 May 2004, I explained that I had been informed by the Revenue Commissioners that Part 8 of the Taxes Consolidation Act 1997 provides for the levying of deposit interest retention tax, DIRT, on certain interest paid or credited on deposits held with banks, building societies and certain other financial institutions. Subject to certain statutory exceptions, financial institutions are required to deduct the tax from interest paid or credited in respect of the income on deposit.

In the case of individuals, entitlement to repayment of DIRT deducted is limited to situations where: (i) he or she or his or her spouse is either aged 65 years or over at any time during the tax year or permanently incapacitated by reason of mental or physical infirmity from maintaining himself or herself, or became so incapacitated, at any time during the tax year; and (ii) the income of the individuals, inclusive of the deposit interest, is below the appropriate income exemption limit for tax purposes.

Partial refund may be due to the individuals outlined in (i) above whose income, inclusive of the deposit interest, does not greatly exceed the appropriate income exemption limit. There is no automatic entitlement to minors for a refund of DIRT even where their income is under the relevant income thresholds for tax purposes.

In addition to the foregoing, as regards awards in respect of personal injuries, section 189 of the Taxes Consolidation Act 1997 provides that certain income, including deposit interest, arising to individuals, including minors, from the investment of compensation payment awarded by the courts, or under an out-of court settlement, in respect of a personal injuries claim is exempt from tax. However, the following conditions apply to this exemption: as a result of personal injuries, the individual is permanently and totally incapacitated by reason of mental and physical injury from maintaining himself or herself; and the income from the investment of the compensation awarded is the sole or main income of the individual.

Accordingly, a minor who, as a result of personal injuries, is permanently and totally incapacitated by reason of mental and physical injury from maintaining himself or herself has a statutory entitlement to repayment of DIRT deducted from the investment of compensation awarded where his or her income is below the income threshold for tax purposes.

However, a minor who, as a result of personal injuries, is not permanently and totally incapacitated by reason of mental and physical injury from maintaining himself or herself does not have a statutory entitlement to repayment of deposit interest retention tax deducted from the investment of compensation awarded even where his or her income is below the income threshold for tax purposes. DIRT is applied on a very wide basis, there are very few repayment situations and I have no plans at present to extend the present DIRT repayment rules to cover the cases referred to in the by the Deputy.

105. **Ms Burton** asked the Minister for Finance his views on the granting of VRT exemptions for vehicles for a family (details supplied) in Dublin 13 who have a blind teenage child; and if he will make a statement on the matter. [13082/04]

**Minister for Finance (Mr. McCreevy):** The disabled drivers and disabled passengers (tax concessions) scheme is open to people with disabilities that meet the specified criteria and have obtained a primary medical certificate to that effect. The senior area medical officer attached to the relevant local health board is responsible for both the medical assessment and the issue of the medical certificate.

The medical criteria for the purposes of the tax concessions under this scheme are set out in the Disabled Drivers and Disabled Passengers (Tax Concessions) Regulations 1991. Six different types of disablement are listed under the regulations and a qualifying person must satisfy one or more of them. The six types of disablement are as follows: persons who are wholly or almost wholly without the use of both legs; persons who are wholly without the use of one of their legs and almost wholly without the use of the other leg such that they are severely restricted as to movement of their lower limbs; persons without both hands or without both arms; persons without one or both legs; persons wholly or almost wholly without the use of both hands or arms and wholly or almost wholly without the use of one leg; persons having the medical condition of dwarfism and who have serious difficulties of movement of the lower limbs.

Only an individual who qualifies under the medical criteria as set out above may be issued with a primary medical certificate. Possession of a certificate provides for remission or repayment of vehicle registration tax, VRT, plus a repayment of VAT on the purchase of the vehicle, plus a repayment of VAT on the cost of adaptation of that vehicle. Repayment of the excise duty on fuel used in the motor vehicle, and exemption from payment of annual road tax to local authorities, are also provided for.

The Revenue Commissioners are unable to consider an application for the reliefs without the issue of a valid primary medical certificate. Application for the primary medical certificate should be made in the first instance to the

appropriate health authority. In the event that a certificate is issued, application for relief should then be made to the Revenue Commissioners, Central Repayments Office, Coolshannagh, County Monaghan, contactable by telephone at 047 82800.

### Schools Building Projects.

106. **Mr. B. O’Keeffe** asked the Minister for Finance when the purchase of the site for the proposed national school at Ballygarvan, County Cork, will be completed. [13083/04]

**Minister for Finance (Mr. McCreevy):** The Commissioners of Public Works act as agents for the Department of Education and Science in the acquisition of sites for primary schools. A report has issued to the Department from the OPW setting out proposals and we are awaiting a reply to same.

### Departmental Staff.

107. **Mr. Kehoe** asked the Minister for Finance the number of staff who have been made permanent in his Department since 1994 to date; and if he will make a statement on the matter. [13087/04]

**Minister for Finance (Mr. McCreevy):** A total of 631 people were appointed to permanent positions in my Department in the period 1 January 1994 to date. A number of these appointments were made on promotion to officers previously serving, in permanent positions in other Government Departments and offices. The number of people appointed to permanent positions in recruitment grades — for example, clerical officer, executive officer, administrative officer, service officer and service attendant — in my Department in this period was 340. Recruitment can also take place at higher grades.

*Questions Nos. 108 and 109 answered with Question No. 37.*

### Departmental Expenditure.

110. **Mr. Durkan** asked the Minister for Finance the number of State contracts, projects or procurements in respect of which cost overruns have occurred in the past five years in his Department; and if he will make a statement on the matter. [13106/04]

**Minister for Finance (Mr. McCreevy):** As indicated in my most recent response to the Deputy on this matter, Parliamentary Question No. 234 of 17 February 2004, contracts in my Department are generally of limited cost and of an advisory nature. Significant cost overruns are, therefore, not a frequent feature.

My Department has identified two contracts in which overruns occurred. A contract with the IPA for a review of the internal audit function in the Department saw an increase of €5,445 on an

original contract price of €3,620. The cost increase arose because it became clear, after the commencement of the project, that more in-depth interviews were necessary to complete a satisfactory review. In the NDP-CSF information unit, which operates under the aegis of my Department, a contract with Drury Communications Ltd. for public awareness research saw an overrun of €2,767 on a contract of €48,567 because the survey questionnaire finally agreed was significantly longer than originally estimated.

Presumably, the Deputy’s main interest is in capital projects. In view of this and although the Office of Public Works is not funded directly or indirectly by my Department, that office will communicate any relevant information on its contracts or procurements during the past five years direct to the Deputy as soon as possible.

*Question No. 111 answered with Question No. 37.*

### Decentralisation Programme.

112. **Mr. Durkan** asked the Minister for Finance the number of civil servants who have so far agreed in accordance with announcements in the budget 2003 in respect of decentralisation; and if he will make a statement on the matter. [13108/04]

113. **Mr. Durkan** asked the Minister for Finance the position regarding the proposals for decentralisation as announced in his Budget Statement 2003 with particular reference to the number of civil and public servants who have so far agreed to relocate; and if he will make a statement on the matter. [13109/04]

**Minister for Finance (Mr. McCreevy):** I propose to answer Questions Nos. 112 and 113 together. The decentralisation implementation group delivered its report to the Government on 31 March 2004. One of the group’s recommendations was the setting up of a central applications facility. This facility will allow public servants to make applications for transfer to the various locations and provide information on each location and the organisation relocating to it.

In accordance with the group’s recommendation, this facility will open next week. In advance of the operation of this facility no applications have been invited for transfer and, therefore, it is not possible to ascertain the numbers willing to relocate at this point.

114. **Mr. Durkan** asked the Minister for Finance the branch or branches of the Civil Service likely to be decentralised to County Kildare; and if he will make a statement on the matter. [13110/04]

**Minister for Finance (Mr. McCreevy):** Details of the organisations and most of the locations to which they will transfer are set out in pages B18 to B24 of the budget 2004 book. Locations have

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yet to be decided in respect of the ICT and health staff included in the programme. Under the terms of the programme the headquarters of the Department of Defence will move to Newbridge while the headquarters of the Defence Forces will transfer to the Curragh. In addition, 250 staff from the Office of the Revenue Commissioners will be relocated in Athy.

#### Price Inflation.

115. **Mr. Durkan** asked the Minister for Finance the extent to which he or his Department monitor price increases which are not reflected in the CPI and consequently do not affect inflation rates but do have a seriously negative impact on the consumer; and if he will make a statement on the matter. [13111/04]

116. **Mr. Durkan** asked the Minister for Finance if he or his Department have investigated the impact on the economy of price increases excluded from the CPI but seriously eroding disposable income; and if he will make a statement on the matter. [13112/04]

**Minister for Finance (Mr. McCreevy):** I propose to take Questions Nos. 115 and 116 together.

The director general of the Central Statistics Office, CSO, has sole responsibility for and is independent in deciding, the statistical methodology and professional standards to be used in compiling the consumer price index, CPI. The latest CPI release shows inflation in March was 1.3%, down from 4.9% in March last year, its lowest level in over four years. This is a very welcome development.

#### Departmental Expenditure.

117. **Mr. Durkan** asked the Minister for Finance the extent to which spending by each Government Department to date is in accordance with projections at budget 2003; and if he will make a statement on the matter. [13113/04]

**Minister for Finance (Mr. McCreevy):** The budget 2004 spending projections for each Government Department were updated in the 2004 Revised Estimates for public services, REV, which were published last February. The REV provided that net voted spending on departmental services will be €32.9 billion in 2004. The end April Exchequer returns showed that net spending by Departments and offices is some €0.5 billion below profile — of which €0.2 billion is current and €0.3 billion is capital spending. This was primarily due to timing factors. My current expectation is that the overall and departmental spending outturn for 2004 will be broadly in line with the REV target.

#### Economic Competitiveness.

118. **Mr. Durkan** asked the Minister for Finance if he and his Department propose to take

any action to address price increases which are rendering the economy less competitive; and if he will make a statement on the matter. [13114/04]

**Minister for Finance (Mr. McCreevy):** The latest CPI release shows inflation in March was 1.3%, down from 4.9% in the same month last year. This is its lowest level in over four years and is a welcome development. Maintaining a moderate rate of inflation remains a key priority of economic policy because of its importance in regaining competitiveness. Keeping public expenditure within target is essential in this regard and our recent record in this area speaks for itself. Expenditure came in on target in 2003 and we continue to be vigilant in our monitoring and management of the public finances.

I made only limited changes to indirect taxes in the budget in 2004 because the goal of keeping inflation low took precedence on that occasion. These increases in excise duties are estimated to add less than 0.4% to the rate of inflation this year. The excise changes will raise €243 million in revenue. This revenue is required to continue to fund public services.

My Department is participating in the anti-inflation initiative which forms part of Sustaining Progress. Since the publication of the anti-inflation action plan in November 2003, a successful national information campaign, Price Awareness Pays, has been carried out. The Office of the Director of Consumer Affairs oversaw the campaign, which involved TV, radio and newspaper advertisements to encourage consumers to be more price conscious. This initiative is ongoing.

A moderate pay agreement is essential if we are to safeguard our competitiveness and maintain control of the rate of inflation.

#### Northern Ireland Issues.

119. **Mr. Cuffe** asked the Minister for Foreign Affairs if he intends to support the call of a person (details supplied) for an inquiry into the case of two persons that was dropped by the Crown in the Belfast Laganside court on 28 November 2003. [13068/04]

**Minister for Foreign Affairs (Mr. Cowen):** This matter is currently under investigation by the Police Ombudsman for Northern Ireland. It would not be appropriate, therefore, to make any comment on the issue until the ombudsman has concluded her investigation and has issued a report.

#### Foreign Conflicts.

120. **Mr. Cuffe** asked the Minister for Foreign Affairs if his attention has been drawn to the fact that five Israeli conscientious objectors are serving the second year of confinement in Israeli jails due to their refusal to serve the Israeli occupation in the Palestinian territories. [13069/04]

121. **Mr. Cuffe** asked the Minister for Foreign Affairs if his attention has been drawn to the fact that the case of five persons (details supplied), who have offered to do community instead of military service, has been recognised both by Amnesty International and the working group on arbitrary detention established by the UN. [13070/04]

122. **Mr. Cuffe** asked the Minister for Foreign Affairs if he will make representations to the Israeli authorities for the release of persons (details supplied) on humanitarian grounds. [13071/04]

**Minister for Foreign Affairs (Mr. Cowen):** I propose to take Questions Nos. 120 to 122, inclusive, together.

I am aware of the cases raised by the Deputy. I am also aware of the international respect and support for the persons named. However, as their position is the subject of further legal action within Israel, I do not feel that it would be appropriate for me to make representations to the Israeli Government concerning their cases at this time.

The position of the European Union concerning the situation in the Middle East, including in regard to Israel's occupation of Palestinian territories, is reflected in the statement issued by the quartet following its meeting in New York this past Tuesday, 4 May. As President of the Council of Ministers, I led the EU delegation in that meeting and I have arranged for the statement to be placed in the Oireachtas Library.

#### **Departmental Staff.**

123. **Mr. Kehoe** asked the Minister for Foreign Affairs the number of staff that have been made permanent in his Department since 1994 to date; and if he will make a statement on the matter. [13088/04]

**Minister for Foreign Affairs (Mr. Cowen):** The total number of staff appointed to permanent positions in this Department since 1994 is 1,080. This figure includes replacements for staff who have retired, resigned or left the Department for other reasons such as promotion, transfer or career break. It also includes officers who previously served in permanent positions in other Departments or offices.

It should be noted that the above figure relates to people and not posts, as over the period in question a significant number of people would, successively, have been appointed to the same permanent post, due to promotions, leaving the service and so forth.

#### **Departmental Expenditure.**

124. **Mr. Durkan** asked the Minister for Foreign Affairs the number of State contracts, projects or procurements in respect of which cost overruns have occurred in the past five years; and

if he will make a statement on the matter. [13208/04]

**Minister for Foreign Affairs (Mr. Cowen):** The Department of Foreign Affairs is not aware of any cost overruns on contracts, projects or procurements for the period referred to by the Deputy. The Office of Public Works has responsibility for engaging contractors for major works in buildings occupied by this Department at headquarters as well as for the substantial procurement of furniture and furnishings. The Department has three major IT related projects underway — the automated passport production system, an upgrade of the IT infrastructure and an upgrade of communications links to missions abroad. All three projects are on time and within budget.

#### **Departmental Schemes.**

125. **Mr. Ring** asked the Minister for Education and Science the plans his Department has in regard to the continuation of the giving children an even break scheme; if he has plans to continue and improve the scheme; and if he will make a statement on the matter. [13036/04]

**Minister for Education and Science (Mr. N. Dempsey):** Any decision to expand or extend any of the initiatives aimed at tackling educational disadvantage is being considered in the context of a broad review of all such initiatives, which is currently nearing completion

#### **Special Educational Needs.**

126. **Mr. O'Dowd** asked the Minister for Education and Science the position regarding an application for funding to provide a special classroom for pupils with learning disabilities for a school (details supplied) in County Louth. [13037/04]

**Minister for Education and Science (Mr. N. Dempsey):** An application to provide a special class for pupils with learning difficulties for the school in County Louth referred to by the Deputy is under consideration in the special education section of my Department. The school authorities will be contacted on this matter as soon as possible.

#### **School Closures.**

127. **Mr. Quinn** asked the Minister for Education and Science the arrangements made between the boards of management, his Department and those schools whose premises are used as polling stations for elections, if the two school days lost as a result of the electronic voting will be replaced by the teachers or if the standardisation of the school term year results in teachers being on the payroll but not teaching in those schools that are used for electoral purposes; and if he will make a statement on the matter. [13038/04]

**Minister for Education and Science (Mr. N. Dempsey):** The agreement reached between the parties to the Teachers' Conciliation Council on the standardisation of the school year covers only the breaks at Christmas and Easter and the mid-term breaks in the first and second terms.

Schools are required to be open for a minimum number of tuition days each year — 183 days in the case of primary schools and 167 days in the case of second level schools. However, where a school is used as a polling station for elections on a day on which the school was scheduled to be open, the school authorities concerned are allowed to count the day of polling as a day of exceptional closing and are not required to make up that day for the purposes of meeting the appropriate 183 or 167 day requirement.

#### **Special Educational Needs.**

128. **Mr. Deasy** asked the Minister for Education and Science when a special needs assistant will be appointed for a person (details supplied) in County Waterford; and if he will make a statement on the matter. [13051/04]

**Minister for Education and Science (Mr. N. Dempsey):** My Department received an application on 24 March 2004 for special educational resources, SER, for the pupil referred to by the Deputy. SER applications received between 15 February and 31 August 2003 are being considered at present. More than 5,000 such applications were received. Priority was given to cases involving children starting school last September and all these cases were responded to at or before the commencement of the current school year.

The balance of more than 4,000 applications has been reviewed by a dedicated team comprising members of my Department's inspectorate and the National Educational Psychological Service, NEPS. These applications are being further considered in the context of the outcome of surveys of SER provision conducted over the past year and the data submitted by schools as part of a nationwide census of SER provision.

The processing of the applications is a complex and time-consuming operation. However, my Department is endeavouring to have this completed as quickly as possible and my officials will then respond to all applicant schools. Pending a response, schools are advised to refer to circular 24/03, which issued in September 2003. This circular contains practical advice on how to achieve the most effective deployment of resources already allocated for special educational needs within the school.

It is intended that all schools, which applied for additional posts, including applications for next September, will be notified of the outcome before the end of the current school year.

#### **Adult Education.**

129. **Mr. Cuffe** asked the Minister for Education and Science the specific actions that have been taken, and staff and funding allocated, to implement the recommendations of the McIver Consulting report commissioned by his Department. [13081/04]

**Minister for Education and Science (Mr. N. Dempsey):** The recommendations of the McIver Consulting report on PLC provision are wide-ranging and encompass proposals that have implications for the shaping of structures for the delivery of further and adult education into the future. Having regard to the number and scope of the recommendations in the report, consultations have been held with management and staff interests with regard to the prioritisation of recommendations.

Further discussions are scheduled over the coming weeks. PLC provision in further education colleges is only one aspect of my Department's overall strategy in the field of further and adult education. The potential for greater coherence in the organisation and management of the total provision for further and adult education needs to be taken into account in the consideration of the recommendations for the McIver report.

The report included a recommendation that organisations involved in the further education sector should form a council of further education colleges with the specific composition of that body to be discussed further. As an initial step the Minister of State, Deputy de Valera, addressed a meeting of the stakeholders in the PLC sector on Tuesday, 4 May with a view to having them agree proposals for submission to the Department about the composition and remit of the council.

#### **Departmental Staff.**

130. **Mr. Kehoe** asked the Minister for Education and Science the number of staff that have been made permanent in his Department since 1994 to date; and if he will make a statement on the matter. [13089/04]

**Minister for Education and Science (Mr. N. Dempsey):** There were approximately 1,300 officers appointed in a permanent capacity in the Department of Education and Science from 1994 to date. The figure represents all grades of staff, both administrative and non-administrative, including professional and technical grades. Officers appointed to the Department in a permanent capacity may be new entrants to the civil service or may be assigned to the Department on promotion or on transfer from another Department. The above figure takes no account of officers who left the Department during the period in question.

#### **Special Educational Needs.**

131. **Mr. N. O'Keeffe** asked the Minister for

Education and Science if he will arrange to appoint a special needs assistant for a person (details supplied) in County Cork due to commence their education in September 2004 and who will require a one on one assistant. [13103/04]

**Minister for Education and Science (Mr. N. Dempsey):** My Department received an application on 24 March 2004 for special educational resources, SER, for the pupil referred to by the Deputy. SER applications received between 15 February and 31 August 2003 are being considered at present. More than 5,000 such applications were received. Priority was given to cases involving children starting school last September and all these cases were responded to at or before the commencement of the current school year.

The balance of more than 4,000 applications has been reviewed by a dedicated team comprising members of my Department's inspectorate and the National Educational Psychological Service, NEPS. These applications are being further considered in the context of the outcome of surveys of SER provision conducted over the past year and the data submitted by schools as part of a nationwide census of SER provision.

The processing of the applications is a complex and time-consuming operation. However, my Department is endeavouring to have this completed as quickly as possible and my officials will then respond to all applicant schools. Pending a response, schools are advised to refer to circular 24/03, which issued in September 2003. This circular contains practical advice on how to achieve the most effective deployment of resources already allocated for special educational needs within the school.

It is intended that all schools, which applied for additional posts, including applications for next September, will be notified of the outcome before the end of the current school year.

#### **Grant Payments.**

132. **Ms O. Mitchell** asked the Minister for Education and Science if he will consider the application for a grant for a playground facility at a school (details supplied) in Dublin 16 at which there are specific play needs for the handicapped children's unit and the autistic unit in addition to the mainstream national school children. [13128/04]

**Minister for Education and Science (Mr. N. Dempsey):** The works required at the school referred to by the Deputy are appropriate for consideration under the summer works scheme, SWS. The school did not make an application for a playground under the scheme for 2004. It is planned to invite applications under the 2005 SWS later this year. It will be open to the school to make an application for the required works under the new scheme.

#### **Special Educational Needs.**

133. **Ms Shortall** asked the Minister for Education and Science when he will provide information on the weighting system for the allocation of special needs teachers; if the new arrangements will not result in existing special needs posts being lost; if he will take steps to ensure that this will be available in time for school principals to arrange classes and allocate teachers well before the start of the summer holidays 2004; and if he will make a statement on the matter. [13129/04]

**Minister for Education and Science (Mr. N. Dempsey):** My Department received an application on 24 March 2004 for special educational resources, SER, for the pupil referred to by the Deputy. SER applications received between 15 February and 31 August 2003 are being considered at present. More than 5,000 such applications were received. Priority was given to cases involving children starting school last September and all these cases were responded to at or before the commencement of the current school year.

The balance of more than 4,000 applications has been reviewed by a dedicated team comprising members of my Department's inspectorate and the National Educational Psychological Service, NEPS. These applications are being further considered in the context of the outcome of surveys of SER provision conducted over the past year and the data submitted by schools as part of a nationwide census of SER provision.

The processing of the applications is a complex and time-consuming operation. However, my Department is endeavouring to have this completed as quickly as possible and my officials will then respond to all applicant schools. Pending a response, schools are advised to refer to circular 24/03, which issued in September 2003. This circular contains practical advice on how to achieve the most effective deployment of resources already allocated for special educational needs within the school.

In the case of teacher resources, the outcome for each applicant school will be based on a new weighted system of allocation, which I announced recently. This system, as part of which an additional 350 teaching posts will be allocated, will involve two main elements: making a staffing allocation to schools based on a predicted incidence of pupils with special educational needs; and making individual allocations in the case of children with more acute lower-prevalence special educational needs.

It is expected that the change to a weighted system will bring with it a number of benefits. The new system will: reduce the need for individualised educational psychological assessment; reduce the volume of applications to my Department for additional resources for individual pupils; and give greater flexibility to schools, which will facilitate the development and

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implementation of improved systems and procedures in schools to meet the needs of pupils with low achievement and pupils with special educational needs.

The detailed arrangements for processing applications for resources, including those for special needs assistants and those received after 31 August last, will be set out in a circular to be issued to schools before the end of the current school year. It is intended, also, that schools due to receive the additional posts will be notified within this timeframe.

#### Schools Building Projects.

134. **Ms O'Sullivan** asked the Minister for Education and Science if he will take steps to ensure that Donabate-Portrane Educate Together school will receive permission to proceed with building a permanent school before planning permission expires in August 2006; and if he will make a statement on the matter. [13130/04]

**Minister for Education and Science (Mr. N. Dempsey):** Donabate-Portrane Educate Together national school received permanent recognition from my Department with effect from 1 February 2004. Since that date the school is eligible for consideration for the provision of permanent accommodation. A number of factors including competing demands for the capital allocation will determine the rate of progress on the delivery of such accommodation for the school. On being granted provisional recognition, the school was made aware that it would remain the patron's responsibility to provide interim accommodation until my Department is in a position to provide a permanent solution.

#### Educational Projects.

135. **Mr. Stanton** asked the Minister for Education and Science his further plans following the Your Education System meetings, which he held throughout the year; if he will make a report on these meetings; and if he will make a statement on the matter. [13131/04]

**Minister for Education and Science (Mr. N. Dempsey):** Following the series of 17 public meetings held throughout February and March a number of organisations, namely, the Association of Community and Comprehensive Schools, the National Parents' Council — Primary, the Local Authorities Members' Association, the Irish Vocational Education Association and the Joint Managerial Body, have hosted consultation sessions for their members. I hope that a number of other organisations will host similar sessions.

Preparations are being made to hold a survey on people's attitudes to education, which will supply statistical data to complement the anecdotal data gathered through the meetings and from the website. A number of meetings focused on specific topics, including special

education and disadvantage, will be held. This will allow these topics to be discussed in more depth than is possible in an open public forum. I also intend to hold a number of meetings for young people of school-going age to ensure that their perspective is brought into the discussion.

The secretariat for the process has produced reports on each of the events that has taken place. These can be accessed on [www.youreducation.ie](http://www.youreducation.ie). Reports of other events will be produced and posted on the website as these take place. When the consultation process finishes at the end of this year, the secretariat will produce a final report, drawing together all of the elements that formed part of the discussion during the year.

#### School Staffing.

136. **Mr. Stanton** asked the Minister for Education and Science his views on the request by the joint managerial body of the Association of Management of Catholic Secondary Schools to appoint chaplains to all voluntary secondary schools; if he will be able to accede to this request; and if he will make a statement on the matter. [13132/04]

**Minister for Education and Science (Mr. N. Dempsey):** Ex-quota chaplain posts are allocated in respect of community and comprehensive schools and designated community colleges. Discussions are taking place with the relevant authorities on the allocation of ex-quota chaplain posts to other second level schools. However, the allocation of such posts must be considered in the context of priority needs and available resources.

#### Schools Building Projects.

137. **Ms O'Sullivan** asked the Minister for Education and Science the schools that have made application to the building unit of his Department for construction or refurbishment work which have been refused or not yet sanctioned; and if he will make a statement on the matter. [13133/04]

**Minister for Education and Science (Mr. N. Dempsey):** The school planning section of my Department is currently reviewing all large-scale projects, which were not authorised to proceed to construction as part of the 2004 school building programme, with a view to including them as part of a multi-annual school building programme from 2005 onwards. I expect to be in a position to make further announcements on this matter in the course of the year.

#### Special Educational Needs.

138. **Ms O'Sullivan** asked the Minister for Education and Science the number of children waiting for special needs assistance or resource teachers; and if he will make a statement on the matter. [13134/04]

**Minister for Education and Science (Mr. N. Dempsey):** My Department received an

application on 24 March 2004 for special educational resources, SER, for the pupil referred to by the Deputy. SER applications received between 15 February and 31 August 2003 are being considered at present. More than 5,000 such applications were received. Priority was given to cases involving children starting school last September and all these cases were responded to at or before the commencement of the current school year.

The balance of more than 4,000 applications has been reviewed by a dedicated team comprising members of my Department's inspectorate and the National Educational Psychological Service, NEPS. These applications are being further considered in the context of the outcome of surveys of SER provision conducted over the past year and the data submitted by schools as part of a nationwide census of SER provision.

The processing of the applications is a complex and time-consuming operation. However, my Department is endeavouring to have this completed as quickly as possible and my officials will then respond to all applicant schools. Pending a response, schools are advised to refer to circular 24/03, which issued in September 2003. This circular contains practical advice on how to achieve the most effective deployment of resources already allocated for special educational needs within the school.

In the case of teacher resources, the outcome for each applicant school will be based on a new weighted system of allocation, which I announced recently. This system, as part of which an additional 350 teaching posts will be allocated, will involve two main elements: making a staffing allocation to schools based on a predicted incidence of pupils with special educational needs; and making individual allocations in the case of children with more acute lower-prevalence special educational needs.

It is expected that the change to a weighted system will bring with it a number of benefits. The new system will: reduce the need for individualised educational psychological assessment; reduce the volume of applications to my Department for additional resources for individual pupils; and give greater flexibility to schools, which will facilitate the development and implementation of improved systems and procedures in schools to meet the needs of pupils with low achievement and pupils with special educational needs.

The detailed arrangements for processing applications for resources, including those for special needs assistants and those received after 31 August last, will be set out in a circular to be issued to schools before the end of the current school year. It is intended, also, that schools due to receive the additional posts will be notified within this timeframe.

### Schools Building Projects.

139. **Mr. Wall** asked the Minister for Education and Science the position regarding the 20 projects under the devolved capital scheme which commenced in 2003; if the projects reached completion; if all of the projects drew down funding; if such a scheme is planned for 2004; the maximum size which was permitted under the scheme; the number of rooms permitted; if, as a result of the pilot project, it is envisaged by him to extend the permitted qualifying criteria to include new schools; and if he will make a statement on the matter. [13136/04]

**Minister for Education and Science (Mr. N. Dempsey):** My Department selected 20 schools to take part in the pilot initiative to which the Deputy refers. The initiative is contained within section 8 of the 2003 school building programme. This initiative allows small and rural primary schools to operate on a devolved basis and allows boards of management address their accommodation priorities with a guaranteed amount of funding. The initiative gives the boards total control over the provision and timing of accommodation within the terms of the initiative.

To date construction has commenced on 18 projects, with works to begin shortly on the remaining two. The amount of the grant aid ranges from €100,000 to €350,000, depending on the pupil enrolment and the size of the school. This initiative is aimed at schools with a maximum of four mainstream classrooms. A further 44 schools were invited to partake in the scheme in 2004, the details of which are contained within section 2 of the 2004 school building programme.

### School Accommodation.

140. **Ms Enright** asked the Minister for Education and Science if his attention has been drawn to the huge overcrowding of many schools in the Gorey area; the way in which he intends to address this; and if he will make a statement on the matter. [13137/04]

141. **Ms Enright** asked the Minister for Education and Science the position regarding Gorey community school, Gorey, in the building programme; when he expects building work to commence; and if he will make a statement on the matter. [13138/04]

143. **Ms Enright** asked the Minister for Education and Science if his attention has been drawn to the overcrowding in Gorey Community School; the action he intends to take to alleviate this; and if he will make a statement on the matter. [13140/04]

**Minister for Education and Science (Mr. N. Dempsey):** I propose to take Questions Nos. 140, 141 and 143 together.

An application for grant-aid for additional accommodation for Gorey community school has been received from the management authority of

[Mr. N. Dempsey.]  
the school. The application is currently being assessed in the school planning section of my Department. As soon as the assessment is complete, contact will be made directly with the school management authority.

School planning section is also currently examining education provision at primary level in the Gorey area. Factors under consideration include population growth, demographic trends, current and projected enrolments, recent and planned housing developments and the capacity of existing schools to meet the demand for places. When the examination is completed, a decision will be taken on how best to meet the accommodation needs of the area into the future.

### Schools Building Projects.

142. **Ms Enright** asked the Minister for Education and Science the position regarding Loretto Convent primary, Gorey, in the building programme; when he expects building work to commence; and if he will make a statement on the matter. [13139/04]

**Minister for Education and Science (Mr. N. Dempsey):** The large-scale building project for the school referred to by the Deputy is listed in section 8 of the 2004 school building programme which is published on my Department's website at [www.education.ie](http://www.education.ie) This project is at stage 3, developed sketch scheme, of architectural planning. It has been assigned a band 2 rating by my Department in accordance with the published criteria for prioritising large-scale projects. It is planned to progress this project to advanced architectural planning during 2004.

Indicative timescales have been included for large-scale projects proceeding to tender in 2004. The budget announcement regarding multi-annual capital envelopes will enable me to adopt a multi-annual framework for the school building programme, which in turn will give greater clarity regarding projects that are not progressing to tender in this year's programme including Loretto primary school. I will make a further announcement in that regard during the year.

*Question No. 143 answered with Question No. 140.*

144. **Ms Enright** asked the Minister for Education and Science the position regarding Riverchapel national school, Gorey, in the building programme; when he expects building work to commence; and if he will make a statement on the matter. [13141/04]

**Minister for Education and Science (Mr. N. Dempsey):** I am pleased to advise the Deputy that a building project comprising a new general purpose room and refurbishment for Riverchapel national school, Gorey, County Wexford is listed for proceeding to tender and construction as part of the 2004 school building programme.

The indicative timescale in the programme for this project proceeding to tender is the first quarter of 2004. The tendering process has commenced and the school authority has been authorised to progress this project to construction subject to certain conditions.

145. **Ms Enright** asked the Minister for Education and Science the position regarding Kilmuckridge vocational school, Gorey, in the building programme; when he expects building work to commence; and if he will make a statement on the matter. [13142/04]

**Minister for Education and Science (Mr. N. Dempsey):** The large-scale building project for Kilmuckridge vocational school, Gorey, County Wexford is listed in section 8 of the 2004 school building programme which is published on my Department's website at [www.education.ie](http://www.education.ie) This project is at stage 4, detail design, of architectural planning. It has been assigned a band 2 rating by my Department in accordance with the published criteria for prioritising large-scale projects.

Indicative timescales have been included for large-scale projects proceeding to tender in 2004. The budget announcement regarding multi-annual capital envelopes will enable me to adopt a multi-annual framework for the school building programme, which in turn will give greater clarity regarding projects that are not progressing to tender in this year's programme including Kilmuckridge vocational school. I will make a further announcement in that regard during the year.

### Capital Projects.

146. **Mr. Durkan** asked the Minister for Education and Science the number of State contracts, projects or procurements in respect of which cost overruns have occurred in the past five years; and if he will make a statement on the matter. [13209/04]

**Minister for Education and Science (Mr. N. Dempsey):** The vast bulk of contracts in my Department are for school building projects. The policy of my Department in relation to these projects is to tender for them on a fixed price basis. This policy protects the Exchequer from cost overruns that may arise due to wage increases and construction price inflation during the course of a building project.

The Deputy will appreciate that building projects by their nature are not an exact science. Additional costs on projects may occur if unforeseen items arise during the course of a building project, for example, larger amount of rock to be excavated than was originally foreseen. Generally, a contingency sum of 2% of the contract value is included in contracts to deal with these type of unforeseen items that may arise during the course of a building project. If the Deputy wishes to request information on specific projects I will be happy to facilitate his request.

### **Decentralisation Programme.**

147. **Mr. Kenny** asked the Minister for Communications, Marine and Natural Resources if he will form a central agency to deal with all industry related issues pertaining to aquaculture; and if he will make a statement on the matter. [13064/04]

**Minister for Communications, Marine and Natural Resources (Mr. D. Ahern):** I announced earlier this year that the Government had decided to decentralise the five divisions of my Department which deal with the seafood sectors, coastal zone management and marine engineering to Clonakilty, County. Cork. This decentralised branch of the Department will deal, among other things with all policy and management issues relating to the sea fisheries and aquaculture industry and will provide a one-stop shop location for Government services to the seafood sectors generally, including the aquaculture industry.

### **Departmental Staff.**

148. **Mr. Kehoe** asked the Minister for Communications, Marine and Natural Resources the number of staff that have been made permanent in his Department since 1994 to date; and if he will make a statement on the matter. [13090/04]

**Minister for Communications, Marine and Natural Resources (Mr. D. Ahern):** The information sought by the Deputy is not readily available in my Department, as the Department only came into existence in 2002. I will arrange to collate the necessary information and I will forward details to the Deputy when the data has been compiled.

### **Capital Projects.**

149. **Mr. Durkan** asked the Minister for Communications, Marine and Natural Resources the number of State contracts, projects or procurements in respect of which cost overruns have occurred in the past five years; and if he will make a statement on the matter. [13210/04]

**Minister for Communications, Marine and Natural Resources (Mr. D. Ahern):** My Department has been working to finalise the data sought by the Deputy and a detailed reply will issue directly to the Deputy in the next two weeks.

### **Departmental Staff.**

150. **Mr. Kehoe** asked the Minister for Arts, Sport and Tourism the number of staff that have been made permanent in his Department since 1994 to date; and if he will make a statement on the matter. [13091/04]

**Minister for Arts, Sport and Tourism (Mr. O'Donoghue):** Since its establishment in 2002 my Department, which includes the cultural

institutions, namely, the National Museum, National Library and the National Archives, recruited a total of 47 staff to permanent positions.

All these staff were recruited through competitions organised by the Civil Service Commission or by my Department and their appointments were subject to the relevant probationary conditions.

### **Capital Projects.**

151. **Mr. Durkan** asked the Minister for Arts, Sport and Tourism the number of State contracts, projects or procurements in respect of which cost overruns have occurred in the past five years; and if he will make a statement on the matter. [13211/04]

**Minister for Arts, Sport and Tourism (Mr. O'Donoghue):** Since its establishment in 2002 my Department has not been directly involved in any significant State contracts, procurements or projects where cost overruns have occurred.

My Department operates a number of programmes through which financial assistance is provided to organisations towards the development of arts and sporting infrastructural projects throughout the country. Taking into account the nature of the funding and the conditions attached to such funding any question of cost overruns would be the responsibility of the project promoters.

### **Hospital Waiting Lists.**

152. **Mr. Wall** asked the Minister for Health and Children when a person (details supplied) in County Kildare will receive their appointment; and if he will make a statement on the matter. [13020/04]

**Minister for Health and Children (Mr. Martin):** Responsibility for the provision of health services to persons residing in Counties Dublin, Kildare and Wicklow rests with the Eastern Regional Health Authority. My Department has, therefore, asked the regional chief executive of the authority to investigate the matter raised by the Deputy and to reply to him directly.

### **Benchmarking Awards.**

153. **Mr. Wall** asked the Minister for Health and Children if his attention has been drawn to the anomaly between child care workers and registered nurses in the intellectual disability sector; the plans he has to overcome the anomaly; and if he will make a statement on the matter. [13021/04]

154. **Mr. Wall** asked the Minister for Health and Children the position regarding benchmarking for child care workers and registered nurses in the intellectual disability sector; and if he will make a statement on the matter. [13022/04]

**Minister for Health and Children (Mr. Martin):**

I propose to take Questions Nos. 153 and 154 together.

The Labour Court recently considered a claim from the Alliance of Nursing Unions for a 10.55% pay increase for nurses working in the intellectual disability sector, to restore a 'differential' they asserted existed between nurses and social care professionals prior to the determination of the Public Sector Benchmarking Body. The Labour Court hearing took place on 25 March 2004.

While the Labour Court accepted that registered mental handicap nurses, RMHN, had traditionally been paid more than social care professionals, it stated that no formal pay 'differential' existed between the two grades. The court noted that an understanding had been reached at the Labour Relations Commission on 3 September 2003 between the employers and the Alliance of Nursing Unions, and that both parties had accepted that the report of the PSBB severed all pay links and established new absolute levels of pay for benchmarked grades. There was also an acceptance that any future benchmarking exercise, or whatever subsequent arrangements are put in place for determining public service pay, is the appropriate forum to examine the position of RMHNs *vis-à-vis* other social care professionals. The court also noted that this understanding was rejected by members of the Alliance of Nursing Unions leading to the referral of the matter to the court.

The court issued its recommendation on 1 April 2004. Having considered the written and oral submissions, the court was of the view that the claim could not be dealt with outside of the established agreements. Accordingly, the court recommended that the matter be dealt with in accordance with the understanding reached between the parties at the conciliation conference on 3 September 2003, and that it be given priority in this exercise.

**National Treatment Purchase Fund.**

155. **Mr. Ring** asked the Minister for Health and Children if a person (details supplied) in County Mayo will be called for treatment under the national treatment purchase fund. [13053/04]

**Minister for Health and Children (Mr. Martin):**

The national treatment purchase fund has asked health boards to identify public hospital patients waiting longest on in-patient lists, so that they can be offered treatment under this initiative. Public patients, who satisfy the criteria, can apply to their general practitioners, medical consultants or to their local health board to seek to have their treatment carried out under the national treatment purchase fund.

My Department has asked the chief executive officer of the board to investigate the position in relation to national treatment purchase fund and the person's eligibility and to reply directly to the Deputy.

**Hospital Waiting Lists.**

156. **Mr. Ring** asked the Minister for Health and Children when will a person (details supplied) in County Mayo be called for a knee replacement to Merlin Park Hospital, Galway. [13054/04]

**Minister for Health and Children (Mr. Martin):**

The provision of hospital services for people living in County Mayo is a matter for the Western Health Board. My Department has asked the chief executive officer of the board to reply directly to the Deputy in relation to the matter raised.

157. **Mr. Ring** asked the Minister for Health and Children when will a person (details supplied) in County Mayo will be called to Merlin Park Hospital, Galway for a hip operation. [13055/04]

**Minister for Health and Children (Mr. Martin):**

The provision of hospital services for people living in County Mayo is a matter for the Western Health Board. My Department has asked the chief executive officer of the board to reply directly to the Deputy in relation to the matter raised.

**Services for People with Disabilities.**

158. **Mr. Naughten** asked the Minister for Health and Children if he will allocate funding to the County Roscommon Association for the mentally handicapped for the refurbishment of Ivy House, Castlerea, County Roscommon; and if he will make a statement on the matter. [13056/04]

**Minister of State at the Department of Health and Children (Mr. T. O'Malley):** Responsibility for the provision of funding for services to persons with an intellectual disability and those with autism in the Castlerea area lies, in the first instance with the Western Health Board. My Department has, therefore, asked the chief executive officer of the board to investigate the matter raised by the Deputy and reply directly to him.

**Hospital Waiting Lists.**

159. **Mr. McGuinness** asked the Minister for Health and Children the reasons for the delay in arranging a hip operation for a person (details supplied) in County Kilkenny; and if this matter will be expedited in view of the fact that their circumstances have worsened as indicated by their general practitioner. [13057/04]

**Minister for Health and Children (Mr. Martin):**

Responsibility for the provision of services for residents of County Kilkenny is, in the first instance, a matter for the South Eastern Health Board. My Department has, therefore, asked the chief executive officer of the South Eastern Health Board to investigate the matter and reply directly to the Deputy.

### Health Board Report.

160. **Mr. Neville** asked the Minister for Health and Children further to Parliamentary Question No. 272 of 4 February 2004 and a letter from the deputy chief executive officer of 12 February 2004 stating that an independent report would be available on the death of a person (details supplied) at the end of February or early in March 2004, the reason for the delay in producing the report. [13058/04]

**Minister of State at the Department of Health and Children (Mr. T. O'Malley):** Responsibility for the matter referred to by the Deputy rests with the Mid Western Health Board. My Department has therefore asked the chief executive officer to investigate the matter raised by the Deputy and reply to him directly.

### Traveller Health.

161. **Mr. Cuffe** asked the Minister for Health and Children the reason for the apparent cuts in financial provision for the national traveller health strategy in 2004; and if he will make a statement on the matter. [13073/04]

**Minister of State at the Department of Health and Children (Mr. T. O'Malley):** Since 1997 my Department has allocated €8.1million for the development of Traveller health initiatives. Traveller Health — A National Strategy 2002-2005 was launched in 2002 and €3.015 million has been allocated since 2002 for its implementation. My Department is committed to the continued implementation of the Traveller health strategy.

162. **Mr. Cuffe** asked the Minister for Health and Children if his Department has carried out, or intends to carry out an investigation into the health and safety of Traveller children. [13074/04]

**Minister of State at the Department of Health and Children (Mr. T. O'Malley):** The Department of Health and Children and the Department of Health, Social Services and Public Safety, Northern Ireland, are jointly committed to carrying out a Travellers' all-Ireland health study to develop and extend the indicators collected in the 1987 study of Travellers' health and to inform appropriate actions required in the area of Travellers' health, including the health of Traveller children. This study was designed by the Institute of Public Health in Ireland and the study is expected to commence by end 2004.

### Departmental Staff.

163. **Mr. Kehoe** asked the Minister for Health and Children the number of staff that have been made permanent in his Department since 1994 to date; and if he will make a statement on the matter. [13092/04]

**Minister for Health and Children (Mr. Martin):** Verifiable data indicates that approximately 630 staff were assigned to permanent posts in the

Department from 1996 to date. Data is not accessible in this format for previous years. These staff were assigned as replacements for existing vacancies or newly sanctioned posts.

Due to the high level of staff mobility as a result of resignations, lateral transfers, promotions and retirements during the period 1996 to date, it would be difficult to provide a more accurate figure.

### Cancer Treatment Services.

164. **Mr. Ferris** asked the Minister for Health and Children if he will make a statement on the effect which the shortfall in funding for Tralee General Hospital is having on the provision of cancer treatment services. [13118/04]

**Minister for Health and Children (Mr. Martin):** Responsibility for the provision of services at Tralee General Hospital is, in the first instance, a matter for the Southern Health Board. My Department has, therefore, asked the chief executive officer of the Southern Health Board to investigate the matter and reply directly to the Deputy.

### Departmental Correspondence.

165. **Ms O. Mitchell** asked the Minister for Health and Children if he will respond to correspondence from a person (details supplied) in Dublin 8; and if he will make a statement on the matter. [13119/04]

**Minister of State at the Department of Health and Children (Mr. B. Lenihan):** I understand that a final reply will be issued to the named person this week.

### Dental Services.

166. **Ms O. Mitchell** asked the Minister for Health and Children the reason a person (details supplied) in Dublin 24 is not covered by the dental section of the health board for the condition of hypoplastic; and if he will make a statement on the matter. [13120/04]

**Minister for Health and Children (Mr. Martin):** Responsibility for the provision of dental treatment to eligible persons in Dublin 24 rests with the Eastern Regional Health Authority. My Department has asked the regional chief executive to investigate the matter raised by the Deputy and to reply to her directly.

### Community Care.

167. **Ms Enright** asked the Minister for Health and Children if the funding provided for Birr community nursing unit in 2004 will facilitate the opening of the hospital in 2004; the number of beds which will be provided in this unit on opening; and if he will make a statement on the matter. [13143/04]

**Minister of State at the Department of Health and Children (Mr. Callely):** Issues relating to the

[Mr. Callely.]

appropriate levels of staff for the new unit are the subject of ongoing discussion between the Midland Health Board and staff representatives. I am hopeful that these discussions can be completed at an early date so that the Midland Health Board can proceed with the opening of the unit. No decision has been made at this stage about the number of beds which will be available in the unit when it opens but I am hopeful that the Midland Health Board will be able to maximise the use of the available facilities.

#### Departmental Expenditure.

168. **Mr. Durkan** asked the Minister for Health and Children the number of State contracts, projects or procurements in respect of which cost overruns have occurred in the past five years; and if he will make a statement on the matter. [13212/04]

**Minister for Health and Children (Mr. Martin):** The information requested by the Deputy is at present being sought and collated by my Department from the ERHA — health boards and other appropriate health agencies. My Department will arrange for the information to be forwarded to the Deputy as soon as possible.

#### Public Transport.

169. **Mr. Naughten** asked the Minister for Transport the reason Dublin Bus does not use its website to caution passengers regarding possible delays (details supplied); his views on whether there should be a centralised traffic website for Dublin at which commuters can obtain relevant information; and if he will make a statement on the matter. [13044/04]

**Minister for Transport (Mr. Brennan):** I wish to advise the Deputy that while any particular delay in a bus service is an operational matter for Dublin Bus, I am concerned to see improved information provided to the bus customer on a real-time basis.

I understand that at present Dublin Bus operates a limited real-time passenger information service at a number of bus stops on routes operating out of Conyngham Road. The next step is to invest in an automatic vehicle tracking system to enable a more widespread system to be developed. In the meantime, the company uses AA Roadwatch as a means of alerting the travelling public to delays.

Dublin City Council provides a service alerting the travelling public to traffic disruption at [www.dublincity.ie](http://www.dublincity.ie) and has a free phone number at 1800 293949 for obtaining updated information. I understand Dublin Bus will be putting in place shortly a link between this site and their own.

#### Road Safety.

170. **Mr. Naughten** asked the Minister for Transport when the next national review of road

categories will take place; and if he will make a statement on the matter. [13045/04]

**Minister for Transport (Mr. Brennan):** It is not proposed at present to undertake a major review of the roads classification as set out in Statutory Instrument (S.I.) 209 of 1994 — Roads Act 1993 (Declaration of National Roads) Order 1994 and S.I. 400 of 1994 — Roads Act, 1993 (Declaration of Regional Roads) Order 1994. My Department is currently working on an update of these statutory instruments to take account of road improvements and route changes since 1994.

#### Pension Provisions.

171. **Ms Shortall** asked the Minister for Transport the steps he has taken to ensure that Aer Lingus management addresses long outstanding issues relating to the pension scheme; and if he will make a statement on the matter. [13062/04]

**Minister for Transport (Mr. Brennan):** The current pension scheme for general employees in Aer Lingus (Irish Airlines (General Employees) Superannuation Scheme) is a multi-employer scheme which also includes Aer Rianta and a private sector company, FLS Aerospace. The administration of this scheme is a matter for the trustees of the scheme and the company concerned having regard to the rules of the scheme.

A key issue in relation to the scheme is that it cannot be amended without the consent of all participating employers and a majority of members so that no employer is in a position to negotiate exclusively with its employees as to their pension entitlements.

The recently enacted Aer Lingus Act 2004 contains enabling provisions which allow Aer Lingus to establish new pension schemes for its own employees and pensioners. The Act also ensures that the benefits granted under such a scheme or schemes shall not be less favourable than those granted under the existing scheme.

In the context of any new scheme or schemes being established by Aer Lingus, the Act provides that existing pensioners who come within the scope of the new scheme will be transferred to that scheme unless they elect to remain in the existing scheme. It is a matter for Aer Lingus to decide if and when a new pension scheme or schemes are to be established and the terms of any such schemes would be a matter for negotiations with unions.

#### Road Traffic Offences.

172. **Ms Shortall** asked the Minister for Transport the position regarding the penalty points system; the start date (details supplied) of the points on a licence. [13063/04]

**Minister for Transport (Mr. Brennan):** The penalty points system, which is provided for in the Road Traffic Act 2002, was introduced with effect from 31 October 2002 for the offence of

breaching a speed limit, from 1 June 2003 for insurance offences and from 25 August 2003 for seat belt wearing offences. Penalty points are applied to the driving licence records of those convicted of such offences, and to those who pay a fixed charge, in the case of speeding and seat belt wearing offences, to the Garda to prevent the instigation of court proceedings.

I intend to introduce penalty points for careless driving with effect from 1 June 2004. This measure should have a further positive influence on the driving behaviour of those who have little regard for road traffic law. As of 29 April 2004 more than 144,000 drivers had received penalty points since the introduction of the system in October 2002, including one driver who had reached the 12 point threshold which leads to automatic disqualification.

Section 2 of the Act provides that the endorsement of penalty points can only occur following the receipt of a notification that a person has been convicted of the commission of a penalty point offence or has paid a fixed charge. Penalty points only apply 28 days after the date of that notice. Responsibility for the issue of notification following a conviction for a penalty point offence rests with the Courts Service and, where a fixed charge is paid, with the Commissioner for the Garda Síochána.

As soon as my Department is notified that a fixed charge has been paid or that a court conviction has been secured in respect of a penalty point offence, this information is processed and the notice is issued to the person concerned on behalf of my Department by the Department of the Environment, Heritage and Local Government, which administers the national driver file. This process is normally carried out in about two weeks.

#### **Departmental Staff.**

173. **Mr. Kehoe** asked the Minister for Transport the number of staff that have been made permanent in his Department since 1994 to date; and if he will make a statement on the matter. [13093/04]

**Minister for Transport (Mr. Brennan):** My Department was established in June 2002. Since 1 January 1994, 201 of the staff currently serving in my Department have been made permanent in the Civil Service.

#### **Departmental Expenditure.**

174. **Mr. Durkan** asked the Minister for Transport the number of State contracts, projects or procurements in respect of which cost overruns have occurred in the past five years; and if he will make a statement on the matter. [13234/04]

**Minister for Transport (Mr. Brennan):** My Department is directly responsible for a relatively small amount of contract expenditure out of our total annual expenditure on road and public transport programmes. Procurement arrangements, contracts and the delivery of capital infrastructure are primarily the responsibility of the State bodies under the aegis

of my Department. These bodies comply with the requirements of the code of practice for the governance of State bodies, including conformity with the guidelines for the appraisal and management of capital expenditure in the public sector.

My Department has in place an investment monitoring unit charged with overseeing the financial and physical progress of rail and bus infrastructure projects and ensuring the effective and timely financial reporting of capital expenditure by the CIE group of companies to the Department. The investment monitoring unit also engages consultants to carry out an audit of expenditure claims submitted to the Department seeking draw down of Exchequer and EU funding under the National Development Plan 2000-2006.

The implementation of the national roads and public transport investment programmes is further monitored by my Department through the monitoring committee of the economic and social infrastructure operational programme which is representative of Departments, implementing agencies and social partners and which meets twice yearly to consider progress reports on the implementation of the investment programmes. If the Deputy has any concern about a particular programme of expenditure under my Department's aegis, I would be happy to provide him with the relevant details.

#### **Departmental Bodies.**

175. **Mr. Cuffe** asked the Minister for Justice, Equality and Law Reform the person who is on the high level working group on Travellers; the remit of the group; and if there are Travellers or Travellers' representatives on this group. [13076/04]

**Minister for Justice, Equality and Law Reform (Mr. McDowell):** The high level group on Traveller issues is a working group under the senior officials' group on social inclusion which, in turn, reports to the Cabinet sub-committee on social inclusion. The high level group is made up of members of the senior officials' group and other senior public servants with responsibility for key areas of service delivery for Travellers. The high level group is intended to provide a forum for senior policy makers and service providers to meet to discuss barriers to service delivery and explore possibilities of approaching service delivery in a more integrated way. In this regard, the group is considered as an extension of the strategic management initiative process, an attempt to join up service delivery and to ensure that intended service outcomes for Travellers under the various sectoral strategies are achieved.

The high level group is a short-term initiative to improve outcomes. It is trying to explore best practice with a view to eliminating the social exclusion which Travellers experience. A list of members of the high level group follows.

Travellers are represented on the Traveller monitoring committee which monitors progress on the recommendations of the task force on the travelling community. The chairman of the

[Mr. McDowell.]  
monitoring committee and other officials on the monitoring committee are also members of the

high level group. The high level group does not duplicate or supplant the work of the monitoring committee.

Membership of the High Level Group on Traveller Issues.

| Grade/Position              | Department   |
|-----------------------------|--|
| Assistant Secretary         | Equality Division, Department of Justice, Equality and Law Reform (Chair)      |
| Assistant Secretary         | Department of Environment, Heritage and Local Government                       |
| Assistant Secretary         | Department of Education and Science  |
| Assistant Secretary         | Department of Health and Children  |
| Assistant Secretary         | Department of the Taoiseach  |
| Principal Officer           | Department of Environment, Heritage and Local Government                       |
| Principal Officer           | Department of Community, Rural and Gaeltacht Affairs                           |
| Principal Officer           | Department of the Taoiseach  |
| Principal Officer           | Department of Social and Family Affairs  |
| Principal Officer           | Department of Justice, Equality and Law Reform (Chair of Monitoring Committee) |
| Assistant Principal Officer | Department of Justice, Equality and Law Reform                                 |
| Assistant Principal Officer | Department of Community, Rural and Gaeltacht Affairs                           |
| Assistant Principal Officer | Department of Enterprise, Trade and Employment                                 |
| County Manager              | South Dublin County Council  |
| County Manager              | Clare County Council   |
| C.E.O.                      | South Western Area Health Board  |
| C.E.O.                      | Western Health Board   |
| Prison Governor             | Irish Prison Service   |
| Assistant Commissioner      | Garda Síochána   |

**Garda Strength.**

176. **Mr. Naughten** asked the Minister for Justice, Equality and Law Reform the number of gardaí currently appointed to Lanesboro Garda Station, County Longford; the numbers based there in 2002, 1997, 1994, 1992 and 1989; the plans there are to increase the complement of gardaí; and if he will make a statement on the matter. [13041/04]

**Minister for Justice, Equality and Law Reform (Mr. McDowell):** I have been informed by the Garda authorities which are responsible for the detailed allocation of resources, including personnel, that the personnel strength — all ranks — of Lanesboro Garda station, County Longford as at 31 December 2002, 1997, 1994, 1992, 1989 and currently is as set out as follows:

| Year        | Strength |
|-------------|----------|
| 1989        | 4        |
| 1992        | 11       |
| 1994        | 10       |
| 1997        | 7        |
| 2002        | 7        |
| 4 May, 2004 | 6        |

The situation will be kept under review and when additional personnel next become available the needs of Lanesboro Garda station will be fully considered within the overall context of the needs of Garda divisions throughout the country.

**Residency Permits.**

177. **Mr. P. Breen** asked the Minister for Justice, Equality and Law Reform the procedure required for non-nationals to process their residency claim after their five year work permit; if their spouses can apply for residency and work; and if he will make a statement on the matter. [13042/04]

**Minister for Justice, Equality and Law Reform (Mr. McDowell):** Persons who have been legally resident in the State for more than five years on the basis of work permit conditions may apply to the immigration division of my Department at 13-14 Burgh Quay, Dublin 2, for a five years' residency extension. In that context, they may also apply to be exempted from employment permit requirements. Their spouses may apply to their local registration officer for permission to remain as dependants of the work permit holders. The work permit holders must be in a position to support their spouses without recourse to public funds.

It is open to the spouse of a work permit holder to seek an employer who will apply for a work permit in respect of him or her. In the event of the approval of the work permit application, the spouse may be registered on work permit conditions.

**Colombia Three.**

178. **Mr. F. McGrath** asked the Minister for Justice, Equality and Law Reform if he will apologise to the families of the Colombia three

for his inflammatory and prejudicial statements during their trial. [13047/04]

**Minister for Justice, Equality and Law Reform (Mr. McDowell):** I do not consider that any comments I may have made regarding this case were inflammatory or prejudicial and, accordingly, the issue of an apology does not arise.

#### Public Order Offences.

179. **Mr. G. Mitchell** asked the Minister for Justice, Equality and Law Reform the steps the Garda Síochána is taking to deal with an ongoing law and order problem (details supplied) in Dublin; and if he will make a statement on the matter. [13050/04]

**Minister for Justice, Equality and Law Reform (Mr. McDowell):** I have been informed by the Garda authorities that the area in question is patrolled regularly by both uniform and plain clothes community gardaí. It is also patrolled by the local drugs unit and the divisional task force and they will continue to do so.

I have been further informed that they are aware of complaints made regarding public order and domestic issues at this location. In the past two months, gardaí have made three small seizures of drugs and, following a number of house searches, one seizure of a controlled drug was made.

I understand from the Garda authorities that gardaí responded to a number of complaints during the week ending Sunday, 25 April 2004 in the area in question. Youths engaged in anti-social behaviour were moved on under the Public Order Act and two incidents of intimidation were attended to and are now under investigation.

#### Garda Regulations.

180. **Mr. Cuffe** asked the Minister for Justice, Equality and Law Reform if gardaí are required to wear seat belts in the course of their duties. [13079/04]

**Minister for Justice, Equality and Law Reform (Mr. McDowell):** I have been informed by the Garda authorities that under the Road Traffic (Construction, Equipment and Use of Vehicle) Regulations 1991 members of the Garda Síochána are not required to wear a seat belt. However, Garda regulations require that all occupants of official vehicles wear their seat belts except in exceptional circumstances.

#### Refugee Status.

181. **Mr. Cuffe** asked the Minister for Justice, Equality and Law Reform the number of unaccompanied minors who have arrived in the State in the past 12 months and have been assessed as being over 18 years by the Office of the Refugee Applications Commissioner; and the expertise that is employed in making these assessments. [13080/04]

**Minister for Justice, Equality and Law Reform (Mr. McDowell):** I am informed that in the 12 month period to end March 2004, a total of 792 persons presented to the Office of the Refugee Applications Commissioner as unaccompanied minors seeking asylum. Of these, 114 were assessed by the office to be over 18 years and were admitted to the asylum process as adults.

Under section 8(5)(a) of the Refugee Act 1996, as amended, where it appears to an authorised officer of the commissioner that a person under the age of 18 has arrived in the State and is not in the custody of any adult, that child shall be referred to the relevant health board to determine whether an application for asylum should be made on his or her behalf.

It is, however, the case that some persons present to the Office of the Refugee Applications Commissioner who claim to be minors but appear in fact to be older. In these cases, an age assessment is carried out by experienced staff of the office following an interview with the person and by reference to the account provided of his or her background and apparent intellectual and physical maturity. Due to the considerable difficulty of determining age with any certainty, a large benefit of the doubt is applied and the decision can subsequently be reviewed at the request of applicants and/or their legal advisor, including if additional relevant information is forthcoming. The Office of the Refugee Applications Commissioner will also reassess the case if, following referral to the health board, the relevant officials of that board express the opinion that the applicant is in fact an adult.

The Office of the Refugee Applications Commissioner is continuing to examine possible means of supplementing this assessment process using medical age determination techniques. A pilot project was carried out in 2002 based on a medical assessment of bone density and the results of this project suggested that the Office of the Refugee Applications Commissioner's doubts concerning the age of the applicants in question were well-founded in a majority of cases. This project was followed up during 2003 by further detailed research among other EU member states as to reliable age testing systems in use elsewhere. This research indicated that there is no universally accepted indisputable medical age determination system but a number of approaches have merit and I am informed that these will be considered further by the Office of the Refugee Applications Commissioner in 2004.

#### Departmental Staff.

182. **Mr. Kehoe** asked the Minister for Justice, Equality and Law Reform the number of staff that have been made permanent in his Department since 1994 to date; and if he will make a statement on the matter. [13094/04]

**Minister for Justice, Equality and Law Reform (Mr. McDowell):** I understand the Deputy is interested in staffing figures for 1994 and the

[Mr. McDowell.]  
 numbers currently serving in my Department. The number of civil servants of whole-time equivalent currently serving in my Department and associated agencies is approximately 3,500. This figure excludes staff from the Courts Service, the Prison Service and members of the Garda Síochána. The number of staff recorded as serving in what was the then Department of Justice in 1994 was approximately 1,500.

The increase in staffing can be broadly attributed to a significant number of organisational changes in the intervening period, for example, the incorporation of the then Department of Equality and Law Reform and the establishment of a number of independent agencies such as those in the broad equality and asylum and immigration areas of the Department.

#### Registration of Title.

183. **Mr. Ring** asked the Minister for Justice, Equality and Law Reform if the dealings on folios for persons (details supplied) in County Mayo will be expedited. [13121/04]

**Minister for Justice, Equality and Law Reform (Mr. McDowell):** I am informed by the Registrar of Titles that this is an application for a Land Commission vesting order which was lodged on 14 April 1995. Schedule number V0000SM0092618V refers. Land Commission schedule applications are deemed to be registered as of the date of vesting which is prior to the date of lodgement of the documents in the Land Registry. Accordingly, registration in the Land Registry of Land Commission cases is afforded a lower priority than the registration of other dealings.

I am further informed that this application is associated with an application for a charge which was lodged on 19 February 2001. Dealing number D2001SM001168P refers. I am also informed that this application is dependent on the completion of Schedule number V0000SM0092618V which was lodged prior to dealing number D2001SM001168P. However, I assure the Deputy that both applications are receiving attention in the Land Registry and will be completed as soon as possible.

#### Medical Call-out Services.

184. **Mr. J. O’Keeffe** asked the Minister for Justice, Equality and Law Reform the number of doctors or medical general practitioners who are enlisted on panels for call-out to Garda stations in the Dublin metropolitan district; and if he will make a statement on the matter. [13123/04]

185. **Mr. J. O’Keeffe** asked the Minister for Justice, Equality and Law Reform the number of doctors or medical general practitioners who are enlisted on panels for call-out to Garda stations in the greater Dublin area; and if he will make a statement on the matter. [13124/04]

186. **Mr. J. O’Keeffe** asked the Minister for Justice, Equality and Law Reform the payments or expenses which have been made to doctors or medical general practitioners who are enlisted on panels for call-out to Garda stations in the greater Dublin area and the Dublin metropolitan district; and if he will make a statement on the matter. [13125/04]

187. **Mr. J. O’Keeffe** asked the Minister for Justice, Equality and Law Reform the identity of the ten doctors who received the payments or expenses which have been made to doctors or medical general practitioners enlisted on panels for call-out to Garda stations in the greater Dublin area and the Dublin metropolitan district; and if he will make a statement on the matter. [13126/04]

**Minister for Justice, Equality and Law Reform (Mr. McDowell):** I propose to answer Questions Nos. 184 to 187, inclusive, together. I am informed by the Garda authorities that a list of 11 doctors and medical practitioners who make themselves available for call out to Garda stations in the Dublin metropolitan region is maintained at the Garda communications centre at Harcourt Square. The following doctors are on this list:

Dr. Hooper  
 Dr. Moloney  
 Dr. Kirke  
 Dr. Fakih  
 Dr. Williams  
 Dr. De Bulbh  
 Dr. Curry  
 Dr. Zatari  
 Dr. Harkin  
 Dr. Wheeler  
 Dr. Nathan.

The Dublin metropolitan region encompasses all of Dublin city, together with a number of satellite towns stretching to the south as far as Kilcoole in the north of County Wicklow, to the north to Swords in north County Dublin, and to the West as far as Leixlip in County Kildare. As regards the Balbriggan district, which is outside the Dublin metropolitan region, the position is that for a number of years a general practitioner living in Slane, County Meath, has been responding to requests from gardaí. In the event of this general practitioner not being available, a local doctor would be utilised. Available figures indicate that €207,242.53 has been paid to doctors on the list maintained for the Dublin metropolitan region in respect of medical services provided in the period 1 January 2004 to 30 April 2004.

#### Probation and Welfare Service.

188. **Mr. Hogan** asked the Minister for Justice, Equality and Law Reform the reason for the

establishment of a probation office at Donaghmede shopping centre, Dublin; his views on whether this location is an appropriate place for such a centre; the amount of rent being provided for the provision of this centre; when the contract for such a facility was in place; and if he will make a statement on the matter. [13127/04]

**Minister for Justice, Equality and Law Reform (Mr. McDowell):** The mission statement of the probation and welfare service is to foster public safety and promote the common good by reducing the level of re-offending and this is achieved through the management of offenders on supervision orders from the courts in their local and-or immediate surrounding areas. The service aims to reduce victimisation of members of local communities by developing positive relationships with offenders in order to reduce and-or eliminate offending. Local service delivery enhances the chances of co-operation from offenders and facilitates contact between the service staff, the families of the offenders and the staff of health boards and other agencies which are locally based.

It should be noted that in the Dublin area, the probation and welfare service has been successful in localising its offices in Dun Laoghaire, Ballyfermot, Tallaght, Finglas, Crumlin and Clondalkin. No complaint has been received to date from any member of the public, nor has any complaint been brought to the attention of any officer of the service by the gardaí about the behaviour of those attending a local office.

Regarding the location of the Donaghmede probation and welfare office in the Donaghmede shopping centre, I wish to advise the Deputy that I consider the location of the office appropriate. Clients of the service are not stigmatised when attending the office for appointment as they could be visiting any one of a number of public services available in the shopping centre such as the library, post office, doctor's clinic, solicitors office, etc.

The annual rent for the premises referred to by the Deputy at Donaghmede Shopping Centre is €152,368.57. The lease for this premises commenced on 1 June 2000.

#### **Departmental Expenditure.**

189. **Mr. Durkan** asked the Minister for Justice, Equality and Law Reform the number of State contracts, projects or procurements in respect of which cost overruns have occurred in the past five years; and if he will make a statement on the matter. [13235/04]

**Minister for Justice, Equality and Law Reform (Mr. McDowell):** In the time available for answering parliamentary questions it has not been possible to compile the detailed information requested by the Deputy. The information sought is being compiled at present and I will forward it to the Deputy shortly.

#### **Local Authority Housing.**

190. **Mr. Wall** asked the Minister for the Environment, Heritage and Local Government the number of independent living units built by each local authority in each of the past three years; the meetings he has had in the past year with interested groups, in relation to such relationships; and if he will make a statement on the matter. [13019/04]

**Minister for the Environment, Heritage and Local Government (Mr. N. Ahern):** The number of dwellings constructed and acquired by local authorities in each of the years 2001, 2002 and 2003 was 5,022, 5,074 and 4,972 units, respectively. Detailed information on a local authority basis for 2001 and 2002 is published in my Department's annual housing statistics bulletins, copies of which are available in the Oireachtas Library. Similar information for 2003 will be published shortly in the annual housing statistics bulletin for 2003. My Department maintains regular and continuing contacts with all local authorities and other interest groups in relation to the implementation of various social and affordable housing programmes.

#### **Election Issues.**

191. **Mr. Quinn** asked the Minister for the Environment, Heritage and Local Government if, in view of the disruption to schools due to the holding of elections on a weekday and during the school term, future elections will be held on a Sunday in order to minimise the disruption to the academic year for primary school children; and if he will make a statement on the matter. [13040/04]

**Minister for the Environment, Heritage and Local Government (Mr. Cullen):** While there is no restriction in law regarding the day of the week which the Minister for the Environment, Heritage and Local Government may specify as polling day, the appointment of a Sunday would require careful consideration of a range of matters: among these are objections on religious grounds, people being away from home, the likelihood of competition with sporting events, difficulty in obtaining election staff and increased staff costs.

All relevant factors are taken into account in a decision to appoint a particular day as polling day, including the need to facilitate the maximum number of voters while minimising any interruption to school work. The appointment of polling stations is a matter for the appropriate returning officer who may, under electoral law, use any school or room in a school for the taking of a poll or the counting of votes. Returning officers have been advised by my Department to ensure, in co-operation with school authorities, that school closure and disruption of school work are kept to a minimum.

### Environmental Policy.

192. **Mr. Eamon Ryan** asked the Minister for the Environment, Heritage and Local Government if he has adopted a position on the contraction and convergence model of response to the threat of climate change; the level of debate at a European level on this proposal; and the role the Government has taken in advancing such a debate. [13066/04]

**Minister for the Environment, Heritage and Local Government (Mr. Cullen):** Contraction and convergence is a proposal for achieving global reductions in greenhouse gas emissions, promoted primarily by the London based Global Commons Institute, a non-governmental organisation. It is one of many potential models towards its stated purpose. The discussion at European level on necessary action to prevent dangerous interference with global climate systems is a more widely based one, and has been advanced during the Irish Presidency.

On 2 March 2004, the Environment Council, in preparing an input for the European Council and in reference to the development of medium and longer term emission reduction strategies, including targets, highlighted, *inter alia*, the need to ensure that overall global temperature increase should not exceed 2°C above pre-industrial levels, and to take into account the findings of the intergovernmental panel on climate change.

The European Council on 25-26 March 2004 confirmed that it looks forward to considering such emission reduction strategies, including targets, at its spring meeting in 2005. The Commission has been invited to prepare a cost benefit analysis which takes account both of environmental and competitiveness considerations.

Consideration of options for further action after 2012, which marks the end of the first Kyoto period, underway since autumn 2002, continues to be undertaken by a working party reporting to the environment council.

### Homelessness Issues.

193. **Mr. Cuffe** asked the Minister for the Environment, Heritage and Local Government if he will consider honouring the commitment made in the report, Making it home: An action plan on homelessness in Dublin 2004-2006 vision, to eliminate homelessness in Dublin by 2010; and if he will provide sufficient funding to SONAS housing association for its proposed additional 48 beds. [13075/04]

**Minister of State at the Department of the Environment, Heritage and Local Government (Mr. N. Ahern):** As part of the Government's integrated and preventative strategies on homelessness, local authorities, together with health boards and other statutory and voluntary bodies, were required to draw up local action plans to tackle homelessness in their areas. The homeless agency is charged with the implementation of the action plans drawn up by

the four Dublin local authorities. With regard to the action plan for Dublin, I understand that the homeless agency is at present finalising this plan.

The Government is committed to continue to support local statutory and voluntary bodies in tackling the issue of homelessness. I am satisfied that significant progress has been made in addressing the issue in Dublin since the publication of the homeless strategies. My Department's provision for the recoument to local authorities of 90% of the cost of providing accommodation and related services for homeless persons in 2004 is €51 million. This brings to €190.6 million the total provided for this purpose since 2000. Further funding is provided by the local authorities and, in the case of care related services, by the health boards. This week, I allocated funding of €36.8 million for the provision of accommodation and related services for homeless persons in the Dublin area. These allocations are based on the recommendations of the homeless agency and the amount allocated to the SONAS housing association in this context is €389,231. Should SONAS wish to seek additional funding for an extension of its activities, application should, in the first instance, be made to the relevant local authority in respect of capital projects or to the homeless agency which assesses all applications for current funding in relation to the provision of homeless services.

### Departmental Staff.

194. **Mr. Kehoe** asked the Minister for the Environment, Heritage and Local Government the number of staff that have been made permanent in his Department since 1994 to date; and if he will make a statement on the matter. [13095/04]

**Minister for the Environment, Heritage and Local Government (Mr. Cullen):** A total of 819 staff have taken up permanent posts in this Department since 1994. Included in this figure are staff who transferred from other Departments on promotion and on lateral transfers and who would have been in permanent posts in other Departments. However, it does not include approximately 680 administrative and professional and approximately 1,000 industrial staff who transferred here as a result of the re-allocation of functions between Departments in 2002.

### Local Authority Housing.

195. **Mr. O'Dowd** asked the Minister for the Environment, Heritage and Local Government the allocation he has given to Drogheda Borough Council in his recent announcement for funding for housing projects. [13144/04]

**Minister of State at the Department of the Environment, Heritage and Local Government (Mr. N. Ahern):** A capital allocation of €6.825 million for 2004 was recently notified to Drogheda Borough Council in respect of their

main local authority housing construction and acquisition programme as well as their remedial works and traveller accommodation programmes.

#### **Departmental Expenditure.**

196. **Mr. Durkan** asked the Minister for the Environment, Heritage and Local Government the number of State contracts, projects or procurements in respect of which cost overruns have occurred in the past five years; and if he will make a statement on the matter. [13236/04]

**Minister for the Environment, Heritage and Local Government (Mr. Cullen):** The information requested is being compiled and will be forwarded to the Deputy as soon as possible.

#### **Departmental Staff.**

197. **Mr. Kehoe** asked the Minister for Community, Rural and Gaeltacht Affairs the number of staff that have been made permanent in his Department since 1994 to date; and if he will make a statement on the matter. [13096/04]

**Minister for Community, Rural and Gaeltacht Affairs (Éamon Ó Cuív):** The Department of Community, Rural and Gaeltacht Affairs was established in June 2002 and since that date no temporary employees were made permanent.

#### **Irish Language.**

198. **Mr. O'Dowd** asked the Minister for Community, Rural and Gaeltacht Affairs if he will consider extending grant incentives to Irish language users who live on the periphery of the Gaeltacht. [13102/04]

**Minister for Community, Rural and Gaeltacht Affairs (Éamon Ó Cuív):** The Deputy will appreciate that the specific grant incentives operated by my Department within the Gaeltacht are focused on Irish speakers resident within such areas as defined in the Gaeltacht areas orders 1956-1982. There are no plans at present to extend such grant incentives to Irish language users who live outside the Gaeltacht.

#### **Decentralisation Programme.**

199. **Mr. Ring** asked the Minister for Community, Rural and Gaeltacht Affairs if a survey has been carried out of personnel within his Department on a possible decentralisation to County Mayo; the details of this survey; and the measures which have been taken to procure sites or buildings for the decentralisation in County Mayo. [13135/04]

**Minister for Community, Rural and Gaeltacht Affairs (Éamon Ó Cuív):** As stated in my reply to Parliamentary Question No. 167 of 27 April 2004 no survey has been undertaken in my Department regarding decentralisation. The Central Applications Facility system, as announced in the Flynn report, will carry out this task on a Civil Service wide basis. The Deputy

will be aware that responsibility for matters relating to sites and buildings rests with the Office of Public Works.

#### **Departmental Expenditure.**

200. **Mr. Durkan** asked the Minister for Community, Rural and Gaeltacht Affairs the number of State contracts, projects or procurements in respect of which cost overruns have occurred in the past five years; and if he will make a statement on the matter. [13239/04]

**Minister for Community, Rural and Gaeltacht Affairs (Éamon Ó Cuív):** I would refer the Deputy to my reply to his Parliamentary Question No. 496 of 17 February 2004.

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

201. **Mr. P. McGrath** asked the Minister for Social and Family Affairs the details of the mechanism by which persons in receipt of the lone parent allowance have their rent allowance reduced if they take up part-time employment; and if there are regional differences in the way in which this calculated. [13026/04]

**Minister for Social and Family Affairs (Mary Coughlan):** Rent supplements, which are provided for under the supplementary welfare allowance scheme, are subject to a means test and are normally calculated to ensure that a person, after the payment of rent, has an income equal to the rate of supplementary welfare allowance appropriate to his or her family circumstances, less a minimum contribution, currently €13, which recipients are required to pay from their own resources.

In addition to the minimum contribution, recipients are also required to contribute towards their rent, any additional assessable means that they have over and above the appropriate basic supplementary welfare allowance rate.

In the case of a rent supplement recipient who takes up part-time employment the means test provides for a disregard of up to €50 per week. However, any additional income above the €50 is assessable in full and will have the effect of reducing the amount of rent supplement payable.

The maximum amount of rent supplement payable varies between health boards in recognition of the regional differences in rent levels. However, the €50 disregard, which is a standard feature of the rent supplement means test, is not subject to regional variations.

#### **Departmental Staff.**

202. **Mr. Kehoe** asked the Minister for Social and Family Affairs the number of staff that have been made permanent in her Department since 1994 to date; and if she will make a statement on the matter. [13097/04]

**Minister for Social and Family Affairs (Mary Coughlan):** The number of permanent posts in the Department on 1 January each year since

[Mary Coughlan.]  
1994 is as follows: 1994 — 4,202; 1995 — 4,312; 1996 — 4,415; 1997 — 4,268; 1998 — 4,184; 1999 — 4,109; 2000 — 4,184; 2001 — 4,217; 2002 — 4,439; 2003 — 4,416; and 2004 — 4,306.

### **Departmental Expenditure.**

203. **Mr. Durkan** asked the Minister for Social and Family Affairs the number of State contracts, projects or procurements in respect of which cost overruns have occurred in the past five years; and if she will make a statement on the matter.  
[13241/04]

**Minister for Social and Family Affairs (Mary Coughlan):** My Department enters into, on average, 36 contracts for procurements of services and supplies annually. My Department's policy is that all procurement is carried out in strict adherence to relevant legislation and that resulting contracts are drawn up on a fixed price basis. This facilitates best value in terms of cost,

and also enables a degree of predictability on project budgets.

There are well-established project management processes in place within my Department for managing and monitoring the progress and cost of all projects. One of the objectives of these project management processes is to detect and provide indications, as far in advance as possible, of upcoming circumstances or contingencies which may necessitate changes to project timescales or resources. The application of the project management process enables such changes to be flagged, and their effects on projects managed, in a controlled manner. These processes are constantly being refined and new structures put in place as experiences encountered during the currency of projects demand.

In the past five years, cost overruns were incurred by my Department in three projects. The reason for each of these overruns was specific to the individual project concerned and their effects were managed within the project management process I have described above.