

DÁIL ÉIREANN

*Dé Céadaoin, 23 Meitheamh 2004.
Wednesday, 23 June 2004.*

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

*Paidir.
Prayer.*

Leaders' Questions.

Mr. Kenny: In the past few days we have had various comments from Ministers on both sides of the Government about solidarity in Government and the need for collective responsibility. Yesterday, the Minister for Defence informed the House that he had come from a very businesslike Cabinet meeting and that social inclusion was fundamental to this Government's philosophy. Yesterday evening, the Minister for Justice, Equality and Law Reform stated that nobody has a monopoly on compassion or conscience. Will the Tánaiste explain how that philosophy of social inclusion and having both a conscience and compassion fits in with a situation where the Carmichael House centre in North Brunswick Street is to close on 9 July? As she will be aware, this centre provides a central headquarters for 44 voluntary organisations and reaches out to 400,000 people nationally. They need a grant of €150,000 from the Department of Community, Rural and Gaeltacht Affairs but it is not being given to them.

The Tánaiste will be aware that this centre was opened by the Taoiseach on 17 May and at the opening he said that with such support in place, voluntary groups can concentrate their energies on what they do best — serving people. This centre has served people for many years. It is a central headquarters for organisations like the Irish Polio Association, the Motor Neurone Disease Association and many others and they now have to issue redundancy notice to staff. Will the Tánaiste confirm that she will personally examine this case in view of the Government's stated position of care, compassion and conscience and confirm to the House that this centre will not close on 9 July, rendering many charitable and voluntary organisations redundant from the valuable work they do?

The Tánaiste: I share Deputy Kenny's concern in regard to Carmichael House and I can confirm that the centre will not close. As Deputy Kenny is aware, the centre currently gets approximately €600,000, mainly from Government sources, and

the Department of Health and Children recently announced that an additional €150,000 would be provided for the centre. The Minister for Health and Children and the Minister for Community, Rural and Gaeltacht Affairs are currently in discussions and they intend to meet with representatives of Carmichael House with a view to ensuring the facility will not be closed. I share the view expressed by Deputy Kenny of the extraordinarily valuable work the centre does for vulnerable and marginalised citizens in our society.

Mr. Kenny: I thank the Tánaiste for confirmation that the centre will not close and that discussions are ongoing between Carmichael House staff and the Department of Community, Rural and Gaeltacht Affairs. I am not sure whether the Tánaiste has ever had contact with a person who died as a consequence of motor neurone disease. I had such contact recently and in respect of the service these people provide from these voluntary organisations, I urge the Tánaiste to ensure that those discussions conclude positively and that moneys are made available to this centre to continue its enormously valuable voluntary and charitable work. The amount required is only one tenth of what was allocated to the equestrian centre in Punchestown. In thanking the Tánaiste for this confirmation, I urge her to ensure that a positive conclusion is brought about, that these staff do not leave on 9 July and that they can continue the valuable work in which they are involved.

The Tánaiste: I am aware of a family where somebody died from motor neurone disease and I know of the horrific impact it has, not just on the sufferer but on the entire family. I will use my best endeavours, as will the Government, to ensure this facility does not close and that it continues to operate to its full potential for those who need it most.

Mr. Rabbitte: Since last July I have been asking the Government and the Minister for Transport to publish a business plan that would justify the break-up of Aer Rianta. I have said my party would look at it in the light of the business plan. Will the Tánaiste explain the reason legislation has been published in respect of which I see, almost without precedent, our schedule is being interrupted this week to bring in the Bill tomorrow, although it was published yesterday, stating that the break-up will take place from date of enactment?

Mr. F. McGrath: And we are still awaiting the disability Bill.

Mr. Rabbitte: The unions were not told this. They believed the break-up would take place after the conclusion and approval of the business plans. Will the Tánaiste indicate if there is any precedent for breaking up a company into its constituent parts and, after the break-up has taken

[Mr. Rabbitte.]
place, then requiring business plans to be produced? Who is driving this agenda?

A Deputy: Michael O'Leary.

Mr. Rabbitte: We know of the advertising campaign in the newspapers but over seven years additional terminal capacity could have been provided at Dublin Airport if the Government had been minded to do so. Who is driving the campaign?

I draw the Tánaiste's attention to the remarks of the Leader of the other House yesterday when, in respect of this point about the advertising campaign, she stated:

How can this person do this to get his own way? We must ask about his party alignment.....

I have received information which renders me quite speechless — which is very difficult to achieve — about a particular matter concerning that gentleman The matter should be carefully examined because it involves substantial donations.

Has the attention of the Tánaiste been drawn to these remarks by the Leader of the other House? Will the Tánaiste throw any light on what information might be in possession of the Leader of the Seanad and if she has taken any steps to ask her to furnish it?

Mr. Gormley: How much is the Tánaiste getting?

The Tánaiste: The Government's approach to the aviation industry is driven by the needs of the economy, tourism and the regions. I do not know what Senator O'Rourke is talking about. However, Mr. O'Leary has announced in many fora that he voted for her running mate in the last election in the Mullingar area.

A few years ago, the chairman of Aer Rianta, when encouraging me to agree to the disposal of 40% of the company to the private sector, informed me that it had the unanimous agreement of the board, including the worker directors. At the time I did not agree because it would have converted a State monopoly into a private one. The Government is simply seeking to put in place the best regime to drive competition and business at all airports. I do not know how any misunderstanding could have arisen on the part of the trade unions. The social partnership talks dealt with this matter for some considerable time. I was party to those talks until 5 a.m. on Friday morning and no one could have been in any doubt as to the Government's legislative plans.

Mr. Rabbitte: The unions have been misled, which could put normal operations at Dublin Airport unnecessarily at risk. The unions did not know that the break-up of the company would happen from date of enactment of the legislation. I note the extraordinary and indecent haste in bringing the Bill before the House, changing the

schedule of business agreed last week. Why is this being done?

The Tánaiste's comments on the interests of the region are very much an opinion. Over the past seven years the Government could have provided additional terminal capacity at Dublin Airport if it so wished. Will the Tánaiste address the issue raised by the Leader of the Upper House? Does the Tánaiste know anything about her reference to being in possession of information concerning donations that has rendered her speechless? Will the Tánaiste give a commitment to the House that if she does not know anything about it, she will find out about it and make clear to the House her position? It is not a laughing matter.

An Ceann Comhairle: Deputy Rabbitte, your time has concluded.

Mr. Rabbitte: I do not wish to get into conflict with the Chair but I hope the Tánaiste will address the questions I have raised.

An Ceann Comhairle: It is not necessary to get into conflict with the Chair for implementing Standing Orders.

The Tánaiste: Any donations given by any individual or corporation are subject to public disclosure. It is a well-known fact that Ryanair gave a donation to the Progressive Democrats which was published along with donations to other political parties of which the limit is €5,000. I do not know whether this is the issue raised by Deputy Rabbitte.

The terminal did not proceed in the past because the then line Minister did not agree with competition at Dublin Airport. I hope it will now proceed on the basis of the Government's policy programme. At issue are the interests of tourism, the regions and the three airports. Under one umbrella, it is not possible for Shannon Airport, in particular, and Cork Airport to a lesser extent, to reach their full potential. Local autonomy where local boards can enter into agreements with airlines to bring more services and passengers to the airports is needed. For every 1 million passengers brought in, 1,000 more jobs will be created.

Mr. S. Ryan: What about the business plan?

An Ceann Comhairle: Allow the Tánaiste to conclude. The Tánaiste's minute has concluded.

The Tánaiste: No one brought me a business plan when they tried to convince me to sell 40% of Aer Rianta to the private sector or, more recently, to sell a large chunk of a bank.

Ms Shortall: That is beside the point.

Mr. S. Ryan: The Tánaiste should give all the facts. Why were all the consultants' reports against it? She is very selective in her information.

An Ceann Comhairle: Deputy Ryan, in fairness to your leader, he is the only one entitled to participate in Leaders' Questions. I call Deputy Joe Higgins.

The Tánaiste: Deputy Ryan should be aware—

An Ceann Comhairle: Tánaiste, it is not appropriate to answer questions from Deputy Seán Ryan as it is Deputy Rabbitte's question on Leaders' Questions. I must ask you to conclude as you have gone over the time allowed and I have called Deputy Joe Higgins.

The Tánaiste: Deputy Rabbitte will be aware that there are serious financial problems facing Aer Rianta.

Mr. Stagg: They are of the Government's making.

The Tánaiste: It was of the Labour Party's making.

Mr. J. Higgins: For weeks the people in the Shannon region have been subjected to an experience approaching that of a police state in order to make possible President Bush's visit. Will the Tánaiste confirm that buildings in Shannon Industrial Estate are being commandeered to set up a makeshift prison for protestors — our very own mini gulag, complete with courtroom?

Mr. Gormley: Our own Abu Ghraib.

Mr. J. Higgins: Will she confirm that places are being cleared in Limerick Prison? How can she justify ordering this repression to welcome a man that the majority of the Irish people hold responsible for the criminal slaughter of thousands of innocents in Iraq and do not want here? This repression is orchestrated by the Minister for Justice, Equality and Law Reform who has us believe that he scaled the heights to save us from one-party totalitarian rule.

Mr. F. McGrath: He did.

Mr. J. Higgins: At least he climbed a few lamp-posts. Citizens in many communities can now not get hold of a garda when they need one. How can the Government justify taking thousands of gardaí from already overstretched duties to put a ring of steel around a man who the Government will not dare parade in public, even at a hurling match as the US ambassador suggested this morning? Of course, George Bush might declare the hurley a weapon of mass destruction and bring in the US air force. Does the Tánaiste intend meeting Mr. Bush personally to welcome him to Ireland?

We are discussing setting up a public inquiry into the savage bombings 30 years ago that murdered innocents in Monaghan and Dublin. There is a tribunal of inquiry into the killing by State

forces of a single citizen. How can this be squared with rolling out the red carpet for a leader who launched a criminal and illegal invasion in which thousands of children, women and men died or were maimed? How can the Tánaiste square the Minister for Justice, Equality and Law Reform's pillorying of a political party which he claims is backed up by baseball bat wielders with his spending of millions of euro in order to protect a man who has wreaked havoc on the innocent people of a nation?

The Tánaiste: We will welcome the President of the United States on behalf of the European Union. Summits between the EU and Russia, Japan, the Arab states and Latin America have already been held. The Taoiseach, on behalf of the EU, also attended the G8 summit. The next summit is the EU-US summit, generally held every second year but which was postponed last year. The person who will be welcomed is the President of the United States of America. The Minister for Justice, Equality and Law Reform has informed me that a temporary Garda station has been established. The security responses will be proportionate to needs at the weekend. We want to ensure, not just the safety of the US President and his delegation, but also that of the people in the Shannon region and the travelling public.

Mr. J. Higgins: Is the Tánaiste meeting him?

The Tánaiste: I am. If the Deputy wants me to pass on his regards, I will be delighted to do so.

Mr. F. McGrath: The Tánaiste can pass on the message.

Mr. J. Higgins: Over the last week Fianna Fáil backbenchers have accused the Tánaiste of leading the Taoiseach around with an ideological halter around his neck while making a prison camp of the Government. We hope President Bush does not think she is his Irish version of Private Lynndie England and pat her on the head.

The Tánaiste will not be welcoming George Bush on behalf of the Irish people, which she declined to say in her answer. Will she affirm the right of the people, young and old, to turn out in mass peaceful protest without having their capital city turned into a provocative police fortress as happened on May Day when it proved unnecessary? Young people charged with the most trivial public order offences on May Day are forced to sign on at a Garda station three times per week up to September. These are young people who express political dissent. The Government meanwhile has not ordered a garda into a single investigation of massive tax fraud by wealthy bankers. Will the Tánaiste agree that the Government is replete with hypocrisy, which is very clear in the welcome being given to a man whom the Irish people do not want to see on this island?

The Tánaiste: On behalf of the European Union and Ireland we will be welcoming the President of the United States of America, a country that has been extraordinarily good to us politically in terms of the Northern Ireland peace process and economically in terms of inward investment. Just yesterday we announced a major expansion of an American company in Clonmel. We have very significant economic and political interests in good friendly relations with the United States. Clearly we do not agree with the US approach on many foreign policy issues and that will be made clear to the US President.

Mr. J. Higgins: And we cover up the crimes.

Request to move Adjournment of Dáil under Standing Order 31.

An Ceann Comhairle: Before coming to the Order of Business, I propose to deal with a number of notices under Standing Order 31. I will call on the Deputies in the order in which they submitted their notices to my office.

Mr. Sherlock: I seek the adjournment of the Dáil under Standing Order 31 to discuss the following matter of public interest: the need for the Minister for Health and Children to address the submissions made by 107 GPs in the Mallow General Hospital area as requested by the Minister and to give approval for the appointment of a consultant radiologist and geriatrician, and the provision of a CT scanner for the hospital.

Dr. Cowley: I wish to seek the adjournment of the Dáil under Standing Order 31 to discuss the following urgent matter: the situation where a planned extension to Knockanillo national school built in 1918 on the outskirts of Ballina, County Mayo, is being funded by the Minister for Education and Science to the value of €100,000 though this extension will fail to address the present and future needs of the school, although sanction was given to proceed with planning for a satisfactory and adequate development of the school in August, 2001. Sanction for this extension which would have cost in excess of €300,000 was withdrawn after the election although planning had proceeded to stage 3 to be replaced by a scaled down development with instructions that costs not exceed €100,000 which is a case of cent wise and euro foolish. The location of the post-election cutback extension is based on a decrepit and rat-infested terrapin which will have to be torn down in time and will interfere with existing permanent classrooms requiring further futile expenditure, while pupils and teachers continue to suffer lack of adequate accommodation in confined, draughty and unhealthy conditions.

Mr. Connolly: I wish to seek the adjournment of the Dáil under Standing Order 31 to raise the following urgent matter: the one-parent family scheme, which is proving ineffectual in relieving what is now the highest rate of consistent poverty

and disadvantage among social welfare recipients; the serious disincentive for lone parents to access employment caused by the removal of the transition payment in last January's "savage 16" cut-backs; the steady decline in the incomes of lone parents *vis-à-vis* the rest of the population; and to call for an independent review of the one-parent family payment scheme so those single parents who wish to stay working at home can be facilitated and adequately supported.

Mr. Gogarty: I wish to seek the adjournment of the Dáil under Standing Order 31 to raise a matter of national importance, namely, the ongoing scandal of people left waiting on hospital trolleys while beds lie available elsewhere, including, for example, in Peamount Hospital in my own constituency where there are currently 23 empty beds with full doctor, nursing, and medical cover at St. Theresa's ward, with only seven beds occupied, despite this ward being fully funded by the Eastern Regional Health Authority. This is a scandal that needs to be debated.

Mr. Neville: I wish to seek the adjournment of the Dáil under Standing Order 31 to raise a matter of national importance, namely, the refusal of the Minister for Health and Children to attend a meeting of the Oireachtas Joint Committee on Health and Children as agreed in March 2004 to discuss the following issues: the need for a national diabetes strategy; the recommendations contained in the report on the development of radiation oncology services in Ireland; the present and future needs of the neurological services; and the implementation of the recommendations contained in the report on the orthodontic service in Ireland by the former Joint Committee on Health and Children.

Mr. McHugh: I seek the adjournment of the Dáil under Standing Order 31 to raise a matter of public interest requiring urgent attention, namely, the need for the Government to approve the planning brief for the Tuam Hospital so that a community hospital, ambulance base and ancillary accommodation can be provided on the Tuam health campus. This submission from the Western Health Board has been gathering dust on the desk of the Minister for Health and Children since 8 October 2002 and has not been approved to date, with the result that the locked up hospital is continuing to deteriorate, resulting in a waste of public funds which were invested to purchase the property.

Caoimhghín Ó Caoláin: I seek the adjournment of the Dáil to discuss the following matter of urgent national importance, namely, the continuing gross violation of Irish neutrality by this Government through facilitating the use of Shannon Airport by US troops; its placing of County Clare and its citizens under a state of virtual martial law in order to facilitate the visit of US President George Bush to which the vast majority of

people in this country are opposed; and the admission by the Minister for Defence, Deputy Michael Smith, that for the past five years the Government has authorised members of the US marine corps to train on the Curragh of Kildare.

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

Order of Business.

The Tánaiste: The Order of Business today shall be No. 18, Public Service Management (Recruitment and Appointments) Bill 2003 — Order for Report, Report and Final Stages; No. 19, Maternity Protection (Amendment) Bill 2003 [Seanad] — Order for Report, Report and Final Stages; and No. 20, Residential Tenancies Bill 2003 — Order for Report, Report and Final Stages. Private Members' business shall be No. 39, motion re nitrates directive (resumed) to conclude at 8.30 p.m.

An Ceann Comhairle: There are no proposals to put to the House.

Mr. Kenny: I am glad the Government has abandoned guillotines on these Bills. Can the Tánaiste indicate before the end of the Irish EU Presidency the progress being made regarding Irish being designated as an official working language of the European Union? The Taoiseach responded in the House on this matter on a number of occasions.

The Tánaiste: Successive Irish Governments have sought for many years to make Irish an official language of the European Union. Our efforts to date have not been successful. I am not in a position to say they will be successful before the end of the Irish EU Presidency. Being realistic, that is very unlikely.

Mr. Sargent: There was a lack of effort.

The Tánaiste: It was not lack of effort.

Mr. J. O'Keeffe: It was lack of political will.

Mr. Rabbitte: Why did the Government support a motion in the House to that effect if it had no intention of doing anything about it? The Government parties voted for the Labour Party motion a couple of months ago.

Éamon Ó Cuív: I deire na——

Mr. Rabbitte: Ba cheart don teachta a bheith in a thost.

An Ceann Comhairle: The Deputy must raise a matter appropriate to the Order of Business.

Mr. Rabbitte: Has the Tánaiste had time to reflect on the request put to her the last time she

attended the House, to provide some parliamentary mechanism whereby Dáil Éireann can monitor the implementation of the Government's proposals on decentralisation?

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

Mr. Rabbitte: I put a question.

An Ceann Comhairle: Not to the appropriate Minister. The Minister for Finance has responsibility in that area.

Mr. Rabbitte: The Tánaiste is the acting Head of Government. I exercise my right to ask a question on the Order of Business on a straightforward matter that was asked of the Tánaiste by myself and Deputy Richard Bruton last week. I would appreciate a reply.

The Tánaiste: As I said in the House last week, the Government has appointed an implementation group which is due to make a further report to the Cabinet sub-committee towards the end of July. Following that report, it would be a good idea if a mechanism were found to enable dialogue and discussion in the House or one of the committees of the House in regard to this matter.

I want to distinguish between trying to make something happen in regard to the Irish language and doing nothing about it. They are separate matters. The Government has endeavoured as best it can in this as in every area. However, to be realistic, I do not think we will succeed in this case, just as previous Governments did not succeed.

Mr. Connaughton: The Government is beaten before it begins.

An Ceann Comhairle: I point out that the first question on Priority Questions to the Minister for Finance today, in the name of Deputy Richard Bruton, deals with decentralisation.

Mr. Sargent: The Tánaiste should be truthful with us. I am not aware of any objection raised by any other member state to Ireland seeking that Irish be made an official language.

The Public Service Management (Recruitment and Appointments) Bill 2003, which is to be discussed today, and promised legislation such as the veterinary medicine Bill will be of considerable interest to many public servants. While I know the issue has been raised, nobody is saying what will happen to all those volunteering to stay in Dublin or Cork and where those based at the veterinary offices in Cork city may not want to go to Macroom. Is there a plan for those volunteering to stay in Dublin?

An Ceann Comhairle: That does not arise. The Tánaiste should answer on the legislation.

Mr. Sargent: It is of considerable interest to many people.

The Tánaiste: The veterinary medicine Bill will be published before the end of the session. The Public Service Management (Recruitment and Appointments) Bill 2003 is before the House at present. The Minister for Community and Gaeltacht Affairs, Deputy Ó Cuív, informs me he will shortly bring proposals to Government in regard to the Irish language.

Mr. Sargent: That is official status.

Mr. Crawford: In light of the publicity in the past 24 hours surrounding a young couple whose parents-in-law want to come to this country to see their baby——

An Ceann Comhairle: Has the Deputy a question on legislation?

Mr. Crawford: Yes. When will the immigration and residence Bill be dealt with? Second, when will the enforcement of fines Bill, to allow fines to be attached, be dealt with?

The Tánaiste: The immigration and residence Bill will be dealt with next year. The enforcement of fines Bill will be dealt with later this year.

Ms O'Sullivan: The Grangegorman Development Agency Bill 2004 was published last week. Will the Government make time for Second Stage in this Dáil term to progress the new campus for the DIT?

The Tánaiste: The Chief Whip informs me it is unlikely given the workload between now and the summer recess.

Ms O'Sullivan: Will the Tánaiste request that the Government try to fit it in as it is important to progress this as quickly as possible?

A Deputy: It has been promised for seven years.

The Tánaiste: I do not want to make a commitment and then be accused of not abiding by it.

Ms O'Sullivan: I am just asking the Tánaiste to try.

Mr. Rabbitte: If Michael O'Leary were chairman, I bet the Tánaiste would push it through.

The Tánaiste: The Deputy should not be concerned about Michael O'Leary.

Caoimhghín Ó Caoláin: Given the ongoing disgraceful conditions that apply in accident and emergency units throughout the country, does the Tánaiste not agree it is imperative that the nurses and midwives Bill be brought forward to address that critical area of need, namely, the provision

of beds and nurses at the coalface of acute hospital delivery?

An Ceann Comhairle: The Tánaiste should answer on the legislation only.

The Tánaiste: It is not possible at this stage to say when we will discuss the Bill. However, the Government yesterday cleared the heads of the health and social care professionals Bill. Much progress has been made by the Department of Health and Children on the legislative programme.

Caoimhghín Ó Caoláin: Will the heads of the Bill be circulated?

The Tánaiste: Yes, I believe so. The Minister for Health and Children intends to circulate them.

Mr. Stanton: The Commission to Inquire Into Child Abuse Act 2000 (Additional Functions) Order, SI 280 of 2001, which dealt with inquiries into vaccine trials has, I understand, been struck down by the Supreme Court. I also understand that the Minister for Health and Children is considering this matter. Are additional amendments to the Act envisaged as a result of his consideration of this issue?

The Tánaiste: The Minister will proceed with amendments to the legislation later this year.

Ms Lynch: Approximately ten years ago, one of the front runners for leadership of Fianna Fáil, Deputy Cowen, promised that the blood transfusion service in Cork would have a new building. It seems this has not happened.

An Ceann Comhairle: Does the Deputy have a question on legislation?

Ms Lynch: Yes, my question is connected with legislation.

An Ceann Comhairle: Could the Deputy come to the question? A number of Deputies are offering and I would like to facilitate them all. This is not possible if one Deputy monopolises all the time.

Ms Lynch: This is hardly a monopoly. I have been speaking for about two seconds.

An Ceann Comhairle: However, what she said was not appropriate to the Order of Business. She went back ten years.

Ms Lynch: It is important to put this in context. At present, there are buckets holding the rain coming in through the roof——

An Ceann Comhairle: The Deputy is out of order.

Ms Lynch: No, I am not.

An Ceann Comhairle: The Deputy should resume her seat if she is not going to address the legislation.

Ms Lynch: I will tell the Ceann Comhairle to what legislation I refer.

An Ceann Comhairle: What legislation is the Deputy speaking about?

Ms Lynch: The Irish Medicines Board legislation.

An Ceann Comhairle: The Tánaiste should address the Irish Medicines Board legislation.

The Tánaiste: That will be next year.

Ms Lynch: Dr. Joan Power, the director of services in Cork, has been suspended.

An Ceann Comhairle: The Deputy should submit a question to the appropriate Minister on the matter.

Ms Lynch: This woman blew the whistle on the people in Dublin and she has now been suspended.

An Ceann Comhairle: Deputy Lynch should resume her seat.

Ms Lynch: This is obviously a matter of national importance given the damage done to women and haemophiliacs.

Mr. J. Higgins: Will the Tánaiste confirm that the final amended version of the EU Constitution will require a referendum in this State? When does she envisage the Government bringing forward legislation providing for a referendum of the people? When does she expect the referendum to take place?

The Tánaiste: The constitution will obviously require a referendum. We envisage that will be some time in the next two years. I am sure the Deputy would like to join with me in congratulating the Taoiseach, the Minister for Foreign Affairs, Deputy Cowen, and the Minister of State at the Department of Foreign Affairs, Deputy Roche, on doing a fantastic job on behalf of Ireland and the European Union in succeeding in having the constitution adopted.

Ms Lynch: It is a pity they could not do the same for the Irish language.

The Tánaiste: I am sure Deputy Joe Higgins would want to do that, even if he might not agree with everything in it.

Mr. J. Higgins: It would be treacherous for me to welcome the new constitution. However, when will the legislation be brought forward?

The Tánaiste: It will be some time in the next two years. I have not yet got a date.

Mr. J. Higgins: The Tánaiste might have walked before then.

Mr. Durkan: Given that both parties in Government have acknowledged that neither has a monopoly on caring and compassion, and to facilitate——

An Ceann Comhairle: Has the Deputy a question on legislation? Some of his colleagues are offering and I wish to facilitate them.

Mr. Durkan: I refer to important legislation to facilitate a meeting of minds on this matter. The health and social care professionals Bill would seem an adequate and appropriate opportunity for the Government to come clean on the issue of caring and compassion.

The Tánaiste: That legislation will be published this session.

Mr. Durkan: Will it be soon? Will it be this century?

The Tánaiste: Yes. As there are only two weeks left in the session, it will obviously be soon.

Ms McManus: The VHI is seeking an increase in charges from the Government. Given that, since Fianna Fáil and the Progressive Democrats Party took office in 1997, VHI charges have increased by more than 93%——

An Ceann Comhairle: Does the Deputy have a question on legislation?

Ms McManus: I have a question.

An Ceann Comhairle: She should address the legislation. Otherwise, I will move on to the next business.

Mr. Stagg: The Ceann Comhairle should not be so rude.

Ms McManus: In view of that very steep increase, is there any intention to review the risk equalisation legislation?

An Ceann Comhairle: That does not arise. I call Deputy Gormley.

Ms McManus: I have not finished my question.

An Ceann Comhairle: The Deputy has been given a chance. She is not asking about legislation but about VHI charges. I call Deputy Gormley.

Ms McManus: Is there an intention to review the risk equalisation legislation? Will new legislation be brought forward?

An Ceann Comhairle: Is legislation promised?

The Tánaiste: No.

An Ceann Comhairle: No legislation is promised. I call Deputy Gormley.

Ms McManus: I want to finish my question.

The Tánaiste: There is already legislation in that area.

Ms McManus: I am asking whether the Government will review the risk equalisation legislation in the context of the proposed Voluntary Health Insurance board (corporate status) Bill.

An Ceann Comhairle: Is a review promised?

The Tánaiste: No.

An Ceann Comhairle: No review is promised. I call Deputy Gormley.

Ms McManus: We should bring forward that Bill, which is——

An Ceann Comhairle: The Deputy has made her point.

Ms McManus: I have not had an answer yet.

An Ceann Comhairle: She has been told no legislation is promised.

Ms McManus: Legislation is promised. I am asking that the Government bring it forward to an earlier date. That is all I am asking.

The Tánaiste: No legislation is promised. The risk equalisation legislation has already been passed. The VHI Bill is due next year.

Ms McManus: Will the Government not bring it forward?

The Tánaiste: No.

Ms McManus: Thank you.

An Ceann Comhairle: I call Deputy Gormley.

Mr. Stagg: On a point of order, the rudeness of the Chair towards Opposition speakers is outrageous and is making the job of the Opposition virtually impossible. I want the Chair's guidance on how we might deal with the matter. The Chair's rudeness is outrageous.

An Ceann Comhairle: It is simple. If the Deputy obeys Standing Orders, we will progress the business much quicker than at present. Stand-

ing Orders are specific and the Chair will implement them without fear or favour. The Chair will not be intimidated.

Mr. Stagg: The Chair implements Standing Orders in one direction only.

An Ceann Comhairle: The Chair will not be intimidated by Deputies on either side of the House.

Mr. Stagg: That cant about being intimidated does not wash. The Chair is downright rude to Members on this side of the House when they try to raise legitimate issues.

An Ceann Comhairle: I ask the Deputy to withdraw that remark.

Mr. Stagg: I will not withdraw my remark.

An Ceann Comhairle: Then the Deputy must leave the House.

Mr. Stagg: I will not leave the House.

An Ceann Comhairle: I move: "That Deputy Stagg be suspended from the service of the Dáil." Is that agreed?

Deputies: It is not agreed.

An Ceann Comhairle: In accordance with Standing Orders, the division will take place tomorrow morning. The Deputy will now leave the House.

Mr. Stagg: Then there will be more to say, and it is your fault, Sir. The Chair's attitude is intolerable.

An Ceann Comhairle: The Deputy will now leave the House.

Mr. Stagg: I will not leave the House.

An Ceann Comhairle: The House will be suspended for five minutes to give the Deputy an opportunity to leave.

Sitting suspended at 11.12 a.m. and resumed at 11.18 a.m.

An Ceann Comhairle: I call Deputy Gormley.

Mr. Gormley: Will the strategic national infrastructural Bill, which will fast-track the building of incinerators, be published before the summer recess?

The Tánaiste: As the matter has not yet been cleared by the Cabinet, I am not in a position to say when it will be published.

Mr. Gormley: When I asked about the legislation yesterday, I was told by the Minister for Defence that it would be published shortly. Will

the Tánaiste define “shortly” because I would like to know will it be published in 2004?

The Tánaiste: The Chief Whip tells me it is more likely to be 2005.

An Ceann Comhairle: I call Deputy Allen.

Mr. Rabbitte: On a point of order, Deputy Stagg has left the House. May I ask you, a Cheann Comhairle, in the calm of your offices, to view the tape of this morning’s proceedings?

An Ceann Comhairle: That does not arise on the Order of Business. If the Deputy has a problem, he is welcome to come to the Office of the Ceann Comhairle. I call Deputy Allen.

Mr. Rabbitte: My party is not prepared to acquiesce in the manner of interruptions caused to each of my Deputies as they rose this morning. A Cheann Comhairle, I ask you in calmer times to view the tape and the interactions that took place this morning.

An Ceann Comhairle: The Deputy has made his point.

Mr. Allen: In view of the new caring philosophy of the Government, when will the thousands of tenants throughout the country anxiously awaiting the enactment of the Residential Tenancies Bill see the Bill enacted? It is on the agenda for today but it is unlikely to be reached. It has been shoved off the programme for tomorrow to facilitate the airports Bill so it is unlikely to pass all Stages before the summer recess.

The Tánaiste: It will be back on the agenda tomorrow. Report Stage will be taken in the morning.

Mr. Allen: When will it be enacted?

The Tánaiste: Obviously when it passes all Stages.

Mr. Allen: My other question is about the water services Bill. When will it be brought before the House?

The Tánaiste: I am advised it is on Committee Stage in the Seanad.

Mr. Allen: Will it come before this House before the recess?

The Tánaiste: I doubt it.

Dr. Upton: Pyramid selling and gifting schemes have once again taken off like wildfire and gullible people are being ripped off. The last time I asked the Tánaiste about this, she replied that common sense was the best remedy. Unfortunately, many people do not appear to be

endowed with common sense with regard to this gifting scheme. Are there plans to introduce legislation to control this activity and to prevent people being ripped off?

The Tánaiste: No specific legislation relating to that matter is planned. However, the legislative programme on consumer issues, including enacting EU directives, is currently being reviewed by my Department and the Office of the Attorney General. Clearly, that matter will have to be considered in the context of the Sale of Goods and Supply of Services Act.

Mr. G. Mitchell: Outside the House yesterday the Minister for Justice, Equality and Law Reform promised legislation to increase, yet again, the number of judges. The number of judges has doubled since 1960. They are as capable of being corrupt as any politician, journalist, civil servant or other person, and the expansion of the Judiciary in this way is unacceptable.

An Ceann Comhairle: Does the Deputy have a question on legislation?

Mr. G. Mitchell: Yes, this matter should be brought before the House. The Minister is proposing to amend a Bill, and that is unacceptable. The legal profession is the only profession whose leader is in the Cabinet.

An Ceann Comhairle: To what legislation is the Deputy referring?

Mr. G. Mitchell: This is a serious and grievous matter.

An Ceann Comhairle: To what legislation is the Deputy referring?

Mr. G. Mitchell: Legislation which the Minister for Justice, Equality and Law Reform announced outside the House yesterday. His intention is to increase, yet again, the number of judges. This must be brought before the House so the issues about which I am concerned can be raised and discussed.

The Tánaiste: The Government has agreed to amend the Civil Liability and Courts Bill to provide for the appointment of additional judges. When one makes a comparison with all other European countries, Ireland is at the bottom in terms of the number of judges for our population. It is at about 50% of the level in some countries and the number of judges is substantially lower than the number in Scotland, Wales and England.

Mr. G. Mitchell: The House should conduct an independent assessment of that. It could be done by the Comptroller and Auditor General.

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

The Tánaiste: The Deputy will have a chance to debate it because the Bill will be before the House shortly.

Mr. G. Mitchell: I am most concerned about this. Some judges are far too close to members of the Government.

An Ceann Comhairle: The Deputy is out of order. I want to call Deputy Costello but if the Deputy wishes to disrupt the business we will proceed immediately to No. 18.

Mr. G. Mitchell: A Cheann Comhairle, you should be protecting the rights of this House and the separation of powers.

Mr. Durkan: The Deputy has made a valid point.

Mr. Costello: One of the longest standing Bills on the Order Paper is the Proceeds of Crime Bill 1999. The Minister for Justice, Equality and Law Reform has tabled a volume of amendments which is almost three times the size of the Bill. Is it appropriate that legislation which is five years old and out of date should be swallowed up by amendments and should still be on the Order Paper? Second, when will the legislation be dealt with?

The Tánaiste: Clearly, it is preferable to amend the Bill before it is passed rather than be obliged to introduce further legislation when it is passed. Perhaps the Whips will discuss when time might be provided for Committee Stage of that Bill.

Public Service Management (Recruitment and Appointments) Bill 2003: Order for Report Stage.

Minister of State at the Department of the Taoiseach (Ms Hanafin): I move: "That Report Stage be taken now."

Question put and agreed to.

Public Service Management (Recruitment and Appointments) Bill 2003: Report Stage.

Ms Burton: Will the Chair advise me on procedure? The Minister was not here on time. He is great at giving out to other people but he did not bother to show up on time. My amendment is first so perhaps the Chair will tell me when my amendment will be called.

An Ceann Comhairle: I wish to bring it to the attention of Members that there is an error in the published list of amendments. In amendment No. 1, the word "KNOWS" should be "KNOWN".

Ms Burton: Will the Minister apologise to the House—

An Ceann Comhairle: Amendments Nos. 9 and 20 are related to amendment No. 1. Amendments Nos. 1, 9 and 20 may be discussed together by agreement.

Ms Burton: I move amendment No. 1:

In page 7, line 13, after "ESTABLISH" to insert the following:

"A BODY KNOWN AS AN CHOIMISIÚIN UM CHEAPACHÁIN SEIRBHÍSE POIBLÍ OR IN THE ENGLISH LANGUAGE,".

I ask the Minister to apologise to the House and to you, Sir. It is not good enough—

An Ceann Comhairle: Sorry, Deputy, that does not arise under amendment No. 1.

Ms Burton: I wish to make a brief comment. It is not good enough that the Minister, who has civil servants in the Dublin area in a state of absolute chaos, does not bother to apologise.

An Ceann Comhairle: The Deputy has made her point. She should move on to the amendment.

Ms Burton: If the Minister was in the Civil Service, he would have to sign in—

An Ceann Comhairle: The Deputy should proceed to the amendment.

Ms Burton: I will, but I am entitled to note the Minister's discourtesy—

An Ceann Comhairle: No, you are not entitled to speak at length about it. You have made your point.

Ms Burton: The Chair is entitled to ensure that members of the Opposition are treated with courtesy by the Minister.

An Ceann Comhairle: The Deputy should not involve the Chair.

Ms Burton: This amendment relates to the Irish language title. Earlier, the Tánaiste shamefacedly admitted that the Government, despite members of Fianna Fáil trooping in to support the Labour Party amendment, has achieved nothing with regard to the status of the Irish language. Although I have made it clear with regard to every Bill coming before this House that the Irish language title ought to be used and despite Fianna Fáil backbenchers stating that they support the honouring and usage of the Irish language as appropriate and the encouragement of the use of the Irish language, yet again the Progressive Democrats, including the Minister of State, Deputy Parlon, have failed to make provision for the Irish language title in the Long Title of this Bill.

We wish to insert the following phrase, "AN CHOIMISIÚIN UM CHEAPACHÁIN

SEIRBHÍSE POIBLÍ”, in the Public Service Management (Recruitment and Appointments) Bill. This Bill relates to the decentralisation process. It proposes, effectively, to privatise significantly large parts of the recruitment process for the public services. Immediately after independence, the founders of this State moved to put the public service recruitment process above petty politics and above the corrupt politics that have, unfortunately, come to exemplify parts of this Government and the Fianna Fáil Party and its activities.

This Bill, however, provides for the establishment of two regulatory and oversight commissions and will lead, to a significant degree, to the privatisation of public service appointments at local level. When the Minister hangs out a sign welcoming people to Parlon country, there will also be a sign, perhaps in the local auctioneer's or local undertaker's office, stating that public service recruitment is also undertaken there.

For generations, parents have been reasonably assured that their sons or daughters who applied to join the Garda, to be on the staff of this House or for various jobs in the public service were doing so under a system that was impartial and open. This Bill will give extensive powers of privatisation and localisation. That, on its own, might be worthy of consideration with regard to giving departmental Secretaries General more power to hire and fire. However, when one combines this with decentralisation, what will happen when the head office of a Department is in Portarlington and many of the civil servants who are based in Dublin refuse to go there? At that stage, the recruitment process can be, through the enactment of this Bill, extensively localised. Within that extensive localisation it will be possible for all sorts of corrupt practices to creep back in.

Public confidence in the integrity of our public service and the public service appointment process will be undermined. This process has served the State well. On Committee Stage of this Bill I cited various historical statements by the founding Members of this Dáil. They decided to make the Civil Service Commission independent of all politicians. Only the positions of Ceann Comhairle and a number of other critical offices were exempt from this rule. Only a couple of years ago the Taoiseach opened a brand new office in Jervis Street, built at enormous public cost, for the Civil Service Commission. Now the commission is to be relocated to Cork, although many of the staff are extremely unwilling to go, while the commission's structure itself is to be broken up.

The amendment by the Labour Party gives due recognition to the Irish language in the Title of the Bill. I hope the Minister will accept it. There is a point to be made about this Bill in the context of what we now know about decentralisation. Many of the Minister's PD canvassers in Dublin on the campaign trail met civil servants — men and women, but particularly men, in their 40s and 50s — who do not know what to do. Their wives have jobs locally as nurses or teachers and their

children attend local schools with their friends. They are facing the break-up of their families. Unless they move with their jobs there is no prospect of further promotion.

This Bill is part of a reorganisation that is being forced by the Government. We will look back at it in 20 years in the same way as we now look back at our failure to control greed and land speculation. On their own, parts of the Bill are perfectly innocuous, such as that which gives Secretaries General more power. This is something with which people do not have a problem. However, when it is coupled with the decentralisation process, which is being driven by the Minister of State, Deputy Parlon, for narrow constituency advantage, it looks somewhat different. A fairly uncorrupt public service has been a cornerstone of this country's economic development.

This Bill encapsulates what the PDs are doing to our public services and to their followers in Fianna Fáil. It can be seen in the Bill that the tail is wagging the dog. There is nobody from Fianna Fáil here, however, so they must be acquiescent partners in this process. In “Parlon country” there will not only be a welcome for civil servants; a shingle will be hung out that says, “Public service recruitment done also.” That is shameful.

Caoimhghín Ó Caoláin: Cuirim fáilte roimh leasuithe Uimh. 9 agus 20, a bhfuil ainm an Aire páirteach leo. I welcome amendments Nos. 9 and 20 to which the Minister's name is appended along with that of Deputy Burton, and ask the Minister of State to follow this logic and support amendment No. 1 which does not bear the Minister's name. It is logical that the Minister of State should extend the support already indicated for Nos. 9 and 20 to No. 1. I expect him to respond positively to this because to reject amendment No. 1 while accepting and embracing Nos. 9 and 20 does not make any sense.

This is not the first time members of the Joint Committee on Finance and the Public Service have been obliged to highlight the failure of Government drafters to include in the first instance the reference to the first language in legislation. I appeal to the Minister to ensure, with the representatives of his Department, that in future this glaring omission is not repeated. I hope the Minister of State will respond positively to this.

The explanatory memorandum to the Bill states that the new flexibilities claimed by the Government will support its implementation of the decentralisation programme. I remember asking these questions on Second Stage and will ask the Minister again to explain to the House exactly how this mechanism will support the implementation of the decentralisation programme. We must reflect on what Deputy Burton has just said about what is involved in the proposition to decentralise some 10,300 jobs, as announced by the Minister for Finance in his budget speech in December. We must also take into account the fact that there was minimal, if any, consultation

[Caoimhghín Ó Caoláin.]

before the budget announcement. However, there are serious personal implications for almost all civil servants, especially those who are involved in relationships, are married or have children. If we were in such a position we would have the same concerns.

I ask the Minister to respond positively to amendment No. 1 and to address the House on the issue of how, as the memorandum claims, this Bill will facilitate the decentralisation programme. In a recent advertisement for the post of assistant secretary in the Department of Justice, Equality and Law Reform it is stated that the person appointed must be willing to transfer to any location that may be designated by the Department. Surely that does not apply to those who are already in the Civil Service. Is it intended to make this a condition of employment in the public service in the future? If it is, this is a worrying development because it gives prospective employees no clarity or assurance about their location. They can be moved about like pawns on a chessboard at Government and Department whim. This is not secure employment. With the break-up of Departments and the movement of the various offices to myriad locations, transfer will become part and parcel of promotional procedures. These are major issues of concern to people in the public service. I ask the Minister to clarify these matters.

Will the Minister explain about the deferred proposals for decentralisation within Teagasc?

An Ceann Comhairle: We are dealing with amendment No. 1 on Report Stage.

Caoimhghín Ó Caoláin: I accept that.

An Ceann Comhairle: The Chair did not intervene when the Deputy moved away from the subject but he has now moved away altogether.

Caoimhghín Ó Caoláin: I appreciate the Chair's—

An Ceann Comhairle: Perhaps the Deputy could return to discussing amendment No. 1.

Caoimhghín Ó Caoláin: I will conclude on this point. Will the Minister avail of the opportunity to clarify—

An Ceann Comhairle: I would prefer if the Deputy would not go down that road. We do not want to start a new Second Stage debate. We are dealing with amendment No. 1.

Caoimhghín Ó Caoláin: I was only trying to obtain answers.

An Ceann Comhairle: As I said, the Deputy has already been given latitude but he cannot go into detail about matters that are not remotely related to the amendment.

Caoimhghín Ó Caoláin: The Minister has a great interest in matters agricultural. I am interested in finding out the details of what is intended and the deal that was struck with the Department of Finance, which the Minister of State represents in the House.

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

Caoimhghín Ó Caoláin: I have made my point. If the Minister wishes to avail of the opportunity to inform us, I would welcome that.

An Ceann Comhairle: The Minister will be out of order if he replies to Second Stage points again.

Caoimhghín Ó Caoláin: The Chair will not rule him out of order. I am sure the Chair is in a much more accommodating mood after the morning's travails.

Minister of State at the Department of Finance (Mr. Parlon): Regarding Deputy Burton's concerns about the delay, I was in the ante-chamber for the previous half hour and sat through the suspension of the House caused by a member of her party. I was making my way in when I was met by a major rush of people, including the leader of the Labour Party. Out of courtesy, I stood back and allowed him out. I also remind the Deputy that she was absent from the House last Wednesday when we were about to deal with these amendments and caused a ten-minute suspension of the House. If I was late, I apologise to the House.

Mr. R. Bruton: That is not quite accurate. The Minister will recall—

Ms Burton: We were advised by the Whip's office on the matter.

An Ceann Comhairle: We cannot have a debate on it.

Mr. R. Bruton: On a point of order, what happened was that no Government representative was here and the then representative, who did not have any brief, moved the suspension.

An Ceann Comhairle: Let us return to the amendment.

Mr. Parlon: The Minister of State, Deputy Browne was here, the Deputy was absent and the sitting was suspended.

An Ceann Comhairle: We cannot go down that road.

Mr. Parlon: There was nobody to move the Deputy's amendments. People in glass houses should not throw stones.

Ms Burton: The Minister is wrong.

An Ceann Comhairle: The Minister and the two Deputies have made their point. It is on the record. We will return to amendment No. 1 on Report Stage.

Mr. Parlon: As I said in my opening remarks regarding this Bill, it was promised in Sustaining Progress and it represents an important component of the strategic approach to the management of human resources in the public service. It will provide the public service with a modern and flexible recruitment which it will need in the 21st century. It will also smooth the process of decentralisation and facilitate the recruitment of human resources in relocated Civil Service offices. This is an entirely voluntary process, as has been said on many occasions.

Ms Burton: Tell that to the poor people who will have to uproot their families.

An Ceann Comhairle: Allow the Minister to continue without interruption.

Mr. Parlon: To further reassure the Deputy, the Commission for Public Service Appointments is being established to ensure the highest standards of efficiency and probity and will apply to recruitment across the public service. Far from weakening standards, the Commission for Public Service Appointments will extend the highest standards across areas of the public service which are not now subject to independent third party regulation. While the commission will allow licence holders to undertake their own recruitment, they will ensure the strictest compliance with these standards. There is nothing in this Bill which will endanger or lower standards.

I will move on to the three amendments which are being taken together. Regarding amendment No. 1, I consulted the Office of the Parliamentary Counsel on the proposed amendment and although I have proposed amendments to sections 11 and 33 in response to Deputy Burton's proposals, I am advised that amending the Long Title is not necessary. The references in the Long Title to the two new bodies are "to establish the Commission for Public Service Appointments" and "to provide for the establishment of the Public Appointments Service". The Long Title does not use the formula "to be known as". There is, therefore, no need to give the corresponding Irish names in the Long Title.

Amendments Nos. 9 and 20 are being introduced in response to Deputy Burton's proposal. The effect of the amendments is to refer to the commission in the Irish language.

Ms Burton: I regret that the Minister is unwilling to refer to the Irish language in the Long Title. This cuts to Fianna Fáil's hypocrisy regarding the Irish language. I know the PDs have never claimed any meas for the Irish language, so this is consistent with its overall attitude to the langu-

age. However, it is a disgrace and deeply disappointing that in a Bill dealing with the recruitment of public servants in Ireland who, incidentally, are required to have some knowledge of Irish and be able to offer services as Gaeilge, the Minister should take this approach and set the tone that Irish is not necessary in the Long Title. I welcome the Minister's acceptance of the Labour Party's amendments Nos. 9 and 20 to include Irish language titles for the agencies and boards associated with this Bill.

In his opening comments the Minister said the purpose of the Bill was to introduce a modern and flexible recruitment process. I shudder when I hear the PDs and Fianna Fáil use the term "flexible" in the context of recruitment. Organisations such as the Mafia are known to be highly flexible from time to time as well. The relationship of Fianna Fáil to builders also has high levels of flexibility. We are talking about the recruitment of our public service. The correspondence of people such as General Mulcahy in the aftermath of the Civil War emphasised that recruitment should be depoliticised and put above and beyond the control of politicians operating on a day to day basis, because after Independence they were besieged by reverend mothers, parish priests, and others up and down the country seeking places in the Civil Service for their star pupils, their sons, their daughters and so on. Since Civil Service recruitment was in the hands of a commission which was untouchable by politicians, almost everybody in the country has been happy that the system has, up to now, been honest and fair. It will be so no more, now that recruitment is to be privatised through a system of licence holders.

Caoimhghn Ó Caoláin: The Minister advises that following consultation he is advised that the change in the Long Title is not necessary. Perhaps that is a defensible position. It may not be necessary, but it certainly is desirable. I appeal to the Minister to revisit the response he gave to the effect that he had been advised it is not necessary. Many things are not necessary but they are nevertheless desirable. The Irish language is the first language of our people and it is desirable that in the Long Title of this Bill, and in all legislation, the Irish language version should be given precedence. I again ask the Minister to leave aside his notion of what is necessary and recognise the importance of the Irish language and, on the basis of the broadly held view of people throughout the island of Ireland that it is desirable, accede to the proposition in amendment No. 1 which I fully support.

The Minister did not respond to the question I posed regarding the Explanatory Memorandum in any informative way. What he said was that the passage of this Bill will smooth the process of decentralisation. What does he mean by that? In whose interest will it smooth the process? Will it smooth the way in the interest of people

[Caoimhghín Ó Caoláin.]

employed in the Civil Service or who aspire to be so in the future?

An Ceann Comhairle: The Deputy is moving away from the amendment.

Caoimhghín Ó Caoláin: I am responding to what the Minister said. The Minister made that reference.

An Ceann Comhairle: The Deputy raised it and it is outside the ambit of the amendment.

Caoimhghín Ó Caoláin: I can only respond to what the Minister said. I ask him to clarify to the House in whose interest this legislation will smooth the process of decentralisation. Will the Minister be good enough to elaborate and explain exactly what he means?

An Ceann Comhairle: The Minister will deal with amendment No. 1. We cannot have an omnibus question time on the whole Bill when we are dealing with amendment No. 1.

Caoimhghín Ó Caoláin: The Minister could at least clarify his remarks to the House.

An Ceann Comhairle: The Minister is obliged to obey the Standing Order just as is the Deputy. There are ways and means of raising this, and this is not one of them. We will be dealing with the Bill for weeks if we have an omnibus question time on the whole Bill. Allow the Minister to respond on amendment No. 1.

Mr. Parlon: As we are being so particular about the efficient use of time, I will deal only with the amendment.

Caoimhghín Ó Caoláin: The Minister does not want to deal with the other matter.

An Ceann Comhairle: The Chair has ruled on the matter.

Mr. Parlon: I reiterate that the Office of the Parliamentary Counsel has advised against including the Irish name in the Long Title. I am not, therefore, prepared to accept amendment No. 1.

Ms Burton: The Minister is ill-advised. Irish language speakers deserve better. They deserve to have their rights acknowledged, which includes the facilitation of the use of Irish in ordinary circumstances. Parliamentary drafting is carried out at a specialist level and most of those who work in the Office of the Parliamentary Counsel have extremely good Irish.

I can only conclude that the Minister's objection to including the appropriate references in the title come from an ideological stance. Maybe this is part of the Progressive Democrats idea that inequality is good for us. Perhaps the Minister is

taking a leaf from the book of his rival for the party leadership and feels that inequality for Irish language users is good for them. It might make them fight more for their rights. I regret the Minister's attitude but I thank him for accepting amendments Nos. 9 and 20 by the Labour Party.

Amendment put and declared lost.

Mr. R. Bruton: I move amendment No. 2:

In page 8, line 10, after "appointment" where it secondly occurs to insert "or promotion".

The purpose of this amendment is to broaden the scope of this Bill regarding the new standard of appointment to include not only recruitment but also promotion to new positions. This is a very important issue. We should not forget from where this Bill has come. The Government introduced this Bill without putting forward any serious rationale on why we were moving away from the traditional system of recruitment in the public service.

When this issue was examined by the co-ordinating group of Secretaries General in the policy paper, *Delivering Better Government*, they came down squarely against the move away from central recruitment to the system where individual managers would be responsible for recruitment. The reason they did so is informative. They felt that this would not bring any great improvement in the delivery of public services. They stated that other issues needed greater attention such as the delegation of functions, the measurement of performance against objectives for staff, the introduction of performance related pay, the introduction of better management systems, tackling cumbersome procedures in promotion and the closed nature of many promotion competitions. That is where their priority lay, having examined the issue and they highlighted the latter two issues regarding promotion.

If we are to introduce change in the public service, surely the priority is to do so with promotion within the service and not just for recruitment. The reality is that the present system for promotion confines competitions to people in the public service and prevents outsiders applying for many posts. It rarely promotes people from outside the Department concerned. It has a very narrow approach to filling posts in positions of responsibility. If the Minister is trying to herald a new progressive way to manage the public service, it cannot happen by decentralising the recruitment at the initial point. I have never heard of anyone who has been critical of the Civil Service Commission for being prejudiced or inefficient in its recruitment procedure. The Minister did not articulate such criticisms when he presented this Bill.

What is the thinking behind this Bill? Why are we not addressing the crucial issue of promotion? Promotion on merit is vital in any public service worth its salt. If we want to attract the best people into the service and keep them there, it is vital

that they see that their performance is recognised and merits promotion when the opportunities arise. I am bewildered to know why the Minister is introducing this legislation. Not an ounce of rationale was offered on Second Stage to explain why this is being done. It was all based on prejudice and presumption rather than analysis. Senior public servants did the analysis and came up with the opposite conclusion.

The Government told us that this was agreed by the social partners, to which the Dáil is not a party. Indeed the present negotiations under Sustaining Progress have not been introduced to the Dáil for debate. Yet we are told that we should accept this on good faith because our betters in the social partnership process have told us it should be done. That is not good enough as this is a democracy. What happens behind closed doors has to be justified and argued in this House.

The presentation of this Bill is a disgrace. It is like a merry-go-round with different Ministers coming in every day to present the case.

Mr. Parlon: That is not true.

Ms Burton: The Minister was not here the other night.

Mr. Parlon: Neither was the Deputy.

An Ceann Comhairle: I ask both Deputy Burton and the Minister to allow Deputy Bruton to continue without interruption. I remind the Minister that he will have an opportunity to reply to the points raised by Deputy Bruton.

Mr. R. Bruton: This is a legislative Chamber and we need to know why we are doing things. In my view the crucial issue is that the promotion system within the public service should be reformed. That is why I put down this amendment. I want to include in the Bill promotion within the public service. The Minister has basically said that some day he might, by order, extend the provisions of this Bill to promotion, but that is not good enough. We are here to lead and bring about change and we want to see that that is done. We do not want to put the difficult issues on the long finger and handle the easy issues in this new way.

People on this side of the House are rightly sceptical of the motivation for changing the recruitment procedure. No case has been presented that centralised recruitment is wrong. There have been many merits to and justifications for centralised recruitment. That system is not there by accident. It is there because it guarantees high standards and because it allows public servants to enter a given Department, move to other areas, broaden their base and become a corporate governing group. They do not see themselves as career tourism or career agricultural people or whatever, and that broadens the base and the outlook of the public service. That is what has been the strong feature of our public servants. Many people have moved, but not enough are

moving due to the promotion system. The demand for reform is to change the promotion system, the measurement of performance, and to reward people for their achievements.

Instead of this change, the Bill looks like it has been driven by a narrow agenda of how to make decentralisation work. It is a political motive to increase regional vote-getting. Whoever becomes Secretary General of a Department in Killarney, with control over tourism, also becomes the recruiter. He has a new remit, he recruits locally. National Departments with a national remit will gradually become inward-looking, narrow organisations, recruiting within their local pool and not looking to talent in the wider public service. Is this motivated by a desire to see better quality public servants and decision making or is it motivated by a political desire to make it easier for the Government to deliver the political agenda of decentralisation? Decentralisation is not devolution. Secretaries General decried the lack of serious devolution of power within the public service. Not enough responsibilities were pushed down the line, where people could take responsibility and have the freedom to make decisions.

We do not need this legislation. We need to reform how we manage the public service by providing devolution down the line and not changing the recruitment process unless we have a cogent argument for doing so. Any change to the recruitment process should be based on a certificate which illustrates it is in the public interest to do so. The Bill does not make such provision. Currently, a Secretary General, county manager or health board manager can opt for local recruitment without having to establish that such decision is in the public interest. No public interest test is applied to this issue. Once the person agrees to abide by the code of practice, it is a done deal, but that is not good enough. There is a suspicion that when one moves towards decentralised recruitment, bad practice creeps in. That issue needs to be scrutinised.

Far too much faith is being put in the few Ministers and officials who sat around a table and decided to throw out the considered view of the Secretaries General report and opt for another. I have not heard from Ministers or Ministers of State serious, well thought-out arguments for going down this road. That is the crucial issue. What makes people doubtful about the motivation of Government is its approach to the debate on decentralisation. It is banning hearings on the matter by the Oireachtas Joint Committee on Finance and the Public Service and is instead using its majority to steamroll through this legislation.

The Government has not produced a policy document or White Paper on decentralisation. The issue was slipped in under cover of the budget. Its announcement in that way ensured there was no need for the production of a White Paper, strategic plan or evaluation in terms of regional policy or efficiency of delivery in any of the areas being decentralised. The decentralis-

[Mr. R. Bruton.]
ation programme was introduced in this way to avoid scrutiny. The Government wanted a political agenda, not what citizens expect in a modern democracy. Decisions of this nature can be taken by Government, but they must be open to scrutiny, founded on proper analysis and be taken for good reason.

We need to be sceptical of this legislation, to build in changes and, as the amendment seeks, to ensure that the principles of open and fair advancement within the public service applies as much in promotion as in initial recruitment.

Ms Burton: In supporting Deputy Bruton's amendment to provide for promotions, it is important to recall the circumstances which gave rise to the Bill in its original form as proposed by Secretaries General — Civil Service recruitment experiences ups and downs depending on the state of the economy. There was a time when there were relatively few jobs available to those leaving school and university, resulting in mass application for jobs in the Civil Service at all levels. During the years of the Celtic tiger, in particular from 1992 onwards when I was a Minister of State in the Fianna Fáil-Labour Government, it became obvious that it was becoming difficult for the Civil Service to compete for top level appointments either, as Deputy Bruton said, at promotional or initial level as other opportunities became available. In that regard, Secretaries General and county managers became extremely frustrated with the recruitment process which often took a year or year and a quarter to complete by which time some of those offered jobs had moved on to something else, resulting in the process having to start again. Everyone understands and appreciates the frustration caused, in particular for county councils seeking people in engineering and other special grades. What is the current position?

The Bill offers nothing to the bright young person who has worked in the private sector or in various European institutions and, perhaps, is a qualified economist. We are all aware that the Department of Finance is crying out for qualified economists, many of whom have left to take up employment in the Central Bank or the NTMA.

Mr. R. Bruton: I thought the Minister for Finance said his Department did not need economists.

Ms Burton: We know the Minister does not need them but, unfortunately, the country does, given the cock-up with Luas and the disastrous state of our roads and hospital services. We are not recruiting enough people—

Mr. Parlon: It is perhaps the reason Ireland has the second best economy in Europe.

Ms Burton: The Minister of State is a millionaire farmer. I live in the city centre and have experienced life, as have many people.

An Ceann Comhairle: Please allow Deputy Burton to continue without interruption.

Mr. Parlon: I must correct the Deputy, she is entirely wrong.

An Ceann Comhairle: The Deputy is straying from the amendment.

Ms Burton: The Minister of State is a big farmer. I do not expect him to know much about what happens to those living in parts of west Dublin. The Minister for Justice, Equality and Law Reform, Deputy McDowell, is not aware of what happens to communities which do not have Garda stations.

An Ceann Comhairle: The Deputy must speak to the amendment.

Ms Burton: I thank the Chair for its indulgence, but the Minister of State is provoking me. He lives in a different space to that inhabited by most members of Fianna Fáil and the Labour Party.

An Ceann Comhairle: The Deputy has made her point. I suggest she return to amendment No. 2.

(Interruptions).

An Ceann Comhairle: The Minister of State should allow the Deputy to speak to the amendment. He will shortly have an opportunity to reply to the comments made on the amendment.

Ms Burton: In supporting Deputy Bruton's amendment, I must be asking questions which are making the Minister of State uncomfortable. What happens to the bright young person who goes directly to employment in the banking sector, in Brussels or in the private sector, or who volunteers for some years with Trócaire or Concern? For example, how does an economist, of which the Department of Finance does not have too many, get into the Civil Service other than at base line level? The answer is that by and large he or she cannot do so. These people have to go to the NTMA or the Central Bank which recruits at a higher grade.

I understand the frustrations of Secretaries General of Departments and county managers. By failing to include and address the question of direct high level entry into the Civil Service and the promotion of those within the Civil Service, the Minister is running away from one of the cornerstones highlighted by Secretaries General in their various reports as being part of the problem. Again, one has to ask why that is so. The answer is clear. Given that everything is now subservient to decentralisation, promotion will not be primarily based on merit, as was the case. It will now be

heavily governed by the willingness of the person, probably in his or her 30s or 40s, with a family, a relationship and child care commitments, to move anywhere in Ireland. The Minister, in introducing this Bill, has refused to allow the Dáil to discuss and tease out such details. It is again a case of using the sledgehammer, a case of “take it or leave it”, and the Civil Service must get used to the new structure.

Promises were made under the previous partnership agreement that there would be mechanisms for a higher level of direct recruitment to the Civil Service at different stages. From replies I have received from the Minister for Finance, not much has happened in that regard. There are Irish people working in Brussels and elsewhere who would like to return home and to compete for jobs in our public services, but there are relatively few mechanisms through which they can do so. That was one of the problems identified by Secretaries General and county managers in terms of employing the best staff. We want the best staff in our public service. We want everybody in Ireland to have the opportunity to compete to work in the public service if they so wish, but that will not happen under this legislation.

Caoimhghín Ó Caoláin: In my reading of subsection (2), I took the word “appointment” to mean the appointment for promotion of the person to a position in the Civil Service and assumed that it was a given position. Perhaps the Minister of State might clarify that. I understand Deputy Richard Bruton’s proposition and why he makes his case. Perhaps the Minister of State might clarify if that is his Department’s understanding of the meaning of this section regarding the word “appointment” and that what is involved is not simply an appointment regarding the first step on the ladder in Civil Service employment. I have expressed a concern that this might apply only to access to the public service rather than promotion within it.

My main concern was the role the Bill will give to private sector recruitment agencies. There is fairly extensive concern at the role and responsibilities being given to private sector recruitment agencies regarding recruitment and now, in the context of this amendment, promotion in the process of Civil Service recruitment and advancement through the service. While we all understand that they will act under the conditions and codes of practice to be laid down by the new Commission for Public Service Appointments, there are real and reasonable concerns in this area. For instance, I would like to know whether the private firms will be fully accountable and transparent in the exercise of their recruitment role. If this amendment is carried or if the Minister of State’s interpretation confirms that it is understood or given in the context already presented, how can we ensure that there is the same or at least comparable transparency as in the current system of recruitment and advancement in the public service? I hope that the Mini-

ster of State will give us some indication of that in his response to this area of debate.

If public service appointments are under the control of a private sector recruitment agency, what measures does the Minister of State propose to ensure that specific areas, such as people with disabilities, will be given a fair and positively discriminated form of access to and advancement in the public service? That has been spoken about repeatedly. There is a strong sense that this is a desirable and important area of recruitment and advancement in the public service. What measures does the Minister of State suggest might be adopted to guarantee that the whole variety of people with disabilities will be accommodated and facilitated in advancing their opportunities and career prospects in the public service, especially in the context of private sector control over the said appointments and advancement?

Given that we are faced today with a virtual freeze on all public service recruitment, can the Minister of State outline to the House whether he expects or has any indication that there might be any freeing up as a consequence of the passage of this Bill? Will there be any new thinking regarding the current freeze or embargo on public service recruitment? We all recognise in our respective constituencies some areas——

An Ceann Comhairle: We are moving away from amendment No. 2.

Caoimhghín Ó Caoláin: I am not sure about that.

An Ceann Comhairle: The Chair is sure, and the Chair has ruled on it.

Caoimhghín Ó Caoláin: If that is the Chair’s opinion, I can hardly contest it, so I will conclude. As the Minister of State has some sense of the areas on which I am anxious to hear further information, perhaps he will respond accordingly.

Mr. Parlon: It is important to highlight to Deputy Richard Bruton that the independent group of Secretaries General formed under the strategic management initiative is fully supportive of this Bill. They support the retention of centralised recruitment as provided for by the Bill. Additionally and importantly, they are also fully supportive of the facility to recruit directly. A review of human resources aspects of the SMI process carried out by PA Consulting Group welcomed the centralised and direct recruitment arrangements being introduced. There is therefore a widespread welcome among Secretaries General for this Bill’s introduction and the flexibility it will give them in recruitment.

The Deputy referred to Kerry and said that if there were a recruitment process there, it would have a limiting affect on the talent pool available. I hope that the Deputy is not casting aspersions on people from Kerry or Munster in general. From what I know of Departments in Dublin,

[Mr. Parlon.]

they are peopled by individuals from every county in the country. I do not believe that having localised recruitment will make any difference. I am sure that the Munster talent pool is comparable with that nationally or anywhere else.

Ms Burton: It would not be. It is a quarter of the size. Surely the Minister of State can do some simple mathematics.

Mr. Parlon: I am talking about the calibre. In so far as I could, I refrained from interfering with the Deputy when she was speaking, unless she went totally over the top, not by accusing me but by—

Ms Burton: It is pure codology to suggest that the Munster talent pool is the same size as that of the whole of Ireland. It is a quarter of the size.

Mr. Parlon: I am talking about the calibre of the talent pool rather than the numbers.

Ms Burton: In that case, the Minister of State should rephrase that.

Mr. Parlon: The amendment which we set out to discuss appears to express a wish to regulate promotions in the same manner as recruitment. The Bill provides in section 6(1) for the possibility that the commission might regulate promotion at some point in the future, in that it allows the Minister to make orders extending its remit to posts in the public service, including recruitment posts. The Minister will consider whether to make such an order in due course. However, acceptance of this amendment would automatically bring promotions within the commission's remit now. Additionally, the Minister for Finance, Deputy McCreevy, agreed with his colleague, the Minister for the Environment, Heritage and Local Government, Deputy Cullen, that at the outset the Bill would regulate only recruitment and that any extensions would be the subject of further consultations between the Minister for Finance and the Minister for the Environment, Heritage and Local Government.

The proposed amendment also fails to appreciate the structure of the Bill. Provisions relating to the functions of the new bodies and codes of practice, in so far as they relate to promotion, are contained in the relevant Parts of the Bill. The key substantive provision dealing with promotion is set out in section 57.

Regarding Deputy Ó Caoláin's reference to the recruitment of people with disabilities, the Minister for Finance's policy on this matter is unchanged. He is committed to having at least 3% of Civil Service positions reserved for people with disabilities. The target has been exceeded in recent years. For that reason, I reject this amendment.

Mr. R. Bruton: I am disappointed that the Minister of State is rejecting the amendment on

the technical argument that the Deputy does not understand the structure of the Bill. This is really an issue of principle. Do we want to drive forward serious reform in the promotions system? The Minister of State wants to make a provision that can remain a dead letter, and that is the approach that he is taking. He is not addressing the issue of promotion and not opening up promotion opportunities to talented young people. He is not saying that, in a modern public service, quotas and confining promotion opportunities within a unit have no place.

The Minister of State is attempting to use the Fianna Fáil bullying tactic of pretending that I am saying that Kerry people are in some way inferior. That is not what I was saying. If one has a recruitment system to be operated in Kerry and a promotions system 60% confined to people within the office, as at present, and it is not proposed to change it, there will be a fairly narrow recruitment pool, a constrained promotions system and, over time, a tourism cultural unit will be developed that looks inward, thinks about its own affairs and is very narrow in its focus.

One of the merits of the old system which we are now abandoning without serious argument, is that it ensured people were recruited right across the whole grade. They did not become career tourism people. They were not Kerry people for a Kerry job or Dublin people for a Dublin job. To try to deflect a serious argument such as the one I am putting forward by retorting, in effect, "Here you are running down the Kerry people or the Wicklow people or the Wexford people" is not what the Minister of State is appointed to do. He is appointed to offer the House substantial arguments as to how this will work, to say how the concerns I have raised will not materialise. He is not doing that. He is not addressing the issues.

Ms Burton: The more we hear from the Minister of State on this Bill the more worried I become that he has profound ulterior motives as regards this legislation. The Secretary Generals made clear what types of reforms they wished to see. They desired that many of those reforms should be in the context of a scarcity of labour, when the economy was booming. However, our Civil Service has to continue and the problem now is that it will be localised over the 44 agencies involved in decentralisation to more than 30 locations around the country. It means there will be intense localisation activity by the Civil Service. Cohesion in the Civil Service will be broken up. For instance, people formerly recruited from university at administrative officer level to the Department of Finance or other Departments had an *esprit de corps*. They took part in joint training and so on. Now it will all be localised right around the country.

The recruitment process through the use of the employment agencies and recruiters — in the interpretative section of the Bill — will be so localised that we seriously run the risk of not getting the best. We may, unfortunately, be right

back to Tammany Hall politics, with a Minister from Kerry based in Kerry, with a Department based in Kerry. Over time a notice will go up, in effect, saying, "Outsiders need not apply to be recruited". That is the reality.

This is a small country with a population less than that of Greater Manchester and yet we now propose to break up the Civil Service system and effectively allow private recruiters — where the standards are not sufficiently transparent — on the scene to address a number of problems which have definitely arisen. The Minister of State is throwing the baby out with the bathwater. When people such as General Richard Mulcahy set up the independent Public Appointments Commission after Independence, they did so to stop the politicking and the corruption that was going on as regards public service appointments. This Government is turning its back on all of that.

Caoimhghín Ó Caoláin: The Minister of State has certainly clarified my question as to whether or not "appointment" means the appointment or promotion. That is not the case in this particular instance. I was taking the view that it probably did and that it was a given because the Preamble to the Bill states, "An Act to reform the recruitment and appointment processes". It says recruitment and appointment. Yet now we find the word "appointment" only refers to recruitment. One could be forgiven for taking the view that it was taken as understood that promotion was part of it. My questions and concerns go to the core of the Bill's proposition as regards the involvement of private sector recruitment agencies in appointments — or now, recruitment, as the Minister of State has clarified — to the public service.

The Minister of State has not answered the questions, with all respect. He has addressed the issue as regards people with disabilities and the ongoing commitment of the Minister and the Government to facilitating and exceeding the quota. That is a quota applied only by the Government, however. I would like to see that improved and extended. I hope the Minister of State shares that ambition. What guarantees transparency as regards the recruitment process? It no longer applies according to the Minister of State's response *vis-à-vis* promotion, but what guarantees the transparency of the recruitment process in the hands of private sector agencies? I would like the Minister of State to please elaborate on that.

Mr. Parlon: This Bill continues to provide for central recruitment to the Civil Service. I expect that will continue to be the main method of recruitment, but it also provides the facility to recruit directly under strict criteria. It puts the onus absolutely on the licence holder and many conditions apply to that. It provides the licence holder with the facility to engage a public recruitment agency to assist in the recruitment. However, the onus as regards the appointment rests absolutely with the licence holder.

I am somewhat intrigued by Deputy Richard Bruton. At the outset I had the impression that he felt this Bill was totally unnecessary. Now he wants to add extra responsibility on to it.

Mr. R. Bruton: I will deal with that.

Mr. Parlon: Even in terms of his own and his party's position with regard to decentralisation, I have sat in this House with the Minister of Finance, long before it was announced in the budget, when Deputies on the other side, to a man and woman, demanded when decentralisation would be announced for their towns.

Mr. R. Bruton: I will deal with that, too.

Mr. Parlon: Quite recently I was in the Seanad on a Private Members' motion when, to a man and a woman, the Fine Gael Senators welcomed and agreed with decentralisation as a principle. I am somewhat curious to know where the Deputy or his party stands on decentralisation now.

Mr. R. Bruton: I will explain it.

Mr. Parlon: The question was raised earlier about the bright young person, and Deputy Ó Caoláin has raised it again. Somebody outside the Civil Service may apply for a post, like anyone. If successful, he or she will be appointed. He or she may apply to the public appointments service and take part in a competition being held by other licence holders.

Ms Burton: On a point of order, the Minister of State is not accurate in his response.

Mr. Parlon: If the Deputy was concerned about accuracy she would not have made some of the very inaccurate comments she uttered earlier——

Acting Chairman (Dr. Cowley): That is not a point of order. The Deputy will allow the Minister of State to continue.

Mr. Parlon: ——and she would have apologised for her absence from this House as well, which caused it to be suspended for 15 minutes last night.

Ms Burton: That reply is wrong.

Mr. Parlon: You seem to have a monopoly on accuracy as regards everything.

Acting Chairman: The Minister should address the Chair. He will please continue.

Ms Burton: He is completely wrong.

Mr. Parlon: These graduate posts will be filled from within the Civil Service. We have a fabulous resource of people in the Civil Service. That is generally where the appointments will go. I

[Mr. Parlon.]
reiterate my position — the amendment is rejected.

Mr. R. Bruton: I would like to deal with a few of the Minister of State's points, just on a matter of fact as regards what happened last week. Deputy Ó Caoláin is the only person who was here at the time. What happened last week was that the previous Bill closed early. The Minister of State, Deputy Browne, was not briefed to handle the Bill. We considered what should be done and decided to adjourn because the dropping or moving of amendments without a Minister competent to deal with them would have made a joke of the situation. It was the Minister of State, Deputy Browne, who moved to adjourn the House because he did not have a responsible Minister present. That is the truth. Deputy Burton may not have been here at the time——

Mr. Parlon: She was not here to move her amendment.

Mr. R. Bruton: That was not the issue——

Ms Burton: I was. There was no Minister here.

Acting Chairman: Deputy Richard Bruton has the floor.

Mr. R. Bruton: There was no question of an opportunity to take amendments, because no Minister was present.

Ms Burton: The Minister of State was not present.

Mr. R. Bruton: No Minister was briefed to deal with it.

Ms Burton: The Minister of State, Deputy Browne, was not competent to deal with it. He was not present.

Mr. R. Bruton: The Minister of State, Deputy Parlon, needs to learn that accuracy has a place in the House as well as polemics. He asked how Fine Gael can be said to support decentralisation if it is asking questions about the process. Fine Gael is asking questions because a country like Ireland should be governed in a certain way. We are not dealing with the placing of Government but with the public service which has developed over 70 years and is of unquestioned quality.

If we are to make serious decisions about decentralisation which is a serious matter that will affect a significant number of public servants, we need to do so on a well thought-out basis. We need a strategic plan that sets out how decentralisation will succeed. We need a regional strategy within which it sits. We need to assess the organisations that are being moved to ensure they are not being undermined during the decentralisation process by the loss of many competent people who have contributed to the success of such

organisations. We need to ensure that the capacity to make policy and give coherent advice to the Government will remain intact after decentralisation occurs.

Most of all, we need to ensure that decentralisation will be a success and that the process will involve thought and scrutiny. When I say that is not happening, I am not engaging in the bitterness of Opposition. Serious concerns have been expressed by Professor Ed Walsh, senior members of the trade unions that represent public servants and other independent people about the highly political way in which this is being done. They have spoken of a lack of scrutiny, advanced thinking and planning in this regard.

Fine Gael and other Opposition parties believe that decentralisation has a great deal to offer in respect of regional strategies. We are asking questions because we are not convinced by the Government's proposal. Each day, we become more convinced that the Government has not given it enough thought. It has refused to allow any hearings or to answer any questions. It keeps running away from the issue and from democratic scrutiny. If the Progressive Democrats Members, who are well-known for getting up on their high horse, were on the Opposition benches, they would be more robust in screaming about the wrong that is being done. People are being treated unfairly in the Government's raffle for positions in the public service. They are being told that they must apply for their jobs before a certain deadline.

The Minister of State asked why Fine Gael voted against this Bill and why it is seeking to apply the principles of fair recruitment in promotions. Principles of fair practice are not being applied in promotion competitions in the public service. It is interesting that the Minister of State quoted from a document, Evaluation of the Progress of the Strategic Management Initiative, in support of his view. I have read some of it. When the Minister of State was speaking about Fine Gael, I took the opportunity to see what the document says about promotion. On page 62 of the evaluation, it is made clear, "Despite the move to more competitive approaches there is still a strong belief (45% of respondents) that promotions are not based on merit and individual performance." The Government has not addressed the fact that almost half of public servants do not believe that promotions are based on merit. It believes it is something for the never-never time in the distant future.

The evaluation paints a sad picture of the progress that has been made in this area:

Within individual Departments/Offices the key change envisaged was a move from the traditional Personnel function to strategic HRM. While most Departments/Offices are now in the process of evolving a more strategic approach to HR, it is not clear to us that the implications of this fundamental shift have been internalised within all Departments/Offices.

The report goes on to state: "The senior managers with whom we spoke consistently expressed most frustration and disappointment around what they perceive to be the slow pace of change." The section of the evaluation that deals with recruitment states that there are difficulties in "securing sanction for posts". Ministers are making decisions about matters such as the construction of the hospital in Blanchardstown, in Deputy Burton's constituency, and other facilities such as those in Mullingar and Birr. The evaluation states, however, "Manpower planning is virtually non-existent as a matter of routine practice." The Minister of State has quoted from this document in support of the Government's position.

The report paints a sorry picture of the quality of human resource planning in the Department of Finance. The Government is proposing to split it up into many components instead of addressing the need for change. The Minister of State might say that it is trying to devolve responsibility, but the evaluation states that there is "little evidence of progress on devolving responsibility for HRM to line managers, and indeed little evidence on the part of line managers of an eagerness or capacity to absorb such a role". The Government is trying to create a legislative solution, but it needs to make other changes. The Secretary General said some years ago that the sort of change that is now being introduced by way of legislative fiat was not a priority because the priorities lay elsewhere, for example, in the listed delegation of functions, performance and the devolution of power.

If the Minister of State could produce a document that states that the Government is flying down the road, that high-quality human resource management systems are in place, that more power has been devolved and that recruitment power has been given to dynamic new line managers who are taking budgetary responsibility and have moved away from what Deputy Ó Caoláin described as a narrow embargo approach to trying to deal with cost problems, we would deem it fair enough, compliment the Minister of State on doing the work and preparing the ground, and accept that it looks like a sensible change. We cannot do so, however, as the Minister of State is silent on all such issues, hides behind reports instead of reading them and wonders what they tell us about what is going on.

It is not good enough that the Minister of State should come to the House without being briefed and try to respond to the Opposition's proposals by stonewalling. Legislative issues should not be dealt with in the House in such a manner. I am disappointed by the Government's approach. I do not pretend that my amendment No. 2 is perfectly drafted, but if we want to advance and to get good people into the public service, we must reform the current promotion system which is closed and does not promote those who are best for the job. It is not good enough that 45% of public servants believe that promotion is not based on merit and performance.

The Minister of State's mealy-mouthed comment that the Government might get around to addressing the matter some day is not good

enough. If he had done the work that needs to be done, according to the report, Evaluation of the Progress of the Strategic Management Initiative, before he came to the House, perhaps we would be confident that the time is right to abandon a system that has worked well and has been seen to be fair and that we should proceed with a more devolved form of recruitment. We know that the underpinning is there to make it work. Many Deputies on this side of the House are not convinced, however.

I am not around long enough to be sure, but I think it is rare for there to be universal scepticism on the Opposition benches when it is proposed to make a serious change in the way in which the public service is run. We have doubts about why it is being done and whether it is the right way to proceed. It is a long time since there has been such scepticism. There is something wrong when a Government proposal is the subject of such scepticism on the Opposition benches. While my amendment may not be perfect, I believe it should be accepted, at least as a statement of principle.

Amendment put and declared lost.

Mr. R. Bruton: I move amendment No. 3:

In page 11, line 42, after "concerned" to insert "which order shall be laid before each House of the Oireachtas and shall not take effect unless and until it is approved by a positive resolution of each House".

This section of the Bill deals with the potential extension of the system of recruitment outlined in the Bill to local authorities and health boards. Such an extension would allow the health boards and local authorities to act as recruitment agencies. The Minister proposes that the commission should examine this issue before an order is made. This amendment proposes that the Minister should lay a positive motion or resolution before the House rather than making an order extending this provision to local authorities and health boards which would come into effect within 21 days assuming it had not been debated and overturned by the Oireachtas.

I am happy with the notion that the commission will produce a report on the health boards or local authorities and consult with the Ministers concerned and the various bodies to reach a point where the order can be extended. This is a fairly important change in the way local authorities recruit. A public interest case needs to be established showing that this fits into the best interests of public administration and that the preparatory groundwork is in place to see that the health boards or county managers have the sorts of procedures we want.

All Members will realise that positions have not always been filled to the highest standards and delegated recruitment has not always taken place in the way we would have liked. It is important for the Oireachtas to have a positive role rather than simply seeing it laid before the Oireachtas without any serious debate. When this is extended to health boards and local authorities,

[Mr. R. Bruton.]

the Minister of State should come to the House with a positive order setting out why it is being done and how it should improve local administration. He should make the case and let the Oireachtas have its say before it comes into play. For such an important change in the operation of institutions that are so fundamental to ordinary citizens, this would be prudent and represent good management in accord with proper accountability to the Houses.

Ms Burton: I support the amendment. The Opposition has lost faith and trust in the Government's integrity because it has shown itself to be motivated by purely partisan issues. The public service is a great Irish institution and for the most part, most public servants must be silent. I am afraid that since the budget the way people like the Minister of State have created a hullabaloo around decentralisation and have owned the process has been very much part of his struggle for leadership of the Progressive Democrats with the Minister for Justice, Equality and Law Reform, Deputy McDowell. The way the Government has owned the process has been deeply unhealthy for the future of our independent Civil Service and its integrity. If my words are sharp it is because corruption has cost so much to so many people in this country. To allow the evolution of potential potent corruption in the future will bring us back to the culture of, "It's not what you know, but whom you know."

By and large the Secretaries General of Departments are people of stature, independence and integrity. Following decentralisation, the powers conferred on the Minister in the Bill are extraordinary. The scandals in the 1930s, particularly those relating to public service recruitment by the local authorities, gave rise to the creation of the Local Appointments Commission. If the proposals are to be expanded further, Deputy Richard Bruton's suggestion that such proposals should be allowed to be discussed and debated in full by the House are very important. There is tremendous scope in the health services, the Prison Service and various local authorities for favouritism in appointments.

I am not sure whether the Minister of State is aware that this Bill incorporates various employment legislation into the Civil Service process. On the whole that is very good. In future the Unfair Dismissals Act will apply to the Civil Service. So will various European regulations relating to recruitment by the backdoor via part-time recruitment, in which employees can establish permanency as a result of part-time engagement. There is much to tease out.

I want to clarify the point the Minister of State disputed earlier. I am perfectly aware that a fresh graduate can apply for direct entry-level grade graduate recruitment to the public service. We all know that. The Minister of State, who is so incredibly arrogant, seems to think that none of us on this side of the House know anything about the public service. The Minister of State did not answer the main point on which he should consult with his civil servants. In reality, by and large it

is not possible for a person who has accumulated six or seven years, some of it at a higher level, to apply for promotional grade opportunities in the public service. That was my point.

By and large people who went abroad to work in Brussels without first having been in the Civil Service or who go into the private sector and have successful careers there for five or ten years are not in a position to compete for appointment at their appropriate level in the public service. The Minister of State ought to be familiar with this matter, as he may have answered questions on this topic since taking office. Under Sustaining Progress recruitment was to have taken place at higher levels for those who had left such levels. However, successive answers given to Deputy Bruton and me at various stages have shown the number of such possibilities to be astonishingly small.

The Labour Party retains a legitimate objective that the best and brightest people should have access to working for the State in the public sector. It is an honourable job. However, the way the Minister of State proposes to deal with this will risk the most horrible kind of shoneen localism in recruitment and ultimately corruption. By running this alongside the decentralisation process, what initially had many elements to recommend it is now viewed with the deepest suspicion. If the Government's motives are as honest as it suggests, when making future orders extending the powers in the Bill what would be wrong with the Minister coming before the House to explain those extensions, being subject to question and defending them? A few weeks ago at the Oireachtas Joint Committee on Finance and the Public Service the Government Members voted to refuse to allow decentralisation to be discussed.

I believe the Minister of State has responsibility for the Ordnance Survey which has more than 200 specialist staff in Dublin. When this Bill is passed in conjunction with decentralisation, those people will effectively have to reapply for their own jobs. They can no longer seek promotion unless they are prepared to travel to Waterford and they are not afforded a reasonable timeframe in terms of their family responsibilities to spouses, partners or children, particularly teenage children. This amendment merely seeks transparency and a willingness to be accountable to the Oireachtas when further changes are made. Why is the Minister of State afraid of that process? What has the Government to hide?

Caoimhghín Ó Caoláin: I support the amendment, the effect of which, in my opinion at least, would be to supersede subsection (3) of section 6. Subsection (3) states that every order made by the Minister under the section — this is the extension of application by order — shall be laid before each House of the Oireachtas as soon as may be after it is made. If a resolution annulling the order is passed by either such House within the next 21 days in which that House has sat after the order is laid before it, the order shall be annulled accordingly but without prejudice to the

validity of anything previously done under that order.

My reading of that is that we have an amendment proposing that no such order will take effect until it is approved by both Houses of the Oireachtas. On the other hand, a situation is presented in section 6(3) that allows for the order to take effect and it can be subsequently annulled by either House of the Oireachtas, but any measure that has been taken or any steps approved will not be annulled by that decision.

Deputy Bruton's amendment offers real protection. It eliminates the potential for abuse. It establishes best practice in terms of referral to both Houses of the Oireachtas. At the very least this should be a courtesy extended to both Houses of the Oireachtas but there are much more important matters involved. The Minister of State and his colleagues in the Department of Finance present that the Houses of the Oireachtas may, within 21 days, annul the order but that any measures carried out as a result of the order will stand over the period of the 21 days, or whatever time within which either House has had the opportunity to address it. That is a poor position to take and it is highly objectionable.

Consideration of amendment No. 3 cannot be taken in isolation of that subsection because the adoption of one eliminates the other. What is proposed in the amendment gives greater guarantees and protection and would earn, deservedly, greater public confidence in the whole process. The amendment clearly states that any such order shall not take effect unless and until it is approved by a positive resolution of each House. That is clearly the preferred approach and I await with interest the Minister of State's response to this proposition because the two are clearly connected, and one is the preferred and more appropriate approach. I hope that, accordingly, the Minister will accede to amendment No. 3 and accept the validity of the arguments presented.

Mr. Parlon: I thank Deputy Bruton for clarifying his party's position on decentralisation. He said that decentralisation must be successful, and the Government and I share those sentiments. I appreciate that with all major projects — the decentralisation of 10,300 civil servants to 53 locations throughout the country is a major project——

Mr. R. Bruton: The Minister is not going about it the right way. He has not done the background work to make it a success.

Mr. Parlon: If I could be allowed finish——

Mr. R. Bruton: The Minister should not pretend that he is cleverly reinterpreting what I said.

Acting Chairman: The Minister has the floor.

Mr. Parlon: It is a mammoth task. Many issues have arisen and they are being dealt with by the Government. Intense discussions are taking place with the unions representing civil servants and I

am confident that all those issues will be addressed and that we will have a positive and successful decentralisation that will not only aid Dublin city but all the regions. It will also aid the efficiency of the Civil Service.

The Deputy referred earlier to my degree of briefing and I would like to clarify the position in the interest of accuracy. I was present in this House and in the Seanad on every occasion this issue was dealt with. I was not present the evening Deputy Burton failed to show but the Minister of State, Deputy Browne, was here on that evening and he was fully briefed.

Mr. R. Bruton: That is not the case.

Mr. Parlon: Deputy Burton has left the House but I assure——

Ms Lynch: Did a civil servant write that down for the Minister?

Mr. Parlon: No, I wrote my own notes. I come up with some ideas——

Mr. R. Bruton: The Minister of State was bewildered at the thought of taking the Bill.

Acting Chairman: The Minister has the floor.

Mr. Parlon: I assure Deputy Burton, who has left the Chamber but who was so concerned about accuracy, that there is no leadership struggle within the Progressive Democrats. We have a very fine leader——

Ms Lynch: That is not what the thousands of people recruited into the party think.

Mr. Parlon: ——and, depending on which poll one reads, one of the most popular leaders of any political party and certainly one of the most able. That is an issue that does not arise.

Ms Lynch: The Minister of State decided not to take her on.

Mr. Parlon: Deputy Burton referred to localism. I am not too sure what that means but I suppose it refers to recruitment. Perhaps it means that over the many years we have had recruitment into the Civil Service, much of it took place in Dublin city. Deputy Burton is not here but I am sure Deputy Lynch would agree that the country extends way beyond Dublin city. I do not appreciate Deputy Burton's term "localism".

Ms Lynch: The Minister should tell that to the unfortunate people in the Department of Agriculture and Food in Cork who are being decentralised to Fermoy.

Mr. Parlon: With regard to the amendment, section 6 provides for the extension of the application of the Bill by order. Subsection (3) provides that every order made under section 6 must be laid before each House. Each House has the opportunity to pass a resolution annulling any such order within 21 days of the order being laid.

[Mr. Parlon.]

I consider that subsection (3) is more efficient in that it provides that the Houses be notified of the extension of the Bill and allows the Houses to annul the extension rather than involving the Houses in approving the extension. Such involvement is not necessary and, accordingly, I will not accept the amendment.

Mr. R. Bruton: It is amazing to be lectured about efficiency. Essentially, the Minister appears to be saying that the most efficient way to deploy the Houses of the Oireachtas is to ram through legislation without debate, that the elected Members should not be worrying their silly little heads about a massive change in the way we recruit to local authorities or health board authorities and that we should accept his gracious decision that high efficiency can be secured by refusing Members on the opposite benches the opportunity to scrutinise a proposal of this nature. That is poppycock. There is nothing efficient about not scrutinising serious public decisions. That is inefficient. That is what got us Punchestown and is the reason Blanchardstown hospital is lying idle with no staff to man it. That is so-called efficiency.

It is highly efficient to go to Punchestown races and make deals about the way something is to be run or decide to pay money to a project in Maynooth because it is in someone's area and they want to do a favour for someone. That is highly efficient if one is in the business of winning votes and keeping elected representatives out of one's hair, but that is not what we are here for, and it is for the House to decide what is the best way to handle issues.

The Minister heard from the Members who spoke on this side of the House that they believe such a change being applied to local authorities and health boards is an important change of practice and one that ought to have the proper scrutiny of the House. We will not take lectures to the effect that we must fit into the Progressive Democrats view of efficiency if it prevents democratically elected people from scrutinising the actions of Government.

The Chair has tried to avoid raising the decentralisation issue but the Minister of State still comes back to it. I support decentralisation but not when there is no Government memorandum or debate and Government Deputies block hearings on it. I do not support it when no risk assessments of the agencies being moved or human resources plans to deal with the public servants who will be dispersed are carried out. These are the basics that should underpin any decentralisation programme. If they were in place, it would be agreed that the Government has thought out how the programme will fit into the spatial plan, that it is robust and will bring genuine regional development. However, there is no agreement or confidence on this side of the House. Even those Members wildly enthusiastic to see a Department

moved to their towns can see that the Government is making a dog's dinner of the programme. Political opportunism——

Ms Lynch: And ideology.

Mr. R. Bruton: ——has been put before solid work on the issue. "There are none so deaf as those who would not hear," as my father used to say to me. The problem is that the Government does not hear the views of this side of the House but interprets them to give its own line.

Caoimhghín Ó Caoláin: As I anticipated, the Minister of State's reply referred to section (6)(3). With all due respect, arguing that this is a more efficient way of doing business regarding extensions of orders does not stand up to any serious scrutiny. The Minister of State is saying that once the horse has bolted and if the Houses of the Oireachtas seek to annul the order, it would be without prejudice to the validity of anything previously done under that order. Why allow an extension order to come into effect and be employed before the Houses of the Oireachtas have the opportunity to properly address it? There is also a time factor involved concerning the subsequent 21 days on which the House has sat after the order is laid before it. That could actually be from one part of the summer recess to the resumption in the autumn with the passage of several months. It is mind-boggling that all would come into play in the period the order was made effective.

The Minister of State does not even accept his own argument. This is not a more efficient way of doing business. The most efficient, honest and transparent way would be for the order to come before both Houses of the Oireachtas for prior approval before it comes into effect. That is at the core of Deputy Richard Bruton's sensible amendment. Nothing in what the Minister of State has presented shows any seriousness in addressing the Bill's deficiencies. It is unacceptable that he is defending the indefensible and it will be seen for what it is.

Mr. Parlon: The efficiency of the Houses of the Oireachtas is important. In getting best use of the Houses' time, each House has the opportunity to pass a resolution annulling any such order within 21 days. It is the most efficient way of dealing with this issue. For that reason I do not accept the Opposition's amendment.

Mr. R. Bruton: I forgive the Minister of State because he has not been a long time in the House and never on the Opposition benches. I am giving him the benefit of the doubt that he does not know what actually happens with these resolutions. The only time available to the Opposition for business in the House is Private Members' time. This is one period a week, divided on a rotational basis between the Technical Group, Labour and Fine Gael. If the Opposition decides

that scrutiny of an issue of this nature is required, it must set aside its one week in three to do so. The likelihood of that happening within 21 days of delaying is remote. In responding to the political issues of the day, the Opposition has an obligation to provide time for debate. An order like this, by its nature, will not be the most pressing issue of the day. The urgent tends to drive out the important and politics responds to the urgent.

The Minister of State must make a provision that the House is obliged to scrutinise important matters such as this, particularly when recruitment for certain local and health authority places will be returned to a devolved system. As Deputy Burton pointed out, that system was previously abandoned in the belief that it was abused. Serious public policy issues are involved here.

The Dáil is not the Government's sausage machine in that it processes legislation and efficiently manages time on its terms. The Government sees Dáil business as spending as little time as possible in the Chamber and getting as many sausages — namely the Government's preferred business — out at the end. However, the Dáil is a Chamber for serious scrutiny of the merit of important matters. This is one of those issues deserving such scrutiny. If this amendment is accepted, the Government will have to make time for it in Dáil business so as to present its statutory instrument. The Government will have to admit it has examined the local authority managers' preparation for the new devolved recruitment, their public interest argument and ensure that it is exercised to the highest standards. It will only take an hour of the House's time to debate a major change that will affect 83 local authorities of which 883 members were recently elected at considerable expense.

There are two choices facing us. Is it proper that the Dáil takes an hour to examine if proper preparations for a fundamental change in recruitment to these bodies, which deliver key services to citizens, have been completed? Or is it proper that, only in the event of an absolute crisis attached to a proposal, an Opposition party brings it up on Private Members' time? The Minister of State claims that it is better that the Dáil does not look at this again. It is unacceptable that he claims that, as he has sweated blood to get this Bill through the Dáil, he does not want to return to justify why he is extending it to local authorities. The recruitment practices of approximately 100,000 employees in local authorities are important enough to make an hour of Dáil time available. I do not accept the Minister of State's argument.

Opposition is good apprenticeship for Government because one understands what it is like to scrutinise matters and make judgments on them. The Minister of State is removing the need for scrutiny that this House should have. He should at least make a commitment to appear before the relevant committee and present the statutory instrument there, with a question and answer ses-

sion. I would settle for that if the Minister of State is willing to offer it.

Mr. Parlon: I have been accused by the Deputy of being arrogant, but it is not my intention to be so. The Deputy says I have no experience of being in Opposition, but this section of the Bill is to allow the Minister the power to extend the application of the Bill to certain appointments to which the Bill does not initially apply. At an earlier stage I recall Deputy Ring being very loud in his condemnation of practices that applied in local authorities and so on, and the need to bring those appointments under this Bill.

Mr. R. Bruton: The Minister of State is misrepresenting Deputy Ring, who was concerned about giving managers more recruitment abilities in the areas where they already had some. Perhaps the Minister of State's officials might correct him regarding Deputy Ring's remarks.

Mr. Parlon: I remember exactly what Deputy Ring said.

Mr. R. Bruton: Is the Minister of State sure?

Mr. Parlon: Yes.

Mr. R. Bruton: The Minister of State should check the record.

Mr. Parlon: In terms of the roll-out of this Bill, it is proposed that if it is extended, any extension of application by order should be laid before the Houses. The Deputy is aware of that. There is never enough time in this House to deal with business, yet a lot of time is "wasted" to 'ing and fro'ing on items. There is never enough time to carry out business and there are many Bills to be dealt with by this House before the end of term. On the Order of Business today the Opposition rightly noted a number of Bills which have been hanging around for a long time. We must use time efficiently in the House. The Government's contention is that this method is more efficient and if the Opposition has a major problem with the roll-out of this Bill it can raise it in the House and take out some of that very important time rather than——

Mr. R. Bruton: Is the Minister of State willing to take it to the committee?

Mr. Parlon: No. We have laid the matter out very clearly. Each House has the opportunity to pass a resolution annulling any such order within 21 days of the order being made. This is the Government position on this aspect. I got the impression previously that it was important that the Bill be rolled out to cover other such bodies which are not currently covered by the Bill. If there is sufficient Opposition concern that there may be time difficulties within the strict time limits, whether it be in Private Members' time or other time, time will be found. If we insist on put-

[Mr. Parlon.]
ting the matter before the House every time, that will result in an inefficient use of the House's time.

Amendment put.

The Dáil divided: Tá, 52; Níl, 66.

Tá

Allen, Bernard.
Breen, Pat.
Bruton, Richard.
Burton, Joan.
Connaughton, Paul.
Connolly, Paudge.
Costello, Joe.
Coveney, Simon.
Cowley, Jerry.
Crawford, Seymour.
Crowe, Seán.
Cuffe, Ciarán.
Deasy, John.
Durkan, Bernard J.
English, Damien.
Enright, Olwyn.
Ferris, Martin.
Gilmore, Eamon.
Gormley, John.
Gregory, Tony.
Hayes, Tom.
Higgins, Joe.
Kehoe, Paul.
Lynch, Kathleen.
McGinley, Dinny.
McGrath, Finian.

McHugh, Paddy.
McManus, Liz.
Mitchell, Gay.
Mitchell, Olivia.
Morgan, Arthur.
Moynihan-Cronin, Breeda.
Neville, Dan.
Ó Caoláin, Caoimhghín.
O'Dowd, Fergus.
O'Keeffe, Jim.
O'Shea, Brian.
O'Sullivan, Jan.
Pattison, Seamus.
Penrose, Willie.
Rabbitte, Pat.
Ring, Michael.
Ryan, Eamon.
Ryan, Seán.
Sargent, Trevor.
Sherlock, Joe.
Shortall, Róisín.
Stanton, David.
Timmins, Billy.
Twomey, Liam.
Upton, Mary.
Wall, Jack.

Níl

Ahern, Noel.
Aylward, Liam.
Brady, Johnny.
Brady, Martin.
Brennan, Seamus.
Browne, John.
Callanan, Joe.
Carey, Pat.
Carty, John.
Cassidy, Donie.
Coughlan, Mary.
Cregan, John.
Curran, John.
Davern, Noel.
de Valera, Síle.
Dempsey, Tony.
Dennehy, John.
Devins, Jimmy.
Ellis, John.
Fahey, Frank.
Finneran, Michael.
Fitzpatrick, Dermot.
Fox, Mildred.
Glennon, Jim.
Grealish, Noel.
Hanafin, Mary.
Harney, Mary.
Haughey, Seán.
Hoctor, Máire.
Jacob, Joe.
Keaveney, Cecilia.
Kelleher, Billy.
Kelly, Peter.

Killeen, Tony.
Kirk, Seamus.
Kitt, Tom.
Lenihan, Conor.
McCreevy, Charlie.
McEllistrim, Thomas.
McGuinness, John.
Moloney, John.
Moynihan, Donal.
Moynihan, Michael.
Mulcahy, Michael.
Nolan, M.J.
Ó Cuív, Éamon.
Ó Fearghaíl, Seán.
O'Connor, Charlie.
O'Dea, Willie.
O'Donnell, Liz.
O'Donoghue, John.
O'Donovan, Denis.
O'Keeffe, Batt.
O'Malley, Fiona.
O'Malley, Tim.
Parlon, Tom.
Power, Peter.
Roche, Dick.
Sexton, Mae.
Smith, Brendan.
Smith, Michael.
Treacy, Noel.
Wallace, Dan.
Walsh, Joe.
Wilkinson, Ollie.
Woods, Michael.

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

Amendment declared lost.

Ms Burton: I move amendment No. 4:

In page 12, line 31, to delete “made” and substitute “in force”.

The purpose of the amendment is to correct a technical error in the Bill. This is because an order could be made under section 6 but then be repealed by section 6(2). It would, therefore, no longer be in force.

Mr. Parlon: I have consulted with the Office of the Parliamentary Counsel on the proposed amendment. I am advised it is not necessary and is simply an alternative way of stating the matter.

Question: “That the word proposed to be deleted stand”, put and declared carried.

Amendment declared lost.

Debate adjourned.

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

Ceisteanna — Questions.

Priority Questions.

Decentralisation Programme.

1. **Mr. R. Bruton** asked the Minister for Finance if any element of the present decentralisation programme is open to revision; and the way in which he intends to evaluate proposals for modification of the programme. [18843/04]

Minister for Finance (Mr. McCreevy): Budget 2004 included details of the Departments, agencies and jobs being transferred out of Dublin and the target number of jobs for each decentralised location. It also indicated that the Government might make some adjustments to the detailed provisions where necessary to ensure continued effective delivery of public services. Up to date details of the jobs being transferred to the various decentralised locations are available on the Central Applications Facility.

Implementation of the decentralisation programme is primarily a matter for each Minister. In addition, I appointed a decentralisation implementation group and a Cabinet sub-committee on decentralisation was established as part of the overall implementation arrangements. A number of changes to the programme outlined in the budget have since been announced by my colleagues, the Ministers for Agriculture and Food and Communications, Marine and Natural Resources. These changes, which involve additional locations and the transfer of some extra jobs overall, were approved by the Cabinet sub-committee.

I have received no other proposals to revise the programme and work on its implementation is now advancing in accordance with the report of the decentralisation implementation group.

Mr. R. Bruton: Will the Minister accept that, if a post office was being closed down in one area and moved to another location, he and his party would want an analysis done on what was happening to the people being transferred, the service being delivered, the village that was losing its service, and how this would impact on the community? Will he agree there has been no such assessment in respect of decentralisation? There has been no assessment of how decentralisation fits into regional strategy. There has been no assessment of the risks that might be posed to some of the services being provided. There has been no human resource plan in regard to the options available to people who want to stay in Dublin. Will he accept that, as a mature citizens' democracy, there must be more open hearings on how the process will operate, so that where there are ideas — I am pleased the Minister has indicated that he is willing to make adjustments where necessary — and proposals for change, there will be a process of hearings and scrutiny so that we can get a proper set of proposals which will work? Will he afford the House such a process?

Mr. McCreevy: It will be no surprise to the Deputy that I beg to differ substantially with him. This process has been ongoing for more than four years. Decisions were finally made and locations were announced in the run-up to the budget last December. As I said on many occasions, the process is voluntary and I believe that not only will it be good for Dublin, but it will be good for the regions. Some political parties must make up their mind whether they are for or against decentralisation. They cannot be for decentralisation when at home in their constituencies and against it when in Dublin and briefing the Dublin media.

It has been an inherent part of Government policy for some time, and it was an inherent part of the policy of the Fine Gael Party. Not long before we announced the decentralisation programme, the Leader of the Fine Gael Party tabled a Private Members' motion in this House advocating the decentralisation of 18,000 public servants. All the questions tabled by the Deputy are being considered. The Deputy and others should note that much of the cant and speak about this matter can also be found in the United Kingdom. When Sir Michael Lyons was completing his report on decentralisation for Gordon Brown, all the cant and objections in the national media in recent months were repeated in the UK and were discounted. It is always difficult to get people to change their way of thinking, but the benefits of decentralisation are obvious to everyone who has considered the matter.

Mr. R. Bruton: If the Minister is so confident in the robustness of his case, why will he not allow a debate in the Committee on Finance and the Public Service? Why is it not open to the Oireachtas to scrutinise this wonderful proposal? He said people must decide whether they are for or against decentralisation. That is not the situation. I can be for postal efficiency but I can also say there must be certain protections when deciding what post offices to close down. Similarly, I can be for decentralisation but expect a proper spatial plan and risk assessment of the service. Families who will be disrupted should be given options and they should not be expected to enter into a lottery for their own jobs.

It is not just a simple black and white issue, it is a question of getting it right and making the changes and modifications so that the system will work and deliver quality public services. Will the Minister agree that the issue of the delivery of quality public services has rarely entered into his description of how the process will work and that consideration for the public servants affected has rarely been mentioned by him? Will he accept that we must be more mature in a citizens' democracy and deal with this as an issue that deserves scrutiny, care and attention so that it works, and not just condemn everyone who opposes him as being guilty of cant and so on?

Mr. McCreevy: I am pleased the Deputy has repeated his accusation. The Deputy asked why will I not allow the Committee on Finance and the Public Service debate the issue. If the matter was raised some weeks ago, others might have stepped in and said I had no hand, act or part in doing anything with the committee.

Mr. R. Bruton: The Minister's party whipped in its votes——

Mr. McCreevy: The Deputy said a minute ago that I did it, and the record of the House will show this. Since I may have thought others might have taken the chance to ensure that was not repeated, I now do so. I first knew the committee was sitting that day when a vote was called in Leinster House, I was here waiting, and a member of the committee told me he had objected to a debate on the matter. That was the full extent of my knowledge that the committee was sitting. I am pleased Deputy Bruton has given me an opportunity to put that on the record, because others might have done so in recent weeks. That was the full extent of my knowledge in regard to that committee.

Mr. R. Bruton: It was a whipped vote by the Minister's party. If he was not aware of it, he should take up the matter with the Whip.

Ms Burton: And with his backbenchers.

Mr. McCreevy: The Deputy said in the House that I had something to do with the matter. I had nothing to do with it.

Mr. R. Bruton: The Minister represents the Government in this House.

Tax Yield.

2. **Ms Burton** asked the Minister for Finance if he will make a statement on the recently published Annual Report of the Revenue Commissioners for 2003; the way in which the €1.52 billion raised as a result of special investigations by the Commissioners has been used or will be used; if legislative or administrative changes are planned arising from the report; and if he will make a statement on the matter. [18745/04]

Mr. McCreevy: I welcome the recently published report of the Revenue Commissioners for 2003. The report indicates that the Revenue Commissioners are making significant progress on many fronts, including the special investigations referred to by Deputy Burton.

As regards the €1.52 billion raised as a result of these investigations, it is important to note that €596 million was the amount received to date. The remainder is reflected in the budgetary arithmetic for earlier years and served to improve the Exchequer balance in the years in which the relevant amounts arose. With regard to the amounts received this year, and how any additional amounts forecast may be used, it is important to recognise that such receipts are once-off in nature and cannot be treated as ordinary or ongoing resources. This fact has been recognised in the past when such once-off receipts from, for example, tax amnesties or the sale of State assets, have been used mainly to meet liabilities with no recurring costs such as reducing our debt burden or providing for future pension needs. Reductions in debt lead to interest savings which provide leeway to meet the Government's tax and expenditure targets in future years.

I have no specific plans, at this time, for legislative changes arising directly from the 2003 annual report of the Revenue Commissioners. However, general legislative provisions governing the tax system are considered annually in the context of the Finance Bill. In addition, my Department and the Office of the Revenue Commissioners are examining the recommendations contained in the report of the Revenue powers group which reported to me last November. I will consider those recommendations in the context of the forthcoming Finance Bill.

Administrative changes are primarily a matter for the Revenue Commissioners. At this time, I am not aware of any planned administrative changes arising directly from the recent annual report, but administrative procedures are kept under regular review by the Revenue Commissioners.

Ms Burton: Will the Minister for Finance take this opportunity to acknowledge that tax evasion has been a way of life for an elite of business people and builders primarily associated with Fianna Fáil, its fund-raisers, and the former Taoi-

seach, Charles Haughey and his agent, Mr. Traynor? Now that €1.5 billion has been collected, of which more than €500 million has been collected this year, will the Minister agree to set up a fund or trust to recompense honest and compliant taxpayers? Many of them are now pensioners and are forced to endure stays on hospital trolleys. Will he put the money garnered from the tax evaders and from that Fianna Fáil golden circle into the health service, public transport and major initiatives on the care of our elderly senior citizens who paid their taxes when these other people did not?

With regard to administrative changes, has the Minister noted in the Revenue Commissioners' report that a mere 16,000 audits, which is a very small percentage, resulted in a yield of more than €400 million? That was an increase of €160 million on last year. Does the Minister agree that there should also be a corruption assets bureau to deal with those people who, unlike most of their fellow citizens, continue to avoid or evade paying their fair share of tax which goes towards paying for our health and education system?

Mr. McCreevy: The success of the Revenue Commissioners in collecting these large amounts of money is testament to changes we made in the legislation over a number of years, primarily changes made in the Finance Act 1999. These gave considerable new powers to the Revenue Commissioners and at a level to which they could only have aspired in preceding years.

Tax evasion is, and always has been, an offence. However, the Deputy makes the political allegation that all the money collected from people in default involved only Fianna Fáil supporters. I do not know what evidence she has in that regard. Since approximately 40% of the people vote for Fianna Fáil, I assume that 40% of the people in the list are probably Fianna Fáil supporters. However, I have no evidence to suggest the figure is higher or lower.

Ms Burton: The Minister should read the list.

Mr. McCreevy: Up to the end of May, approximately €596 million was collected through these investigations. The Deputy is correct that 15,770 audits were conducted last year which yielded approximately €429 million. The Revenue Commissioners hope to secure considerably more on foot of the offshore assets investigation which is ongoing. In that context, a number of people availed of the 60 day limit to pay their taxes by 29 May.

Of the €2.9 billion extra in current resources last year, on top of the amount for 2002, 83% was spent on health and education. It might interest the Deputy to note that if one added all the moneys collected from the investigations conducted — the bogus non-resident accounts, including the bank look-back audit; the voluntary disclosure in 2001; and, after November 2001, the offshore assets, Ansbacher, NIB, Clerical Medical

and all the tribunals — and compared that with the total amount of tax collected over the past 20, 25 or 30 years, it would amount to the minute percentage of less than 0.5%.

Ms Burton: Is the Minister saying that the tax evasion carried out by these people is simply to be dismissed as minor? It is a sum of €1.5 billion. There is a Cabinet memo which states that €400 million would pay for the opening of idle hospital beds which could be used for elderly people who honestly paid their taxes in the 1970s and 1980s. The Minister's tone with regard to the people who are named on the list is shameful. It is a shame that he could not state that they should have been paying the proper amount all along and instead said that the amounts were trivial. Shame on the Minister.

An Leas-Cheann Comhairle: We must proceed to the next question. I call Question No. 3.

Mr. McCreevy: The amounts of money are substantial. If the Deputy asked any of the individuals who must pay them, they would testify that they are substantial and that it is painful to pay them. Everybody should pay his or her correct amount of tax every year and on time.

Banking Sector Regulation.

3. **Caoimhghín Ó Caoláin** asked the Minister for Finance if he has received the Irish Financial Services Regulatory Authority's progress report on its first year in operation; and if he will make a statement on the matter. [18731/04]

Mr. McCreevy: I have received a copy of the progress report which has been published recently by the Irish Financial Services Regulatory Authority, IFSRA. The authority was formally established on 1 May 2003. This is the first report on IFSRA's achievements since it was established and is in line with a commitment given in its first strategic plan for 2004 to 2006, which was published in January 2004, to publish a review of its first year in operation. It sets out in detail the progress that has been made to date on the numerous targets it has set for itself and which were set out in its strategic plan.

I am pleased that IFSRA is showing itself to be accountable for its operations. This is in line with the considerable emphasis on openness and accountability in the relevant legislation, which requires publication of strategic plans, budgets and annual reports. In that regard, the report to which the Deputy refers is not one of those required under the legislation but is an additional report to keep its stakeholders informed.

In the introduction to the progress report, the authority has stated that, in line with requirements under the 2003 Act, it will publish in mid-2005 a comprehensive annual report covering the period from 1 May 2003 to 31 December 2004. I look forward to receiving that report in due course.

Caoimhghín Ó Caoláin: In light of the revelations about the overcharging of customers by AIB to the tune of €50 million, which is the current estimate, does the Minister believe that IFSRA has sufficient consumer protection powers? As well as the overcharging on foreign exchange, it is now known that, since 2000, between 500 and 600 mortgage holders paid up to €50 extra per month for mortgage insurance without their approval. That is another example of the rip-off culture that is clearly very much a part of Allied Irish Banks. Does the Minister note that all this occurred under the watch of the Central Bank? Does he agree that it exposes, yet again, that the Central Bank failed to regulate the sector properly and to protect properly the customers of financial institutions? Does the Minister agree, therefore, that IFSRA needs to succeed where the Central Bank has clearly failed? This is even more reason for emphasis to be placed on it having sufficient powers to carry out its remit.

Is the Minister aware that the Oireachtas Joint Committee on Finance and the Public Service last week heard a submission from the Irish Bank Officials' Association? Its representatives described a culture of fear among bank employees which resulted in a fear of speaking out. Does the Minister not agree that the recent revelations did not emerge as a result of IFSRA's work but as a result of the courageous actions taken by whistleblowers? As there is a culture of fear, we have depended on whistleblowers.

There is a clear need to ensure that every measure possible to assist the work of IFSRA is introduced as a matter of urgency. It is important that public confidence in financial institutions is restored and that there is public confidence in IFSRA and all its works. A whistleblowers' charter to protect employees who expose actions of gross misconduct on the part of their employers would be desirable in the public interest.

Mr. McCreevy: Since the Deputy's question concerned the recently published progress report from IFSRA, it is only fair to point out that the matters to which he referred, namely, the problems with a particular bank, could not have been taken account of in the report because it was published at the end of April and some of those issues only came to light around that time.

As the Deputy is a member of the Joint Committee on Finance and the Public Service, he will be aware of the changes we have made to financial regulations over the past two years. The Central Bank and Financial Services Authority of Ireland Act 2003, which was passed last year, created a single regulatory authority in the area. This only came into effect from 1 May 2003. As the Deputy will be aware, most of the matters to which he referred predate the setting up of IFSRA. The overcharging issue, which was the first major issue brought to light, is the responsibility of the Director of Consumer Affairs under the Consumer Credit Act 1995, which was intro-

duced by a previous Administration. Any deficiencies in that Act were dealt with in the Bill that is currently before the Seanad, the Central Bank and Financial Services Authority of Ireland Bill 2003.

The Deputy and many others are inclined to criticise the Central Bank, but the matter of overcharging was not the responsibility of the Central Bank but of the Director of Consumer Affairs. I am not implying any criticism of the Director of Consumer Affairs — it would have been impossible to find out about these matters — I am simply pointing out how the system works.

Last year's Act set up IFSRA as the single authority in this area. It also made substantial changes. For example, under the old Central Bank Act it was strictly forbidden for the Central Bank to communicate to the Revenue Commissioners information about tax evasion. The prudential mechanism of its supervisory powers was ring-fenced in that regard. This changed after the 1994 money-laundering Act, but that was the legal position until then.

I find it difficult to accept that there was a culture of fear within the banking organisation. Perhaps in any big organisation some people will operate in this manner — there are many in my party and the Deputy's party who do — but I do not accept that it was widespread. AIB is made up of people at many different management levels. It is owned by shareholders the length and breadth of the country and all around the world. It is not a privately-run organisation headed by a single person. There are so many structures in place in these organisations that I find it hard to accept that there was a culture of fear. Perhaps there is at some level, but I do not buy into that allegation.

Caoimhghín Ó Caoláin: I have no doubt that a culture of fear exists and that those members of the IBOA who met us, representing all the major financial institutions, explained the reality.

Mr. McCreevy: The Deputy was a bank official, was he not?

Caoimhghín Ó Caoláin: Yes.

Mr. McCreevy: Was there a culture of fear in the Deputy's time?

Mr. P. McGrath: It was a different fear.

Caoimhghín Ó Caoláin: It was a different time. There is a new culture in banks today under which pay is linked to performance. The culture is different from what it was in my time. The Minister should recognise that the basis of payment has changed substantially and is now based on performance and inter-branch competition. It is a serious matter. Because of this, ethics have gone out the door. We have ample evidence of this.

An Leas-Cheann Comhairle: We must proceed to the next question. We have gone over time.

Caoimhghín Ó Caoláin: I am sorry the time does not allow us to discuss this further.

Mr. McCreevy: I do not have a difficulty engaging in a debate with the Deputy about performance-related pay and related matters in all organisations. I have my own views on this. However, it does not apply only to banking organisations. We will have a debate some time about it.

Caoimhghín Ó Caoláin: The Minister has not spoken about IFSRA. We should try to stay on the issue.

Ms Burton: Perhaps performance-related pay should apply to the Government. If it did, the Minister for Health and Children would have a negative salary. Is that not the case?

An Leas-Cheann Comhairle: We have used up nearly twice the allotted time for this question. It is completely unfair to other Deputies who are waiting for their questions to be taken.

Freedom of Information.

4. **Mr. P. McGrath** asked the Minister for Finance his views on the review of the operation of the Freedom of Information (Amendment) Act 2003 published by the Information Commissioner; and the recommendations which are being accepted by him. [18844/04]

Mr. McCreevy: The special investigation published last week by the Information Commissioner was carried out under section 36 of the Act and dealt with the practices and procedures adopted by public bodies for the purposes of compliance with the provisions of the Act and of enabling persons to exercise the rights conferred by the Act. I welcome the Information Commissioner's finding that public bodies are operating the Act in a fair and balanced manner.

In so far as the Information Commissioner makes recommendations on the policy concerning fees, I have no plans to review the position. The fees introduced last year were intended to strike a better balance between the cost of administering FOI and the need to continue to allow people to have access to information. I am satisfied that a better balance has been struck and that a greater appreciation of the service provided by public bodies and more considered and responsible use of the Act has resulted.

Mr. P. McGrath: I am amazed at the Minister's response. The report issued by the Information Commissioner on the operation of the Freedom of Information (Amendment) Act 2003 contains some frightening figures. Surely the Minister must take this into account.

The overall use of the freedom of information measure has gone down by 50% since the Minister introduced that draconian legislation. Non-

personal use is down by 75% since the changes were introduced. Media use is down 83% in the first quarter of 2004 compared to the first quarter of 2003. Business requests are down 53% in the same time. The Minister should consider the intentions behind the introduction of the freedom of information legislation. In spite of this, he has just about shut it down. Does he not have a conscience? Another day in the House I asked the Minister whether he felt any pangs of conscience about the work he does and he told me he had absolutely none.

Mr. McCreevy: I explained why I did not. I am a Fianna Fáil man, and we do not have a conscience.

Mr. P. McGrath: Surely, in a democratic society, people are entitled to freedom of information. The Minister should not have shut down the system, as he has done. Furthermore, is he not ashamed to consider that Ireland is unique in the democratic world in applying charges for reviews and appeals under the Act? Will he not review that?

Mr. McCreevy: The Information Commissioner fully vindicated my stance on the Freedom of Information Act and the imposition of fees. No fee was charged for requests for personal information before or after the amended Act was introduced. There is a €15 charge for other requests. This is only the cost of a few pints. If people do not think it worth their while to pay €15, when the average cost of a request is more than €420, they must not be very interested in obtaining the information. This proves that the previous system was abused.

Many of the negative comments about the changes I made may have led people to believe that we stripped the Freedom of Information Act of its powers. The major changes in the areas of certificates and so on have not been made use of. The report fully vindicates my position on fees and I have no intention of changing the Act.

Mr. P. McGrath: It is amazing how people interpret figures in different ways. It is not amazing that this Minister for Finance could review the figures and find that they vindicate his case, whereas the Information Commissioner who is independent says the fears many people expressed when the Minister introduced these amendments to the Freedom of Information Act were justified and that it is being shut down.

The Minister is disingenuous in referring to the €15 fee under FOI because if there is a further appeal to the Information Commissioner the fee will be €240. Even to the Minister €240 is a substantial sum of money. It is not to be sneezed at so let us not laugh it off as being equivalent to the price of a few pints. Surely when the Information Commissioner makes recommendations it is incumbent on the Minister to examine and assess

3 o'clock

[Mr. P. McGrath.]

them and not just come in here with a glib refusal to do anything about them. Has the Minister reviewed them? Has he examined them carefully? Has he thought about what is required in a democracy? Surely it is incumbent on him to do something about it.

Let me ask a possibly stupid question. Has the Minister read the report?

Mr. McCreevy: I have. Consequently, I am even more reinforced in my view that the changes I made were worthwhile and correct. Furthermore, we are unique in the area of freedom of information in that we do not charge for the time it takes to process freedom of information requests. That is not part of the Act and, therefore, a fee of €15 is payable initially if the request does not involve personal information. What would be termed substantial changes to the Act related to, for example, the ten-year rule regarding Cabinet papers, Secretary General certificates of which none were issued, and Cabinet working groups of which none were certified. No such decisions were made in 2003.

Regarding some of the people who were using the Act, particularly journalists, it seems their commercial organisations cannot afford to give them €15 for a freedom of information request but they expect the taxpayer to make up the bulk of the cost of €125. Regarding the fees for internal and external review, only 9% and 3.5%, respectively, ever go for internal or external review. The numbers were very small before and after the changes I made last year.

Mr. P. McGrath: Perhaps they are closing down because of the terrible charges regime the Minister has introduced.

Mr. McCreevy: There is no change in the percentage. The numbers were small and they remain small.

Price Inflation.

5. **Mr. Eamon Ryan** asked the Minister for Finance the short-term threats that are posed to the economy here by rising inflation in the United States and a recent increase in interest rates in the United Kingdom. [18732/04]

Mr. McCreevy: In general, if higher inflation gives rise to higher interest rates it is likely that this would have some negative impact on US and UK growth and imports. However, there are many other factors which could offset or add to the adverse effects, such as changes in exchange rates, oil prices and consumer confidence.

US inflation was 3.1% in May 2004, up from 1.9% in January. The increase was partly due to the increase in oil prices. However, core US inflation, which is inflation excluding oil and food prices, was much lower, at 1.7% in May, less than half the rate of total inflation in the first five months of this year. There is no evidence that

recent changes in US inflation rates have significantly impacted on the Irish economy to date.

While our short-term economic outlook is currently brighter than it has been for some time, there are still risks. The key risks are the possibility that US economic growth, burdened by twin deficits, might not be sustained into 2005 and that euro area growth will falter; that there might be further appreciation of the euro and further rises in oil prices; and that the increasing competition from abroad could give rise to job losses, particularly if pay increases were to exceed the levels just negotiated.

Any or all of these developments would be likely to impact on domestic output and jobs.

Mr. Eamon Ryan: Would the Minister agree that the American Administration has perhaps learned from the Minister's example in the run-up to an election of running a massive budget deficit with very significant spending being flushed into the American economy at a time when real interest rates at 1% are almost one third of the inflation rate at 3%? Would the Minister agree that in those circumstances the real risk for this economy, which has massive inflation in the form of asset bubble inflation, that is, house price inflation, is that when that nirvana for President George Bush finishes, he or whoever is in the White House after November will have to make a serious correction in the US economy in terms of Government spending? The increase in inflation, partly due to oil price rises, will lead to increasing interest rates in America. We are again starting to see long-term Treasury bond rates rising as a future indicator of what is going to happen.

In those circumstances where there is a contracting fiscal policy and rising interest rates, the global economy could go into a severe contraction, leaving exposed Irish householders in particular who have been involved in an inflationary house bubble, purchasing houses often on interest only mortgages. Even a small interest rate rise in some circumstances would leave such buyers highly exposed and also leave the economy exposed to a downturn in the US and European markets. Does the Minister not see that high interest rate, high inflation scenario as being of real concern to the Irish economy?

Mr. McCreevy: I have alluded to the difficulties in the United States. Speculating as to what might occur there in the latter half of this year after the election can be somewhat tendentious. Some commentators would have us believe that nothing substantial will happen. Others take a view similar to the Deputy's. As I said in my reply, some people are of the view that US economic growth, which is burdened by the twin deficits of severe fiscal imbalance and a severe trade imbalance, will not be sustained into 2005. Any changes that occur in the US economy would have a negative impact on growth worldwide and since Ireland is

most dependent on global economic conditions that would have a negative impact here.

The Deputy referred to house prices. Inflation in Ireland for the past number of months has been lower than anticipated but will rise in the second half of the year owing to oil prices in particular. At budget time we projected a rate of about 2.5% on average for the year. At the mid-term economic review and outlook we will give another guesstimate.

Regarding house prices, Ministers for Finance would prefer if there were a gradual increase in house prices each year rather than the double-digit growth we have seen for a number of years. However, double-digit growth is the result of the booming Irish economy and a number of other factors. The enormous growth in the house-buying population, very strong buoyant economic conditions, very low interest rates and an excess of demand over supply have pushed up prices. I note that recently the Central Bank conducted some investigations in this regard and has outlined to the financial institutions the care they should take in giving people loans. It has also concluded in its report that it does not see a great danger of a bubble effect.

I stress that people buying houses and getting into considerable indebtedness should always give consideration to how they will handle repayments if interest rates rise. Financial institutions are supposed to assist in that regard and they do. However, individuals should take that analysis very much to heart before committing themselves to very large indebtedness for 20, 25 or 30 years.

Mr. Eamon Ryan: Will the Minister outline what he believes the Irish inflation rate will be at the end of this year? Could he also outline what powers he has? The English Government does not set interest rates but there is an independent ability to do so within the country. We are tied to interest rates which are more related to a sluggish European economy. What levers does the Government have and what measures can the Minister introduce in those circumstances both for householders who are putting themselves in a very precarious position given that interest rates could effectively double from the very low rates in a very short period of time and for the general economy, apart from sending out the occasional warning as does the Central Bank? Is there any fiscal or other regulatory instrument the Minister could avail of which would prepare us for this possible scenario?

Mr. McCreevy: Since we joined the euro, we do not have available to us the independence of setting interest rates. That is now done by the European Central Bank. That economic policy is no longer available. The right to set a currency exchange rate is no longer available to the Government either. We have to make do with budgetary matters and things within our own control. The most important thing to do is not to price ourselves out of the market. The situation

in the UK is somewhat different, even though Gordon Brown handed control of interest rates over to the Bank of England. At least that control is still within the UK, whereas we have joined the eurozone and rates are set in Frankfurt. Borrowers should always be cautious and take into account the possibility that interest rates will rise and figure out how they can manage their own finances in such a situation. That is something that any prudent borrower should always do. There will always be those who borrow imprudently, but the vast majority of people take those things into account. If they do not do so, then they should.

Mr. Eamon Ryan: What will the rate of inflation be at that time?

An Ceann Comhairle: We are way over time and we have to proceed to the next question.

Mr. McCreevy: I will deal with that later in another question.

An Ceann Comhairle: Priority questions are supposed to take 30 minutes yet they have now taken up 41 minutes. Deputies should appreciate that we are running behind time.

Special Savings Incentive Scheme.

6. **Mr. Sherlock** asked the Minister for Finance the number of special savings investment scheme accounts opened at the latest date for which figures are available; the average amount of savings per investor per month; if, on the basis of any such figures, his Department can now give a definite figure for likely cost to the Exchequer of the special savings investment scheme; and if he will make a statement on the matter. [18609/04]

Mr. McCreevy: 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 and the average monthly subscription at that date was €165. Revisions may be necessary if amendments are received at a later date.

As indicated in replies to previous questions, it is not possible to give a definitive answer on the eventual cost of the scheme as it is subject to a number of variables such as whether participants die, withdraw from the scheme or vary their monthly contributions. The cost of the scheme in 2003 was €531.9 million. If the current average monthly payment for the first five months of 2004 continues for a full year the annual cost in 2004 would be approximately €540 million. This, however, is not a conclusive figure, and the final figure may be different if account holders change their monthly contributions. The total gross cost over the period of the scheme will be reduced by the exit tax to be received at the end.

Ms Burton: I think it is the Minister's plan to release this €14 billion or thereabouts into the

[Ms Burton.]

account just in time for the next general election. Does he have any plans to promote the sensible use of that money? Women who worked in the home and who have not sufficient pension or social insurance contributions might transfer some of these savings to an appropriate pension for later years. Will the Minister encourage other people who have not had an opportunity to adequately save for their retirement to use the funds? It is a €500 million Exchequer bonus to around 1.5 million people. Many of them are ordinary PAYE people but many of them are also very wealthy people who do not need any largesse from this Government.

Is the Minister making any plans? Fianna Fáil now has to accept the statement of the Minister for Justice, Equality and Law Reform, Deputy McDowell, that inequality is the Progressive Democrats stance in this Government and that it is good for us. Has the Minister any proposals to promote the sensible use of this bonanza when it is released in time for the general election?

Mr. McCreavy: I know I have great foresight and Deputies on both sides of the House attest to that every day before they eat their cornflakes. I announced this scheme in February 2001 on the publication of the Finance Bill for that year. That was at least 15 months before the elections in 2002. Deputies now want to believe that I was so brilliant and far-sighted that not alone would I anticipate the 2002 election results, but that I had a plan that would come on stream before the following election. I am willing to accept plaudits and kudos from everyone but the Deputies are going too far in giving me this credit. I am known for my modesty, but even I find this flattery too much.

Ms Burton: It might have something to do with the leadership succession stakes.

Mr. McCreavy: Deputy Burton claimed this scheme favours the rich. There are more than 1.1 million people participating in the scheme. When the Revenue Commissioners compared this with revenue income distribution tables for the tax year 1999-2000, 45% of account holders had an income of less than €20,000, 42% of account holders had an income in the medium range of €20,000 to €50,000, and only 13% of account holders earned more than €50,000. This was published in the papers and I am sure the Deputy will be interested to know that. It disproves the point made by the custodians of the left that this favours the rich. In fact, very rich people did not bother their barney to get into the scheme at all, as we can well imagine. The scheme has been well subscribed. I have no plans at this stage on policy options when the scheme comes to fruition, but the scheme is designed to encourage people to save and it has done so.

Mr. R. Bruton: Is the Minister or his Department carrying out any assessment of the impact of the release of this scale of money becoming available to account holders in a short period? Some estimate that €17 billion will become available, which is around 15% of GNP. Is he concerned about the impact on prices at the time? If people go out and spend on imported products it might affect the balance of payments. Will he carry out an assessment so that we can make prudent decisions? We could perhaps channel money into pension provisions such as PRSAs or into other areas. It should be done on the basis of objective assessment of the options and the possible risks.

Mr. McCreavy: The recent estimate by the Irish Insurance Federation gave a figure of about €15 billion to be released at that time. That figure assumes a capital growth of 15%, which seems a little bit high. Irrespective of that, it is impossible to know exactly at this stage but there will be a substantial amount of money. My Department will look at the impact on the economy at that stage. However, the purpose of this scheme was to encourage people back into saving.

The Insurance Federation will have a particular angle about all this and will want to encourage the Minister to go down a particular road which will benefit certain products. Part of the research done for the organisation, which was carried out by Lansdowne Market Research, gave indications on what account holders were intending to do at this stage. It found that 8% of account holders indicated that they would spend their funds immediately, 11% stated they would spend some of it immediately and the rest later, 22% stated they would spend some immediately and save or reinvest the rest, 16% stated they would save or reinvest it all, and 9% indicated that they would put some or all of it in a pension plan for use at retirement.

Mr. R. Bruton: In an opinion poll, 16% of those polled claimed they would vote for Royston Brady in the European elections.

Mr. McCreavy: The Deputy has taken the words out of my mouth. I am so glad of the reception I got when I introduced the scheme. I did detailed research so that people would avail of it and yet I got abuse from all sides of the House. I am glad to note that the Irish people totally ignored it and did the sensible thing, as the Government anticipated they would. They will be equally as smart when they get the money in their pockets.

Price Inflation.

7. **Mr. O'Dowd** asked the Minister for Finance if he has revised his forecast for inflation; and the key elements making up his current forecast.

[18693/04]

Mr. McCreevy: On budget day, inflation, as measured by annual changes in the consumer price index, or CPI, was projected to average 2.5 % in 2004. As measured by the HICP, which is the EU measure of inflation, it was forecast to average 2.3% in 2004. My Department will publish a revised estimate in the economic review and outlook in the summer.

As set out in the stability programme update published with the budget, this forecast is based on the following assumptions: a euro-dollar exchange rate of \$1.16, oil prices of about \$26, a short-term interest rate of 2.3 %, and a continued easing in services sector inflation, which has been borne out so far this year with service sector inflation averaging 2.9% in the first five months of 2004, compared with an average of 4.8% in 2003. The challenge now is to keep inflation down. Keeping public expenditure on target is vital if our inflation rate is to remain low. The Department of Finance will continue closely to monitor spending to ensure it remains within budget. Continued moderate pay developments are essential. We must be careful not to price ourselves out of export markets otherwise we will lose jobs.

Mr. R. Bruton: I thank the Minister for his projections. I look forward to seeing the revised Estimates. When the Minister says public expenditure must be kept on target, does that imply he does not accept the view of many Government backbenchers that the spending strings need to be relaxed as part of the Government's response to the recent election result?

Will the Minister agree there is an undesirable pattern in price increases in state utilities ranging from electricity, water, health, gas, transport and postal services which are running at approximately 15%, at least six times the stated average rate of inflation? Does he believe he and his colleagues who are ultimately shareholders in these companies need to take a more robust view in terms of efficiency in the delivery of State services? Does he accept, as many people do, that part of our inflationary difficulties is that the competitiveness pressures, which the Minister rightly addressed, stem from stealth taxes in Government and from high cost increases in Government-owned companies?

Mr. McCreevy: The Deputy will be aware, as a former economist, that the CPI is designed to measure the impact of all increases. The weighting, based on a household survey undertaken every couple of years, gives weight to all these matters. The increases in the areas to which the Deputy refers are captured in the Consumer Price Index.

The Deputy also asked if such organisations are working to maximum efficiency and operating to their full potential. I would be a foolish Minister for Finance to state that every State organisation is doing so. However, such issues are matters for the board and the relevant line Minister.

Most of the increases to which the Deputy refers are not what would be termed stealth taxes, something of which I know the Deputy is aware even though politically he must state they are. They are the charges made by various organisations for the delivery of services. They are user charges. We do not expect electricity, water, gas or health insurance to be provided free of charge. We must also increase such prices each year.

The Deputy is correct in saying that the more efficient the organisations, the better they are able to control costs, wages and ancillary items and, the lower will be price increases. However, they must also make enough money to provide for adequate capital spending into the future. They are given sufficient weighting so as to be captured by the CPI.

Ms Burton: Is the Minister aware of the recent European Union publication which illustrates Ireland is the Union's most expensive State? For example, the cost of vegetables in Ireland is 43% more than the average in other European countries; child care costs are astronomically higher, as are medical costs for those who have to pay.

The Minister stated earlier that he favours performance-related pay. If members of the Cabinet were on performance related pay, does the Minister believe the Minister for Health and Children would deserve anything other than a basic salary? Would he not have to pay money back given that he has hopelessly failed to administer the billions of euros the Minister says he has given to him?

Mr. McCreevy: Whatever about other Ministers, I should be paid quadruple the rate I currently earn. Everybody in and outside Government, regardless of what I give them, believes he or she could do better if I gave them more. It would appear I am running a number of Departments although I am only responsible for the Department of Finance. My primary responsibility is to ensure the economy is run well so as to create the wealth and resources required by line Ministers to enable them to do all the things they wish to do in particular areas. If the Deputy is advocating an increase in my salary, I will gladly accept it.

I am aware of all types of surveys regarding the relative costs between Ireland and elsewhere. One of the pluses of the euro has been an ability to measure the price of goods in Ireland as compared with France, Italy, Germany, Spain and so on. That in itself should bring its own pressure in terms of reducing prices. There are two reasons prices in Ireland are high: the high cost of oil and the strength of the euro to the dollar and, inflation as generated by us. If we pay ourselves more without increasing productivity levels, the inevitable will happen — prices will increase. Also excessive wage increases result in our products becoming less competitive on the world market. If that happens one does not sell products, firms go out of business and jobs are lost. It is important we take control of such matters.

Mr. Eamon Ryan: Oil prices increased dramatically recently. There will be dramatic increases in gas prices in the future regardless of what we do given our long term contracts are now coming to an end. I am told, regardless of what is happening in the world market, that energy costs will increase dramatically.

How would the Minister for Finance advise a line Minister on a request from, say, the ESB seeking a further increase in electricity prices beyond the 23% increases already given in the past two years? Would he offer the opinion that given inflationary concerns we could not afford it or would he allow him or her to decide whether an increase should be given? As regards stealth taxes and the user charges referred to earlier by the Minister, how would he describe the €60 million to €70 million which he took in dividends from the ESB this year? Was it a user charge paid for by the public or was it a classic example of what Deputy Bruton might call a stealth tax?

Mr. McCreevy: It was a distribution of profits. I am glad to have an opportunity to put on the record my view regarding the profits made by semi-State companies. Often the last person to be considered by commercial companies is the stake holder, the ordinary taxpayers. Matters such as workers remuneration and so on are considered but no consideration is given to those who are not members of the company. I have tried to enforce a policy of requiring each semi-State company to consider its dividend policy *vis-à-vis* the State. That money which accrues to the Exchequer pays for health services and welfare benefits. I have tried in recent years to encourage semi-State organisations to put in train a dividend policy. We have started from the position of stating that each semi-State company must have a dividend policy, as is the case with ordinary companies.

Deputy Bruton referred to matters such as ESB increases. They are user charges similar to the one advocated by the Deputy's party for water. There is a cost in providing water to one's tap and it must be paid. If it is not paid for by user charge — in that regard I am of the view that there should be a relationship between the quantity of water used and the charge — then the general body of taxpayers who use water efficiently must pay for it.

Mr. Eamon Ryan: Perhaps the Minister might answer the question. How would he advise a line Minister seeking a rise in ESB charges?

Mr. McCreevy: I advise my Ministers to scrutinise every proposal put before them by any of the bodies within their remit. I am sure that all my ministerial colleagues do that in any event.

Mr. Eamon Ryan: Would the Minister say "Yes"?

Decentralisation Programme.

8. **Mr. Wall** asked the Minister for Finance the

way in which the proposed system will work for Dublin-based civil servants who do not wish to move as part of the Government's decentralisation programme in regard to the recent announcement by the Taoiseach; and if he will make a statement on the matter. [18592/04]

23. **Mr. Deenihan** asked the Minister for Finance if he will give serious consideration to the proposal to decentralise information technology posts to Tralee, County Kerry; and if he will make a statement on the matter. [18554/04]

26. **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. [18662/04]

30. **Mr. O'Shea** asked the Minister for Finance if he will report on the work to date of the group chaired by Mr. Phil Flynn to oversee the decentralisation programme. [18598/04]

31. **Mr. Kehoe** asked the Minister for Finance if any element of the present decentralisation programme is open to revision; and the way in which he intends to evaluate proposals for modification. [18704/04]

34. **Mr. Deasy** asked the Minister for Finance the arrangements for transferring staff in State agencies which are moving under the decentralisation programme to new duties in the wider public service. [18701/04]

38. **Ms McManus** asked the Minister for Finance if his attention has been drawn to the warning from the trade union, Impact, that it would, if necessary, take industrial action to protect the careers of civil and public servants who chose not to participate in the Government's decentralisation programme; and if he will make a statement on the matter. [18593/04]

39. **Mr. M. Higgins** asked the Minister for Finance if a survey has been carried out generally to establish the number of public servants willing to transfer to new locations in regard to his decentralisation proposals, or if any such survey is planned; his views on whether the move will be voluntary and that no public servant will suffer in regard to career options or promotional opportunities if he or she does 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. [18590/04]

41. **Mr. Boyle** asked the Minister for Finance the way in which it is proposed to allow civil servants to remain in Dublin if their Department is being moved elsewhere under the Government's office relocation programme. [18706/04]

43. **Caoimhghín Ó Caoláin** asked the Minister for Finance if it is proposed to establish a second application stream for Dublin-based posts in the Civil Service in the context of decentralisation; and if he will make a statement on the matter. [18721/04]

49. **Mr. J. Bruton** asked the Minister for Finance if he will subject the Government's decentralisation programme as completed to date and as planned to a formal review under the expenditure review initiative; and, if not, the reason therefor. [18558/04]

55. **Mr. M. Higgins** asked the Minister for Finance the total moneys expended to date as part of the Government's decentralisation programme announced in the Budget Statement in December 2003; and if he will make a statement on the matter. [18591/04]

60. **Ms Shortall** asked the Minister for Finance if his attention has been drawn to the serious concern expressed by specialist public servants working in a variety of State agencies at the implications of the decentralisation proposals announced in the budget and the fear that if decentralisation goes ahead, it could lead to a significant loss of expertise by those agencies and a consequential deterioration in services to the public; and if he will make a statement on the matter. [18594/04]

80. **Mr. Hogan** asked the Minister for Finance the agencies in the ambit of his Department which will not be part of the decentralisation programme announced in December 2003; the reason for decisions in that regard; and if he will make a statement on the matter. [14057/04]

95. **Mr. R. Bruton** asked the Minister for Finance if his attention has been drawn to the fact that public servants in the information technology area who do not yet know the location of their decentralisation will be at a considerable disadvantage under the CAF system, since their options to avail of the alternative locations will be much reduced by the time that they are in a position to make an informed choice; and if he will make a statement on the matter. [18848/04]

97. **Mr. Durkan** asked the Minister for Finance the branch or branches of the Civil Service likely to be decentralised to County Kildare and the timeframe for same; and if he will make a statement on the matter. [18875/04]

Mr. McCreevy: I propose to take Questions Nos. 8, 23, 26, 30, 31, 34, 38, 39, 41, 43, 49, 55, 60, 80, 95 and 97 together.

Immediately after the announcement of the new decentralisation programme, a special sub-committee of the Civil Service general council was set up to facilitate discussions with the Civil Service unions. Regular discussions have been taking place not only with those unions but also with the ICTU group of unions representing staff in the State agencies. I am committed to continuing consultations with the unions throughout the

implementation of the programme. I am aware of the different concerns expressed by union representatives concerning the decentralisation programme, and I feel that those can be addressed through the process of consultation and dialogue that has been put in place.

The decentralisation implementation group, known as the Flynn group, submitted a report to the Government at the end of March 2004. The Government accepted the report and it has now been published. It is available on my Department's website at www.finance.gov.ie. The group is continuing its work, and I expect to receive a further report at the end of July.

As recommended by the Flynn group, a central applications facility, or CAF, was launched on 12 May 2004 to receive applications from those wishing to relocate. The CAF allows staff in all participating organisations to apply for transfer to or express an interest in various provincial locations. The exact terms and conditions which will govern movements from one part of the public service to another and across professional streams are the subject of ongoing discussions with the public service unions.

I have stated from the outset that participation in the scheme is voluntary. Staff whose jobs are being decentralised and who opt to remain in Dublin will have to be reassigned in due course. As information becomes available from the CAF, it will be possible to identify vacancies which will arise in organisations remaining in Dublin as a result of individuals from those organisations applying for decentralised posts. The exact procedures which will apply to allow staff to be reassigned in Dublin will have to be discussed between public service management and staff interests.

No central survey of civil and public servants has been carried out to ascertain the numbers seeking transfers to decentralised locations. However, the results of the CAF should provide a reasonable assessment of interest in the programme. The same number of promotional opportunities will continue to exist across the public service, but in the future that will reflect the new geographical spread of staff.

I have no plans to carry out a formal review of this programme under the expenditure review process. I am satisfied that the arrangements which are in place for the implementation of the programme will ensure that it is implemented in a cost-effective way. The Flynn group requested that each organisation produce an implementation plan incorporating all risks which could arise as a result of the transfer of all or part of its operations. Such risks could include, for example, a loss of expertise or a deterioration in services to the public. Each organisation was also required to include risk mitigation strategies for each risk identified in its plan.

I provided €20 million in my Department's Vote to meet any decentralisation capital costs which arise during this year. No funds have yet been released from this subhead. My Department

[Mr. McCreevy.]

has already sanctioned the acquisition of sites in Longford and Carlow, and I expect finalisation of site acquisitions to accelerate in the coming months with a consequent increase in the rate of expenditure under this heading. To date, the cost of the Flynn group has amounted to €69,000, and the Office of Public Works has spent around €90,000 on costs associated with the identification and evaluation of sites.

The OPW is assessing the proposals received for each of the locations. Most are for the provision of sites, but the potential to purchase existing buildings is still an option in a small number of locations. It is expected that significant progress will be made in the transfer of organisations over the next three years.

The identification of the locations for the information technology staff, as outlined in the Flynn report, will be announced as soon as possible. Following that, the posts involved will be included in the CAF. The Civil Service unions have recently written to my Department seeking an extension to the time allowed for making priority applications to the CAF. I accept that people need a reasonable amount of time to consider their options.

My Budget Statement of 3 December 2003 set out the offices which are scheduled to transfer to County Kildare. Following is a table detailing the agencies in the ambit of my Department and showing those relocating. The criteria used to select organisations for decentralisation are set out in my budget documentation. I have already dealt with the question of a revision to the programme in a priority question.

Agencies in the ambit of Department of Finance

Central Bank: Not relocating

Civil Service Commission: Part relocating

Economic and Social Research Institute: Not relocating

Institute of Public Administration: Not relocating

National Treasury Management Agency: Not relocating

Office of Public Works: Relocating

Office of the Ombudsman: Not relocating

Office of the Revenue Commissioners: Part relocating

Ordnance Survey Ireland: Relocating

State Laboratory: Not relocating

Valuation Office: Relocating

Ms Burton: Is the Minister's statement that he has no plans to review the structure that he has set up regarding the work being carried out by Mr. Flynn's implementation committee not a direct contradiction of the statement made by the

Taoiseach on 7 June in Cabra that the Government would develop a similar facility to the CAF for those who wish to remain in Dublin city? He also said that he appreciated that there is a great deal of uncertainty among the many thousands of public servants who, although they wish to stay in Dublin, are having their jobs decentralised. Who is right? Is it the Minister for Finance who says that he has no plans to carry out any further review, or is it the Taoiseach who, on 7 June when opening a football facility in Phibsborough in Cabra in the heart of his own constituency, promised civil servants who wished to stay in Dublin a special applications facility?

Where does the Taoiseach's promise stand when it has now been disowned by the Minister for Finance, who has said that he has no such plans? As I understand it, the Taoiseach has no direct control over the decentralisation process; it is in the Department of Finance. The Taoiseach, on the eve of the local and European elections, made promises to civil servants who, for family reasons, cannot be decentralised, but the Minister for Finance has just said that he has no plans for a review. Where does the Taoiseach's promise stand?

Mr. McCreevy: There is no divergence between what the Taoiseach said on that date and what I have said in the past.

Ms Burton: Where is the facility?

Mr. McCreevy: I assure the Deputy that it was always the intention, as I stated at the time, that when people indicated a preference to locate outside Dublin, the staff remaining in Dublin should have a similar facility available to them as to where they relocate within the city. That is exactly what the Taoiseach said in his speech. That was known many months ago.

Ms Burton: No, that was not what he said. He said that the Government would develop a similar facility. This is more election promises and lies.

An Leas-Cheann Comhairle: Allow the Minister speak without interruption.

Mr. McCreevy: It is quite simple. When the decentralisation programme is in operation and people go to the various parts of the country, there will still be thousands of civil servants left in Dublin and jobs to be filled. There will therefore be a similar central applications facility available for those people remaining in Dublin to indicate their preferences regarding where they go in the Dublin scene.

Ms Burton: Is the Minister saying that it will be at the end of the process? Does he have no plans to do it now? That is contrary to what the Taoiseach said.

An Leas-Cheann Comhairle: Order, please. The Minister should be allowed continue without interruption.

Mr. McCreevy: It will be ongoing. The Deputy should think about what she is saying and use a little common sense, something given to some of us. In reality, we will not know where the vacancies will be in the various Dublin offices until people relocating express a preference of going to the country. At that point, it will be possible for people in the Dublin area to signal their intentions regarding which offices they would like to relocate to. The facility that is available now for the decentralisation programme throughout the country will be available to those who wish to remain in Dublin. This programme is voluntary, as I have stressed repeatedly. Nobody is being forced to do anything. That makes sense. It was always the intention and remains so.

Mr. R. Bruton: I have always said that members of the Government were the sultans of spin, but the Minister has confirmed it now. They are trying to create one version for Dublin and give a different version of answers when they are asked questions down the country. The truth of the matter is that the electorate saw through it in both locations.

I have specific questions for the Minister. How are employees of State agencies to be accommodated? Will they be offered transfers where they have been employed for specialist purposes? If they are not moving down the country, what will be on offer for those specialist grades? Does the Minister believe it fair not to announce the IT location, with the result that people who might wish to consider moving to the country to some other location cannot participate in the CAF lottery because they do not know where their jobs will go? Is it the case that on previous occasions about 40% of the transferred positions were filled on promotion and that this was how it was secured? If that is the case, will we see a significant hidden Bill on this in terms of promotions?

As regards disruption, is it the case that previous transfers have required five moves for every one post moved out of the capital and that there is an extraordinary degree of churning and disruption attached? Can we expect that to occur again here? This will go on and on, with an impact on services for a long time to come. Has the Minister factored in the impact on delivery of services in the areas affected?

Mr. McCreevy: On the first question relating to professional grades, there are ongoing discussions with the Civil Service unions representing those workers on how to accommodate them, as far as this is possible. This scheme is voluntary, I stress again, so we will have discussions with the unions on that matter. We should be in a position shortly to announce the IT locations. In the budget statement, which I mentioned earlier, I referred the question of the IT locations to the Flynn group

which was to come up with options. It has reported and the Government will shortly be in a position to announce the IT locations. Furthermore, there was also a commitment as regards staff within the health sector and we hope to deal with that in the near future.

As regards promotion, when this is all working itself out, I am sure that the template of the past to which the Deputy refers will be relevant. I do not want, at this stage, to identify any particular areas for promotional opportunity. Promotions may arise. That is something to be worked out in talks with the Civil Service unions. On the last question, when for instance the TDs were moved from here in Leinster House across to Kildare Street and back again, there were complaints about disruption. One can never move an organisation without some disruption. I do not know whether the Deputy has ever been involved in moving, but in my professional background I have experienced at least two moves. There is always a certain amount of disruption. One must remember this is what Civil Service managers are paid to do and they do it quite well. Some Departments have considerable experience of decentralisation and have done it successfully.

We have decentralised thousands of people over the past 20 years, to Longford, Sligo and various parts of the country. Decentralisation is not something the Civil Service has no experience of. Some Departments have considerable experience and we hope to lessen potential disruption.

Caoimhghín Ó Caoláin: Given that decentralisation implies significant personal disruption for individuals and their families, was the requirement of availability for transfer to any location, as indicated, part of the condition of employment for the position advertised earlier this year in the Department of Justice, Equality and Law Reform? Is that to be the norm in terms of recruitment to the public service in the future? Is this the formula the Minister intends to use to secure transferability and mobility of staff within the public sector? This is something I would like clarified.

As regards the pre-December 2003 announcement in the budget by the Minister of 10,300 positions to be decentralised, there was an agreement between the Department of Finance and Teagasc — the Minister's Department and the Department of Agriculture and Food — as regards decentralisation of its personnel, for which there was a €6,000 once-off payment for those opting to relocate outside Dublin. What is the current status of that arrangement? Has it been put on hold because the Minister was fearful that the arrangement in place with Teagasc staff might be expected to be replicated by other public service workers who were to be relocated around the jurisdiction?

Mr. Deenihan: Will the Minister give special consideration to Tralee in County Kerry for the

[Mr. Deenihan.]
IT jobs which, I understand, will be decentralised?

Caoimhghín Ó Caoláin: I am sorry, he has already promised them to Monaghan.

Mr. Deenihan: A joint submission has been made by Shannon Free Airport Development Company and Tralee Urban District Council to the Minister's Department outlining the case for Tralee, which is strong. Tralee is a town that has lost out considerably in technology jobs in recent years. This would be a major boost and I appeal to him to consider Tralee favourably when making his decision.

Mr. McCreevy: The least I can say about Deputy Deenihan is that he has been full square behind the programme of decentralisation. He has not spoken out of the two corners of his mouth about it in the past six months. I will give him credit for that. More than other Deputies in this House, he was for it, he spoke in favour of it and he has not delivered one message in Kerry and a different one here in Dublin. I compliment him on his honest approach to this. I cannot say the same for all members of his party or indeed of any party in the House.

I certainly will consider Tralee. It must be remembered we asked the Flynn group to consider where the IT jobs should be located. I am sure the Deputy is aware of the general recommendations made in the Flynn report in this regard. If I had the pick of the boom towns in Ireland, Tralee would be one of them. It has a strong local economy and does very well.

As regards the question raised by Deputy Ó Caoláin, certainly people should know when they are applying for jobs within the Civil Service that the new headquarters of a Department etc. is located in a particular part of the country. People who apply for the Civil Service from County Kerry know they will be located in Dublin, but they should know in the future that the Department being applied to may be in some other part of the country. Finally, on this topic, one of the reasons for the negative publicity is that a highly influential group of civil servants at a particular level is based in Dublin. Some of them do not want to go anywhere for obvious reasons. They are highly influential within the circles that most of us mingle and operate in and they have the ear of, say, the Dublin media.

There has been much unbalanced comment about this. Let us put it in perspective. Some 10,000 civil and public servants are being asked to relocate from Dublin. Take any percentage of this figure representing people who do not want to go at any cost, multiply this by five, to take account of a partner and four children, and there is still only a small number as a percentage of the total population of Ireland. The population of Ireland is currently 4 million, give or take a few thousand. No matter what way the figure is multi-

plied it is a minute number compared to the total population of Ireland, and even the population that lives outside the greater Dublin area. That should be borne in mind by everybody. I do not believe it is too much to ask since it is voluntary.

Caoimhghín Ó Caoláin: What about Teagasc?

Mr. McCreevy: The people in those jobs are in permanent and pensionable employment. When a private company collapses in Deputy Deenihan's or Deputy Ó Caoláin's constituency the employees do not have the option of having their jobs guaranteed forever. They must go on the dole or look for another job. Public servants are in the unique and privileged position that no matter what happens their jobs are protected. Their pensions are protected, and that is not given to everybody. I want to put those remarks on record to give some semblance of balance to this debate.

Caoimhghín Ó Caoláin: What about the issue of Teagasc?

Written Answers follow Adjournment Debate.

Adjournment Debate Matters.

An Leas-Cheann Comhairle: I wish to advise the House of the following matters in respect of which notice has been given under Standing Order 21 and the name of the Member in each case: (1) Deputy Ferris — the effects which changes to the taxation system are having on the lower paid employees of a store (details supplied) who have been informed that they are no longer entitled to staff discounts due to new regulations; (2) Deputy Gormley — to discuss the allocation of special educational needs resources in a Dublin school (details supplied); (3) Deputy Penrose — the need for the Minister to take steps to ensure that employees of the fishery boards are paid the amount due to them under the craft analogue pay relationship with local authority general operatives; (4) Deputy Wall — to ask the Minister to outline the position of an application for capital funding for a school (details supplied); (5) Deputy Pat Breen — that the Minister provide the necessary funding for refurbishment and upgrading of science facilities at a school (details supplied); (6) Deputy Neville — orthodontic services in the mid-western region; (7) Deputy Crawford — to ask the Minister for Health and Children to take immediate action to ensure that sufficient money is available for home help-home care and that the people providing this work get a proper mileage allowance; (8) Deputy Cowley — to ask the Minister to look into the situation where a planned extension at a school (details supplied) to the value of €100,000 will fail to address the present and future needs of the school; (9) Deputy Hayes — the need for the Minister to say when €2 million will be made available to the South Eastern Health Board to resource the new unit at South Tipperary General

Hospital, Clonmel; (10) Deputy Gogarty — the need for the Government to protect the Clondalkin round tower by purchasing the site; (11) Deputy Lynch — the urgent need for new premises for the Irish Blood Transfusion Service in Cork, as previously promised; (12) Deputy Ó Caoláin — the need for the Minister to take urgent action in a case to grant a family reunification visa to an 11 year old girl (details supplied) whose parents are legally resident in Ireland; (13) Deputy Broughan — the need to ensure that the dual mandate legislation is operated fully and fairly by local authorities given recent failures in this regard by Dublin City Council and Fingal County Council; and (14) Deputy Ó Snodaigh — the urgent need for the Minister to grant a school (details supplied) disadvantage status as it is the only school in an area of disadvantage not to have such status.

The matters raised by Deputies Gormley, Wall, Hayes and Lynch have been selected for discussion.

Public Service Management (Recruitment and Appointments) Bill 2003: Report Stage (Resumed).

An Leas-Cheann Comhairle: I call Deputy Burton to move amendment No. 5.

Mr. R. Bruton: Deputy Burton will be here soon. She has left the Chamber briefly to get a copy of the Report Stage grouping list.

Minister for Finance (Mr. McCreevy): Is it an appalling insult to the Minister of State, Deputy Parlon, that Deputy Burton is not here?

Caoimhghín Ó Caoláin: I am sure he will have no problem saying so himself.

Minister of State at the Department of Finance (Mr. Parlon): I am completely insulted.

Ms Burton: I move amendment No. 5:

In page 13, line 34, after “Dublin” to insert “, which Act may be cited as the National Gallery Establishment Act 1854”.

Mr. McCreevy: The Deputy’s late arrival was very insulting to the Minister of State.

Ms Burton: I am sure he is able to take it on the chin.

Amendment No. 5 is a technical amendment which proposes to insert a correct description of the full title of the Act. It is necessary in the interests of legal completion, in the drafting of the Bill. Perhaps I went too fast for the Minister of State and did not give him enough time to get ready. Maybe apologies are due again.

Mr. Parlon: I have heard no apologies from the Deputy yet.

Ms Burton: Perhaps we should call off the war.

Mr. Parlon: I have consulted the Office of the Parliamentary Counsel about amendment No. 5. I am advised that the proposal relates to giving a Short Title to another Act, which does not primarily relate to recruitment and appointments within the public service. It would not be appropriate to use a specific Act to provide for an unrelated matter of general application and I do not intend to accept the amendment for that reason.

Amendment put and declared lost.

An Leas-Cheann Comhairle: As amendment No. 7 is an alternative to amendment No. 6, amendments Nos. 6 and 7 may be discussed together, by agreement.

Ms Burton: I move amendment No. 6:

In page 13, to delete lines 35 to 46 and in page 14, to delete lines 1 to 33.

The purpose of this amendment, which is similar to amendment No. 7, is to ensure that the exclusion of certain unestablished positions is in the public interest. The processes of recruitment and promotion should be fair and transparent.

Deputies said this morning that they have fears about the manner in which the Bill is being handled by the Government. When the Bill, which was originally intended as a modest proposal to reform the recruitment of civil servants, is considered with the decentralisation programme, it may be seen as representing the return of extensive powers of political patronage. Such powers, which used to be associated with Civil Service recruitment, have not been seen since the early years of the State. A return to the use of such powers is highly undesirable from the point of view of general public policy and in the interests of efficiency, and it may lead to the appointment to various public positions of people who are less than desirable.

I hope the Government will take the Opposition’s advice in this regard. The manner in which this Bill was revamped when decentralisation was announced may have been seen as an ideal way of scoring yet more political strokes. I hope the Minister of State will rethink the matter by including transparency provisions in the Bill. He should remove from the Bill the sections and lines that make the question of transparency highly difficult. We should bear in mind that future recruitment may be undertaken by dispersed agencies at 44 localised points throughout the country.

Mr. R. Bruton: My amendment No. 7 is linked to amendment No. 6. Section 8 seeks to introduce a provision whereby recruitment to unestablished positions will be excluded from the legislation’s terms of reference. It is proposed that Ministers will retain the right to make appointments to unestablished positions if they make requests to that end. If such a request is made, the com-

[Mr. R. Bruton.]

mission will make an order in that regard. My amendment seeks to provide that the commission will be able to make such an order only if it is deemed to be in the public interest.

It is wrong that over many years Ministers have come to regard appointments to certain positions in their Departments as being part of their personal fiefdoms. Such behaviour, which dates back to a time that has long since gone, should be rooted out. Ministers used to make arbitrary appointments to unestablished positions, such as messengers, cleaners and ushers in their Departments. We have to regard such positions as important public service posts. They should be filled on the basis of the proper assessment of the case of each individual put forward. The procedure should be objective, as one would expect in a modern citizens' democracy. It should not involve Ministers having favoured applicants or looking through lists to find applicants who have made the correct representations or come through the proper channels. It is something that is out of the ark. We should move with the times rather than leave in place a provision of this nature, which harks back to a time when Ministers thought such appointments were part of their personal fiefdoms.

This is bad legislation. The Minister of State should inform his colleagues who sought the inclusion of this provision, whoever they may be, that it is not acceptable. He should make it clear that we will not accept the exclusion of certain unestablished positions from this Bill, for the purposes of allowing Ministers to make appointments. If specific authorities need to retain a right of this nature, it should not be a problem for the commission to certify that it is clearly and absolutely in the public interest.

My amendment seeks to give the commission such powers so that this section of the Bill will not be used by Ministers who are trying to defend fiefdoms that have been out of date for a long time. The powers of this section should be used only if an appointment by the authority, involving the exclusion of the commission from the process, is manifestly in the public interest. The Minister of State, who is a member of the Progressive Democrats, should take this argument on board. A provision of this nature would not be included in the legislation of a progressive and democratic country.

Mr. Parlon: Deputy Burton proposes to delete section 8 of the Bill, which deals with exclusion orders, and Deputy Richard Bruton proposes to amend it. Exclusion orders can be

4 o'clock

made in certain circumstances to allow recruitment to certain unestablished posts without undertaking the competitive procedures prescribed by the Bill. Such positions are excluded from the Bill to give the recruiting Departments or offices the flexibility to recruit quickly, cost effectively and according to their needs. In recent times, contracts have become a

more common means of dealing with the requirement for short-term employment. Excluded positions represent a form of flexibility that was available to management under the Civil Service Commissioners Act 1956. Departments expressed the desire to retain that flexibility in the new legislation.

It is important to bear in mind that the positions in question are temporary and unestablished. The posts are filled temporarily, for example, for a fixed period of time or until a specific project has been completed. Those filling the positions must leave the Civil Service after the period of time has elapsed or when the project has been completed. Examples of posts filled under excluding orders include temporary clerical staff in the Department of Foreign Affairs to attend to seasonal demand, such as the increased demand for passports during the summer months, temporary field officers employed to collect census information for the Central Statistics Office, temporary museum tour guides employed by the Department of Arts, Sport and Tourism during busy periods and temporary clerical staff employed to replace civil servants who avail of term time leave of up to 13 weeks during the summer months.

Section 8(8) of the Bill is important and needs to be enacted as it provides that excluding orders made under the 1956 Act shall continue to remain in force. This provision will provide a legal basis for the retention of those people in the Civil Service. Without that provision those holding posts under excluding orders would be required to leave the Civil Service on enactment of the Bill. It is also important to note that the Civil Service Commissioners support the retention of the excluding order facility to ensure the existing flexibility and cost effectiveness are retained.

In response to Deputy Richard Bruton's amendment, the section deals with excluding orders, which can be made in certain circumstances to allow recruitment to certain unestablished posts, to be made in an expeditious fashion. In any event section 13 requires the commission to establish standards of probity, merit equity and fairness and these standards will necessarily underpin all the activities and judgments of the commission, including decisions on when, whether and to whom to grant an excluding order. The commission will act in the public interest at all times and will also provide that any recruitment process is undertaken in accordance with the principles set out in the Bill. Accordingly I cannot accept that amendment either.

Ms Burton: I had hoped the Minister of State would show a different attitude. While he has talked about genuinely temporary positions such as those in the Passport Office and summer clerical jobs in local authorities, in reality the filling of these jobs often arouses widespread resentment because the jobs are often filled on the basis of whom the applicant knows. In the case of local authorities in particular, there is a feeling that

these jobs are reserved for the families and friends of existing local authority officials who are often the only people who know these jobs are available and for how long.

As these are jobs starting on the bottom rung of the ladder and generally not high-level jobs, it is very important to give a clear signal that the jobs are open to everybody who is qualified. This is particularly true when encouraging back to work someone who has been unemployed for a period and may have returned to education, and for whom getting a temporary job like this is a way to get a permanent job. We do not want an expensive recruitment process but one in which there is the possibility of public scrutiny of such appointments so they are not seen to be filled by the manager's family and friends as is often believed to be the case in local authorities, regardless of whether it is true.

Within the Civil Service temporary jobs, particularly in health boards, often give people an important leg up in terms of getting a permanent job as is understandable. In the case of nurses, taking temporary positions in hospitals and institutions is now almost a *sine qua non* for getting employment in health boards. The process needs to be transparent and documented. We do not seek an excessively cumbersome process. While I acknowledge what the Minister of State says about the genuinely temporary nature of many of these jobs, they can represent an important road to permanent employment.

Unfortunately in a very decentralised local recruitment process, the capacity for political interference and jobs going to party political favourites becomes very high and will ultimately undermine and demean the public service ethos.

Mr. R. Bruton: Will the Minister's appointments to unestablished positions be covered by this provision? Is he seeking an exclusion order for Ministers appointing porters, cleaners and others in Departments? Will that be accommodated by this provision? If that is the case, it is clear that the principles of recruitment applied in filling such positions do not comply with any of the codes to which the Minister has drawn our attention. This is why I seek an explicit provision that before granting such an order, the commission must be satisfied that we will have fair and transparent recruitment and promotion.

The Minister of State fobs these off as being temporary positions. I again ask the Minister to refer this matter to his advisers. Is it not the case that after three or four years most unestablished people have the right to apply to become established, which is the conventional route into established positions? If the Minister uses partisan procedures for appointments at the unestablished level, in time those involved move into established positions, which is how they become temporary. They are temporary in the unestablished positions and not within the public service itself. It is a wholly inappropriate system for recruitment in a modern state.

Mr. Parlon: Section 8 only applies to unestablished positions in the Civil Service and not in the local authorities, which will only apply at a later stage if the provisions are rolled out to include local authorities.

Ms Burton: The Bill sets the scene. This structure will apply when it is rolled out.

Mr. Parlon: It seems to be suggested that every Minister appoints members of his family and cronies to unestablished positions. This does not apply to my knowledge. I have spent two years in the OPW and the people in such positions are mainly Dublin people who have been there since before I was appointed. The previous Minister of State was from Munster and I do not detect any Munster accents from among them. The Deputy referred to a perception. Regardless of whether this is true, it is purely a perception. The cases of porters and others are covered by section 7(2)(b) and are included in the Schedule.

Excluding orders exist to allow flexibility to appoint people at short notice to temporary positions and the Departments have made clear they want to retain that flexibility. Therefore, I cannot accept the amendments.

Ms Burton: When the Minister for Justice, Equality and Law Reform, Deputy McDowell, was climbing lampposts before the last general election, he claimed that the Progressive Democrats would be some kind of watchdog on Fianna Fáil. The appointment of people on a temporary basis to unestablished positions represents a back door into the Civil Service. It also represents a front door to employment for people who might have gone back to education late and seek a job in the Civil Service.

While it was cleaned up when my party was in office, I remember the time when people looking for jobs in the old Board of Works felt they needed a party card and I do not need to tell the Minister of State the party card to which I refer. When the old ratepayer system existed, there were numerous recorded cases in rural areas of allocation on the basis of party affiliation. We have moved away from that. I accept what the Minister of State says that in his experience he has not seen any favouritism towards any category of person. However, the power now being given to a Minister and to the Civil Service head, who is answerable to the Minister, to fill unestablished positions in different bodies and Departments is a very potent power when it comes to patronage and filling jobs.

The Civil Service will be decentralised to 44 different locations. Originally the Combat Poverty Agency was due to relocate to Monaghan. Even Deputy Ó Caoláin will acknowledge there are severe difficulties with that. The Combat Poverty Agency as with all agencies will employ cleaners, porters and others in ancillary positions. If it is in the political gift of the head of a unit and there is a dominant political culture or political

[Ms Burton.]

Minister overseeing the area, the person would have to be a saint to resist the pull of locals coming forward and saying they know there is a job going in a particular office and they know somebody who would be suitable. That is human nature. Approaches like that are made to all of us but the point about an independent, uncorrupted Civil Service is that a process is created for filling those vacancies.

The Civil Service Commission was established in the early days of the State to ensure those temptations were not yielded to. The Labour Party wanted this section deleted because there is plenty of provision in the powers given to the boards established under the Bill to allow them establish codes of conduct and so on which could have been flexible in respect of short-term appointments or appointments to unestablished positions.

As the Minister said in his opening contribution, the Bill brings into force much employment legislation in regard to the Civil Service and public bodies. He will be aware that in respect of much EU legislation, regardless of whether one does a job on a part-time or temporary, unestablished basis, once someone works over a certain number of hours for a particular period of time finite employment rights are established. That is appropriate and it is what people like me have argued for but people should get those rights on the basis of fairness, and those opportunities ought to be open to everybody. If a Civil Service Department is deployed to a particular town, will we end up discriminating against the people who come from the local council estate because they do not have a so-called quality address, as happened to people from Sheriff Street in Dublin? The Minister said earlier he has not been a Minister for long but these temptations will be a reality. Perhaps not now but when this Bill is enacted there will be legions of people outside the door of every Minister asking for these jobs to be filled, and politics will be demeaned by it.

An Ceann Comhairle: I will put the question.

Mr. R. Bruton: On a point of order, I would like to recommit the Bill in respect of amendment No. 7 to allow me have the opportunity to question the Minister on his ruling out of my amendment. I did not have an opportunity to address his latest comments, which are wholly inadequate, and I would like to recommit the Bill in respect of my amendment because we should not agree to recruitment practices from the Middle Ages.

Ms Burton: Yes.

Mr. R. Bruton: We should have the opportunity to have a proper debate on this issue.

An Ceann Comhairle: Does the Minister wish to recommit the Bill in respect of amendment No. 7?

Mr. Parlon: Absolutely not.

An Ceann Comhairle: Is the Deputy pressing the issue?

Mr. R. Bruton: Absolutely, because we need to have a modern public service.

Question, "That the Bill be recommitted in respect of amendments Nos. 6 and 7", put and declared lost.

An Ceann Comhairle: Is Deputy Burton pressing amendment No. 6?

Ms Burton: No. I will follow what Deputy Bruton has done. It appears, from the response of this Minister, that he is not inclined—

An Ceann Comhairle: We are putting the question. We cannot open the debate again. You have already spoken three times on the amendment.

Ms Burton: Can I get your guidance, a Cheann Comhairle?

An Ceann Comhairle: Are you withdrawing your amendment No. 6?

Ms Burton: No. Deputy Bruton moved amendments Nos. 6 and 7.

Mr. R. Bruton: No. Deputy Burton put her amendment.

Ms Burton: I am sorry. I am a little confused by the procedure.

An Ceann Comhairle: On the procedure, if you wish to withdraw your amendment we can then have a decision on Deputy Bruton's amendment No. 7.

Ms Burton: I do not wish to withdraw my amendment.

Question, "That the words proposed to be deleted stand", put and declared carried.

Amendment declared lost.

An Ceann Comhairle: Amendment No. 7 cannot be moved.

Caoimhghín Ó Caoláin: On a point of order, might it not be appropriate that greater opportunity would be given to the grouping of amendments being proposed in future? We have a situation now, with amendments Nos. 6 and 7, where amendment No. 7 cannot be proceeded with in terms of debate. The grouping list is given to us after the commencement of each Stage of a Bill and that is a terrible disadvantage for Opposition Deputies. We have no input into the grouping

procedure yet we can see now the disadvantage that rolls from it.

An Ceann Comhairle: In this instance, Deputy, amendment No. 7 is negated by accepting amendment No. 6.

Mr. R. Bruton: But not *vice versa*.

Caoimhghín Ó Caoláin: That is only because they are grouped.

An Ceann Comhairle: Amendment No. 7 cannot be moved if amendment No. 6 is defeated.

Mr. R. Bruton: That is only the case because of the way you put the question, a Cheann Comhairle. Deputy Burton's amendment was to delete lines 35 to 46 but you put the question that the words proposed to be deleted stand, which is a different question. I have a right to amend the existing text and add to that text. I am seeking to add to the text.

Ms Burton: They are related, a Cheann Comhairle, but they are different.

Mr. R. Bruton: They are related. My amendment does not——

An Ceann Comhairle: They cannot be added in. The House has decided——

Mr. R. Bruton: That validates what Deputy Ó Caoláin said. It is an unfair decision that we were not party to.

An Ceann Comhairle: The Deputy is aware that the same procedures have been followed for the 27 years I have been a Member of this House and amendments have been grouped to facilitate us in dealing expeditiously with business in the House. There is nothing unusual about the way amendments Nos. 6 and 7 have been dealt with. If the House is of the view there is a different way of dealing with them——

Mr. R. Bruton: Clearly the House does not in this situation.

Amendment No. 7 not moved.

Ms Burton: I move amendment No. 8:

In page 14, to delete lines 41 and 42.

The purpose of this amendment is to delete the provision in the Bill which states:

(1) The Commission and the Public Appointments Service may each charge fees, if any, to public service bodies in respect of any service carried out under this Act ...

(2) A licence holder may charge fees, if any, to candidates for a competition to which this Act applies.

I have a fundamental objection to people who wish to make application for a Civil Service appointment in this independent Republic being charged fees. We had an earlier discussion about

inflation and the cost of services in this economy but the private recruiters who are being let in under this Act will be willing to charge candidates handsome fees.

We saw the introduction of a fee regime in the case of the Freedom of Information Act where the initial fee of €15 was modest but the cost of the appeal and the subsequent review brought the charge up to approximately €250. That has destroyed the Freedom of Information Act as a working tool to provide information in this society. That provision, among others, is one of the most obnoxious in the Bill in that applicants for Civil Service jobs are to be charged fees. There are many people in society for whom the charging of such fees would be a matter of disinterest. The money would not matter to them, just as there are parents who can afford to spend €10,000 on fees for somebody to become a barrister and hardly notice it out of their small change. For others, it is a crippling restraint on entering a profession. This is the thin end of the wedge and the Labour Party is opposed to this provision.

With the ideology to which the Minister for Justice, Equality and Law Reform, Deputy McDowell, gave free rein last night, the market is triumphant in this State. Young people seeking Civil Service appointments will end up bidding for their applications. I reject this invidious proposal. Less well-off parents tell us that the costs of junior and leaving certificate examinations are already expensive, along with registration fees for third level colleges. The Labour Party rejects this stealth tax for those applying for Civil Service positions.

Caoimhghín Ó Caoláin: I support Deputy Burton's amendment. Section 10(2) contains a deplorable proposition. The Minister of State must recognise that many young people apply for a raft of different jobs before they are successful. Many will be forced to decide between an application fee or an essential of life. Many are often surprised when they are successful in their applications, believing originally that they did not have much of chance. A fee for young people applying for jobs within the public service is outrageous and will curtail open competition.

Deputy Burton pointed to the decrease in freedom of information requests after the introduction of fees. This provision will see a repetition of this, dissuading many in applying for a variety of opportunities in employment that they otherwise would have. For many applicants it depends on how they perform at the interview on the day. It is unacceptable that many young people will now be denied access to employment that might in other circumstances have come their way. In an open society, the idea that one can buy one's way into consideration is unacceptable. In the past, the accusation was that such positions were bought. We want open, transparent and accessible job opportunities in the public service. The idea of a fee is in contradiction to this and should not be proceeded with. I urge the Minister of State to accept the amendment.

Debate adjourned.

Visit of German Delegation.

An Ceann Comhairle: Before calling on the Minister of State I wish on my behalf and on behalf of the Members of Dáil Éireann to offer a céad míle fáilte, a most sincere welcome, to the members of the new media developments sub-committee of the committee on culture and media of the German Parliament who are here with us in the Distinguished Visitors Gallery. I express the hope that you will find your visit enjoyable, successful and to our mutual benefit.

Public Service Management (Recruitment and Appointments) Bill 2003: Report Stage (Resumed).

Debate resumed on amendment No. 8:

In page 14, to delete lines 41 and 42.
(Deputy Burton)

Minister of State at the Department of Finance (Mr. Parlon): I hope our German friends are not concerned about our unemployment figures. The impression given in the House is that unless one is a family member of a Minister, one would not have a chance of getting even a cleaning job in a Department. To come back to real life, the unemployment rate now stands at 4.8% with more than 100,000 foreign workers in the State. To suggest that this Bill has a provision to allow Ministers to use cronyism to get family members into a job is ridiculous. The reduction in freedom of information requests is mainly due to Departments readily——

Mr. R. Bruton: On a point of order, I sought a recommittal of earlier amendments on this issue and was voted down by the Minister of State. Now he is taking the liberty to debate an issue on which he prevented me from having my right to be heard.

An Ceann Comhairle: We are on amendment No. 8.

Mr. Parlon: I am explaining the reduction in freedom of information requests.

Mr. R. Bruton: He is now dealing with an issue on which he has already suppressed debate. He is taking liberty with the House to present his arguments while insisting that Opposition Members do not have the right to present theirs.

An Ceann Comhairle: We are on amendment No. 8.

Mr. R. Bruton: I raised a point of order as to whether the Minister of State is in order in seeking to continue to address a previous amendment.

An Ceann Comhairle: We must hear the Minister of State because Deputy Burton referred to freedom of information requests.

Ms Burton: I wish to clarify that I did not use the word “Minister” but “managers”.

An Ceann Comhairle: Amendment No. 8 deals with fees. There was reference in this debate by the proposer to the Freedom of Information Act.

Mr. Parlon: Deputy Burton made a comparison to the Freedom of Information Act which I wish to clarify.

Mr. R. Bruton: The Minister of State continued——

An Ceann Comhairle: Deputy Richard Bruton has made his point. I have requested the Minister of State to deal exclusively with the points raised on amendment No. 8. If the Freedom of Information Act was raised by the proposer——

Ms Burton: I raised the issue of how charges affected the number of freedom of information requests.

An Ceann Comhairle: ——it is up to the Minister of State to reply.

Mr. Parlon: The number of freedom of information requests has decreased because people now readily receive responses from Departments rather than having to use the mechanism of the Act.

This provision allows licence holders to charge candidates fees for competition. Section 16(2) of the Civil Service Commissioners Act 1956 provided for commissioners to charge candidate fees. While there is no intention to charge candidates, there is no reason not to retain an ability to do so in circumstances where it may be necessary. An example may be a professional grade competition where part of it may be a practical examination of the candidates’ skills. This may be a costly process and it might be appropriate to discourage frivolous applications. The Minister has retained from the Civil Service Commissioners Act 1956 any provision that provides for future flexibility. Any fees generated under this section will not be retained by the licence holder and must be paid into or disposed of for the benefit of the Exchequer. Accordingly, the provision has been retained and the amendment is opposed.

Mr. R. Bruton: I support Deputy Burton’s amendment. The point of pricing is either cost recovery or rationing. The notion that to recover costs from young people seeking to apply to the public service is ridiculous and should not be entertained.

Mr. Parlon: It is ridiculous.

Mr. R. Bruton: Licence holders will be managers in local authorities or health boards and not accountable to this House. The idea that these managers can decide that it is a handy way to collect a few bob to bridge the gap in their estimates——

Mr. Parlon: That cannot happen.

Mr. R. Bruton: The Minister of State has only explained that it has not happened and not that

it cannot happen. He has explained that the provision is necessary to stop frivolous applications. The notion that people will frivolously apply for jobs is so ludicrous that it does not warrant discussion. Perhaps the Minister of State has an idea that the number of people should be rationed. That is where Deputy Burton's point comes into effect. If pricing for medical card applications were introduced, fewer people would apply.

It may seem crazy that people would not pay €15 or €20 for the medical card application form but that is what would happen. Many people would not get their rights. The same applies here. People have a right to apply for a position in the public service and a right not to have obstacles put in their way. Whatever the history of this, whereby some long-forgotten and perhaps long-buried Minister thought it right to insert, why should that be sufficient justification for us to continue with this practice? Deputy Burton is right. We should not have this practice. It is not acceptable and has not been used. It should be removed from the Statute Book.

Ms Burton: The Minister of State responded in the manner of Pavlov's dog when I talked about the Freedom of Information Act. Just as in the debate on freedom of information, he said that one of the reasons behind this move was to deter potentially frivolous applications. Where did we hear that before? That was one of the great reasons produced by the wise men, the various Secretaries General who contributed to the freedom of information debate. In her report, the Information Commissioner made clear that but for one case, there was no evidence of serial applicants in a frivolous sense making freedom of information requests. There may be people who had and still have axes to grind. We see unfortunate people outside the gates of this House from time to time. There are people who become entangled in situations and who hold grudges. We understand that, but if one considers an 18 year old who has finished the leaving certificate, how is such a person supposed to have developed a massive grudge against the public services in Ireland, unless some mad teacher was involved and the person is going to make serial, frivolous applications for jobs which he or she has no hope of obtaining?

The Minister of State said something very important. He talked about a labour shortage in this country. Why then, in council estates throughout the country, are there significant numbers of young people, particularly young men, who have left school early and who do not have jobs? Since the Government closed down community employment schemes and back to education opportunities, they are not getting into the labour force. They are precisely the kind of people who, when hopefully there is a change of Government, will be given a new chance under a new Government to get involved in this economy. These people will be deterred if they apply to a health board, a VEC and perhaps a decentralised

Department. At a minimum charge for this service of €15 or €25, the fees could quickly run up to €100. That would account for more than 50% of a person's weekly social welfare payment. The Government talks regularly of inequality, which is festering while the Government promotes it. It does not promote equality. This proposal is wrong and the Minister of State should be big enough to acknowledge that.

Caoimhghín Ó Caoláin: Deputy Burton has made the point that struck me in listening to the response of the Minister of State. The word "frivolous" jumped out of what he read into the record — "frivolous" applications and "frivolous" responses under the Freedom of Information Act. The Minister of State must recognise that what is involved here is unacceptable. It needs to be nipped in the bud now. I do not need to rehearse the arguments I have put. I know many people who have made numerous applications and who were ultimately successful when they least expected it. That can often be the case. They can never explain why they succeeded on a particular occasion. If fees were involved, those people might never have applied for the opportunity on offer.

We are going to see a very warped access opportunity for many young people applying for different jobs on offer within the public service. This is unacceptable. It is a very important matter which the Minister of State must recognise. Though he is a member of the Progressive Democrats, from his experience outside it he must at least have some recollection of the ordinary decent people in this country. They still expect to see a little humanity left in the Government. I appeal to the Minister of State to have the courage necessary to drop this. He will be applauded if he does so.

Mr. Parlon: Deputy Bruton said that this could be used as a means by some of the agencies to bridge a funding deficit. I made it clear that any fees charged would go directly to central Exchequer funding so there is no incentive for any agency to charge.

This was used in the 1980s for one year and was discontinued. I have not been aware of any outcry since 1956 that it was misused or abused.

Caoimhghín Ó Caoláin: It was not continued.

Mr. Parlon: No, it was not.

Caoimhghín Ó Caoláin: There must have been good reason.

An Ceann Comhairle: The Minister of state without interruption, please.

Mr. Parlon: There is no intention of using it to any extent.

Ms Burton: Then why have it?

An Ceann Comhairle: The Minister of State is entitled to his two minutes without interruption.

Ms Burton: I apologise.

Mr. Parlon: It was used and discontinued. Clearly there is no intention to use the facility unless there are exceptional circumstances. I am told that John Boland was the Minister who introduced it. It is a flexibility that was in the 1956 Act and one the Minister would wish to have now. I see that as being good common sense if an occasion to use it arises.

Despite what Deputy Burton says, the community employment schemes have not been closed down. They still engage more than 20,000 long-term unemployed people. They have been very successful in training people in order to get them off the unemployed lists. It is wrong of the Deputy to say the schemes have been closed down.

As a result of the degree of flexibility offered and the fact that this issue created no problem in the 1956 Act, the Minister is right to carry it on.

Ms Burton: Regarding the community employment schemes, I invite the Minister of State to step outside "Parlon country". Perhaps as a Minister of State he has managed to keep the schemes going in his area but in my constituency and many others which I visited during the recent elections, the schemes have been decimated. The result is that extremely poor people have had a blow dealt to their life opportunities.

Question, "That the words proposed to be deleted stand", put and declared carried.

Amendment declared lost.

Mr. Parlon: I move amendment No. 9:

In page 15, line 16, after "known" to insert the following:

"in the Irish language as An Coimisfún um Cheapacháin Seirbhíse Poiblí and in the English language".

An Ceann Comhairle: The amendment has already been discussed with amendment No. 1.

Amendment agreed to.

Ms Burton: I move amendment No. 10:

In page 15, between lines 28 and 29, to insert the following:

"(2) The Government shall ensure that not less than 40 per cent of the Commission are men and not less than 40 per cent are women."

The purpose of this amendment is to ensure that with regard to the boards being established under the new arrangements for Civil Service recruitment, the commission has not less than 40% men

and 40% women. I have gone through this argument before and do not intend to delay the House. There are a large number of women working in the Civil Service. It is an insult to women that they are not guaranteed parity of esteem with regard to membership of the commission to be created. The same argument would be made by me if the commission were to be entirely composed of men and there were to be no representation by women.

The Minister for Finance has told me on a number of occasions that he has difficulty finding suitable applicants. Regarding public administration and public service, which people on this commission would presumably have to demonstrate a knowledge of, there are a large number of qualified women of all ages, ranks, religions and creeds throughout the country who could more than ably fill a 40% quota. As it is close to the commemoration of *Ulysses*, I want the Minister to be like Molly Bloom and say "Yes" this time.

Caoimhghín Ó Caoláin: Or the man from Del Monte.

Mr. Parlon: Ulster says no.

Caoimhghín Ó Caoláin: Where did I hear that before? With regard to the Commission for Public Service Appointments, I support Deputy Burton's appeal. The primary objective of her amendment is to ensure that at least 40% of the composition of the commission is made up of women. We have gone through this argument in regard to a whole series of Bills over the past couple of years and to date, unfortunately, there has been a very limited response. It is very important, particularly given the significant number of women within the public service, that the commission must ensure gender equality. The 40% threshold is an objective which we should all seek to arrive at. I appeal to the Minister to adopt the amendment and join others in ensuring there is real reform in terms of women's access to representative roles and positions on boards, commissions and otherwise.

Mr. R. Bruton: I support the amendment. I draw the attention of the Minister to section 8.20 of the evaluation of the strategic management initiative, which he quoted and which deals with the issue of equality in the area of human resources. It states: "This would seem to suggest that while the central policy framework is in place, it is not permeated through the service yet." It also states: "A considerable amount of work remains to be done at departmental level to implement equality policy."

It seems, therefore, that if one is appointing a board or commission which will have a heavy influence on recruitment and the way in which Departments think, and will roll out good practice in regard to recruitment and promotion, which is important for women in the public ser-

vice, it is particularly important that the Minister, even if he does not accept the amendment, gives a cast iron commitment that it is his intention that women will make up at least 40% of the representation on the commission. In the work commissioned by the Minister's Department, there has already been a shot across the bows to say this is not happening. It is very important, if we are to address the issues of equality within the public service, that the Minister takes the opportunity to accept Deputy Burton's amendment. He may surprise us all. However, at a minimum, the Minister should make a commitment to have gender balance on the commission.

Mr. Parlon: I am glad none of the amendments suggested a 50% split on the five man committee, which could be difficult. The amendment was more appropriate when there was a suggestion that there might be some ministerial appointments. However, given that the entire membership of the commission are *ex officio* members, we are dictated by the gender of those parties.

I reiterate that I am fully committed to the policy of gender equality which is set out in the programme for Government. It is not appropriate to specify in legislation that the membership of each and every State body will conform to the target. In addition, the membership of the CPSA is entirely *ex officio* and, therefore, the gender balance of the CPSA will depend on the gender of the holders of the relevant offices. At present, that is an 80-20 split which, in practice, means four men to one woman. That will obviously change as the holders of the substantive offices change. By providing for *ex officio* membership of the commission to ensure the probity of the recruitment process, it is not possible to accept the amendment.

Mr. R. Bruton: How soon will the Minister have a second woman on the commission?

Mr. Parlon: I cannot tell. However, as my party has been called to order a few times in this regard, the gender balance within the Progressive Democrats is perfect.

Ms Lynch: As is everything else within the Progressive Democrats.

Mr. Parlon: I thank the Deputy for that comment.

Ms Lynch: Will the Minister explain what he means by "*ex officio* members"? To what are they *ex officio*?

Mr. Parlon: The commission is made up of the Ceann Comhairle, the Secretary General of the Government, the secretary general of public service management and development at the Department of Finance, the chairperson of the Standards in Public Office Commission and the Ombudsman. These are the five *ex officio* members of the commission. The Ombudsman is

the only female member of the commission. However, if the Ceann Comhairle were to be a woman at some future time, that would achieve the 40% target immediately.

Caoimhghín Ó Caoláin: He hardly has any plans.

Ms Lynch: The Minister is correct. Given the composition of the five person commission, only one will be a woman based on existing structures. I find this difficult to accept. Approximately 80% of the staff of the public service up to grade seven are women. However, from grade seven upwards, the participation of women drops so dramatically as to be frightening. While I realise that many positive structures have been put in place to encourage women to stay in the public service, this was only because workers were leaving the sector in their droves to go to the private sector, where better money could be earned. However, many women liked the protection of the public service structure and believed that the Government would at some stage provide child care and some kind of career structure for them if they married and had to take time out. It has not happened yet but we continue to live in hope.

I would not for a moment consider the present Ombudsman to be a token appointee, which she is not. However, it is as if she is a token woman in this instance. While I do not know the gender balance policy of the Progressive Democrats, the only reason all political parties are so anxious to have women involved is that they realise women are becoming conscious of the fact that they want women involved. It has nothing to do with an enlightenment that has suddenly overtaken political parties.

The Minister arrived in the House in a blaze of glory after having served the farming industry in a blaze of glory. However, there are times when courageous stands need to be taken, and this is one. The Minister should at least add an additional person to the commission, who should be a woman with experience of the Civil Service. It would be good for the community, society and men to have women participate on this type of board.

It is difficult to accept, in this day and age, that the old boy's club is still firmly entrenched in legislation. The likelihood of any of the other four office holders being a woman in the next ten years is remote. I see no demand on the part of the Ceann Comhairle for a sex change, which is about the only way it could happen. I ask that an additional person be added to the commission and that it be stated clearly that that person should be a woman. The Minister would probably make history if he did so. The Progressive Democrats are constantly telling us: "If you are not radical, you are redundant." They should break the mould, and in this instance, they would break it for the good of society.

Amendment put and declared lost.

Caoimhghín Ó Caoláin: I move amendment No. 11:

In page 16, between lines 30 and 31, to insert the following:

“(l) to establish procedures for the advertisement of vacancies, publication of criteria of qualification, interview of suitable candidates and recommendation for appointment by Government of persons to State boards;”.

We addressed this proposal on a number of occasions in different legislation. During debates on legislation and in questions to the Taoiseach, I have drawn attention to the Government’s method of appointing people to a plethora of State boards and quangos of all kinds. The Minister of State will recall RTE’s recent “Prime Time” programme which drew attention to this issue, particularly in regard to the so-called prison visiting boards. These are political appointments which provide no access to people outside the loop, have no proper accountability and no measurement of performance. While there are hundreds of these political appointments to boards, quangos, agencies and so on, there is continual opposition to open public competition for which no acceptable or sustainable explanation has been provided.

We have all taken part in the recent debate on the Central Bank and Financial Services Authority of Ireland Bill which provided for at least another 50 such appointments. However, it provided for no open competition, no advertisement and no right of anyone to apply for what are very important positions. The bad practice of the past is still inbuilt and will continue to be perpetuated. There is no willingness on the part of the Government to address this inequitable process of appointments. These positions may not equate with paid public positions but that does not take away from the fact that they are essentially part of the public service. In the absence of any action by the Government to regularise these appointments and open them up to interested citizens, it falls to Opposition Members to make this argument time after time.

My amendment seeks to give the commission for public service appointments such a role, which is important. It is a reasonable amendment which I urge the Minister of State to accept. I am disappointed he did not bring forward his own amendment on Report Stage. Nevertheless, I have done so and I urge him to accept it. I hope we can look forward to a positive response. Make no mistake about it, this proposal will have to be accepted and taken on board by the Government at some point. It is very important to have openness and transparency in appointments to all these State boards and agencies and this body will be no different. I strongly urge the Minister of State to take on board the arguments presented over a number of years so that there will be a new era of openness and transparency. There should be an open opportunity for all citizens to offer their expertise, energies and talents and it should not

be confined to a clique in any particular political circle.

Mr. Parlon: Appointments to State boards do not come within the scope of the Bill. The Bill deals with recruitment to the Civil Service and certain public service bodies. As I said on Committee Stage, arrangements for the composition of and appointments to the boards of State bodies are normally set out in the legislation establishing the bodies in question.

These arrangements are designed to ensure the efficient management of the individual bodies. Appointments to boards are generally made by the Minister with responsibility for the body in question, subject to the consent of the Minister for Finance. In making appointments, Ministers must take into account any specific legislative or policy requirements such as those contained in the Workers Participation (State Enterprises) Act and the Government’s policy on gender balance on the boards of State bodies.

Ministers seek to ensure that people appointed to the board of a State body will bring a diverse range of relevant skills and experiences to the body. Where appropriate, Ministers may consider having representation from different strands of society such as the business community, consumers, trades unions and other social partners. I was appointed by the Minister to Bord Bia as a farmer representative. The Consumers Association was also represented on the board, as were industry, the co-operatives and so on. The existing arrangements follow the routines and practices of previous Governments.

Caoimhghín Ó Caoláin: Perhaps the Minister of State will note the wording of my amendment which seeks to establish procedures for the advertisement of vacancies, publication of criteria of qualification, interview of suitable candidates and recommendation for appointment by Government of persons to State boards. Is he saying the commission will have no such function? Is that the bottom line of his reply?

Mr. Parlon: The Deputy will recall my first line which states that appointments to State boards do not come within the scope of the Bill.

Caoimhghín Ó Caoláin: That is not quite the same thing. It is imperative that some vehicle is found to establish procedures in order to address what I regard as a fundamental inequality in access to all of these boards, agencies, etc. The commission can play a part in ensuring procedures are drawn up to deal with issues such as the advertisement of vacancies, publication of criteria of qualification, etc. I recommend the amendment to the Minister of State. I recommend the thrust and principle behind the proposition and hope the Minister of State will agree at some stage that it is the correct procedure to adopt. I look forward to that day.

Amendment put and declared lost.

Mr. R. Bruton: I move amendment No. 12:

In page 17, between lines 19 and 20, to insert the following:

“(2) Where the Commission is of the opinion that there has been a failure to comply with the principles and policies of this Act, in particular if it forms the opinion that there has been a failure to apply codes of practice, it may investigate or cause to be investigated the matter on its behalf by a person appointed under *section 15*.”.

There is a provision in section 14 of the Bill whereby the commission may investigate interference in recruitment practices where an individual is thought to have interfered improperly. It appears that there should be a corresponding provision whereby if the commission forms the opinion that there has been a failure by the recruiting body to comply with the principles and policies of the Act, it should equally have the power to have an investigation conducted. We must ensure there is compliance with the codes of practice, which is so important to underpin devolved recruitment. If there is any failure in respect of the application of these principles, it is important that the commission should be in a position to pursue the matter and have it investigated in the manner outlined in my amendment.

Mr. J. Bruton: I have a concern in regard to this matter which leads me to support this amendment. There might be a tendency towards geographic preferentialism in the recruitment of staff. Convenience would suggest that it makes sense to recruit people who live or originate reasonably close to the location of the institution in question, particularly if that institution is located in a place other than the capital city. Over time, there will be a tendency for people from that locality to want to apply to work in the Department that is located close to their home.

In the case of the Garda Síochána and that other great institution, the Catholic Church, there is a policy not to post people close to their home. There are good reasons for that, including the maintenance of that necessary distance which is part of being a public servant, whether it is in a voluntary organisation such as the Church or a public organisation of the State. I am concerned that there would be a creeping tendency towards localism and particularism in the choices of staff. It is important that an antidote to that be included in the legislation. Deputy Richard Bruton's amendment would be of assistance in that regard as it would provide a means at national level of ensuring this does not happen.

I make this contribution as a resolute opponent of the principle underlying this legislation. The legislation, combined with decentralisation, is the single greatest act of administrative and political vandalism undertaken by any Government in the

past 50 years. It is truly appalling. We are watching the destruction of one of the greatest institutions of the State, the Civil Service. It is something we might take for granted because we inherited it from the predecessor administration in the State, the British. We can, therefore, treat it rather lightly and be more than happy to put it aside on supposedly patriotic grounds. However, I believe a unified Civil Service incarnates the nation. In that sense I am a strong nationalist. I believe in a national approach to matters in general and to the Civil Service. I deplore the tendency to break up the Civil Service which has been manifest in the Government of the Progressive Democrats and Fianna Fáil.

I place them in that order because it appears to be their order of importance, as indicated by the absence of Fianna Fáil Deputies from the House at present. The only republican present is Deputy Ó Caoláin—

Ms Lynch: Excuse me.

Mr. J. Bruton: —although I am a republican as well.

Mr. Parlon: The Deputy arrived into the House only a few minutes ago.

Mr. J. Bruton: I was attracted by the Minister of State's oratory. In fact, Deputy Ó Caoláin was speaking at the time. I am sorry about the passing remark I made. Republicanism is not my strong suit.

We are discussing something serious in this legislation. I deeply regret that despite my private and public efforts, I have been unable to dissuade the Government from proceeding with this approach. As somebody with more experience in this House than any Member except the Leas-Cheann Comhairle, I cannot say how strongly I feel about this matter. Decentralisation is terrible in terms of the effect it will have on the Civil Service.

I am not concerned primarily about the impact on individual families, although it is an important humane consideration. I have the greatest sympathy for families who are disrupted, especially two income families where both spouses cannot be decentralised to the same location at the same time without huge personal disruption. It is an important secondary consideration but my primary concern is the impact this will have on the nation and the conduct of the nation's business. The Civil Service is not a toy with which one can play. It is a great institution of the State, like the courts and this House. It should not be kicked about but, unfortunately, that is what is happening.

While Deputy Bruton's amendment will not solve the problem in its entirety, it is a move in that direction. I hope Members will pay attention to my remarks which I make with the greatest sincerity. A serious mistake is being made. I do not blame the Minister of State, Deputy Parlon,

[Mr. J. Bruton.]

for making the best of it in his constituency. If I were in his position, I would probably do the same. One takes whatever advantages come one's way as a Minister of State and they are often infrequent, if that is not a contradiction in terms. As a concept, however, this is mad.

Mr. Parlon: I welcome Deputy John Bruton to the House at this late stage and I reject, on my behalf and on behalf of the Government, his charge of vandalism of the Civil Service. It is a little rich coming from this Deputy, who got great kudos from bringing the EU veterinary headquarters to his constituency, County Meath.

Mr. J. Bruton: I dealt fully with that argument when it was advanced by a Fianna Fáil councillor who is obviously briefing the Minister of State.

Mr. Parlon: It is tremendous to have the headquarters here and there is no reason that they cannot operate efficiently in that location. Likewise, there is no reason that the Department of Arts, Sport and Tourism and the Department of Agriculture and Food would not operate efficiently in Killarney and Portlaoise, respectively.

I accept the sincere concerns expressed by Deputy Richard Bruton with regard to a failure to comply with the high standards laid down. There are three sections in the Bill to deal with that. Section 52 allows the commission to revoke a recruitment licence in a case where the licence holder has failed to comply with the terms and conditions of the licence. It states:

Where the Commission forms the opinion that—

(a) a licence holder has failed or is failing to meet the terms and conditions of the recruitment licence concerned granted by them,

(b) since the grant of the recruitment licence, the circumstances relevant to the grant have changed and are such that, if an application for a recruitment licence were made in the changed circumstances, it would be refused,

...the Commission may revoke the recruitment licence.

One condition of the licence is compliance with codes of conduct issued by the commission.

Section 43 provides that the Commission for Public Service Appointments will grant a recruitment licence to an applicant only if it is satisfied that the applicant can and will observe the appropriate standards and codes of practice. The section also provides that the licence holder is responsible to the Commission for Public Service Appointments for ensuring that the terms and conditions of the licence and relevant codes of practice are fully complied with.

Section 15 enables the commission to investigate the exercise of functions under the Bill by a licence holder or a listed recruitment agency. It does not imply that there must have been any wrongdoing on anybody's part.

The proposed amendment would substantially increase the powers of the commission to conduct inquiries for failure to comply with principles and policies. This is less precise than the exercise of functions. The proposed amendment would also result in the provision being addressed to any person, not necessarily in the context of a person exercising a function under the Bill. Not only is there a vagueness of language in the concept of principles and policy, a failure to comply with a request under section 15 in this context would render a person guilty of an offence. Accordingly, I cannot accept the amendment.

Mr. R. Bruton: I accept there are provisions elsewhere in the Bill whereby the commission has the power to revoke the licence where a body is believed to be not fulfilling the conditions. The purpose of the amendment, however, is to ensure that should a non-compliance arise with regard to recruitment or a competition, the commission would have the power to move swiftly to deal with it. While there is provision to move swiftly if an individual is seen to be interfering with a competition, there is no corollary power to move equally swiftly where the recruitment agency is not fulfilling the proper procedures.

I accept that under section 15 the commission may authorise an investigation of the exercise by a licence holder of functions under the Act but that is a general power rather than a specific power to respond to an individual breach. That is the reason I put down this amendment. There must be a power for the commission to take action on the strength of reports that something is happening. Perhaps there is another part of the Bill that gives the commission the power to say, even to a licence holder who is duly appointed, that he or she is stepping over the line and must correct this or there will be an investigation.

Ms Lynch: I support the amendment. I am not certain the Minister understands the rigorous interviews that must be undergone before entry to the Civil Service. It is quite difficult — there is a high standard. I am worried about this. Will the licence holder be the Elite Recruitment Agency or temps.com? How will the system operate? Who will be awarded a licence? If there were not enough people available to fill certain posts, recruitment agencies might lower the standard of interview in order to hold on to their licences. That is not what it should be about. This possibility worries me. When it comes to the attention of the commission that an investigation is necessary it will be too late. The damage will have been done.

Currently, people who attend an interview to become part of the great institution of the Civil Service knows that the process will be fair and

above board and that they will be treated as an equal when they step into the room. If they are not good enough they will not make it and if they are good enough they will. Now, however, it is more than likely that we will see political appointees with licences recruiting in local areas. There will be a reinforcement of political parties in the organisation. If an applicant happens to be a member of the party he or she will gain an extra two points on the scale. That is worrying.

It worries me that a Minister who is a member of the PDs, whose members consider themselves more righteous than the rest of us, is introducing this. When the complaints come in, as they will, and the commission is obliged to investigate, it will be too late because the honest people who have been given licences will be damaged as well. Then there will be another round of tribunals. I hope the person who negotiated the rates for the current tribunals will not be involved with the next round because he or she did a great job.

Mr. J. Bruton: The Minister will be aware of suggestions that organisations such as the Freemasons played a substantial role in the system of promotion within the UK police service in the past. I am not aware of any organisation that could play such a role in this jurisdiction currently. I will forebear to make the comment Deputy Lynch might wish me to make because I am feeling generous today. Leaving that aside, however, there is the possibility that unarmed secret organisations could be created which would bring people together for congenial evenings at which they would acquire a connection with one another in their membership of the club. Organisations such as this could operate to assist promotion. If the institution is in a comparatively small town it will be virtually impossible to prevent people from interview boards socialising with candidates for appointment. Safeguards are extremely important. It is in everybody's interest, including those who might be the victims of unjust accusations, that care is taken.

Mr. Parlon: It is true that safeguards are important. They certainly seem to be important on this side of the House because there are constant suggestions that the Minister is introducing legislation to suit himself, his family, his cronies, his parish or his town. I remind Deputy Lynch about the provisions for application for a recruitment licence by office holders. Section 44(1) states:

Subject to *subsection (3)*, each of the following office holders may apply to the Commission to hold a licence (in this Act referred to as a "recruitment licence") for the purposes of this Act:

(a) the Secretary General of a Department of State or, where more than one person holds the rank of Secretary General in a Department of State, the Secretary General

who is the principal officer of the Department;

(b) the chief executive officer of a health board;

(c) the manager of a county council or city council for the purposes of the Local Government Act 2001;

(d) the chief executive officer of a vocational education committee established under the Vocational Education Acts 1930 to 2001;

(e) the Commissioner of the Garda Síochána;

(f) in the case of any other public service body, including any part of the Civil Service to which paragraph (a) does not relate, the person who is the chief executive officer, by whatever name known, of the body concerned.

It will not be Tom Parlon, Michael McDowell or Mary Harney who applies for the recruitment licence. It will be the principal officers of the bodies mentioned and there will be substantial controls.

Ms Lynch: The point we are making is, "If it ain't broke, don't fix it". What we have is good. Why is the Minister changing it?

Mr. J. Bruton: Hear, hear.

Ms Lynch: I have nothing to say about any of the categories of people the Minister has named other than that those I have met are decent, upstanding people. However, we have a system that works. Why are we changing it? In this era of tribunals and suspicion and disdain for politicians, if something is being changed for no good reason it is worth examining. People have a right to ask questions. They want to know why the system is being changed. If it works perfectly well, if there is no hint of corruption about it, if it is open and above-board, particularly in light of the Freedom of Information Act, why is the Minister changing it?

Why is the Minister intent on localising recruitment? Everyone in Cork city knows the city manager and he has more access to some people than others. What is to stop a person on the street approaching him and asking him to look after his son who has an interview in the morning? What will stop them meeting him on the golf course?

Mr. J. Bruton: He will have to live in Dublin to manage Cork.

Ms Lynch: Yes. This is a legitimate question that needs to be asked. If we have a system that works and serves us well, why should we change it? I can think of lots of things the Minister should change but this is not one of them. Why is he changing the system of appointment? Why is he doing it?

Mr. J. Bruton: It is stone mad.

Mr. R. Bruton: This debate has shown once again the deep suspicion among those on the Opposition benches about the proposed change to the system. There has been no White Paper explaining the benefits of the change or the criteria under which the Minister will agree to devolved recruitment.

The Bill makes it clear that if any county manager or any of the bodies listed applies for a devolved recruitment licence, it will get that licence regardless of whether it is in the public interest. There is no public interest test being applied in this legislation. Once a city or county manager signs up to a commitment that he or she will apply certain rules that have been published in codes of practice by the commission, the commission must grant the recruitment licence. In turn, there will be a list of agencies. There can be thousands of agencies which can be listed as acceptable and all they have to do is sign up and accept that certain things will happen. There will now be a whole network of managers who will have devolved responsibility and who can pick any one of dozens of recruitment agencies to undertake their recruitment.

The Minister says he is very conscious of the need for fail-safe mechanisms. However, we are now spawning a huge web of recruitment facilities to replace what was a centralised, well policed and well managed recruitment system that applied codes of practice coherently and knew what it was doing. I have never heard a complaint that it was ever done other than properly.

Mr. J. Bruton: Hear, hear.

Mr. R. Bruton: The Minister is moving to a web-like system of recruitment which will be outside the reach of the standards of accountability that we expect in this House. He is making an act of faith that it will work well. However, if we are to do this, it must be done only where there is a manifest public interest in having devolved recruitment for specific reasons which can stand up to scrutiny. If we are to go down this road, at a very minimum this public interest requirement must be included. The commission must sign off that when a request came in, it was justifiable that it was better to go this route than to go through the tried and trusted system of recruitment through the centralised Public Appointments Commission. That is the issue. The discussion has moved beyond this amendment which acknowledges that things can go wrong and suggests that there should be an opportunity for the commission to have a fast-track intervention to deal with cases where things go wrong. It will be much harder for it because there will be so many agencies potentially at work in this to be aware and respond to breaches of these codes.

We are being asked by the Government to make a massive act of faith in making this change which is not being justified in any way to the satis-

faction of the House. The Minister is seeking to make changes that were rejected by the Secretary Generals in 1996 and which are not underpinned by the evaluation commissioned under the strategic management initiative. There are, as I cited, umpteen cases where the basic procedures are breaking down and not being implemented within the public service. Here we are proposing that we should endorse those weaknesses by pushing an imperfect system which is even more likely to suffer from imperfections because it is being pushed out where it will not be subject to scrutiny. We ought, therefore, to make this amendment.

Amendment put and declared lost.

An Leas-Cheann Comhairle: We will proceed to deal with amendment No. 13. Amendment No. 14 is related. Amendments Nos. 13 and 14 will be discussed together.

Mr. R. Bruton: I move amendment No. 13:

In page 19, to delete line 21 and substitute the following:

17.—(1) The Commission shall promote best practice in recruitment.

(2) The Commission shall, at regular intervals, conduct both random and systematic assessments of recruitment practices being implemented pursuant to this Act in order to determine whether best practice is being adhered to.

(3) The Commission may carry out such assessment as it con-".

The purpose of this amendment is to introduce into the work of the commission the concept of promoting best practice in recruitment. It is very important that the commission should set about investigating what are practices in relation to recruitment and promotion and carrying out assessments where necessary and start to promote best practice within our system. As I pointed out, we have very unsatisfactory arrangements in respect of promotion. Many promotion competitions are not open to people of merit. We are holding back people who ought to be promoted. We are not offering a proper system to bring the best talent forward within the public service.

We need to introduce the concept of best practice, of which the commission must become a fearless promoter. What my amendment is seeking is not only that the commission would have the general role of promoting best practice in recruitment, it would also at regular intervals conduct both random and systematic assessments of recruitment practices being implemented pursuant to this Bill in order to determine whether best practice is being adhered to.

We discussed the last amendment. We will now have a very wide range of players in the field of recruitment who will be operating, in turn, under a very wide range of persons who hold recruit-

ment licences, namely, managers of different agencies. There will be a very large web of agents involved in recruitment. It is important that the commission take on the role of regularly trying to promote and achieve best practice in these areas. If someone gets onto the list as an acceptable recruitment agent, having got through the hurdles and being free to operate as he or she chooses, that should not be the end of the matter. We need a commission which actively promotes and sets tests and reporting requirements for agencies which would be players in the recruitment business to ensure we are seeing the best practice rules applied. This would strengthen the Bill. It would also give the commission a remit that it has not had to date. It is very much seen in terms of promoting codes of practice now but not in terms of going out and seeing what is the practice on the ground, ensuring those involved in the marketplace are compliant, trying to introduce newer procedures and so on.

Mr. J. Bruton: I would prefer to go further than what is proposed in Deputy Richard Bruton's amendment which suggests that the commission should promote best practice. However, best practice is essentially a subject of judgment. What is best, what is better, what is worse are all matters for political assessment. They are not matters that can be determined by a judge in the normal course of events. If we are making law, it should be justiciable. I would prefer to provide that the commission shall promote uniform practice in regard to recruitment. The maximum requirement should be uniformity in the way competitions are conducted because uniformity is the essence of the Civil Service Commission.

I have had occasion to travel to other countries to talk about the reasons for Ireland's economic success and there is a great appetite to hear about it. One of the reasons for Ireland's economic success dates back to 1924 and the establishment of the Civil Service Commission and the uniformity it established in regard to appointments and promotions in the public service. This has created a sense that this is an honest country with an honest Civil Service. The very boring uniformity in regard to promotion is what gives confidence to people. It should be a responsibility of the commission to promote the maximum possible degree of uniformity in practice in recruitment. I ask the Minister whether he would consider this as a possible approach.

I believe the section is drafted in unduly permissive language. It states the commission may carry out such assessment, may make such recommendations. Once the commission is set up, it will not need our permission to do anything; it may do it anyway. If we are putting it in legislation, it should be provided not merely that the commission may carry out these assessments but that it shall do so. That is why it is in place. If we do not provide that the commission shall carry out assessments, why are we putting it in the legislation? Why are we discussing section 17 if it

merely gives the commission permission to do something it has permission to do anyway? We should be mandating it to carry out such studies. We need such studies. We need to know there will not be one standard in Killarney, another in Cork and yet another in Trim. It is not a question of whether one is in the golf club in Killarney or plays hurling with the hurling club in Trim. I should point out that Trim has a very good hurling club and Meath hurling is coming on, albeit slowly.

Mr. Parlon: They should catch up on their football.

Mr. J. Bruton: They are doing better in hurling than in football. This legislation is not drafted tightly enough. We should tell them that we have to do these things and we should tell them that we want the maximum degree of uniformity. Would the Minister consider that worthwhile? Will he graft that on to Deputy Richard Bruton's amendment?

Caoimhghín Ó Caoláin: I support Deputy Bruton's amendment. We need a much more direct approach on the work of the commission. I noted the construction of section 17, which leaves to the commission the decision on whether assessments will be carried out. Whatever it may deem appropriate is totally non-specific as there are no guidelines for what might be appropriate. It is very important that the wording in the amendment seeks not only to ensure best practice, but emphasises in the word "shall" that this is part of the remit of the commission. It is an expected performance, not an optional position for the commission to adopt. It is very important that the commission shall, at regular intervals, conduct both random and systematic assessments. What is required here is not just the granting of licences *per se*, but proper scrutiny of practices once the process is in train. That is an ongoing requirement. Best practice is something that is constantly being updated and reviewed. This is a continuum of work that must go on and on. That is what will ensure best practice and transparency and what will guarantee public confidence in the system. This is one of the most important elements in ensuring we have the very best public service. I recommend both amendments to the Minister.

Mr. Parlon: Section 17 deals with assessments by the commission to determine whether a public service body should be regulated by the commission. These assessments are set out in a report to the Minister which will contain the commission's recommendations in the assessment. The commission will assess recruitment practice and make recommendations in line with the standard of probity, merit, equity and fairness which are required of the commission by section 13. Section 17 provides that the report must be laid before each House of the Oireachtas if that

[Mr. Parlon.]

recommendation is not acted upon in the manner and in the time provided for in section 17(3). This is required to ensure that Ministers take seriously the recommendations made by the commission. Accordingly, section 17 serves a distinct purpose and it would not be appropriate to tack on this provision, which relates to the ongoing monitoring of bodies that are already regulated by the commission.

Section 13(2)(b) requires the commission to be guided by the principles of good recruitment practice in exercising its function. Section 13(1)(c) requires the commission to meet on a regular basis and agree on established procedures which it deems appropriate and which permits it to carry out its functions effectively. This includes the implementation of systems to monitor, audit and evaluate the recruitment and selection process. Section 15 allows the commission to conduct such investigations of licence holders as it sees fit. Furthermore, the commission is required under section 43(5) to examine and evaluate licence holders to ensure compliance with the conditions set out in section 45 on recruitment licences.

Taken together, these provisions adequately address the objectives of this amendment. I am satisfied that the objectives of the amendment are already met elsewhere in the legislation and, accordingly, I am unwilling to accept this amendment.

Mr. R. Bruton: The Minister may be reading from a script that was given to him, but he has not addressed the issue. The central point is that we will have a myriad of recruitment players in the recruitment market acting under different licences and different agency arrangements. This side of the House is seeking to secure that the commission will see as its central role to make sure that the operation of those bodies is absolutely kosher. The Minister has stated that the commission will be bound by the principles of good recruitment practice. We know that. We do not have doubts about the integrity of the Ceann Comhairle, the Secretary General to the Government and to the Department with responsibility for the public service, the Ombudsman and the Standards in Public Office Commission. That is not the issue.

The issue is whether the large number of agencies that will now be licensed to operate in the recruitment business are to be policed in some way. We need an agency that ensures we get very high standards in recruitment. We are putting the high standards that we enjoyed in the past at very significant risk if we go down this route. There has to be a balance. The Minister has stated that it is inappropriate to tack it on. That may be correct and maybe we should have a new section devoted exclusively to this. The Minister is right in stating that the section to which I have added is extremely constrained in its terms. Under amendment No. 14, I sought to remove that restriction of confining it to these exclusions in

health and in local authorities. We need to have a commission that sees it as its job to ensure that this new process, which will have tentacles everywhere, still abides by high principles. To state that it will have principles and that it will apply codes of practice does not mean that every element will also respond.

A procedure must be put in place where the commission can set about trying to police it. The commission must set out the criteria, do the spot checks and assessments and look systematically at the way the rules are being applied. These are the things that need to be done. We are bending over backwards to claim that local credit unions should apply best practice to comply with best practice principles in the financial area. We produce huge tomes of legislation to ensure that that happens. We are now setting up agencies to decide whose career will be selected from these recruitment procedures, yet we are not willing to put in the same compliance procedures. Surely it is just as important to have high standards of compliance in agencies that are deciding the future of individuals as it is in agencies that take in the deposits from those who have made savings.

In his pre-prepared response the Minister has not addressed the thrust of the debate that we have had here. It is inadequate and I ask him to think again.

Mr. J. Bruton: In the event that this legislation is repealed by a new Government which decides that we should revert to the old approach, would any of the licence holders be entitled to claim compensation?

Ms Lynch: The Minister should know that shrugging his shoulders is not good enough. He is a big boy now and he is getting paid to make better decisions than that.

Mr. J. Bruton: I ask this because it arose with the rubrication of taxi licences. Let us suppose that a new Government comes in and fundamentally disagrees with the legislation and decides to scrap it, will there be a possible liability for someone who has a licence that runs for a couple of years and is chopped because a new Government has come in and stopped it?

Mr. Parlon: The licence holders are Secretaries General of a Department, the chief executive officer of a health board, the manager of a county or city council for the purposes of the Local Authority Act, the chief executive officer of a vocational education committee established under the Vocational Education Acts 1930-2001, the Commissioner of the Garda Síochána and in the case of any other public service body, including any part of the Civil Service to which paragraph (a) does not relate, the person who is the chief executive officer by whatever name known of the body concerned. The licence holders are heads of Departments who would choose in some circumstances to recruit locally. The Bill provides

for central recruitment and I expect that will be the normal manner of recruitment. However, it provides that, if necessary, heads of Departments can recruit locally.

Mr. J. Bruton: What if they delegate that decision?

Mr. Parlon: They cannot do that. They can engage recruitment agencies from the public service to assist them but the licence holder has full responsibility for decisions taken. I cannot imagine a circumstance where the Commissioner of the Garda Síochána would seek compensation for a change in the law.

Mr. J. Bruton: I am not suggesting that. I was referring to private people.

Mr. Parlon: The provision does not apply to private people. I have lost my train of thought.

Ms Lynch: The Minister of State is easily distracted.

Mr. Parlon: I realised the Deputy's thoughts on the provision did not apply. Section 13(1)(c) requires the commission to meet on a regular basis and agree and establish procedures which it deems appropriate and which permits it to carry out its functions effectively, including the implementation of systems to monitor, audit and evaluate the recruitment and selection process. The five esteemed individuals involved in the commission are required to meet on a regular basis and, if they suspect a deficit, they can undertake a full audit. I am satisfied the controls in place are adequate.

Mr. R. Bruton: This is an important element in ensuring confidence within the House given the new system will be out of the reach of standard systems of accountability. The House will need to be assured that the commission is acting on our behalf and is applying to the recruitment process the type of compliant standards we have bent over backwards to ensure apply in respect of financial institutions as small as credit unions. Similarly, the commission should be the regulatory agency and should take seriously the task of ensuring compliance. There is no such provision in the Bill as it stands. It includes only a power of investigation if the commission so wishes. There is no obligation on the commission to ensure compliance. These are very different approaches.

We are much more demanding of the Irish Financial Services Regulatory Authority and other agencies which regulate the financial sector. It is important we take the same serious view of standards applied to recruitment to public service positions. For that reason, I believe the amendment should be accepted.

Amendment put and declared lost.

Amendment No. 14 not moved.

Mr. R. Bruton: I move amendment No. 15:

In page 21, line 12, to delete "Minister" where it firstly occurs and substitute "Standards in Public Office Commission".

This amendment seeks to ensure that declarations of interest be made to the Standards in Public Office Commission rather than the Minister as provided for in the Bill. However, as the Minister of State outlined, the chairperson of the commission is a member of the board and such an arrangement would not be appropriate.

Amendment, by leave, withdrawn.

Mr. R. Bruton: I move amendment No. 16:

In page 23, between lines 42 and 43, to insert the following:

"(a) the observance of the appropriate independence between appointment to the public service and political appointments,".

Concern was expressed that there be an appropriate independence between appointments to the public service and political appointments. The amendment seeks the insertion into section 24 of a new subsection (a). There was much concern that the Minister was not properly dealing with the issue of political appointees and advisers. The amendment, if accepted, could assist in dealing with the concerns expressed. I am interested to hear how the Minister of State proposes to deal with the matter.

Ms Lynch: The Labour Party has been equally concerned throughout all Stages of the Bill about whether a backdoor system is being created to allow political appointees, say a month before a Government calls a general election, to be appointed to what is called "an unestablished position" in the Civil Service in a permanent capacity.

The Minister of State must provide us with reassurances that that cannot happen. Given that we are all human, people presented with such an opportunity could find it difficult to resist it. The Minister must reassure the House such opportunities do not exist and that that cannot happen. The public has long been ceding about the number of political advisers employed by Government at enormous cost and would find unbearable the thought that such people were to become a permanent part of the structure. The Minister must reassure the Opposition that will not happen.

Caoimhghín Ó Caoláin: I had intended to put my comments on this issue during discussion on a later amendment. However, it is appropriate at this point to draw attention to a proposal on page 54, lines four to 12, to delete the section of the Ethics in Public Office Act 1995 which prevents those appointed by Government as special advisers being appointed to the permanent Civil Service. It is appropriate to draw attention to that

[Caoimhghín Ó Caoláin.]
proposal in the context of Deputy Bruton's amendment.

The section of the Ethics in Public Office Act 1995 which the Government proposes to delete was designed to avoid backdoor entry to the Civil Service by special advisers to respective political parties in government. Amendment No. 31 in my name seeks to reverse that proposal. Deputy Bruton's amendment is important in the context of stating clearly that there must be independence between appointment to the public service and political appointments. I invite the Minister of State to respond to the points I have raised regarding the deletion of the appropriate section of the Ethics in Public Office Act. That must give rise to real concern regarding what the Government intends to do.

There is undoubtedly a significant question mark regarding the independence of the appointment to the public service and the fact that it is now removing one of the debarments that has heretofore prevented abuses regarding those appointed as special advisers, not because they have come through any open competition for appointment but because they are invariably apparatchiks of political parties. There are question marks. I draw attention to that which is coming later in the Bill at this juncture since it is appropriate to do so. It underpins and underscores the importance of Deputy Bruton's amendment.

Mr. Parlon: We are ploughing old ground. Deputy Lynch raised the issue of the appointment of special advisers, a matter dealt with on Committee Stage. Under the Bill as published, a special adviser cannot be appointed to a permanent post unless the Ethics in Public Office Act 1995 was changed to allow an adviser to remain in office beyond the term in office of the relevant Minister and there was a Civil Service competition under codes of practice for the post concerned following an order made by the Minister for Finance under section 6 of the Bill.

The Bill was amended on Committee Stage to move the subsection dealing with special advisers; it is now subsection (1) instead of subsection (2). The effect of the amendment is that a special adviser cannot be appointed to a permanent established position in the Civil Service unless there are further amendments to the Bill once enacted and to the Ethics in Public Office Act 1995 which requires that advisers lose office at the same time as the Ministers whom they serve. The net effect is to remove the appointment of special advisers permanently from the scope of the Public Service Management (Recruitment and Appointments) Acts. There are no circumstances under the Bill where a special adviser can be appointed to a permanent post.

I can understand the Deputy's concern since her own party when in government for a short period had the highest number of special advisers of any party, either before or since.

Ms Lynch: That is probably why it did such a good job.

Mr. Parlon: Unfortunately, that back door to which the Deputy referred is closed as far as this Bill is concerned.

Ms Lynch: It was never open.

Mr. Parlon: I will refer to the comments of Deputies Richard Bruton and Ó Caoláin. Section 13 requires that the commission establish standards of probity, merit, equity and fairness to be followed in the public interest in the recruitment and selection of persons for positions in the public service. Those principles must be reflected in codes of practice which dictate how recruitment must be conducted by licence holders. In this way, the licence holder must adhere to the guiding principles of probity at all times. These measures adequately ensure the substance of the amendment which I am, therefore, unwilling to accept.

Mr. R. Bruton: I must accept that the Minister of State's assurances are robust on the basis of the sections that he quotes and the necessary changes that would be needed to use those provisions improperly. On that basis, if no other Deputy has any observations, I will not proceed with my amendment.

Amendment, by leave, withdrawn.

Amendment No. 17 not moved.

Mr. R. Bruton: I move amendment No. 18:

In page 25, between lines 20 and 21, to insert the following:

“(10) Where the licence holder fails to fully comply with the conditions of its licence and has failed to apply the code of practice, it shall be deemed not to have been entitled to make or confirm appointments.”.

This may simply be a technical point to which the Minister of State might respond. What happens where a licence holder has failed fully to comply with the conditions of his or her licence or to apply a code of practice in recruitment? If that were found to have happened, under this provision the person would be deemed not to have been entitled to make or confirm appointments. The issue obviously arises if a recruitment agency acting on behalf of a designated body with a licence has wrongly applied or failed to observe codes of practice and an individual has wrongly been selected before another. What happens to the appointment then?

Mr. Parlon: This amendment would require the disqualification of a candidate because a licence holder had not complied with a code of practice. In effect, a candidate would be punished for the failure of a public service licence holder. It is not tenable to deprive someone of a job for which he

or she qualified in good faith because a third party has failed to follow procedures. However, in cases where the candidate is a party to improper interference in a competition, section 56 permits the removal of that person from the position obtained as a result of the improper interference. In cases where the licence holder is solely responsible for a tainted competition, the licence may be amended or revoked and a criminal offence may also have been committed. The commission has the power to investigate any procedure to determine what went wrong and issue revised codes of practice to remove any weakness in procedures from future competitions.

Mr. R. Bruton: I can understand what the Minister of State is saying. It is a difficult call, since if the licence holder has wrongly applied certain rules and ensured the appointment of someone over a better candidate and that successful candidate is not found to have been complicit, the appointment stands. Equally, an injustice has been done to another candidate who did not get the post. I presume that the view of the Attorney General was sought regarding the equity of this provision. If the failure materially changed the selection, we are still standing by the flawed selection procedure. However, if the Minister of State is satisfied that that is robust and fair and would be deemed to be natural justice in the case of such a recruitment, I will accept this. However, there may be cases where the aggrieved party who did not get the post would feel that the confirmation of the person in the post was in breach of his or her rights in natural justice and would seek to challenge the right to appoint the other person, even though the successful person was not complicit and it was the fault of the recruiting agent. However, if the Minister of State is satisfied that the issue is legally sound and will not be open to challenge on the grounds of natural justice, I will not push it.

Mr. Parlon: I am satisfied.

Amendment, by leave, withdrawn.

An Leas-Cheann Comhairle: Amendments Nos. 19 and 24 are cognate and may be discussed together. Is that agreed? Agreed.

Ms Lynch: I move amendment No. 19:

In page 28, lines 4 to 6, to delete all words from and including "Exchequer" in line 4 down to and including "1993" in line 6 and substitute "Comptroller and Auditor General Acts 1866 to 1998".

The reason for this amendment is very straightforward. The two Acts referred to in the Bill have been updated and we believe the more relevant Acts would be the Comptroller and Auditor General Acts 1866 to 1998. It is a technical matter.

Mr. Parlon: I have consulted the office of the parliamentary counsel on this proposed amend-

ment and I am advised that the Acts referred to in the section are those which deal with Accounting Officers specifically. The collective citation of the Comptroller and Auditor General Acts 1866 to 1998 covers not only those Acts and functions relating to Accounting Officers but also those of the Comptroller and Auditor General. The proposed amendment is less precise regarding the relevant provisions. References to the Exchequer and Audit Departments Acts 1866 and 1921 are well known as identifying the Accounting Officer functions. The parliamentary counsel has advised that for the sake of clarity it is better to identify the relevant Acts rather than use a collective citation which, while covering the Acts relating to Accounting Officers, is indicative of a constitutional office holder, that is, the Comptroller and Auditor General. Accordingly, I cannot accept the amendment.

Mr. G. Mitchell: Under the provisions of the Exchequer and Audit Departments Act 1866, the role of the Accounting Officer is important. It was one of the great initiatives of the Gladstone Administration to bring in that legislation which lasted up to the 1993 Act introduced here. In each case in question an Accounting Officer accounts to the House, in line with the 1993 Act, as regards the value for money for the public service supplied.

I would like the Minister of State to address the issue of value for money received on the expenditure for judicial appointments. In 1961 there were only 58 judges, now there are 102. It was announced yesterday that the Government wants eight more judges to be appointed before the House goes into recess. There may well be a need for judges. I do not know. The point I want to make is that an independent assessment has not been made to the House. If we are to examine in the broader sense the public service issues, there should be accountability to the House. Judges should not be appointed year after year, adding to the numbers — thereby creating even more work for them — without some evaluation being undertaken. I want to take the opportunity to put my concerns on the record of the House. I understand that a Bill is to be rushed through the House before 8 July when we go into recess.

Mr. Parlon: I note the Deputy's concerns, but it is not relevant to this amendment. I congratulate him on his election to the European Parliament. We will miss him around here.

Mr. G. Mitchell: I thank the Minister of State.

Amendment, by leave, withdrawn.

Mr. Parlon: I move amendment No. 20:

In page 29, line 4, after "known" to insert the following:

"in the Irish language as An tSeirbhís um Cheapacháin Phoiblí and in the English language".

Amendment agreed to.

Mr. R. Bruton: I move amendment No. 21:

In page 31, between lines 31 and 32, to insert the following:

“(d) to formulate proposals for submission to Government on the development of a system of reward mechanisms to enhance the performance of those in the public service.”.

Section 36 deals with the functions of the board of the PAS. The board’s duties include representing the interests of the public service, considering and approving plans and strategic objectives put forward by the chief executive and so on. One of the issues the board should look at is to formulate proposals for submission to the Government on the development of a system of reward mechanisms to enhance the performance of those in the public service. The report of the assessment of the strategic management initiative within the public service refers to the need to introduce imaginative systems for reward performance. Paragraph 12.26 of the report, headed “Reward”, points out that this has been acknowledged by the PPF and a number of bodies, but no concrete steps have, as yet, been taken on a service-wide performance reward system. The report states:

While progress in this regard has been made in respect of officers serving in the Assistant Secretary grade, and an element of performance related pay has been introduced at that level, similar initiatives have not yet been introduced on a service wide level. We recommend that proposals be advanced as a priority to introduce a meaningful and transparent scheme which would allow Secretaries General, within the context of an approved total pay budget, to make annual bonus payments to individuals and teams considered to have demonstrated exceptional “commitment and diligence” in helping the Department/Office to achieve the targets set out in its business plan.

That is an important principle. It is clear from the report that no progress has been made. I do not want to detain the House, but the previous page of the report, which refers to senior management and the challenges it faces, states: “Our survey suggests that 67% of civil servants still believe that under-performance at work is not challenged.” It goes on to say a first step in tackling under-performance and non-performance in the Civil Service must be the development of appropriate information systems and so on and it outlines a host of things that it is believed should happen.

This issue of getting best practice and rewarding people for success is essential for making our public service a more dynamic place in which to work. It should be at the heart of any legislative framework that we are trying to introduce to modernise our approach to the public service. It amazes me that we have a lengthy Bill

doing many things that the Opposition benches have misgivings about, but clearly no one has misgivings about the need for better performance orientation and rewarding people who make, as I have quoted, “exceptional commitment in diligence”. That is the essence of what any organisation should be doing.

It is not a one way street. There are arguments to be made about the appropriateness of certain performance schemes. People may criticise one scheme above another. It is important that a body such as this, which has expertise in this area, and is imbued with a sense of the importance of public service will also look at the issue of performance and try to bring forward proposals that are appropriate within a public service context. I fully recognise this is different from a private sector mentality. We have to have different types of proposals, but we must also reward exceptional effort and move away from a promotional system that 45% of public servants do not consider rewards merit.

Serious issues need to be addressed here. I would not like the Minister to let this legislation go through without giving a mandate to this body to address this serious issue in the public service.

Acting Chairman (Mr. Sherlock): As amendment No. 22 is related, we will discuss amendments Nos. 21 and 22 together.

Caoimhghín Ó Caoláin: I will speak primarily to amendment No. 21. I have noted amendment No. 22. We have to recognise that contrary to the myth that exists, perhaps, people in the public service, particularly in the early years, are among the worst paid workers in this jurisdiction. I have no problem with the proposition in Deputy Richard Bruton’s amendments, particularly amendment No. 21. One of the first things that the board of the Public Appointments Service must address is the fact that those who are on the initial starting years in the public service are very poorly paid. No Deputy or Senator in either of these Houses is unaware of that fact, knowing the low level of annual remuneration of their parliamentary assistants. It is very low and is unacceptable. The best reward people can get is to be given a fair return for their work. That is not happening and it cannot be emphasised strongly enough.

I have said it before in our discussion of this legislation that we have, by and large, a commendable Civil Service. There is no doubt about that. It is staffed in the main by dedicated people who have rightly earned the praise and respect of a whole cross-section of opinion in political life and beyond, in terms of civic society. That is their due and it needs to be said time and again. There is an important need to recognise that we can only expect and hope to have people aspire to the best levels of performance if there is a return on this. That was not the case in respect of the public service pay structure in the earliest years. I would

like that to be addressed. I have no difficulty in recording my support.

It is hugely important that the type of reward mechanisms that may apply should be carefully worked out, properly scrutinised and fairly distributed. Inequality should not be perpetuated within the Civil Service as it will be if some are more favoured than others. The starting point should be that people in the public service are adequately and fairly paid for their labours.

Mr. Parlon: This amendment proposes arrangements for performance-related pay in the public service, a notion with which I agree. As I said on Committee Stage, this subject matter is entirely outside the remit of the section dealing with the board of the PAS. It is also outside the remit of a Bill dealing with recruitment to the public service. Therefore, I am unwilling to accept the amendment.

Mr. R. Bruton: I am mystified. Section 36(3)(a) states that the first function of the board is “to represent the interests of the public service and ensure that all appropriate service standards are being achieved”. The Minister of State has said, however, that the idea of rewarding exceptionally diligent and committed public servants could not be considered as part of the process of representing the interests of the public service and ensuring that appropriate standards are being achieved. That seems bizarre.

Caoimhghín Ó Caoláin: Is the Minister of State confusing the commission and the board?

Mr. R. Bruton: This is a crux issue which, as I mentioned, the Government is having difficulties in addressing. No concrete steps have been taken in respect of the document that was published in March 2002. Perhaps the Minister of State will tell me that the world has changed since then, but if it has changed, it has not come to my notice. I have attended meetings of the Joint Committee on Finance and the Public Service as diligently as any other member of the committee. This is a live issue.

I accept Deputy Ó Caoláin’s statement that the public and private sectors are not the same. It is true that performance mechanisms such as commissions do not apply in the public sector. We have to move down this road if we want to encourage people to enter the public service, however, and if we are to value their contributions. That 67% of people feel that nobody gives a damn about under-performance in the public service indicates that it is a serious problem.

I cannot accept the Minister of State’s suggestion that this is *ultra vires* to the legislation before the House. He has said that he is interested in performance-related pay, so I call on him to show his interest. He needs to add some concrete action to his interest by taking on this issue. The proposed public appointments service will have a

chairperson, a chief executive and ordinary members, who will monitor and review procedures, develop representation in the public service and ensure that standards are being achieved. We should go the extra mile by giving power to a body with serious expertise that will be highly respected within the public service. It will not be seen as an outsider, unlike PA Consulting, for example. People will not think that bright sparks are coming in from outside to tell them how to run their show. The board of the PAS will largely consist of people from within the system. They will recognise, as everyone recognises, that this has to be addressed. The Minister of State’s response was not adequate.

I did not realise that amendment No. 22 was being grouped with amendment No. 21. May I speak briefly on amendment No. 22, about which Deputy Ó Caoláin was not as enthusiastic? I hope I can persuade Deputy Ó Caoláin and the Minister of State of the need to accept it. It may be easier to persuade Deputy Ó Caoláin.

Benchmarking has got a bad name because it has been discussed solely as it relates to pay. Good practice and quality management do not involve inspectorates looking over people’s shoulders, or saying that workers did not meet certain standards. It is not a question of acceptable levels of failure, but of setting horizons that relate to the best way to deliver education to disadvantaged pupils, for example. We should consider the sort of policies that work and the kind of things that should be done in schools and during out-of-school hours. Best practice is about giving an example of a country where the best practices are being observed. We should consider whether we can change schools to achieve best practice. That is what benchmarking should be about.

It is obvious that pay is not incidental, because those who are innovative and push out the horizons need to be rewarded. We badly need a dynamic in the public service that says, “let us see what we can do to make our systems better”. I refer to systems in schools, accident and emergency departments, Garda stations or anywhere else where public servants are gathered. Such a dynamic will not be achieved automatically. Technical support is needed from an agency such as the board of the PAS, which can support with research data groups that are trying to implement changes. The assistance may involve seminars, support groups or peer review systems. Such things need to be done if this is going to work.

This exciting opportunity should be exploited in the public service. We should use the opportunity given to us by this legislation to put in place a dynamic and a way of thinking of the type I have mentioned. It should become almost standard for any unit of the public service to think in such terms, to be expected to think in such terms and to be supported to think in such terms. Such support should come from an agency and the resources of the funding Department.

[Mr. R. Bruton.]

I have a strong conviction about this matter. I thank the Minister of State's colleague, who appointed me to an EU benchmarking group for a short time. The lessons from this exciting area should be applied locally and this is a good opportunity to do so. Perhaps the Minister of State will accept amendments Nos. 21 and 22 and then see where the cards fall. If he accepts the amendments, the Minister of State will not damage the Bill but he might do a great deal of good.

Mr. Parlon: I believe that amendment No. 21 is outside the remit of the Bill. The purpose of the legislation is to provide an accountable, transparent and efficient means of securing recruits to public service jobs. Mechanisms to enhance the performance of public servants can be considered at other fora.

Mr. R. Bruton: Such as——

Mr. Parlon: Amendment No. 22 proposes arrangements for the benchmarking of management operations in the public service. The matter is outside the remit of the section dealing with the board of the proposed PAS. It is also outside the remit of the Bill, which deals with recruitment into the public service. The office of the parliamentary counsel has expressed concerns about the wording of the amendment. The amendment does not clarify what is meant by "international best practice", a phrase that may be interpreted in a wide variety of ways. The office has advised me that words and phrases that have recently come into circulation, or are imprecise, need to be used extremely carefully. If the meaning of a phrase is not fully understood but is still developing, as is the case with "international best practice", it should be avoided. The office of the parliamentary counsel has advised, for the sake of clarity, that it is standard practice to avoid the use of vogue words or phrases. Accordingly, I am unwilling to accept either amendment.

Ms Lynch: I wish to make a brief comment, which is informed by my personal experience of public service pay issues. I find it insulting for anyone to give us a lecture on the type of language we should use. The phrase "international best practice" that was used is an example of the type of language that was deliberately developed by the Civil Service. When a dramatic shift in language takes place, it is usually done to exclude people. As people grasp this language, very quickly the exclusion value disappears and therefore we should not use it. Everyone has his or her own interpretation of best practice. In general it refers to a job well done to the highest possible standards. Nobody could have any difficulty with that. It is ridiculous to refuse to include benchmarking on pay and conditions in a Bill dealing with recruitment and the Civil Service.

Mr. Parlon: It would be ridiculous to state the opposite.

Ms Lynch: I know a young woman with a young child who worked in the County Hall in Cork. Her take home pay was €310 per week. Child care cost her €250, which left her with €60 with the result that she had to give up the job. This occurred at the time that the Minister for Finance, Deputy McCreevy, was telling the women of Ireland that they were needed to fuel the economy. If we fail to address that issue, we are not only letting young mothers down, but we are also letting ourselves down. It is not appropriate to fob this amendment off on the basis that we are not using the correct language. We are not fools and we all know what we mean.

Mr. Parlon: In legislation we must be very precise. I am quoting from the office of the parliamentary counsel.

Ms Lynch: I note that the Minister of State has quoted everyone but himself. I wonder who drafted this Bill. It boggles the mind to think that so many amendments needed to be tabled and so many different agencies needed to be quoted to support the arguments. That concerns me. We all know what we are talking about. It is a straightforward argument. People are badly paid and need to be better paid if we are to recruit and keep the best.

Mr. Parlon: The Deputy should find a relevant Bill in which to raise this matter.

Mr. R. Bruton: I thank Deputy Lynch for her support. She always brings eminent good sense to the pompous debates we sometimes have here. The Bill is called the Public Service Management (Recruitment and Appointments) Bill. It provides for recruitment and appointment, as the Minister of State has said. It also provides for promotion processes and connected matters. Surely the issue of performance management is interlinked with promotion and connected matters, with public service management and with recruitment. They are all the one and are about the terms, conditions and nature of the workplace. The kinds of incentives and support in the workplace along with the ambitions set for employees are as one.

Perhaps the Minister of State will inform me that he will shortly introduce some other vehicle to provide a body as qualified as the body we are now establishing which will be able to do something about what he and all his SMI colleagues have manifestly done nothing in the six or eight years this has been on the go. They say no concrete steps have been taken. Surely the Minister will not give some technical reason——

Mr. Parlon: Is the Deputy now a fan of benchmarking?

Acting Chairman: The Deputy should be allowed to speak without any interruption.

Mr. R. Bruton: I have always been a fan of benchmarking. This shows how little attention the Minister of State pays to public issues. I believe benchmarking is the other side of people making changes in their organisations that are wonderful and dynamic. Sadly, benchmarking in the minds of many has become associated solely with a percentage pay increase and where individuals are in the pecking order of pay.

The ambition of benchmarking should have been to improve schools, Garda stations, hospitals and the public service in general. Benchmarking was about looking outside ourselves at others who are doing things better than we are. Our public servants should have the opportunity, incentive and opportunity to match and exceed what others are doing. That is what it is all about. That is why I was so bitterly disappointed with benchmarking here. It ended up as a pay settlement with a series of box ticking exercises, which were wheeled out in bucketfuls. It was nothing like the ambitious process it could have been. I am an enthusiastic supporter of benchmarking. However, I see it has been totally distorted by the way the Government handled it.

Mr. Parlon: An independent body made the recommendations.

Mr. R. Bruton: How independent was it? That is another day's work. The body was far from independent. The one independent person resigned, but that is another debate.

Should we ask this board to do things that would really make a difference to the public service, which the Government's strategic management initiative has failed to deliver? I believe we should. The Minister should not wheel out some kind of parliamentary commission to tell us the language we have chosen is inappropriate. The language in the Bill refers to "appropriate service standards". What does that mean? There is no definition for that term at the start of the Bill. There is no accepted belief as to what are "appropriate service standards". While the term is highly elastic, everybody understands what it is about. Those in an accident and emergency department know what is appropriate and what they should expect. While ordinary people have no doubt about what that means, it does not have a definition in the Bill and is clearly open to subjective interpretation. I do not accept the Minister's argument and believe changes should be made.

Amendment put and declared lost.

Mr. R. Bruton: I move amendment No. 22:

In page 31, between lines 36 and 37, to insert the following:

"(e) to develop a system under which the public service would benchmark their operations against international best practice;"

Amendment put and declared lost.

Ms Lynch: I move amendment No. 23:

In page 32, to delete lines 18 and 19, and substitute the following:

"(c) shall ensure that not less than 40 per cent of the Commission are men and not less than 40 per cent are women."

The debate on this matter has already taken place. I am not happy with the outcome. Of the five people only one is a woman and that only by virtue of the position she holds. That position could be filled by a man at any time in the future.

Amendment, by leave, withdrawn.

Ms Lynch: I move amendment No. 24:

In page 34, to delete lines 9 to 11, and substitute "Comptroller and Auditor General Acts 1866 to 1998".

I accept the Minister of State's explanation.

Amendment, by leave, withdrawn.

Mr. R. Bruton: I move amendment No. 25:

In page 35, between lines 27 and 28, to insert the following:

"(a) such delegated recruitment is in the public interest,".

While I do not want to delay the good progress that is being made, this is an important amendment, which goes to the core of the Bill. Through recruitment licences, power will be devolved to the heads of VECs and other bodies as mentioned by the Minister of State. Where the commission decides to grant such a recruitment licence, it should ensure that the delegated recruitment is in the public interest. The Bill contains no public interest test. If the head of a VEC with delegated recruitment powers decides to appoint a particular agency to carry out the VEC's recruitment, once certain boxes are ticked, the commission will grant approval. We need to go beyond that and ask whether it is in the public interest and whether the body seeking this licence made a good case that we should go down this route. A task of the commission should be to expect to be offered a public interest reason which is adequate to justify deviating from the unified system of recruitment we have been used to.

Caoimhghín Ó Caoláin: I support the amendment. In section 43(2) the only criteria laid down in regard to the granting of recruitment licences are (a) that the applicant is an office holder and (b) that the applicant can and will observe the appropriate standards and codes of practice.

Deputy Bruton proposes a correct sequencing in that there is, in order of importance, the introduction of a new paragraph (a), with the existing paragraphs (a) and (b) being relegated to new

[Caoimhghín Ó Caoláin.]

paragraphs (b) and (c). What is being argued for is the introduction of a new paragraph (a) which states clearly that “such delegated recruitment is in the public interest”. This has to be the primary guiding principle in respect of any decisions *vis-à-vis* recruitment licence issues. The case is self-sustaining. I record my support.

Mr. Parlon: The central thrust of the Bill is to provide Departments with the facility to undertake their own recruitment if they wish to avail of it. There is no justification for making a requirement of this type a condition for obtaining a licence to recruit.

Section 13 requires the commission to establish standards of probity, merit, equity and fairness to be followed in the public interest in the recruitment and selection of persons for positions in the public service. These principles must be reflected in codes of practice which dictate the way recruitment is to be conducted by licence holders.

Section 43 requires the commission to take account of the applicant’s ability to meet the commission’s standards when assessing applications for licences. If the granting of a licence was not in the public interest, the commission would not grant it. I will not accept the amendment.

Mr. R. Bruton: The Minister of State has not made an adequate case. As Deputy Ó Caoláin stated, the commission shall only grant a recruitment licence where appropriate standards and codes of practice are observed but that is not to say this is in the public interest. It might be more appropriate to have a national recruitment process in setting a standard for, say, educational psychologists who will be available to different vocational education committees. We would want to see those national standards applied and those selected to have fulfilled certain procedures and standards that would be set nationally. The commission should be able to say to the chief executive officer of the VEC which applies that it believes it is in the public interest that positions of this nature should be filled by way of national competitions, that we should set uniform standards regarding the type of person who will fill the role in dealing with children in our schools and that it wants to see that standard continued to be applied nationally. We do not want low standards applied in one part of the country because it does not have the same standard of applicant to come forward under the local delegated recruitment system.

The Minister of State has not made a cogent argument that it will always be in the public interest to grant the concession. A VEC might apply appropriate standards but it might still result in an approach to recruitment that we would not want. There are very good reasons which we have left untouched for 70 years national standards will be applied in recruitment. We would like to see such psychologists move across the system and gain experience, not just in

Tullamore VEC but in working for a period in a disadvantaged area in Dublin or elsewhere, and bring that experience to bear on the positions they take up. There are good reasons to have national systems.

The Minister of State said he expected we would continue to have national competitions and that it would be only on a rare occasion this would happen but when we come to this section, he tells us that once the fellow looks for it, he will get it. The cat is now out of the bag because he is admitting that the standard practice will be local recruitment, and to hell with national standards in regard to such positions. Not for the first time this evening the Minister of State has not convinced the House of the case he is trying to make.

Mr. Parlon: I realise the Deputy has been here for a while but he appears to forget that a licence holder is the chief executive officer of a particular Department. The functions of the commission, as outlined in section 13, are to establish standards of probity, merit, equity and fairness, and other principles as they consider appropriate to be followed, in the public interest, in the recruitment and selection of persons for positions in the Civil Service and other public service bodies.

Mr. R. Bruton: Once the licence is given, how will they stop them employing educational psychologists on a local basis instead of—

Acting Chairman: The Deputy can come in again later if he wishes.

Mr. R. Bruton: The Minister of State is not addressing the issue I raised.

Mr. Parlon: I have addressed it adequately. Why would a chief executive officer of a Department set about recruiting people if it was not in the public interest? He or she is following the guidelines laid down for him or her by the commission.

Mr. R. Bruton: In what world is the Minister of State living? The reality is that people like to expand their area of power and control and they will do so unless somebody says it is not in the public interest. The commission should be holding the line for ordinary members of the public, protecting our interests and not leaving it lie in the hands of a chief executive officer of a particular body.

Mr. Parlon: The licence holder is responsible to the commission which has a strong mandate over him or her in terms of the established standards of probity, merit, equity and fairness, and other principles as they consider appropriate to be followed in the public interest. He or she is obliged to pursue those principles. Inserting the words “in the public interest” would not make any sense to me.

Mr. R. Bruton: I do not accept that. The Minister of State has presented the delegation of authority for recruitment as something that will be out of the ordinary and for which there will be good reason. He would lead us to believe he favours predominantly using a national recruitment system for most positions, yet when it comes to a situation where there might be a desire to maintain national standards in filling certain posts, setting criteria at a national level and observing those criteria, he wilts and says if the chief executive officer of the VEC wants it, it must be right and why else would he or she do it? I do not accept that, and the Minister of State has not convinced anyone here in his argument. This provision would strengthen the Bill and ensure it was of a higher quality.

Amendment put and declared lost.

Ms Lynch: I move amendment No. 26:

In page 36, between lines 37 and 38, to insert the following:

“(2) The Commission shall ensure that the manner in which recruitment is carried out by a licence holder is transparent and impartial and is such as to afford equality of opportunity to candidates.”.

I listened to the Minister of State during the previous debate reel out the people who will be able to apply for licences but he seems to forget that George Redmond, if he was still manager in one of the Dublin council areas, would be eligible to hold a licence under the Minister of State's system.

Mr. Parlon: I do not think so.

Ms Lynch: Yes, he would. We are lucky that we have a system of local government where people are entirely honest 99% of the time. Has anyone approached the Minister of State and asked him to alter the system under which people are recruited into the service as it could be done better at local level? I do not believe that a manager, superintendent, commissioner or chief executive of a health board has ever approached a Minister claiming that they should be able to recruit locally because they could do a better job. I do not believe they want that responsibility.

The transparency for which this amendment provides would give a degree of protection. The commission may undertake investigations but it is not obliged to do so. Normally, by the time a complaint is made to a Minister it is too late. The amendment would provide protection against this happening. As Deputy Richard Bruton said, recruitment of people locally is a bad idea that should be abandoned.

Caoimhghín Ó Caoláin: I support Deputy Burton's amendment. In the context of the application for a recruitment licence for office holders, the critical focus is on transparency and impar-

tiality. The arguments presented in the discussion on the last amendment stand on this one also. I commend it to the Minister of State.

Mr. Parlon: Mr. Redmond was an assistant county manager and would not have qualified as a licence holder. The reasons this system is being introduced have been covered numerous times. Local recruitment has been recommended as one way of making more efficient use of the Civil Service.

The objectives of the amendment are achieved in the Bill, as it stands. Section 13 requires the commission to establish standards of probity, merit, equity, fairness and other principles considered appropriate to the public interest in the recruitment and selection of persons for positions in the Civil Service and other public service bodies. The four principles of probity, merit, equity and fairness are the be all and end all on which the Bill is based. The notion that somebody somewhere is always out to undermine these principles and conditions is wrong.

Section 23(2) requires that these principles be implicit in the codes of practice which constrain the recruitment activity of licence holders. Section 43(2)(b) requires the commission to ensure any applicant for a licence will uphold these principles before he or she is granted a licence to recruit. Consequently, these guiding principles will be vindicated in any recruitment operation. If they are not, the commission is empowered to investigate and take a range of corrective actions, including amendment and withdrawal of licences. Accordingly, there is no need to state this explicitly as proposed in the amendment.

Regarding transparency, the bodies established under the Bill will be subject to the Freedom of Information Acts and will be required to report regularly on their activities. Taken together, these measures adequately address the provisions of the amendment. Accordingly, I will not accept it.

Ms Lynch: The Minister of State is set in his ways and will not accept the amendment. However, there is no way of knowing that those who will acquire licences at local level will continue to abide by the conditions set down because the commission has not been given the power to check them, even on a random basis. The House is being asked to take the Caesar's wife approach that they are above and beyond reproach. While I agree most are, this legislation will affect recruitment in the future, yet there are no safeguards. Once the system is established, there will be no policing of it. The Freedom of Information Act applies to it but it is expensive to make requests.

Mr. Parlon: It only costs €15 to submit a request.

Ms Lynch: The initial request costs €15 but the cost of subsequent ones is steep. If a person does

[Ms Lynch.]

not get the job offered, where will he or she get the money to apply under the Act? This amendment is simply about transparency and ensuring people get fair play.

Mr. R. Bruton: I agree with Deputy Lynch's point on compliance procedures not being put in place.

Amendment put and declared lost.

Ms Lynch: I move amendment No. 27:

In page 40, between lines 26 and 27, to insert the following:

“(2)(a) If an office holder becomes of opinion that a communication has been received by him or her that breaches *subsection (1)(c)*, it is the duty of that office holder not to entertain the communication further.

(b) An office holder who contravenes *paragraph (a)* is guilty of an offence and is liable on conviction to the penalties provided for in *section 57*.

(c) In this subsection an office holder means a person appointed to an office under the Constitution or otherwise within the meaning given to office holder by section 2 of the Ethics in Public Office Act 1995, for the purposes of that Act.”.

The old system contained the penalty of disqualification of any candidate on whose behalf public representatives canvassed. It was a good system in that it removed public representatives, parish priests or others to whom one would go for a job recommendation from the selection circle. Public representatives could tell applicants that it would do more harm than good if they canvassed on their behalf. Another beauty of the system was that public representatives did not know who would be on the interview panel. It was a system that could not be got at.

The amendment seeks to ensure liabilities and penalties for canvassing. It would be merely a safeguard. If the Minister of State is going to persist with recruitment at local level, there cannot be too many safeguards. However, he believes everything in the garden is rosy and no mistakes will be made.

Mr. Parlon: I would be more happy to have efficient safeguards rather than too many irrelevant ones. The amendment seeks to impose a set of obligations on holders of political office. Its definition of “office holder” is different from the one set out in the Bill which relates to holders of posts as chief executive of public service bodies. Persons who will hold licences under the Bill are the chief executives of public service bodies on whom obligations are imposed because they will perform the recruitment functions. Accordingly, section 14 requires that an office holder informs

the commission of any attempt to interfere in the recruitment process.

While the amendment would do no damage to the scheme of the Bill in that it imposes an obligation on holders of political office to disregard attempts to have them interfere in the recruitment operation and makes it a criminal offence for them to entertain such attempts, it would be of little practical benefit. As section 14 requires the chief executives of public service bodies to report attempts of interference to the commission, the holder of a political office would be reported as soon as he or she raised the matter with a licence holder.

The office of the parliamentary counsel has highlighted some difficulties with the wording of the proposed amendment. Subsection (2) refers to a report under subsection(1), yet subsection (1) contains no provision for a report under that subsection but under section 17. Subsection (2)(a) refers to an order under section 6(1) but no provision is made in that subsection in respect of promotions. It refers to recruitment and appointments. Accordingly, I will not accept the amendment.

Amendment put and declared lost.

Mr. R. Bruton: I move amendment No. 28:

In page 42, between lines 17 and 18, to insert the following:

“58.—(1) The Commission may make a Report under *section 17* into the promotion practices of—

- (a) any public service body, or
- (b) any class of public service bodies.

(2) Where—

(a) a report made to the Minister under *subsection (1)* contains a recommendation that an order be made under *section 6(1)* in respect of promotion to a specific position or a class of positions, and

(b) no such order has been made within 2 years of the Minister receiving the report,

then the Minister shall lay a report on the matter before each House of the Oireachtas within the next 10 days on which the House concerned has sat after the end of that period of two years.”.

This amendment seeks to apply the same principles to the issue of promotion as apply in respect of section 17 in which we provide that in respect of the health boards or the local authorities the commission can decide whether it believes the remit of this Bill should apply in applying codes of practice and conduct. This should also hold in respect of promotion. Where the commission, having looked at the promotion practices of a public body, expresses the belief that they ought to be brought within the remit of this Bill, namely, that there should be standards

and probity and so on applied to promotion, it should be able to report this fact to the Minister who should be obliged — if he was not going to make an order implementing what had been done — to lay a report on the matter before the Oireachtas “within the next 10 days ... after the end of that period of 2 years” in which he had the report. This would start the momentum for ensuring promotion competitions were handled to the highest standards of probity and rewarded those of merit.

Mr. Parlon: Section 17 provides that the commission may only inquire into the recruitment practices of public service bodies prior to making a report on whether certain posts should be subject to the remit of the commission. There is no impediment to the Minister making an order under section 6 to bring any promotion post in the public service within the remit of the commission. This amendment would place the unnecessary precondition of an investigation before the making of any such order. As to subsection (2) of the amendment, any report made by the commissioners pursuant of section 17 is already subject to the procedure whereby the Minister must make a statement if he or she does not propose to accept the commission’s recommendation. Consequently, I will not accept the amendment.

Mr. R. Bruton: I am not quite clear about this. When can the commission make a recommendation with regard to bringing the promotion practices of a particular body within its remit? Where is this provided for?

Mr. Parlon: In section 6.

Mr. R. Bruton: Is the Minister of State saying the commission can make an order applying to promotion? That is not the case. The commission cannot of its own accord make an order that would bring the promotion practices within the remit of the Bill. That was my understanding but I may be wrong.

Mr. Parlon: It is provided for in section 6, in respect of any body to which section 5(b) and (d) relate. Section 6(1)(b) reads, “in any other case, after consulting with (i) the commission and (ii) such Minister or Ministers of the Government (if any) who in the opinion of the Minister is or are the relevant Minister or Ministers in respect of that body”.

Mr. R. Bruton: Does that not conflict with section 59 where it is stated the Minister for Finance is the one who must make the request? I am a little confused by the Minister of State’s response. My understanding was that under section 59 promotion practices would only be brought within this new system if the Minister for Finance made such an order. The Minister of State now seems to be saying the commission can make an order bringing the promotion practices

of all public bodies within the rules of this legislation. I would like it confirmed if that is the case in order that there will be no misunderstanding.

Acting Chairman: Where stands the amendment?

Caoimhghín Ó Caoláin: We have not heard a response from the Minister of State.

Mr. R. Bruton: I am confused but think it is better to have this amendment in than out since the Minister of State does not appear to be able to answer the question.

Amendment put and declared lost.

Acting Chairman: We will proceed to amendment No. 29. Amendments Nos. 30 and 31 are alternatives. Therefore, amendments Nos. 29 to 31, inclusive, will be discussed together.

Ms Lynch: I move amendment No. 29:

To delete pages 47 to 68 inclusive.

This seems radical but our advice is that it could be unconstitutional in the same way that the Carrickmines issue developed. I am sure this is not the first time this has been brought to the attention of the Minister of State and I would like to know the exact position. I would hate to think that we would be before the courts again.

Caoimhghín Ó Caoláin: Amendment No. 31 is in my name. I referred to it earlier when I noted the Minister of State’s reply in which he referred to the Ethics in Public Office Act 1995. What is proposed in section 19(1)(a) is the deletion of the words “an excluded position within the meaning of the Civil Service Commissioners Act 1956”. It proceeds with a substitution of the words “a position to which section 7(1)(e) of the Public Service Management (Recruitment and Appointments) Act 2004 relates”. The Minister of State may clarify what concerns me which perhaps has been addressed.

My concern was to ensure that there was a clear gap between appointments to the public service and the role of special advisers to the various parties or party that may constitute a government at any given time. I was concerned that with the deletion of the section of the Ethics in Public Office Act referred to we were seeing a freeing up of the rules. It would be unacceptable to allow this in regard to persons who were special advisers, apparatchiks, spin doctors, party managers — whatever one may call them — in association with political parties, some of which have used such advisers more than others. That is not to say, however, we will not use such persons ourselves. They should not view that career opportunity as a back door into the public service which would be unacceptable. That is the purpose of my amendment.

I have already heard the Minister of State comment on this and await his further remarks.

Acting Chairman: Since it is now 7 p.m. I ask the Deputy to move the adjournment of the debate.

Caoimhghín Ó Caoláin: We could conclude now.

Mr. R. Bruton: The Government side might be willing to extend Private Members' time.

Caoimhghín Ó Caoláin: We could extend the debate for a couple of minutes.

Acting Chairman: I have no authority in the matter and ask the Deputy to move the adjournment of the debate.

Mr. R. Bruton: The Minister for Agriculture and Food, Deputy Walsh, has the authority to extend the debate.

Mr. Parlon: I am very anxious to conclude. We have been here for a long time today and are practically finished.

Mr. Walsh: I am glad to facilitate that extension.

Acting Chairman: We may proceed.

Mr. Parlon: Section 61 requires this schedule of enactments which must be repealed and various amendments which must happen if the new bodies to be established under the Bill can operate. The Bill will be unworkable without it. I cannot agree to its deletion.

Ms Lynch: Will it be challenged?

Mr. Parlon: By whom?

Ms Lynch: Constitutionally.

Mr. Parlon: No, it is part of the Bill. Every one of the enactments has been accommodated so far.

With regard to amendment No. 31, the subsection of the Ethics in Public Office Act referred to here contains a reference to the Civil Service Commission Act which is being repealed. Because of this repeal, the subsection is being deleted. The subsection cannot make sense once the Act on which it is predicated is repealed. If the amendment were accepted, it would provide a reference in law to an Act that has been repealed. It would not make sense and it would be impossible to enforce.

Caoimhghín Ó Caoláin: Will the Minister clarify whether the substitution in the Bill copperfastens the position that has applied heretofore?

Mr. Parlon: Definitely, yes.

Caoimhghín Ó Caoláin: I accept that and withdraw the amendment on the basis of the Minister's assurance.

Ms Lynch: I accept the Minister's explanation although it does not agree with the advice I received.

Amendment, by leave, withdrawn.

Mr. Parlon: I move amendment No. 30:

In page 47, between lines 7 and 8, to insert the following:

“No. 12 of 2004

Private Security Services Act 2004

Section 10:

In subsection (2), to delete ‘Civil Service Commissioners’ and substitute ‘Chief Executive of the Public Appointments Service’.

In subsection (3)(a), to delete ‘Civil Service Commissioners Act 1956’ and substitute ‘*Public Service Management (Recruitment and Appointments) Act 2004*’.”.

Amendment agreed to.

Amendment No. 31 not moved.

Bill reported with amendment and received for final consideration.

Question proposed: “That the Bill do now pass.”

Minister of State at the Department of Finance (Mr. Parlon): I thank all Deputies for their contributions. It has taken quite a while. I thank the Minister for Agriculture and Food for accommodating us with some extra time.

Question put and agreed to.

Private Members' Business.

Nitrates Directive: Motion (Resumed).

The following motion was moved by Deputy Timmins on Tuesday, 22 June 2004:

That Dáil Éireann:

— condemns the Fianna Fáil-Progressive Democrats Government for its incompetence and mismanagement in its handling of the nitrates directive;

— denounces this Government for its failure to take any action on implementing this directive from 1997 to date, and for failing to build on the 1996 Code of Agricultural Practice to Protect Water from Pollution by Nitrates;

— recognises that this directive will place severe financial burdens on farmers in its implementation, estimated to be over €1 billion annually; and

— expresses its concern that this Directive will threaten the continued livelihood of Ireland's most productive and efficient farmers due to the storage and stocking densities, which will result from this directive;

calls on the Fianna Fáil-Progressive Democrats Government to:

— explain the scientific basis underlying the current Government proposals for nitrogen levels and storage periods; and

— seek an increased nitrogen level of 210 kg/hectare and derogations up to 250 kg/hectare on a countrywide basis.

Debate resumed on amendment No. 1:

To delete all words after “Dáil Éireann” and substitute the following:

“— endorses the Government's policy of securing the optimal and least cost arrangements for compliance with the nitrates directive, thus protecting the interests both of the Government and of those Irish farmers whose activities would be affected;

— notes the range of measures which have been taken by the Government to address the costs at farm level which arise from the directive;

— recognises the extensive consultations with farming interests which have taken place, and will continue, in relation to the implementation of the national nitrates action programme;

— notes the connection between the early finalisation of Ireland's nitrates management regime and the application, for the benefit of Irish farmers, of the new EU agricultural support arrangements; and

— supports the Government's proposal to use the flexibility in the Directive to secure European Commission approval for limits of up to 250 kg/hectare per annum, on the basis agreed with the Farming Pillar under Sustaining Progress.”

Minister for Agriculture and Food (Mr. Walsh): I wish to share my time with Deputies Cregan, Brady, Kelleher, Michael Moynihan and Nolan.

Acting Chairman: Is that agreed? Agreed.

Mr. Walsh: I will concentrate on the agriculture dimension of this directive. Before I do I will out-

line a number of inescapable facts. First, there is a legal obligation on this country to put into effect an action programme under the EU nitrates directive, which dates from 1991. Second, the European Court of Justice, in a judgment against Ireland on 11 March 2004, held that we had not fulfilled our obligations under the nitrates directive because we had not established and implemented an action programme. The court on the application of the European Commission could impose substantial fines against Ireland if early action is not taken to give full effect to the directive. To use the modern jargon, “we simply do not want to go there”.

While much of the debate has been about science and the specific limit of 170 kg per hectare, there is a stark legal context to this issue. EU directives have the force of law and there are plenty of precedents in regard to the consequences of their not being implemented. There are other special aspects in regard to not implementing this directive which would serve to concentrate our minds.

The Commission has, for example, made it clear to us that continued co-funding of four major schemes — REPS, disadvantaged areas compensatory allowances, early retirement and forestry — is conditional on satisfactory implementation of the nitrates directive. The EU-funded element of these schemes is up to 75%. The Commission insisted that the current CAP rural development plan, under which these four measures are approved, include a commitment to identify and designate nitrate vulnerable zones by the end of 2001. As we had not been in a position to deliver on this, they held up an important amendment to the disadvantaged areas payments scheme in early 2002 until they were given very specific undertakings as to when we would act to implement the directive.

Furthermore, compliance with the nitrates directive is one of the conditions set down for farmers' participation in the single payment scheme, which comes into effect in January next. This scheme will be 100% funded by the EU. There has been too much scare-mongering on this issue and I will not indulge in the same. However, it is clear that we could push our luck too far with the Commission. If we have not acted to implement the nitrates directive by next January in a way that the Commission considers acceptable, there will be possible implications not only for payments to individual farmers but for EU funding of the scheme. Given that this scheme will involve payments of more than €1.3 billion per annum, the implications of even a small percentage disallowance are very serious and neither I, nor the Government, can ignore them.

Recent decisions by the European Court of Justice have not made life any easier and mean we have to put forward an action programme that provides for a general limit of 170 kg of organic nitrogen per hectare. This is an unfortunate consequence of the court decision. We have some 10,000 farmers operating above that level at

[Mr. Walsh.]

present, and clearly there would be serious implications for those farmers if they had to come down to 170 kg per hectare. However, that limit is only part of the story and it is most unfortunate that a misleading impression came from some quarters that it is the whole story. The directive allows member states to set higher limits, with the Commission's approval, if those higher limits can be justified according to certain criteria and do not pose a risk to the achievement of the directive's objective of protecting water quality. This is achieved by way of a derogation from the general limit. The Commission has made it clear that Ireland's prospects of securing such a derogation are extremely good, and the Government is committed to pursuing it.

Implementation of the nitrates directive does not have to impact negatively on the continued development of commercial farming in Ireland. I assure the House that the unique characteristics of Irish agriculture will be recognised in the proposals to implement the nitrates directive. I have every intention of ensuring that we can go forward in a manner that underpins the future of our commercial farming sector and that farmers, through the de-coupling system, have the freedom to farm and gain from the possibilities that will flow from the single farm payment.

I am satisfied, on the basis of all the advice I am receiving from my Department, Teagasc and other quarters that Irish conditions can support farming at a level of up to 250 kg per hectare with no risk to water quality. Under Sustaining Progress, for example, the Government undertook to seek Commission approval for a derogation up to 250 kg. Therefore, the difference of views is not one of substance but rather one of tactics.

The Government and the farming organisations share the same objective; the only divergence is on the means of achieving that objective. The present position is that the Department of the Environment, Heritage and Local Government, together with my Department, is engaged in putting together a revised draft of the action programme which should be available before the end of the month. There will be further consultations with the farming organisations before this document is finalised and submitted to the European Commission.

I hope the farming organisations will approach this exercise in a constructive and realistic spirit and accept that by submitting an action plan we are not selling out on the scientific argument. The action programme must stipulate a general limit of 170 kg to the hectare, but we will notify the Commission formally that we are also looking for a derogation up to 250 kg. My Department, in consultation with Teagasc, is currently working on a detailed, scientific case for this derogation. The objective will be that those farmers who need to operate above 170 kg will be able to avail of the derogation without unreasonable or unrealis-

tic conditions attached and all scientific arguments will be marshalled to support that case.

Concerns have also been expressed about the requirements relating to the storage and land spreading of organic fertilisers. The nitrates directive requires a minimum period of storage capacity for animal manure and this minimum period must exceed the longest period during which land application is prohibited in a particular area. However, the directive also states that a lesser period will suffice where it can be shown that any quantity of animal manure in excess of the available storage can and will be used in a manner that will not cause environmental pollution. It is my firm intention to ensure that farmers can avail of this flexibility to the greatest possible extent.

As well as referring to the 250 kg limit on organic nitrogen, Sustaining Progress also includes other commitments to measures that would assist farmers in meeting these obligations under the nitrates directive. One of these was an undertaking to secure significantly higher rates of payment under REPS. I introduced an amended REP scheme on foot of that commitment, including payment rates that will give farmers an average increase of 28% from 1 March this year. I am pleased to tell the House that I have today secured the Commission's formal approval for these changes, which will be retrospective to 1 March this year.

The REPS is a good scheme. Since 1994, €1.3 billion has been expended under the scheme. I look forward to increased uptake, which should reach approximately 60,000 farmers by 2006. In 2003, spending on REPS amounted to €182 million. The provision for this year is €260 million, an increase of 40%, of which I hope an increasing number of farmers will avail. Farmers can avail of a payment under REPS for 55 hectares up to an average of €8,500 per annum, which is substantial. I would encourage farmers to avail of this worthwhile scheme. The Government increased substantially payments under the waste management scheme. There was an increase of 60% in the allocation this year under the scheme. In a historical context, some €320 million has been spent under farm waste and pollution control measures, the equivalent of a total investment cost of approximately €1 billion since 1995.

I have implemented the undertakings in Sustaining Progress, ensuring that the vast majority of Irish farmers will now be able to avail of grant-aid as the income ceiling limits have been increased in regard to farm waste management and dairy hygiene. In addition, increases have also been applied to the standard costs used to calculate grant-aid under the scheme, while the Government saw fit to extend the scheme of capital allowances for expenditure on farm pollution control. REPS, farm waste management, dairy hygiene and capital allowances have done a lot to help farmers meet the requirements of the directive.

As this directive has been around for some time, the question is what we should do now. I suggest we need to take some of the heat and emotion out of the debate. We need to stop going around in ever decreasing circles on the 170 kg limit. Making a political football of the issue will not make the directive go away. As I said, the main difference is one of tactics where we feel there is no avoiding an action plan. If we considered that submitting a higher figure under the action plan was a realistic proposition we would do so. What the Opposition and farming organisations are seeking is a derogation by another name. The real issue for individual farmers is what will be implemented on the ground and will they be able to farm commercially with a stocking rate of at least one cow to the acre. That is the nub of the whole thing which we want to happen. That will be determined by our case for a derogation and the strength of our scientific arguments. That is where Teagasc and the other scientific experts should come into their own. I strongly suggest that is where our focus should be.

I believe our agricultural systems, soils, grass growth and climate will support our case for higher organic nitrogen usage limits within the legal framework of the nitrates directive, without undue bureaucracy or conditionality. This has to be our approach and it is the only avenue open to us if we are to progress and resolve the major issues facing us. As we move into the new era of farm supports under the single payment scheme and become involved in negotiating funding for CAP measures post 2006, it is crucial that we finally sort out the nitrates directive and put the issue behind us. Working together with the farming interests, we can achieve a satisfactory and acceptable outcome to the matter.

Mr. Cregan: I am pleased to have an opportunity to make a brief contribution on this important matter. As we are aware, the nitrates directive relates to the protection of waters against pollution by agriculture. We are also aware that the European Court of Justice delivered a judgment on 11 March 2004 that Ireland is non-compliant. It is important to remember that compliance with the directive is not optional.

The directive requires a general landspreading limit of 170 kg per hectare for organic nitrogen, but allows for derogations in certain cases and subject to certain conditions. The financial consequences for Ireland, and for Irish agriculture, of remaining at the 170 kg limit are potentially devastating if we do not respond adequately. From speaking to the Minister and his officials in the past 24 hours, I believe there is only one way we can go forward, namely, by seeking a derogation for the whole of our territory. This derogation must be acceptable to everyone to ensure that dairy farmers can continue to farm intensively at a rate of one cow per acre.

In finalising the programme, the Departments of the Environment, Heritage and Local Govern-

ment and Agriculture and Food are taking on board the submissions received from farm bodies and others involved in the consultative process on the draft programme. It is important to maintain a balance in this area. On the one hand, we must protect the environment but, on the other, we must protect the incomes of farmers. One should not outweigh the other but, if this were to happen, I would come down on the side of farm incomes.

Last night the Minister, Deputy Cullen, stated:

The Government's position on the implementation of the nitrates directive is based on the agreement reached with the farm organisations last year in the Sustaining Progress negotiations. The directive is about protecting our water quality from pollution, and this is an environmental objective of the greatest importance. However, we must achieve this objective in an optimal and efficient way, and avoid imposing unnecessary burdens, costs or restrictions on any sector, including agriculture.

Most of the public debate on the matter in recent months has focused on the limits on the amount of organic nitrogen which can be spread on land. There is a requirement in the directive that each member state must set a general limit not exceeding 170 kg per hectare. However, the directive also allows member states to set higher limits where it can be shown that this will not result in water pollution.

He said that the Government's objective is exactly the same as that of the IFA, but we are trying to achieve it in different ways. However, from what I have now learned, perhaps there is only one way of achieving our objective, namely, by way of derogation. I believe the climate and soil conditions on most Irish grassland will justify limits of up to 250 kg per hectare.

Reference was made to pollution caused by farmers. The vast majority of farmers operate good farming practice. Only a small minority would choose to pollute our waters. When we talk about farmers polluting ground water, we must remember that these farmers, including their neighbours and friends, must use this water. We must point out the responsibility of the farming community in protecting their ground water.

Recent judgments of the European Court of Justice have made it clear that a member state cannot simply set the higher limit of its own accord, it must present the detailed scientific evidence to the European Commission and must secure the approval of the Commission for what is proposed. The court has removed several ambiguities which previously existed regarding the interpretation of the directive. We now know it is simply not permissible for a member state, acting on its own discretion, to set a general limit above 170 kg.

I compliment the Minister on appointing an independent consultant who will take on board the views of all sides and examine the recom-

[Mr. Cregan.]

mendations and submissions brought to the Minister. Ultimately, we will have agreement on this issue and achieve our objective. The only way ahead is through derogation.

Mr. J. Brady: The nitrates directive is an issue of concern, particularly to commercial farmers. These are the full-time farmers whose livelihoods depend entirely on agriculture and farmers whose sons or daughters have stayed on the land to make a living from it. The capacity of farmers to compete using Ireland's natural advantage, which is the production of livestock from grass, is vital. For this reason, it is important that the nitrates directive does not prohibit expansion in the future.

Agriculture is one of Ireland's major economic activities and the backbone of the rural economy. Our farmers appreciate the need to protect our water quality. There has been a high level of investment by farmers in waste storage facilities and other pollution prevention measures. If farmers were not taking their responsibilities seriously, we would not have water of such high quality. Research shows that the climate and conditions on most farms in Ireland can justify limits of up to 250 kg per hectare. The Government also subscribes to that view.

There is a need to ensure that the use of nitrates is properly managed. The majority of farmers are operating within the lower limit but we must ensure that our most modern and progressive farmers are not unnecessarily restricted. A special derogation of up to 250 kg is warranted and can be secured. I have no doubt that the unique characteristics of Irish agriculture will fully justify the higher limit. The Government has at all times acted in a responsible manner in the implementation of the nitrates directive and will continue to do so. The objective is to ensure that no unnecessary cost burden or restriction is imposed on Irish farmers.

The overwhelming majority of Irish farmers will have no difficulty complying with the directive. Much of what is involved is already practised by farmers who are in the REP scheme. There has also been a substantial increase in REPS funding this year. Not implementing the directive will have serious implications for the €1.7 billion in payments for farmers. Furthermore, the Government could be subject to fines of up to €50,000 per day if no action is taken. This is the reality we face. An action plan for implementation of the directive must soon be submitted to the European Union.

We have always believed in a partnership approach to this issue. The Departments, farming organisations and Teagasc must come together to progress it. We believe in seeking a derogation for a limit of 250 kg per hectare, as agreed in the Sustaining Progress partnership agreement. The

best way forward is a united effort based on proper scientific evidence. We have until December this year to negotiate the derogation. If there is purposeful cohesion among all stakeholders, there is sufficient time to resolve the outstanding issue to everybody's satisfaction.

Mr. Kelleher: Everybody accepts that we have a legal obligation to bring forward an action plan on foot of the EU directive. I welcome the Minister's statement this evening and that of the Minister for the Environment, Heritage and Local Government in which they acknowledged the seriousness of this issue. Commercial farmers, in particular, have major concerns. People believe that if there is no derogation or if the directive is implemented as it stands on foot of the court judgment, there will be profound cost implications for commercial farmers.

I welcome the fact that we will use our negotiating skills to the best of our ability to seek a derogation to the maximum limit of 250 kg. We must ensure that as little pressure as possible is put on commercial farmers, who are already having difficulties in certain areas. Overall, however, we must accept a number of facts. First, we have a legal obligation in this regard. Second, we have a duty to ensure that we protect commercial farmers who are the backbone of the dairy industry and the broader agriculture industry in this country.

If we are serious about ensuring continued rural development and having a vibrant agriculture industry, the derogation will be essential. Members have been lobbied by farming representatives who have put forward their arguments. We have listened to them and the Minister for Agriculture and Food and the Minister for the Environment, Heritage and Local Government have acknowledged that they have legitimate concerns.

I wish the Minister well. It is an onerous task but it is incumbent on us to protect commercial farming and to ensure there is a proper derogation in place with a long lead-in time. We do not wish to put any further pressures on what is already a delicate industry. We will put forward scientific arguments. Given the expertise available in the Civil Service, Teagasc and other groups, they will be able to put forward a coherent argument that will stand up to scientific scrutiny. I wish the Ministers well and hope they will return with a positive result on a derogation.

Mr. M. Moynihan: I welcome the opportunity to contribute to this debate on the nitrates directive. Farmers and farming organisations tend to feel threatened by the prospect of EU directives and the court judgment of 11 March probably spurred them into further action.

There is a legal obligation on Ireland to implement the nitrates directive. I have no doubt

that the negotiating skills of both the Minister for the Environment, Heritage and Local Government and the Minister for Agriculture and Food will secure the derogation. It is the only way forward. Everybody needs to be singing from the same hymn sheet on this important issue for the future of Irish agriculture. The commercial farmers who are most threatened by this directive will be the backbone of the future agriculture industry in this country. If they are lost from the sector, it will be detrimental to the future of the industry. The derogation limit of 250 kg is achievable and we should strive to attain it. We are willing to give the Government any assistance in achieving it.

Another issue is the cost of storage, particularly for farmers with small and medium-sized farms. The length of time storage will be required and its cost will be a significant issue for them. Extra funding has been put in place but we should not lose sight of this problem. It is one of the issues that will have to be dealt with in the future. We have no choice but to implement the directive but we should do so in the best interests of Irish agriculture, particularly commercial farmers. Serious consideration must be given to the cost of storage on farms.

Mr. Nolan: I wish both the Minister for the Environment, Heritage and Local Government and the Minister for Agriculture and Food success in making Ireland's case for a derogation to the Commission. The importance of agriculture to this country is acknowledged by all. It is crucial to secure a derogation for the 10,000 Irish farmers who are currently above the 170 kg per hectare limit.

Every Member of the House has been lobbied by farming organisations and by individual farmers about this directive. There is genuine concern about the effect it will have on Irish agriculture. Both Ministers are well aware of this. The Government must work within legal limits. Recent judgments of the European Court of Justice have made it clear that a member state cannot simply set the higher limits of its own accord. The submission we make to Brussels must take account of that judgment.

There is not a farm in any county that is not affected by this. My county has been severely affected by it. We can only secure the Commission's agreement to a derogation by making a valid and good case. The evidence and facts are available about what is happening in this country. I offer my support to both Ministers in their endeavours to ensure a reasonable and fair case is made for Irish farmers and Irish agriculture.

Dr. Cowley: I wish to share my time with Deputies McHugh, Harkin, Sargent and Ferris.

An Leas-Cheann Comhairle: Is that agreed? Agreed.

Dr. Cowley: I warmly welcome Deputy Marian Harkin, MEP, back to the House.

I strongly support this motion and call for a change in the Minister's proposals. In my own rural area thousands of farmers have left the land in recent years. Farmers have been the custodians of the land for generations, have taken their responsibilities seriously and have cherished the sacred earth on behalf of their ancestors. Their challenge has been to stay on the land and they have fought the tyranny of landlords and occupation to do so. Now, however, there is a new danger.

Farmers have always been environmentally aware. How could they not be? They depend on the land. They have been involved in setting up group water schemes in recent years with little help from Government, although that has changed since the creation of the rural water programme. Farmers have a vested interest in ensuring a top quality rural environment and clean water. They have done this even when it was not easy to do so. They have always taken their obligations seriously and met all standards that were imposed upon them. They have always recognised the dangers of over-fertilisation and have reacted appropriately. They have always taken the prevailing advice about fertilisation of the land.

There is a limit to how far our farmers can go. They are being pushed over the edge with the proposed limit of 170 kg of organic nitrogen per hectare. Such a limit is not supported by scientific research into the impact of farming on water quality under Irish conditions. Research by Teagasc shows there is no damage to groundwater at organic nitrogen levels of 250 kg per hectare. Why are we reducing the limit to 170 kg per hectare? This has serious implications for anyone engaged in commercial farming. The reduction of stocking levels to 0.8 units per acre is not sustainable. Would it not be more logical to establish a limit of 250 kg of organic nitrogen per hectare and allow stocking levels to rise to 1.2 units per acre?

If this higher limit is not allowed, we will hear the death knell of farming. If farmers cannot continue to produce the grass needed, the cattle will have to stay indoors. If they are indoors for twice the current length of time, that creates its own problems. Keeping cattle indoors for half the year or more will double the slurry storage requirement that already exists and will also double the amount of slurry to be disposed of. There are also strict rules for slurry disposal. There are great dangers associated with the spreading of slurry. We all know the damage that can be done to groundwater and fish stocks. Keeping cattle indoors for longer means this problem will be increased.

Why are we going down this road? Why is the Minister giving this final insult to farmers? Why

[Dr. Cowley.]

is he ensuring that our farmers will not be able to stay on the land? We need to consider this seriously. I support the motion and I urge the Government to act in the interest not only of farmers but of those who depend on them, namely, the people of rural Ireland.

Mr. McHugh: I am glad to have the opportunity to discuss this issue. The nitrates directive is one of the most important issues facing farmers at present. There is no need to establish a rigorous regime such as that proposed in the draft action programme. Underlining the approach taken in this programme is an assumption that farmers have no regard for the environment. Nothing could be further from the truth. No recognition has been given to the changes that have occurred in farming or that farmers generally follow the advice they receive, especially concerning the use of fertiliser. This has resulted in a significant reduction in the use of nitrogen and phosphorus in recent years. The use of phosphorus has fallen from a high of 90,000 tonnes in 1970 to 40,000 tonnes today.

Neither has recognition been given to the fact that Irish farming is grass-based livestock farming, unlike that of other European member states which consists of highly concentrated arable and livestock production systems. No recognition is being given to the fact that the Environmental Protection Agency reports on drinking water quality in this country reflect the excellent quality of our surface and groundwater. The same EPA reports indicate that the limits included in the nitrates directive are being complied with under the current regime and in farming practices.

I know of no scientific research which demands a limit of 170 kg of organic nitrogen per hectare on the basis that the higher limit sought by farmers would affect water quality. There is no scientific research to back up the argument for the 170 kg limit under Irish farming conditions. Research carried out by Teagasc shows there is no damage to groundwater at organic nitrogen levels of 220 kg per hectare. Many scientists believe that a level of 250 kg per hectare is safe and acceptable under Ireland's growing conditions. Teagasc could be more helpful by clearly setting out its assessment of the Government's proposals and explaining the damage these proposals will cause to Irish farming.

It is estimated that the overall cost to Irish farmers of complying with the measures contained in the draft action programme will be €1 billion. Only half that bill will be carried by the 40,000 large commercial dairy and beef farmers. The remainder of the cost will be borne by the less intensive producers. The bottom line is that farming will be adversely affected by these proposals. The tragedy is that they are unnecessary because there is no evidence that any further

improvement in water quality will result. Will the Minister reflect on the proposals in the draft action programme before further unnecessary damage is done to Irish farming?

Ms Harkin: I am delighted to have the opportunity to support this Private Members' motion. In recent months on the election trail, the issue of the nitrates directive and its implementation in this country was a constant source of grave concern to many farmers and farming organisations. The Minister spoke earlier of the possibility of fines being levied on this country. As he said, we do not want to go there. However, the reality is that he should have gone there a long time ago.

This is a typical example of how Irish implementation of European directives has been seriously flawed. The directive has been on the table for many years, yet this Government and others have ignored it in the hope that it might go away. This has continued until our backs are to the wall and we are faced with massive fines. As a result of Government inaction, we must now seek a derogation instead of putting forward an application based on sound scientific evidence that would allow Irish farmers to farm efficiently and cost-effectively while meeting sound environmental requirements.

The central problem is that the limit of 170 kg of organic nitrogen per hectare bears no relation to scientific principles or practical agriculture. No proper scientific baseline studies were undertaken prior to establishing these limits. These studies should have taken place over recent years. Now, belatedly, the EU agricultural directorate is discussing a study of groundwater quality with the European environmental agency. In this context, we must ensure there is a module applicable to each country and its climatic and soil characteristics. The limit of 170 kg per hectare takes no account of the fact that 91% of the agricultural area of this country is devoted to grass, silage, hay and rough grazing. Ireland has the natural advantage of being able to produce grass over a much longer grazing season than the rest of the European Union, which advantage must be maintained in the future.

The second issue is practical agriculture and the day-to-day management of farms. Initially, some documents from the Department of Agriculture and Food contained references to the fact that slurry could not be spread at weekends or on bank holidays. These did not see the light of day but give some indication of the kind of bureaucratic thinking that lies behind the implementation of this directive. This directive is too inflexible because it could allow a farmer to spread slurry at the worst possible time, thereby causing problems to the groundwater supply. There must be greater flexibility to allow farmers to make decisions based on rainfall, climatic conditions

and so on so that the impact of this directive will be positive rather than negative.

The costs involved for farmers may simply be unsustainable. I urge the Minister, even at this late stage, to ensure there is greater flexibility in the implementation of this directive and that any implementation is based on accurate scientific evidence.

Mr. Sargent: This Government, and all Governments going back to 1991, is effectively in the dock tonight. The nitrates directive of 1991 has been subject to a nod and a wink over the years as if it was not going to have any significant impact. We know from Teagasc research that it does not impact on most farmers. We are here tonight to examine how to address the concerns of the farmers who are affected.

According to Teagasc, there are 130,000 people in farming. Of those, 40,000 are in REPS. It is estimated that 78,000 more could be in REPS as they are under the stocking limit. Perhaps the Minister might refer to how that could be encouraged as a step forward. A total of 7,000 people are within 170 kg. to 210 kg. per hectare category; 2,444 are within 210 kg. to 280 kg. per hectare; and 2,100 of that 2,444 are dairy farmers. We are, therefore, talking about quite a small number but it still behoves the Minister to address the concerns of those farmers that are affected, whether it is 2% or slightly more as Teagasc would estimate.

Teagasc produced its code of good farming practice in 1996. It has been a blueprint for the draft action plan to protect water from nitrates. The 2001 code has copper-fastened the 1996 code. We have received so many warnings about this issue that it is amazing we are at this juncture tonight. Whereas we could not support the level of derogation that Fine Gael is proposing, there is a need for flexibility. Based on scientific reality that flexibility is feasible.

We seek greater investment in education to promote good farming practice to reduce nitrate leachate into waterways in particular. We also seek grants for farmers to put in infrastructure for adequate storage of slurry and for more biodigesters to be set up on many farms. We would encourage farmers to grow crops in rotation that have a high nitrogen uptake, such as stubble turnips, winter rye, Westerwold ryegrass, mustard, phacelia and forage rape. We promote energy crops such as oilseed rape that absorb nitrates. We would also promote the planting of cover crops over winter to reduce nitrate losses and soil erosion.

We acknowledge that it is too simplistic to apply figures such as 210 kg. per hectare across the board. It is much more important to take notice of soil type and weather conditions and set limits accordingly. Wet, heavy clay in Cavan or Monaghan cannot absorb 170 kg. of nitrates per

hectare whereas free draining loam soils could cope with 250 kg. per hectare. In other words, nitrates limits should vary regionally and it is feasible to do that. It is not feasible, however, to prohibit the spreading of slurry according to the calendar. Slurry spreading should not be allowed before or during rain or if the soil is frozen. Preferably injection or dribble bar methods should be used for spreading. In water catchment areas and along river banks buffer zones should be created and planted with nitrate absorbing crops such as willow.

There are many measures the Government should be taking to address the issue of nitrates. There is a huge amount at stake here. If we do not come to terms with the requirements of the nitrates directive in what is called the national envelope and deal with it with the Government taking the lead, there is no point in saying we will lose the money for REPS, for example. It is very important that the Government give leadership. I raised this in the Dáil by way of questions last month and on the last occasion when parliamentary questions on agriculture were dealt with. It seems the Minister is wringing his hands on the issue. Leadership is needed from the Minister so that all farmers are able to comply with the directive.

Mr. Ferris: One of the main issues this debate highlights is the lack of real input from this State into decisions made at EU level. Once again people in this State are expected to comply with a regulation made without consultation with local stakeholders and with no specific research into local conditions.

The fault in the case of the nitrates directive rests with successive Irish Governments since 1991. There are numerous other examples of Irish farmers being faced with a *fait accompli* and only afterwards discovering the numerous problems that might have been addressed if Irish officials had paid closer attention to what was going on and, crucially, had listened to the sector involved.

Another recent example was the reform of the Common Agricultural Policy. While I supported the general thrust of the package agreed, I am also aware from having visited Brussels last May that many contentious issues appear to have been agreed without much input from the Irish side. My party and a number of farming bodies identified areas where changes might have been made that would have favoured Irish farmers but these were not made.

Deputy Mulcahy has recently drawn attention to another issue, genetically modified food, in respect of which Irish officials have agreed to lift the embargo on certain products with no consultation here and no account taken of consumer preferences or the effects this might have on our food market. A common theme in all of these cases appears to be an attitude of going along

[Mr. Ferris.]

with EU initiatives without considering in full where the best interests of this country lie.

The Minister for the Environment, Heritage and Local Government, Deputy Cullen, stated last night that all member states, including Ireland, will have to present detailed scientific arguments in support of a claim for derogation above the 170 kg. per hectare limit. Why has it taken until now to do so? Is it not the case that the ability to present that type of argument has been damaged by the cutbacks in agricultural research over the past number of years. As Deputy Upton pointed out last night, Teagasc has indicated that the preparation of the case that is required is still not complete. In response, the Minister stated that Teagasc had accepted an invitation to appear before the Joint Committee on the Environment and Local Government to discuss the directive. That this is happening only now highlights the lack of urgency with which the issue has been treated.

What the controversy over this issue proves is the clear need for local research into the manner in which the directive should be applied based on local conditions. There is no agreement on a number of issues, including the relationship between current nitrates use and water pollution levels, and the manner in which the restrictions on spreading will be applied in different parts of the country. Unfortunately the ability to conduct such research has been hampered by the cutbacks in Teagasc. To give one example, it is clear that the closure of Ballinamore Farm will mean the loss of valuable research into soil conditions in the north-west. Such facilities are vital to the provision of up-to-date knowledge regarding farm production systems which, in the case of Ballinamore Farm, could make a contribution to the future survival of dairying in that part of the country.

The points on how the implementation of the directive will impair the future of many dairy farmers are quite correct. It will affect stocking levels on intensive farms and will put all to the expense of providing extra storage facilities. This will have a particularly adverse affect on smaller producers with poorer quality land.

This would be bad enough in itself but it comes at a time when small to medium dairy farmers are under increasing constraints. The full ramifications of decoupling as it applies to dairying have yet to be realised. It is clear it will be increasingly difficult for them to survive in the face of falling milk prices and the raising of the level of quota necessary in order to remain viable. The Prospectus report published last year made it clear there will be major structural change within dairying over the next number of years. It foresaw a situation where the average quota will rise to 100,000 gallons with the processing sector dominated by one large-scale operator.

I tabled a number of questions to the Minister for Agriculture and Food regarding the report. He seems to be of the opinion that such structural change is inevitable. Perhaps it is but I wonder are small to medium producers aware of this. What steps are being taken to prepare them for such changes in the sector?

It is clear from all of this on top of the nitrates directive that dairy farmers are facing a challenging period ahead. That makes it all the more important that the Government gets this one right and presents a case that will ensure that we secure the best possible outcome. I support the motion.

Mr. Hayes: I am pleased to have the opportunity to say a few words on this debate. The importance of a good quality environment for all our citizens cannot be over emphasised. Farmers are committed to a good quality environment and have proved that in past with the take-up of the REP scheme. They are also committed to it from a tourism point of view. Many part-time farmers are now involved in tourism as a way of life. They are involved in fishing. They are committed to the rural environment and that cannot be overstated.

No other subject has created such debate in recent months as the nitrates directive. Many farmers are greatly concerned, particularly our commercial farmers. Commercial farmers will not be able to continue in business despite the fact that they are the backbone of this country. Towns and villages across the country depend on commercial farmers who spend their money in their communities. The impact of this directive on these people cannot be over estimated. More involvement in the REP scheme is what is needed, not this nitrates directive. Those who have been involved in REPS have developed good environmental practices as a result. This has happened despite the fact that the Government has been slow in renegotiating the new REP scheme which I think has just been announced. We should not be slow in implementing this scheme. Farmers have led by example and if politicians are to do the same, the Government should have cleared this up a long time ago.

I heard tonight from Government backbenchers that independent consultants are to be appointed. I dread to think that the Government is even considering appointing an independent consultant. The truth is that Ireland is not suited to this directive. We need to stand up to the bureaucrats in Brussels to fight for change. There are many crazy issues such as the storage period for slurry spreading. The climate changes in Ireland. We can have fine and dry months in the close period and the directive does not allow for that. That is the craziest section in the whole directive. Our weather periods have changed so much.

Many farmers will be affected by this, but dairy farmers will be affected most. A small dairy farmer with 40 cows on a 50 acre farm would have to cut back on 10% of his stock to live within the rules as proposed. These rules would drive such a farmer out of business and that is the fear I have with this directive. It is the fear the Government has not stood up against. The Government will drive more and more people off the land. That is what is happening and the Minister has not stood up to it. He has allowed a decimation of our agricultural communities to occur. In recent weeks as we canvassed around the country, we saw closed up farms over which the Minister presides. If the Government does not stand up to this nitrates directive, there will be more "For Sale" signs and closed gates right across the country. The Minister must get tough. He must forget the consultants, get down to business and fight our case in Europe.

Mr. Connaughton: The Government must take the blame for the nitrates directive debacle. Through the inaction of the Minister for Agriculture and Food and the Minister for the Environment, Heritage and Local Government, the Government has made a hames of the whole thing. A fundamental mistake has been made in so far as Ireland is concerned and the only people who will have to pay an unfair price will be the top 10% of Irish farmers, mostly dairy farmers and pig farmers. However, every single farmer, whether he be in the wetlands of Connaught or in the best lands in the Golden Vale, will all be affected by this directive. Thousands of others will be caught up in this daft scheme as innocent bystanders even though they do not think they will be involved. The message I have for them is that they would want to catch on to this immediately because they will be subsumed into the whole system.

The fundamental principle behind the Government's blinkered approach to the nitrates directive is the flawed logic that every acre of land in Ireland is the same quality, that every region gets the same rainfall every season and that the growing season starts and finishes at the same time every year countrywide. We all know that does not happen. It just cannot be possible that a farmer in Clonakilty in County Cork, who can have cows out grazing in the second week of February every year will be treated, environmentally speaking, in the same way as a farmer in the wetland areas of the west of Ireland, who may not be able to graze his grass until mid-April every year. Irish farmers always answered the environmental call. We only need to look at the 40,000 farmers who are participating in REPS, myself included, with thousands more lining up to join.

For farmers with stocking rates above the REPS level, and they are mostly dairy farmers, there is no problem whatever with a nutrient waste management plan provided that this does not turn into a culture for greasing the paw of

environmentalists, scientists, agents and advisers. The innocent bystanders I mentioned earlier will not escape untouched by this nitrates directive. Every farmer, in REPS or otherwise, will have to prove to the Department that the farm is within the nitrates directive framework before they will get a cheque under the single farm payment scheme in 2005. This is what the Minister calls cross-compliance and I can see a whole new industry being created for the bureaucratic armies of professionals whom some innocent commentators believed would be unemployed when the single payment scheme kicked in. They will be reborn and this is manna from heaven for them. It is all because the Minister did not get down to business to do the job he and the Minister for Environment, Heritage and Local Government were paid to do in Brussels in recent years.

Farmers are notoriously suspicious of what both Ministers are trying to do. What genius put pen to paper and suggested that slurry should not be spread on a Saturday, on a Sunday or a Bank Holiday? Maybe we will arrive at the stage where we ask the cows to do you-know-what four days a week. Our dairy industry is gradually being concentrated into a relatively small number of top class professionals. The existing pressure of falling milk prices and of increasing costs has driven some great farmers out of milk production. If the top dairy farmers cannot get grass to grow early and late every year, which incidentally reduces the amount of slurry to be spread on land anyway, and given that most of this farmland is the best in Europe and that they farm environmentally, why try to put them out of business with a blanket ban? Dairy farmers with a restriction of 170 kg of organic nitrogen per hectare will not be able to be able to stay in business because it is not physically possible to stay within that restriction.

The directive also deals with the storage period for slurry containment. For six months of the year slurry cannot be spread on the land. That may be appropriate to parts of west Donegal which have a fair amount of wet land. How does one tell a progressive farmer in the Finn Valley in which some of the best land in Ireland is located that he or she can only spread slurry on land for six months of the year?

The same applies in Galway. One cannot compare the land in Athenry, the finest land in Ireland, with land in Connemara. How can a blanket ban be applied which suits all types of land? This directive is daft in the extreme. The Minister for Agriculture and Food is treating the farmers of Ireland with contempt and is, in effect, penalising them. He is putting them all under one umbrella where everybody will lose for no reason other than that he does not care.

Mr. Deenihan: We all realise this directive has major implications for the farming community and especially for north Kerry which is a prime dairying area. Approximately 10% of holdings in the area will meet the requirements of the pro-

[Mr. Deenihan.]

posed directive action plan. When it is implemented, it will result in a rush of people from the land. As pointed out by several speakers, destocking will result to the level of approximately 1.25 acres per cow. Currently the north Kerry plain is densely stocked at a level of one acre per cow.

The issue of storage has not been considered. The Minister for the Environment, Heritage and Local Government spoke of supportive and generous grants for farmers. I accept that. However, there is no comparison between current costings and those of five years ago. The price of steel increased considerably during the past year. I recently spoke to a farmer and complimented him on the installation of a new slatted unit on his farm. The man concerned is a progressive farmer whose son will hopefully take over the farm. He said the grant he received was of little assistance to him. Many of the grants are not adequate.

Farmers who are unable to spread slurry from September to January will have to increase their storage capacity by expanding or extending their storage facilities and that will be expensive. The movement of cattle sheds and so on will be destructive and inconvenient to many farmyards. Most farmers with whom I am familiar, and I am familiar with most farmyards in north Kerry, have storage capacity for approximately eight to ten weeks of slurry. Farmers will be out on 15 January spreading slurry on land which is not suitable for it. The finest months of the year are usually October and November when we experience our great Indian summers. Under this directive farmers in Kerry will not be permitted to spread slurry during those months.

This is a difficult issue with which the Minister and Government must deal. Those responsible for drawing up this directive did so without the full knowledge of farming conditions in Ireland. As I said in the past, directives come through Brussels without scrutiny. It is only when they impact on Ireland that people get excited about them. That is true of officials, organisations and so on. The farming community is becoming aware of the impact of this directive on Ireland. It is a *fait accompli*. I suggest that the Minister, when seeking a derogation, consults on the matter with farming organisations and the main co-operatives. This is one of the main challenges facing the Irish agricultural industry. It is time for action at all levels, including right across the political spectrum.

Mr. Ring: The Department of Agriculture and Food should deal with agricultural matters. Previously, the Department of Community, Rural and Gaeltacht Affairs was involved in matters concerned with special areas of conservation and natural heritage areas and sent its officials to negotiate in that regard. That is not good enough.

The Department of Agriculture and Food and not the Department of the Environment, Heritage and Local Government should deal with

agricultural matters, given the obvious conflict of interest. The Minister is responsible for matters relating to the farming community. He and his officials should deal with directives from Europe in relation to farming. The Minister is the protector of farmers.

This directive was devised by officials in Brussels. If they are good for anything in Brussels, they are good for thinking up of ways of putting pressure on farmers and trying to put them out of business, something they have been doing for the past 20 years. We pay them a great deal of money to do a job, yet all they do is create more problems for farmers in Ireland.

Deputy Connaughton is correct in saying that the day will come when farmers in Ireland will have to put their cows into their homes from Monday to Friday and put them out on the land on Saturday. Perhaps, if the departmental officials are on overtime, they will visit farmers on Sunday to see if everything is in order. The Minister must put a stop to this ridiculous situation. We are losing more farmers every week. Elderly farmers want to pass on the land to their sons and daughters but they do not want to take them on because farms are over-regulated by the Department and Brussels.

Most farmers have taken up the rural environment protection scheme. However, officials from the Department of Agriculture and Food apply a 100% penalty to farmers if there is a stone missing from a wall. Farmers and organisations must then such penalties in places such as Wexford and so on. Those employed to consider such appeals are paid to do so and often receive travel expenses when they must investigate the scene involved in the appeal. The farmers of Ireland have endured enough.

I listened to what was said on the doorstep during the campaign for the local and European elections. Farmers in urban and rural areas are over-regulated. We have too many civil servants, all of whom will receive a cheque at the end of the week while the poor farmer and the self employed struggle to earn a living. We are over-regulated by Europe. There has been much talk of a European constitution. The farmers of Ireland are not interested. They have had enough directives from Europe for the past 20 years. Now that officials in Europe have completed this directive, they are probably thinking up new ways of trying to force people out of agriculture.

The Minister let them down. The Department of Agriculture and Food let them down. The Minister for the Environment, Heritage and Local Government does not know anything about farmers and does not give two damns about them. All he wants is to try to get rid of as many farmers as possible to get them out of business.

I care about farmers and rural Ireland, since that is where I come from. I see to it daily that the sons and daughters of farmers have enough. This kind of directive—

An Ceann Comhairle: I am reluctant to interrupt the Deputy but his time is concluded.

Mr. Ring: I am sorry about that, since I had a little more to say, but I will leave it at that.

Minister of State at the Department of Agriculture and Food (Mr. Treacy): I am glad to have an opportunity to contribute to the debate on the implementation of the nitrates directive in Ireland. Despite all the heat generated on this issue, the reality is that there is little of substance between the position of the Government and that of the farming organisations.

Mr. Connaughton: That is not what they are saying.

Mr. Treacy: I did not interrupt Deputy Connaughton. We listened to him for a long time and he should take it easy.

The aim of the nitrates directive is to protect our water quality from pollution. Farmers have repeatedly said that they, of all people, must ensure they have unpolluted water. On the other side, the farming organisations seek the highest possible limits for the spreading of organic nitrogen in a manner which does not cause pollution. That is also what the Government wishes to achieve.

There is an appreciation that we must achieve our aims in a way that avoids imposing unnecessary burdens, costs or restrictions on the agriculture sector across the country. In particular, the recent debate has focused on the land spreading base limits of 170 kg per hectare. Again, the objective of the Government is exactly the same as that of the farm organisations. We believe that the climate and soil conditions on most Irish grassland will justify limits of up to 250 kg per hectare. However, to obtain those limits, Ireland must present detailed scientific evidence to the European Commission and secure its approval for what we propose for Ireland. The issue is about how we secure the appropriate limit.

As agreed with the farming organisations in Sustaining Progress, the Government will work to secure the best outcome for Irish farming consistent with proper environmental protection. I was glad to hear last night from my Government colleague, the Minister for the Environment, Heritage and Local Government, Deputy Cullen, that it is proposed that the ongoing contact between the farming organisations and both Government Departments involved in the issue should continue. The Ministers, Deputies Cullen and Walsh, propose to meet the farming organisations shortly to discuss the issue again and it is proposed to set up new structures to seek as much agreement as possible in the implementation of the directive.

While the debate on nitrates has hit the headlines only recently, the nitrates directive was adopted in 1991 and implemented at an early date regarding the monitoring of waters and the promotion of good agricultural practice. An exten-

sive range of measures was put in place to promote and support good agricultural practice. For example, in 1996 the code of good agricultural practice to protect waters from pollution by nitrates was jointly developed by the Departments of the Environment, Heritage and Local Government and Agriculture and Food in consultation with the farming organisations. However, ongoing monitoring of our waters showed that further action was required to address the issue and it was clear that the agriculture sector would have to play its part in that process.

To that effect and following discussions and consultations with interested parties, the Government decided in January 2003 that an action programme under the nitrates directive should be applied on a whole territory basis. A draft of the action programme was issued for public consultation in December 2003. Following that consultation process, a revised draft is being finalised. It will be issued shortly for comment before being sent formally to the European Commission. In parallel with that process, the scientific case for a derogation on the land spreading limit is being prepared.

It is important that I acknowledge and commend the responsible approach to the environment adopted by the vast majority of farmers. Tangible evidence is provided by the high level of investment by farmers in waste storage facilities and other infrastructure for pollution prevention. We simply would not have the high level of water quality that we now enjoy if farmers generally were not acting responsibly.

Ireland has a very good case for a derogation of up to 250 kg. In line with the directive, member states may fix higher limits provided that the overall objectives of the directive are maintained by us all over Ireland. There is not the slightest doubt that Ireland's climate and soil conditions satisfy the conditions for a higher limit in the areas where it is necessary. There are serious implications for Ireland if we do not meet our obligations under the directive. Not only could we face daily fines, we would also lose out on CAP support for Irish farming, which would be much more damaging to all farmers.

Compliance with the nitrates directive is not optional. However, the Government believes we can ensure compliance in a way which meets both our important objectives, namely, to protect water quality while also protecting the interests of Irish agriculture. The Government is working to achieve an equitable outcome which should meet both those objectives. With positive co-operation Ireland and its people will be the beneficiaries when final agreement is reached.

Mr. Coveney: I wish to share time with Deputy Timmins.

An Ceann Comhairle: Is that agreed? Agreed.

Mr. Coveney: I am glad of the opportunity to speak on this motion. I listened with interest last night to the Minister for the Environment, Heritage and Local Government's contribution. For the first time in the last three months, while this topic has been developing into a burning issue for farmers and farming families, I got the impression that the Government might rethink and, one hopes, rewrite its nitrates action plan. The Minister, Deputy Cullen, seems to have changed his tune entirely. A few weeks ago he was reported as calling for the full implementation of the draft plan.

Mr. Cullen: I never said that.

Mr. Coveney: That is what was reported.

An Ceann Comhairle: Allow the Deputy without interruption.

Mr. Coveney: The Minister never denied it. Perhaps this is an early example of the new listening and caring Government about which we have been told since the election results.

Mr. Cullen: I have been listening and caring for two years.

Mr. Coveney: It is not before time on the nitrates issue. It is about time the Government listened. Government representatives did not even turn up to the vast majority of nitrates meetings during the election campaign in the South constituency, one of which happened in the Minister for Agriculture and Food's constituency. Between 2,000 and 3,000 farmers gathered at Bandon mart.

A nitrates action plan is of course necessary to fulfil obligations under the nitrates directive, which is now 13 years old. Drinking water must be the absolute priority of any plan proposed. We must deal with the risks of nitrate levels in water. The challenge for Government and the reason for Fine Gael to bring forward this motion is to achieve a result that will allow commercial farming to continue while, at the same time, protecting waterways. The draft Government nitrates action plan does not achieve that, albeit difficult, balance and must be renegotiated fundamentally bearing in mind the practicalities of modern farming.

I wish to take up several issues with the two Ministers regarding what they have said. Time and time again, we have been told by the Government that Ireland is required by the nitrates directive to impose a general maximum organic nitrates limit of 170 kg per hectare on the entire country and that the only exceptions to that restriction will be granted through what is called a derogation, for which the Government will make a case to the Commission. I do not accept that rationale for two reasons. First, if the Government believes, based on scientific research, that this directive is not appropriate to Ireland it should fight that case initially at Com-

mission level but it should go to court if necessary. Second, and perhaps more importantly, the wording in the directive itself specifically allows Ireland to make a case based on science to increase our general organic nitrates restriction well above 170 kg per hectare.

It states that member states may fix different amounts from those referred to above. These amounts must be fixed so as not to prejudice the achievement of the objectives specified in Article 1 and must be justified on the basis of objective criteria, for example, long growing seasons, crops with high nitrogen uptake, high net precipitation in the vulnerable zone and so on. To be fair, as the Minister has pointed out, those examples sum up Ireland and our growing conditions. However, Fine Gael and I differ with the Government on what is meant by a derogation.

In my view, the directive's wording allows Ireland to make a case for an increase in the general limit well above 170 kg per hectare. If an increase in the general limits to above 170 kg per hectare, that is, between 220 kg and 250 kg, for the entire country is what the Minister means by a derogation, then more power to him. Let him bring it on and we will support that. However, my understanding of a derogation is different and it has not been clarified by either Minister to date, even though we asked for that last night.

Mr. Cullen: What is not?

Mr. Coveney: My understanding of what is meant by a derogation and the implication for farmers is that it may only be granted on a case by case basis to individual farmers and is only temporary. For example, in Denmark their derogation is about to run out. It will require farmers to put together nutrient management plans on a field by field basis and there will be a significant increase in the bureaucracy and monitoring for farmers with no financial support in this regard. The other problem, from my understanding of a derogation, is that each field will be measured separately in terms of the amount of nitrogen or the stocking rate allowed on it. This will make practical dairy farming as it exists almost impossible.

The Minister for Agriculture and Food will know that on a normal dairy farm the fields surrounding the yard or dairy unit will have a much higher stocking rate than those farther away for obvious reasons, that is, to keep the cattle close to the dairy. If an individual farm gets a derogation to have higher stocking rates, it will mean the same stocking rate in every field, which will require a fundamental change in farming practice. I believe this will be unworkable on many farms. The bottom line is that the concept of derogations frightens farmers because of the constant monitoring and bureaucracy involved on a monthly basis. If the Minister is forced down the derogation route, farmers need to be reassured in this area. There is great fear.

Mr. Cullen: I do not disagree with the Deputy. I have spent much time with farmers.

Mr. Coveney: Unfortunately, the Minister has not told the House what is meant by a derogation. We need to define exactly what it means and the implications. The basis for any nitrates action plan must be scientific. The basis of any case that the Minister may take to the Commission must be based on independent scientific research. This is where the role of Teagasc is important.

I welcome the announcement that Teagasc has agreed to come before a committee of the House to discuss the issue as soon as possible. However, what concerns me is the agency's refusal to release or publish the advice and research that it has provided to the Government before the draft action plan was compiled. I call on Teagasc to provide that information so that we can all have the same data and contribute to what I hope will be a constructive debate and reach some agreement on a practical nitrates action plan that may be brought to the Commission. All the research and recommendations as to what level of nitrates can safely be spread on land need to be out in the open. If these figures are bad news for farmers, so be it. We must face down that bad news, if necessary. I suspect it is not bad news.

I want to finish by referring to three key issues in the draft action plan, which I believe must be changed. The first I have already referred to, namely, the organic nitrate limit of 170 kg per hectare. It must be revised upwards.

Mr. Cullen: We do not have——

An Ceann Comhairle: Deputy Coveney must be allowed to speak.

Mr. Coveney: The Minister agrees with me on that and that is fine. The implications of not achieving it will render commercial farms unviable in future and, in effect, put the entire country into the rural environment protection scheme. That is a crude way to put it, but a farmer has said that to me and I believe it has some accuracy.

The second issue is about slurry spreading closure periods. Unlike the 170 kg limit, this is fully in the Government's hands. The nitrates action plan only requires us to have a closure period. The length of the closure period is up to the Government and three and half months is a ridiculous time limit on an island that has ten or 11 months of the year as a growing period. It is madness. Even from an environmental point of view, if farmers are not allowed to spread slurry for the months of October, November, December and the first half of January, there will be a massive glut of slurry spreading in the second half of January, hail, rain or snow, because they will have to get it out of storage at that stage. That makes no environmental sense, quite apart from farm management sense.

Mr. Cullen: We are in full agreement.

An Ceann Comhairle: Allow Deputy Coveney to speak.

Mr. Coveney: Why then has the Minister produced a draft report with a three and half month closure period? As a consequence of the closure period, the financial investment for slurry storage for farmers is also unacceptable. This is about the future of people living on farms in Munster and throughout the country, and young people who want to make full-time careers out of farming. If we do not achieve the right result for them, farming as we know it in Ireland will change in an unacceptable way.

Mr. Timmins: Is it not a sign of the times that the Ministers are left in the House on their own for a Private Members' motion on agriculture and we do not have the usual quorum of Fianna Fáil Deputies in the background? I am looking at the three Ministers who look like three individuals facing the firing squad. They faced the firing squad of the electorate a few weeks ago.

Mr. Treacy: We are facing pea shooters

Mr. Timmins: It is all doom and gloom. Last night, as I laid out the arguments in favour of our motion, I had one question to put. It was to ask if any speaker could demonstrate how a level of 210 kg per hectare could impact negatively on the quality of our water. I asked this of speakers on all sides of the House. No one has indicated to me how that could be the case. I am at a loss, having examined our motion and listened to the Government speakers, to see why they bothered to table an amendment to it. Most of what they have said has been in agreement with the motion we tabled.

The first issue in the motion condemned the Government for its incompetence and mismanagement in its handling of the nitrates directive which was introduced in 1991. I spoke with Deputy English today about where he was in 1991. He was contemplating going into secondary school. He was in the primary school in Navan at the time. He is in the Dáil today and nothing has happened as regards this nitrates directive, with the exception of the 1996 code of practice brought in by the then Ministers, Deputies Yeats and Howlin. With respect to the Government delay, the Minister for Agriculture and Food, Deputy Walsh, stated that this directive has existed for some time and should have been fully implemented sooner. He said: "We have largely avoided its consequences for 13 years." In fairness to the Minister, he has been straightforward in admitting how the Government managed to sidestep this issue.

There is no disagreement about the potential cost and the likely impact it will have on the livelihood of a number of farmers. I would dispute the figure. The Minister referred to 10,000 but I believe it is closer to 13,000 or 14,000.

[Mr. Timmins.]

We asked two important questions in our motion. We asked for the scientific basis underlying the current proposals to be explained. That is why this debate has been something of a farce. We have not seen the scientific evidence. I receive messages from the Minister's Department saying, in effect, that it is examining the issue and will develop the scientific evidence. This has been taking place for a long period and should have been produced for the House by now. As some Deputies said, this definitely should not be a "one size fits all" directive. The same soil or temperature conditions do not exist throughout Europe, so there has been no explanation as to why it should be the case that there is this type of directive.

With respect to the 210 kg figure and the derogation of 250 kg, we are hiding behind the European Court of Justice decision. I want to take up the issue about which Deputy Coveney spoke. Why not go back to the European Commission and make a case based on the scientific evidence? The Minister gives a strong impression that there should be no difficulty in getting a 250 kg derogation for a large number of farmers. Why cannot he make a case for the 210 kg limit countrywide? I have heard no explanation for that.

There has certainly been a sea-change in the attitude of the Minister for the Environment, Heritage and Local Government, Deputy Cullen.

Mr. Durkan: One of many.

Mr. Timmins: He has indicated he will appoint an independent adviser. That is a clear indication that he has lost confidence in the officials in his Department who have been driving this directive for the past few months. The Minister for Agriculture and Food, Deputy Walsh, sat idly by — to use the phrase of a fellow countryman of his — during the period when the Department of the Environment, Heritage and Local Government was making the running on this. I compliment the

Minister, Deputy Cullen, for sidelining his officials and getting the independent adviser. I hope he or she does a good job. However, we still have some questions for which we want answers.

The Minister, Deputy Walsh, says he wants derogations without unreasonable or unrealistic conditions attached. What are we talking about? Who will pick up the cost of these? Will they be done on the basis of individual farms?

With regard to the impact of the single farm payment the Minister said that he does not want to indulge in scaremongering, but he went on to say, "It is clear that we could push our luck too far with the Commission." The Minister of State, Deputy Treacy, stated, "Not only could we face daily fines, we would also lose out on CAP support for Irish farming."

Mr. Treacy: That is factual.

Mr. Timmins: The Government is scaremongering in respect of this matter.

We agree about the importance of water quality, on which farmers have spent €1.5 billion over the past 15 years. It is important to realise that the directive discriminates against those who practice grassland farming in Ireland. As I argued last night, it would be inherently unfair and unjust if the ability of a farmer to earn a living was to be restricted by a directive that cannot be scientifically justified. That is the nub of this issue.

I thank those who spoke in favour of the motion. I hope Government Members will vote in line with the content of their speeches.

Mr. Durkan: That will be the day.

Ms Enright: It will never happen.

Mr. Timmins: I commend the motion to the House.

Deputies: Hear, hear.

Amendment put.

The Dáil divided: Tá, 62; Níl, 51.

Tá

Ahern, Noel.
Aylward, Liam.
Brady, Johnny.
Brady, Martin.
Brennan, Séamus.
Callanan, Joe.
Carey, Pat.
Carty, John.
Cassidy, Donie.
Coughlan, Mary.
Cregan, John.
Cullen, Martin.
Curran, John.
Davern, Noel.
Dempsey, Tony.
Dennehy, John.
Devins, Jimmy.
Ellis, John.
Fahey, Frank.
Finneran, Michael.

Fitzpatrick, Dermot.
Glennon, Jim.
Grealish, Noel.
Hanafin, Mary.
Haughey, Seán.
Hector, Máire.
Jacob, Joe.
Keaveney, Cecilia.
Kelleher, Billy.
Kelly, Peter.
Killeen, Tony.
Kirk, Séamus.
Lenihan, Conor.
McDowell, Michael.
McEllistrim, Thomas.
McGuinness, John.
Moloney, John.
Moynihan, Donal.
Moynihan, Michael.
Mulcahy, Michael.

Tá—*continued*

Nolan, M.J.
 Ó Cuív, Éamon.
 Ó Fearghaíl, Seán.
 O'Connor, Charlie.
 O'Dea, Willie.
 O'Donnell, Liz.
 O'Donovan, Denis.
 O'Keefe, Batt.
 O'Malley, Fiona.
 O'Malley, Tim.
 Parlon, Tom.

Power, Peter.
 Power, Seán.
 Roche, Dick.
 Sexton, Mae.
 Smith, Brendan.
 Smith, Michael.
 Treacy, Noel.
 Wallace, Dan.
 Walsh, Joe.
 Wilkinson, Ollie.
 Woods, Michael.

Níl

Breen, Pat.
 Broughan, Thomas P.
 Bruton, John.
 Connaughton, Paul.
 Connolly, Paudge.
 Costello, Joe.
 Coveney, Simon.
 Cowley, Jerry.
 Crawford, Seymour.
 Crowe, Seán.
 Deasy, John.
 Deenihan, Jimmy.
 Durkan, Bernard J.
 Enright, Olwyn.
 Ferris, Martin.
 Fox, Mildred.
 Gilmore, Eamon.
 Gogarty, Paul.
 Gormley, John.
 Harkin, Marian.
 Hayes, Tom.
 Healy, Seamus.
 Kehoe, Paul.
 Kenny, Enda.
 Lynch, Kathleen.
 McGinley, Dinny.

McGrath, Finian.
 McGrath, Paul.
 McHugh, Paddy.
 McManus, Liz.
 Mitchell, Gay.
 Moynihan-Cronin, Breeda.
 Murphy, Gerard.
 Neville, Dan.
 Ó Caoláin, Caoimhghín.
 Ó Snodaigh, Aengus.
 O'Dowd, Fergus.
 O'Shea, Brian.
 O'Sullivan, Jan.
 Pattison, Seamus.
 Penrose, Willie.
 Ring, Michael.
 Ryan, Eamon.
 Ryan, Seán.
 Sargent, Trevor.
 Sherlock, Joe.
 Shortall, Róisín.
 Stanton, David.
 Timmins, Billy.
 Upton, Mary.
 Wall, Jack.

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

Amendment declared carried.

Motion, as amended, put and declared carried.

Adjournment Debate.

Special Educational Needs.

Mr. Gormley: I thank you, a Cheann Comhairle, for giving me the opportunity to raise this important issue. The school to which I refer is St. Matthew's national school in Sandymount. It is customary for Members to declare any potential conflict of interest at the commencement of a debate. Two of my children attend St. Matthew's national school and in that sense I have a vested interest. Nonetheless, even if this were not the case the unnecessary delays in replying to correspondence from the school and the unnecessary delays in the allocation of special educational resources to children in the school would be a matter of concern for any Deputy in this House.

Last November the school wrote to the Department about the possibility of resource teaching

hours for a child in third class. Unfortunately, the school had not heard anything from the Department of Education and Science, until today, coincidentally when it received a letter. Since November another application has been made on behalf of a child in second class and again nothing has been heard. According to the school principal there was not even an acknowledgement of work in progress, until the circular was received today. It is a matter of concern when our schools can be treated in this fashion.

The source of real concern for the parents and staff at St Matthew's is the news that the Department of Education and Science is attempting to introduce a new way of allocating resource teachers to primary schools. If a support teacher is to be allocated for every 150 children on the roll, where does that leave St. Matthew's and other similar schools? Some 97 pupils attend the school in an area, which not only serves Sandymount, but the disadvantaged areas that form part of the Dublin Docklands area. Currently a resource teacher is based in St. Matthew's national school teaching 17.5 hours a week to children with specific learning difficulties. The

[Mr. Gormley.]

remaining hours are used by Star of the Sea national school.

This evening I hope for some clarification on a number of issues. Is it not the case that given the current criteria the school is entitled to a full-time resource teacher based in the school? Is the Minister aware the school has submitted two more applications recently, which would allow for even more resource hours? Surely the Minister understands that if the needs of these children are not met the teacher is required for more one-to-one teaching and that this impacts on the rest of the class? When will the full-time resource teacher start? I would like to be able to give the principal a specific start time tomorrow.

While I may be biased in my view, St. Matthew's is an excellent school. My constituency colleague, Deputy Quinn, who also has a child in the school, and I have often talked about the wonderful atmosphere in the school, the dedication of the teachers and the huge effort put in by parents to make the school what it is. However, it is now clear that the newly appointed principal is deeply frustrated by the attitude of the Department of Education and Science. In a recent letter to me she refers to "the delaying, cost cutting and bureaucracy of the Department, which is denying children with special needs their right to an education suited to their needs".

Recently, the Minister for Communications, Marine and Natural Resources, speaking to a constituency meeting in Louth, said the Government could no longer shape policy around unbridled market forces. Surely this is a case in point. If this Minister and the Government believe in a just, caring and socially equitable society they ought to, at the very least, respond positively to reasonable requests from a school which is doing its best to create a better society for this and future generations. I hope the Minister will be in a position therefore, to confirm that this new full-time resource teacher will start work soon.

Minister of State at the Department of Health and Children (Mr. T. O'Malley): I am pleased to be afforded the opportunity to clarify the position of the Department of Education and Science concerning the matter of special educational needs resources to children in St. Matthew's national school, Sandymount, Dublin.

The school in question currently has the services of one principal, three mainstream class teachers, a shared learning support teacher and a shared resource teacher. It also has the services of a full-time special needs assistant.

The school in question has a number of applications for special education resources with the Department for consideration. In Circular 24/03, the Department stated its intention to engage in discussions with representative interests with a view to developing a weighted system of teacher allocations for special needs teaching. The allocation of an additional 350 teaching posts for

special needs and a new system for the allocation of resources for special needs in primary schools have now been approved.

The new system will involve a general weighted allocation for all primary schools to cater for pupils with higher incidence special educational needs, such as those pupils with borderline mild and mild general learning disability, specific learning disability and those with learning support needs. It will also allow for individual allocations in respect of pupils with lower incidence special educational needs.

The weighted allocation will be made as follows: in the most disadvantaged schools as per the urban dimension of Giving Children an Even Break, a teacher of pupils with special educational needs will be allocated for every 80 pupils to cater for the subset of pupils with higher incidence special needs; in all boys' schools, the ratio will be one teacher for every 140 pupils; in mixed schools or girls' schools with an enrolment of greater than 30% boys, one for every 150 pupils; and in all girls' schools, including schools with mixed junior classes but with 30% or fewer boys overall, one for every 200 pupils. In addition, all schools will be able to apply for separate specific allocations in respect of pupils with lower incidence disabilities. It is intended that the details of the new model will be set out in a comprehensive circular to issue to schools for the commencement of the new school year.

Applications for resource teacher support that were received between 15 February and 31 August 2003, including one for the school in question, for which a response is outstanding, have now been considered. These applications have been reviewed by a dedicated team of members of the Department's inspectorate and of the National Educational Psychological Service. The applications have been further considered in the context of the outcome of surveys of special education resource provision conducted over the past year and of the data submitted by schools as part of a nationwide census of such provision. It is intended that each applicant school will be notified of the outcome in their case in the coming weeks.

Applications received after 31 August 2003, including a number from the school in question, are also being considered by the National Educational Psychological Service. In those cases, it is intended that the applicant schools will be notified of the outcome as soon as possible in advance of the commencement of the next school year. Schools which have applied for special needs assistant support, including St. Matthew's national school, will be advised of the outcome of their applications as soon as possible in advance of the next school year.

Account is being taken of existing levels of special needs assistant allocation in schools. In cases where a reduction in the level of such support is proposed, there will be provision for schools to appeal, having regard to the care needs of the pupils concerned. Details of the appeals

mechanism will also be set out in the comprehensive circular issuing to schools.

I thank the Deputy for affording me the opportunity, on behalf of the Department of Education and Science, to clarify the position in regard to special needs resources provision at St. Matthew's national school.

School Accommodation.

Mr. Wall: I thank you, a Cheann Comhairle, and the Minister for taking this Adjournment matter.

Rathangan post-primary school is in urgent need of capital funding for the provision of proper facilities for the pupils and staff in the school. Currently, there are approximately 500 persons in the school between staff and students and this year there is an enrolment of 120 students, which is 35% higher than the previous highest year. Obviously, the results from the school in Rathangan are having an effect in that many parents want to send their children to the school.

There are 17 primary schools in the catchment area of the Rathangan post-primary school and of those, the two schools in the town itself are working beyond capacity. They are also looking for funding to build extensions to the school because of the problem of overcrowding.

The post-primary school had made an application to the Department some eight years ago and as of now, the school is in the band 2 category. There is grave disappointment among the teaching staff, the parents council and the board of management in regard to this matter. The many international companies in the area have given support to the school in respect of this application. They are doing that because they have benefited from the school in that many of its students have taken up employment in the multinationals in the area, including Intel, Hewlett Packard, Wyeth, and Modus Media International. We are lucky to have those companies in Kildare because they lend their support to this project to ensure that the students attending Rathangan school will be given the opportunity to work within the confines of a proper educational infrastructure.

The Department has offered the school a number of prefabricated buildings. They have not arrived on site yet but the problems in the school are obvious. I have visited the school on a number of occasions and the dangers in respect of safety etc. are obvious. The passageways are jammed with children trying to get from the prefabricated building to the main building and vice versa. They are using the back and front doors to try to access the classrooms and, time being of the essence in terms of changing classes, this is prohibiting the proper workings of the school.

This is a school with a wonderful record in regard to academic achievement and I ask the Minister to consider its position now. The school attracts students from 17 primary schools in the catchment area and there has been a 35% increase in first year students this year compared

to its best previous year. Obviously the teachers are doing the work on the ground and turning out the results. The only prohibitive aspect is the lack of proper facilities. The school secretary works in a corridor. I was in the principal's office the other day and that is no better. The locker rooms, which are being used for classroom facilities, are totally overcrowded. The general outlay of the school is such that it prohibits to a proper working environment.

I realise the Minister of State, Deputy O'Malley, is not responsible for capital funding in this area but I ask him to impress upon the Minister, Deputy Dempsey, the importance of dealing with this issue as a matter of urgency. The school has the full support of the local and business communities, the international community *vis-à-vis* the companies in the area, the board of management, the parents' association etc. All they want is for this school to come to fruition. Eight years is a long wait and the teachers and pupils have suffered. It has been difficult for them to achieve their maximum potential in examinations due to the lack of proper facilities. Despite this, they have created an image of it being one of the best schools for results in the Kildare area.

Rathangan is the third largest vocational education committee school in County Kildare and is the first on the list for proposed development. This is a good project that would benefit from capital funding and making Rathangan and its catchment area of 17 primary schools its major benefactors.

Mr. T. O'Malley: I thank Deputy Wall for giving me the opportunity to outline the position of the Department of Education and Science regarding the proposed refurbishment and extension project at Rathangan post-primary school, County Kildare.

The proposed extension consists of 1,656 sq. m. for the long-term projected enrolment figure of 450 pupils. The Department received an application from the board of management of the school in December 1996 requesting the provision of additional accommodation. A large-scale building project for Rathangan post-primary school is listed in section 8 of the 2004 school building programme which is published on the Department's website at www.education.ie.

A full design team has been appointed and architectural design of the project is progressing. It is at stage four and five, detailed design and bills of quantities of architectural planning. It has been assigned a band two rating by the 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 the Department of Education and Science to adopt a multi-annual framework for the school building programme. This in turn will give greater clarity

9 o'clock

[Mr. T. O'Malley.]

regarding projects that are not progressing to tender in this year's programme, including Rathanagan post-primary school. The Department of Education and Science will make a further announcement in that regard later this year. I thank Deputy Wall for raising the matter.

Hospital Services.

Mr. Hayes: I thank the Ceann Comhairle for allowing me the opportunity to raise this important issue on the Adjournment on behalf of the people of south County Tipperary. Recently, some 7,000 people marched on the streets of Clonmel demanding that the Government give additional funding of approximately €2 million to the South Eastern Health Board to resource the new unit at South Tipperary General Hospital. Public representatives, staff and the media were recently taken on tour of the hospital. It is one of the finest hospital buildings I have seen. However, this state-of-the-art unit is lying idle because no funding is available to the South Eastern Health Board to put it into operation.

In 1996 agreement was reached by the health board and action committees in the South Tipperary constituency. The then Minister for Health, Deputy Michael Noonan, committed funding for the unit building and its operation. With price rises, the project went over its anticipated budget. The building and facilities are now completed and funding is committed for the provision of equipment. However, funding for staffing the unit is now required.

In 1996, after an acrimonious debate, agreement was reached in the county to proceed with providing the service. However, people are amazed that this project has still not been brought to fruition. The main concern is that if another Hanly report is commissioned, this hospital, serving a catchment area of 150,000 people and comprising County Waterford, north County Tipperary and east County Limerick, could be shut down. Additional funding is all that is needed to open this unit. Obviously, there is an ongoing argument about funding between the Department of Health and Children and the Department of Finance. However, I want to highlight the urgency of the unit in South Tipperary General Hospital. I hope the Minister of State will have good news on the unit's future.

Mr. T. O'Malley: I apologise on behalf of the Minister for Health and Children, Deputy Martin, for his absence. He is abroad on EU business.

The development of acute hospital services at South Tipperary General Hospital, Clonmel, has been set out in the House on previous occasions. A major capital development programme to provide the infrastructure to facilitate the transfer of surgical services from Our Lady's Hospital, Cashel, to South Tipperary General Hospital, Clonmel, was undertaken to bring surgical and acute medical services together on a single site.

The integration of acute services on one site will greatly enhance the services available to patients in the region.

After the transfer of the surgical services, Our Lady's Hospital in Cashel will be used to provide services for the elderly and those with mental and physical disabilities. The estimated capital investment for the first phase of the development of Our Lady's Hospital is approximately €12 million. The building work in Clonmel, costing approximately €30 million, is now complete. These investments indicate the Government's commitment to the provision of optimum health care facilities to the people of the region.

The newly constructed facilities in Clonmel include the provision of a new emergency medicine department, ward accommodation, operating theatres, an intensive care unit, a day care unit, a central sterile supplies department, a physical medicine department, an education centre and consulting rooms. With the completion of the construction phase, the next phase of the project is the equipping of the new building. In May 2004 the Minister for Health and Children approved funding of €7.9 million towards this. The procurement process has commenced and the South Eastern Health Board has a project plan in place to evaluate and finalise the equipment needed for the new departments.

The health board has sought the additional revenue funding to complete the transfer of surgical and emergency services to South Tipperary General Hospital. The additional resources identified by the board required to open these new facilities fully fall for consideration against the background of the prevailing budgetary policy. The priority is to ensure that these new facilities are opened and available to patients. The Minister for Health and Children has already stated that he is fully committed to achieving this objective in as timely a manner as possible.

We will continue to work with health agencies to bring on stream buildings, facilities and equipment provided under the national development plan. The Minister and his Department will continue to work with the South Eastern Health Board with a view to ensuring that the new facilities provided are available for use by the people of south County Tipperary.

Irish Blood Transfusion Service.

Ms Lynch: I am disappointed that the Minister for Health and Children, Deputy Martin, is not in the Chamber. While I accept that he is away on EU business, this matter is of such importance that he should have been in the House to reply to it. That is in no way a reflection on the Minister of State at the Department of Health and Children, Deputy Tim O'Malley.

This dispute began when the director of blood transfusion services in Cork, Dr. Joan Power, discovered a connection between blood products and hepatitis C. This connection should have been discovered earlier but Dr. Power was not part of the then circle. As she was to a great

extent a whistleblower on this issue, the Irish Blood Transfusion Service in Dublin has never quite forgiven her.

The building in Cork is situated in the grounds of St. Finbarr's Hospital. Anyone who knows Cork will know where that is. It has achieved certificates for being a centre of excellence and every operation it has carried out has been given a certificate of excellence. That is how careful this woman is about the operation of the centre.

It was then decided that all blood testing would be carried out at a central location in Dublin, which horrified Munster people in particular. The notion that the people who did not recognise the signs or denied the evidence of their eyes regarding contaminated blood products would now be charged with testing in its entirety without any fallback position is beyond belief.

There was a by-election in Cork in 1994 which, no doubt, everyone recalls. At that stage the building in which the blood transfusion service in Cork was situated was in such bad repair that the then Minister for Energy, Deputy Cowen, made a commitment to a new building. Everyone was happy with that but nothing happened. They are still collecting rainwater in buckets from leaking ceilings in the building.

We were then informed that the best practice, an issue on which there was a discussion today in the House, was that blood testing should be centralised in Dublin. After a long and difficult debate, the current Minister for Health and Children, in whose constituency this unit is located, agreed that an international panel of experts would examine the Irish case in the context of the history of contaminated blood products and consider the best way forward going forward, to use a phrase the Minister keeps repeating.

The panel's recommendation was that, for safety reasons, there should be two test centres in Ireland. It was not always possible to get samples to Dublin and back as quickly as was necessary. One could not ensure that the chain was always complete. Things could happen about which people might not be notified. Everyone agreed to be bound by the international panel which found that the best and safest process would involve two centres, yet we have not got them.

We now hear the rumour that it is possible that the director of services in the Cork centre, the woman whom we should reward for her service to the women of this country, will be moved to one side. It appears that her replacement is someone who does not agree with the finding of the international panel and feels that centralised testing is best. This is very much a political issue but, if it were not, it should be an issue of the health, safety and welfare of our citizens. I do not trust the people in Dublin to do all the testing. We must surely have learned something from the contamination of blood products and the havoc that it wreaked in this country on women in terms of hepatitis C and on haemophiliacs.

Mr. T. O'Malley: I repeat that the Minister for Health and Children, Deputy Martin, sends his apologies for not being present as he is in Budapest on European Union business. He would like to be here to respond in person.

I assure the Deputy that the Minister is aware of the difficulties with the current building and is working with the board of the Irish Blood Transfusion Service to develop a suitable alternative. The development brief for the new Cork centre project was submitted to the Department by the Irish Blood Transfusion Service in March 2003. The capital cost of the project, inclusive of special testing facilities, is estimated at €28 million.

While planning for the new centre is in progress, the IBTS board approved an interim development for the Cork centre in November 2003. This interim solution for the ongoing delivery of services will be required for the next three to five years. The development will be on the St. Finbarr's Hospital site and will cost an estimated €2 million, which will be met from the IBTS's resources. The Southern Health Board has given its approval for the development of these interim facilities on the St. Finbarr's campus, and planning permission for the development was recently granted by Cork City Council.

The Minister, Deputy Martin, has previously informed the House that the design of the interim facility, the seeking of planning permission and the procurement of interim construction works would be fast-tracked to ensure the earliest possible completion date. I am pleased to confirm that this has happened and, as a result, good progress is being made on the provision of the new facility. The main building contract for the enabling works has commenced on site and delivery of the prefabricated buildings will commence on 5 July next. The transfer of IBTS facilities to the prefabricated buildings is scheduled to commence in early September which will allow a construction start on the upgrading works to the existing accommodation to take place. The scheduled completion date for the project is December 2004.

While there is no argument that this development is an interim solution and that permanent new premises are required for the Cork centre, there has nonetheless been considerable additional investment at the centre over the years. A new components laboratory was provided at a cost of more than €600,000. A second consultant post was approved. New posts in quality assurance and information technology were also approved in recent years. The Progesa integrated computer system went live in Cork in March 2003, before Dublin, which went live in May of that year. The posts of laboratory manager and quality assurance officer have been filled recently on a permanent basis. The centre has also recently taken delivery of Galileo, a sophisticated new automated processing machine.

The Minister is being kept fully briefed about the position regarding developments at the Cork centre. He discussed capital facilities at the centre

[Mr. T. O'Malley.]
with the chair of the board and the chief executive officer at a meeting on 10 November last. At this meeting the Minister confirmed his commitment to the provision of a new centre in Cork at the earliest possible date. He is also committed to ensuring that the IBTS continues to have suf-

ficient resources to maintain the highest possible standards in blood transfusion practice at all locations throughout the service.

The Dáil adjourned at 9.20 p.m. until 10.30 a.m. on Thursday, 24 June 2004.

Written Answers.

The following are questions tabled by Members for written response and the ministerial replies received from the Departments [unrevised].

Questions Nos. 1 to 8, inclusive, answered orally.

Consumer Protection.

9. **Mr. Hayes** asked the Minister for Finance his views on whether consumers have enough legal protection to ensure that a bank's overcharging practices (details supplied) cannot be repeated anywhere. [17937/04]

51. **Mr. Perry** asked the Minister for Finance for the latest information on the investigation of a bank's unlawful and improper activities (details supplied). [18699/04]

70. **Ms Burton** asked the Minister for Finance the steps he will take to prevent customers from being exploited in regard to the statement the Tánaiste issued after the disclosure that banks (details supplied) overcharged foreign exchange customers for eight years; if he will change consumer credit legislation to provide for the imposition of penalties when financial institutions exceed charges authorised by the regulatory authorities. [13962/04]

74. **Mr. Eamon Ryan** asked the Minister for Finance the role of his Department in overseeing the work of the Irish Financial Services Regulatory Authority on the regulation of Irish bank charges; if he is satisfied with the level of IFSRA's enforcement and punitive powers in existing legislation in view of the recent evidence that a bank (details supplied) persistently overcharged for foreign exchange transactions; and when he will introduce legislation to provide the regulator with further powers. [13908/04]

Minister for Finance (Mr. McCreavy): I propose to take Questions Nos. 9, 51, 70 and 74 together.

Last year the regulatory structure of Irish Financial Services was radically adjusted. At the time the Government promised the following Bill would provide enhanced consumer protection. The Central Bank and Financial Services Authority of Ireland Bill 2003 will confer new powers on IFSRA to impose stiff administrative penalties. It can be applied where there is a breach of: any financial services legislation; codes of conduct issued by the regulator; or any condition, requirement or direction imposed under legislation or codes.

Penalties will include the issue of a reprimand, orders to refund charges improperly applied, monetary penalties of up to €5 million and orders to pay the cost of the investigation. Individuals may also be subject to penalties. For example, a senior manager might be disqualified from

employment at management level in the financial services sector and a fine of up to €500,000 could be applied. These provisions will apply to breaches of consumer protection provisions as well as to breaches of prudential requirements.

In addition, amendments presented on Report Stage will specifically make it an offence for credit institutions and bureau de change to charge fees in excess of those notified to IFSRA under the Consumer Credit Act 1995.

The new Bill will also give the regulator considerable powers to require compliance statements from financial institutions. They will be additional to those required under recent changes to company law. The Bill will also enhance consumer protection by establishing for the first time a statutory financial services ombudsman scheme. IFSRA will also have consultative panels available to it for consultation with consumer and industry interests.

My role in IFSRA is set out in the Central Bank Act 1942, as amended by the Central Bank and Financial Services Authority of Ireland Act 2003. IFSRA's budget, levy increases in the industry and its strategy statement must be approved by me. It also reports to me on regulatory matters relevant to my role in setting the legislative framework for regulation. It is required to report publicly on its activities and is accountable to the Oireachtas Committee on Finance and the Public Service.

Since April IFSRA has overseen an investigation into the amounts charged by AIB to its foreign exchange customers. The initial investigation concentrated on identifying the amount involved and the customers affected. The latest indications are that it should be possible to identify at least two thirds of the people concerned, representing about 80%, by records of the value of the transactions. IFSRA also agreed with AIB that a €25 million deposit would be made and the Central Bank would cover anticipated costs of reimbursing customers, including interest. AIB was also obliged to appoint an external expert to inquire into how the problem arose. A first report, compiled with independent assurance, will be rendered to IFSRA and AIB before the end of July.

IFSRA has also overseen another investigation on certain matters concerning AIB Investment Managers Limited during the period 1989 to 1996, inclusive. These matters concern taxation, inappropriate dealing transactions and other regulatory issues. As a result AIB has already taken action on some of these issues, including disciplinary measures and has committed to pay restitution plus interest to affected clients. The Revenue Commissioners have also announced that they are conducting an investigation into the tax aspects of this matter.

Lessons will be learnt from the issues that have arisen at AIB. These lessons will have to be taken on board as appropriate by the financial institutions concerned, by banking institutions and their shareholders, by IFSRA and the other regu-

[Mr. McCreevy.]
latory agencies and by the Government and the Oireachtas. It is clear that the public have the right to expect and receive the highest levels of service and corporate responsibility. I am satisfied that the regulatory structures put in place last year, together with the provisions of the complementary Bill that recently passed Report Stage in this House, will go a long way towards ensuring that problems of this nature will not arise in the future. Suggestions, if any, by various investigations for further legislation will be dealt with as a matter of urgency.

Tax Code.

10. **Mr. Wall** asked the Minister for Finance if he intends to change legislative provisions on residency abroad for tax purposes. [18595/04]

Minister for Finance (Mr. McCreevy): The residence rules for tax purposes were last updated in the 1994 Finance Act by the then Fianna Fail-Labour Government. It was done following a comprehensive review of the matter by the Revenue Commissioners and my Department. Prior to this the rules were based on a mixture of statutory provisions, old case law and Revenue administrative practice. It was an unsatisfactory situation. The new residence rules set out in the 1994 Finance Act simplified and clarified the area and were generally welcomed.

I have no plans to change legislative provisions on residency abroad for Irish tax purposes.

11. **Mr. Ring** asked the Minister for Finance the number of houses that qualify for section 19 relief as heritage homes open to the public; and the total value of tax refunded under the scheme. [18659/04]

Minister for Finance (Mr. McCreevy): I am advised by the Office of the Revenue Commissioners that 171 houses qualified for tax relief under section 482 of the Taxes Consolidation Act 1997, formerly section 19 of Finance Act 1982. The most recent annual cost available is for the tax year 2000-2001 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.

At present the list of properties that qualify for relief under section 482 is available on the Revenue website. The information is also available in booklet form.

Freedom of Information Reviews.

12. **Mr. Rabbitte** asked the Minister for Finance the progress made to date to clear the backlog of appeals in the Office of the Information Commissioner; the number of appeals outstanding at the latest date for which figures are available; and the average time taken to hear an appeal. [18608/04]

Minister for Finance (Mr. McCreevy): On 18 June the 2003 annual report of the Office of the

Information Commissioner was published. It contained a comprehensive statistical analysis of FOI requests and the number of applications for reviews of FOI decisions.

The office completed 728 reviews during 2003 compared with just 534 in 2002, an increase of 36% year on year. A total of 886 reviews were received in 2003 and 434 were completed during the year. Of those completed 256 or 59% were completed within the four month deadline. A further 294 received before 2003 were also completed. Since the beginning of 2003 there was progress in reducing the backlog. At 21 June the number of outstanding reviews was reduced to 685.

The office makes every effort to ensure that the majority of reviews are completed within the deadline, the Information Commissioner stated that some reviews can involve complex issues or a large number of records and take considerably longer than the proscribed four months to conclude. At present figures are not available on the average time taken to conclude reviews. I hope an average time to conclude a review would have limited value given the wide variety of types of reviews and the varying degrees of complexity in each case.

ECOFIN Meetings.

13. **Caoimhghín Ó Caoláin** asked the Minister for Finance if he will report on his participation in the European Council of Finance Ministers meeting of 2 June. [18720/04]

Minister for Finance (Mr. McCreevy): On 2 June I chaired the last meeting of the ECOFIN Council of the Irish Presidency in Luxembourg. As in the Presidency generally, the meeting made good progress on the agenda items.

The Ministers agreed their report on the updated broad economic policy guidelines for member states that was endorsed by the European Council last week. The guidelines emphasise the continuing importance of implementing the Lisbon agenda of structural reforms. The priorities stressed are policies to promote growth and stability, reforms to create more and better jobs and strengthening the long-term sustainability of public finances.

Under the Stability and Growth Pact, ECOFIN decided that an excessive deficit exists in the Netherlands. The Council issued a recommendation calling on the Netherlands to implement corrective measures.

The Status Report on Information Requirements in EMU was endorsed. It examined the status of implementation of the EMU statistics action plan to provide reliable statistics. The statistics are central to the economic analysis required to ensure the sound management of the euro.

ECOFIN noted with satisfaction that agreement in principle was reached with the dependent and associated territories and with Andorra, Liechtenstein, Monaco, San Marino and Switzer-

land on the necessary arrangements to enable the savings tax directive to be applied. Following subsequent discussions, and the associated agreements with these third countries and territories, it was unanimously agreed at official level that its application date would be 1 July 2005. It is expected that the accord on the application date will be endorsed by the Council on 28 June.

The Council also agreed conclusions for the report on financial integration produced by the financial services committee. It also noted a number of related reports on the promotion of the EU internal market in financial services.

The meeting heard reports on negotiations on adopting new International Accounting Standards Nos. 32 and 39. It also heard from Commissioner Bolkestein on the latest developments in the EU-US financial services regulatory dialogue.

Over lunch Ministers discussed the future financing of the EU post-2006 and the price of oil. We took the opportunity to call on oil producers to provide increased supplies to keep oil prices consistent with stable, sustained growth in the world economy.

As I indicated already, the meeting made good progress and was very satisfactory from the Irish Presidency's point of view.

Tax Code.

14. **Mr. Cuffe** asked the Minister for Finance the reason value added tax does not apply to fruit, but does apply to the juices of fruit. [18707/04]

Minister for Finance (Mr. McCreevy): A zero rate of VAT applies to fruit, as with most food. The standard 21% rate of VAT applies to all fruit juices, bottled water and soft drinks. Fruit juices were standard rated with effect from November 1992. The change was made to correct a competitive anomaly, as fruit juices and bottled water were zero rated while similar competing products such as soft drinks were standard rated. The change in the VAT treatment coincided with the removal of excise duty from bottled water in November 1992.

Revenue Investigations.

15. **Ms O'Sullivan** asked the Minister for Finance the progress made to date by the offshore assets group of the Revenue Commission in its investigations into the use, for the purposes of tax evasion, of offshore bank accounts and trusts by Irish residents; and the total amount of such funds identified so far; the total amount of tax collected in respect of these accounts. [18601/04]

52. **Mr. O'Shea** asked the Minister for Finance the response received to date by the Revenue Commissioners to the letters sent by ten top banks to around 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. [18599/04]

Minister for Finance (Mr. McCreevy): I propose to take Questions Nos. 15 and 52 together.

Revenue initiated its investigations into the use of offshore accounts and other financial investments during 2003. The initial phase involved the customers of two institutions. Last December the chairman of the Revenue Commissioners initiated a series of meetings with the chief executives of ten financial institutions with offshore subsidiaries or branches, seeking their co-operation on a wider investigation of offshore related tax evasion. It resulted in the institutions concerned writing to their customers advising them of Revenue's proposed investigation and of the opportunity to make a disclosure before the formal investigation began. A deadline of 29 March was set for individuals to give a notice of intention to make a disclosure and a further 60 days to make the actual disclosure and the payment. The 60 day deadline was later extended to 10 June.

I am advised by Revenue that precise figures are not available on the number of letters that were issued from the financial institutions. It is understood that it was in excess of 100,000. It is not known how many accounts or individuals this actually represents because some individuals had accounts in different banks or in different branches of the same bank. In other instances there was more than one name on the account. At this stage of the investigation it is also clear that some accounts will not give rise to any liabilities.

By 29 March as many as 15,000 taxpayers had notified Revenue of their intent to make a qualifying disclosure. As of 16 June Revenue had received payments of approximately €500 million in respect of about 11,000 of those taxpayers. Others have indicated that their calculations resulted in no additional liability being due. Revenue expects further payments in the coming weeks.

So far €650 million has been collected as a result of this initiative, the earlier investigations involving the customers of two institutions and investigations by the offshore assets group.

Insurance Levy.

16. **Mr. McCormack** asked the Minister for Finance if it is planned to reduce or eliminate the insurance levy. [18680/04]

Minister for Finance (Mr. McCreevy): I have no plans to reduce or eliminate the levy. It formed part of the stamp duty receipts that yielded about €100 million in 2003.

Tax Code.

17. **Mr. Ring** asked the Minister for Finance if he is satisfied with the operation of penalty and interest rules for different categories of tax evasion that were unearthed by the Revenue Commissioners. [18687/04]

Minister for Finance (Mr. McCreevy): I am advised by the Revenue Commissioners that the operation of penalty rules on the different categories of tax evasion is as set out in their code of practice for Revenue auditors. It was updated in August 2002.

Interest is levied on overdue tax in accordance with the relevant provisions of the Taxes Acts. The current rate of interest is 0.0322 % for each day or part of a day from the date when tax becomes due and payable until payment is received. It is equivalent to an annual rate of approximately 11.75%

Civil penalties are generally 100% of the tax underpaid where the taxpayer negligently makes an incorrect return or in the case of fraud, twice the amount of the tax due. The Revenue Commissioners may, at their discretion, mitigate any penalty in accordance with section 1065 of the Taxes Consolidation Act. The section imposes restrictions on the mitigation of penalties for periods within the scope of the 1993 amnesty. Interest due is not mitigated.

The code of practice for Revenue auditors sets out its approach to the mitigation of penalties. The level of mitigation is based on the category of default that gave rise to the penalty. Further mitigation for a prompted or unprompted qualifying disclosure and for co-operation with the audit may also be available.

The penalty regime outlined in the code of practice is being followed in the current investigations into NIB, Ansbacher, bogus non-resident accounts and offshore accounts.

The Revenue powers group made some proposals for the reform of the interest and penalties regime. Last February I published the report. I indicated that I would consider the group's recommendations in the context of the Finance Bill 2005 and allow for a period of public debate and reflection.

OPW Procurement Procedures.

18. **Mr. Stanton** asked the Minister for Finance the lessons that can be learned from the recent report on the Office of Public Work's procurement procedures for the EU Presidency. [18698/04]

25. **Mr. Broughan** asked the Minister for Finance the action he will take arising from the independent review by PricewaterhouseCoopers into procurement procedures used by the OPW in Dublin Castle, particularly the finding that many of the contracts awarded for services for EU meetings during the Irish Presidency breached procurement rules. [18584/04]

Minister of State at the Department of Finance (Mr. Parlon): The findings of the report have raised a number of issues about the OPW's procurement of goods and services.

The nature of the event management work and operations in Dublin Castle and Farmleigh is quite different from that of other OPW units. Difficulties arose primarily because of the special nature of Dublin Castle's operations, particularly for the EU Presidency. I am satisfied that there is no basis to draw any inference from the report. The OPW provides a broad range of services. It conforms to the highest possible standards of fairness, transparency, integrity and value in public procurement and the awarding of contracts. The report acknowledges the special nature of the Dublin Castle operation, particularly in having to respond at short notice to changing circumstances and client requirements. It also acknowledged the high standards of service and facilities necessary for significant and important State events such as the EU Presidency. The report includes a number of recommendations for improvement in procurement procedures at Dublin Castle.

As I have said on previous occasions, I accept the report's findings and I am committed to implementing its recommendations. Work commenced on organising open tender competitions for the supply of audio-visual and simultaneous interpretation services, cleaning, catering and other services in Dublin Castle. The initial steps involve an analysis of the service needs and, in the light of that analysis, the preparation of a detailed specification for the services required. A revised edition of the public procurement guidelines was published in May. A formal open tender process will be conducted, in accordance with the revised guidelines, where expenditure on any service in any year exceeds €50,000 per annum.

An open EU procurement process for audio-visual services will be followed in line with the recommendation in the PricewaterhouseCoopers report. Revised procurement procedures are being prepared for Dublin Castle and its unique operations within the OPW.

Departmental Programmes.

19. **Mr. Crawford** 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. [18670/04]

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 the 1994 capital appraisal guidelines. My Department is drafting revised 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 national development plan-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. In this regard it has engaged in or overseen a number of evaluations since the commencement of the 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, ERI, 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 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. The ERCSC supports the expenditure review process at a strategic level. This includes making recommendations on future reforms to the process.

The future scope for greater co-ordination between the NDP-CSF evaluation unit and the expenditure review process will be kept under review in the context of the implementation of the €33.6 billion, five-year rolling capital envelopes framework which I announced in the 2004 budget and the review of the capital appraisal guidelines.

Procurement Process.

20. **Mr. Gogarty** asked the Minister for Finance if he will review Government procurement rules in view of recent breaches. [18710/04]

Minister for Finance (Mr. McCreevy): Procurement rules, both EU and national, are important and I endorse compliance with them by contracting authorities. Compliance is a matter for the relevant Department or public body in the first instance.

I am satisfied with the current rules. They are constantly monitored and are revised as the need arises. Recently my Department, after considerable work over a long period, published updated guidelines on the procurement of supplies and services by public bodies. They were not the result of recent breaches of the rules. The guidelines were issued after consultation with the

Government's contracts committee, the Competition Authority, purchasing and materials management officials in most State bodies and other participants in the public procurement market. They reflect newly adopted EU directives on public procurement and give clear simple guidance on rules and procedures designed to achieve best value for public money through an open fair competitive tendering process.

Stability and Growth Pact.

21. **Mr. Coveney** asked the Minister for Finance if the Irish Presidency has made progress on reforming the Stability and Growth Pact. [18676/04]

Minister for Finance (Mr. McCreevy): As I have explained previously to the House, Ireland supports it. During Ireland's presidency of the Economic and Financial Affairs Council our priority has been the continued implementation of the pact.

In principle I am in favour of introducing more flexibility into certain aspects of the pact. The general view among my ECOFIN colleagues is that there should be a period of reflection. It would allow us to 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 introduce, in the months ahead, its initiative on improving economic governance in the EU. This will include proposals to improve the workings of the pact. I anticipate that the initiative will contribute to the ongoing deliberations on the matter.

The new constitutional treaty was agreed by the EU Heads of State and Government at last week's meeting of the intergovernmental conference. Certain technical changes *vis-à-vis* the existing treaty were included. It will have the effect of modifying the operation of the pact subject to the ratification of the new treaty.

Under the proposed new treaty provisions, the Commission will be empowered to bring forward a proposal. The Council can only amend a proposal, by a unanimous decision rather than a recommendation, on the existence of an excessive deficit in a member state. A recommendation can be amended by a qualified majority of the Council. The Council's rules for voting on the issue will also be modified to exclude the vote of the member state in question.

In addition, the intergovernmental conference agreed the text of a declaration on the pact. It includes a reaffirmation of its commitment to the provisions of the pact as the framework for the co-ordination of budgetary policies. The conference agrees that member states should use per-

[Mr. McCreevy.]
 ethods of economic recovery actively to consolidate public finances and improve their budgetary positions to create the necessary room to accommodate economic downturns. The declaration also makes it clear that it does not prejudge the future debate on the pact.

Fiscal Policy.

22. **Mr. Naughten** asked the Minister for Finance his plans to introduce new procedures for the presentation of proposals for more meaningful and timely spending and taxation in Dáil Éireann. [18683/04]

Minister for Finance (Mr. McCreevy): The Government's spending proposals are outlined in the two Estimates Volumes. They are presented to Dáil Éireann in accordance with its Standing Orders. I normally present the pre-budget or abridged Estimates volume to Dáil Éireann approximately two weeks before budget day. For the past two years the proposed Estimates have been debated in the Dáil. 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 individual scrutiny and approval by the relevant Oireachtas committee.

The financial statement on budget day outlines the main taxation measures proposed. Their details are contained in the budget book that is distributed to Members on budget day. I presented my first budget, budget 1998, on the first Wednesday in December so that the details were announced before the start of the fiscal year. I have continued the practice for the following six budgets. The budget and Finance Bill debates provide the House with the opportunity to give its views on these measures.

The above detail shows that the spending and tax proposals are presented to the Dáil in a timely manner. In other words, before the start of the fiscal year to which they relate. I have no plans to amend the arrangements.

I would like to update the House on some recent reforms, and ongoing consideration of proposals, to improve the presentation of information on departmental spending on services.

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 unspent Exchequer capital allocations, up to a maximum of 10% of each year's voted capital allocation. The roll-out of the capital envelopes — and the facility to carry-over savings — will mean changes in the presentation to the Dáil of the Estimates in

respect of voted capital spending. The Finance Act 2004 provided for the new carry-over arrangement. Under the new arrangements 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 carry-over 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 were 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. It reflects better the Department's main goals, as set out 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 as pilot Departments. The purpose of the pilot project is to examine ways of improving the links between departmental strategy statements, business planning and resource allocation and performance measurement. The results will be evaluated. 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 to the Committee of Public Accounts. Drafting of the pilot project report commenced and I expect that it will be submitted for consideration in the near future.

Question No. 23 answered with Question No. 8.

EU Insurance Market.

24. **Mr. Hogan** asked the Minister for Finance the action his Department and the Government have taken to promote the creation of a single European insurance market. [18149/04]

Minister for Finance (Mr. McCreevy): Competitiveness is a key priority of the Irish Presidency. In the area of financial services, including insurance, my priority has been to make progress on the completion of the EU financial services action plan.

The plan aims, among other measures, to improve the functioning of the Single Market and benefit insurance policyholders and other consumers of financial services. It does so by removing barriers to cross-border trade in financial ser-

vices and thus increasing the choice available to consumers.

Directives on insurance solvency and insurance mediation have already been approved under the plan. The insurance solvency directive sets new solvency margin requirements for insurance companies. It increases the amount of capital that a company must hold to help meet unexpected events and thus offers increased assurance to policyholders, wherever they are living. The insurance mediation directive makes it easier for intermediaries to operate anywhere in the Single Market, thus increasing the choice of insurance products available to customers and helping to ensure they can trust any associated advice. The Commission can propose new EU legislation. Last April it published a directive to address the current lack of a harmonised reinsurance supervision regime. The different national rules in reinsurance have created uncertainty for direct insurance companies and their policyholders, barriers to trade within the internal market and increased administrative costs.

Achieving a functioning Single Market in the insurance area is a key dimension of the Government's insurance reform programme. It would increase the range of competitively priced insurance products available to Irish consumers.

Question No. 25 answered with Question No. 18.

Question No. 26 answered with Question No. 8.

Tax Code.

27. **Mr. Connaughton** asked the Minister for Finance his views on the desirability of capping the aggregate value of special tax reliefs that can be claimed by a person. [18671/04]

Minister for Finance (Mr. McCreevy): There is no cap on the aggregate value of such tax reliefs. 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 on 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 and hotels are affected by the provision. Buildings under the area based schemes such the urban, rural and town renewal schemes and a range of other schemes such as multi-storey car parks and private hospitals are also affected.

There is a cap of €31,750 on the annual amount that can be claimed against income in general by investors under the business expansion scheme. There is also a cap of €31,750 on the maximum annual amount that can be claimed against income in general in respect of a qualifying film under the scheme of relief for investment in films.

In the case of the 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 Second Stage of the 2004 Finance Bill I mentioned that the special reliefs provide undoubted economic and social benefits. They also narrow the tax base, have a cost and are inevitably used by high earners to reduce their tax bill. A judgment must be made on 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 them, that can be claimed by an individual could undermine the effectiveness of many incentive schemes in providing the economic and social benefits referred to above. I will keep the various tax reliefs under review in the context of annual budgets and Finance Bills.

Tax Harmonisation.

28. **Mr. Allen** asked the Minister for Finance his views on the proposal of the French Finance Minister to harmonise corporation taxes among some member states under enhanced co-operation provision of the EU Treaties. [18685/04]

Minister for Finance (Mr. McCreevy): As I said in my reply to Question No. 68 on 6 May, the Commission issued a communication in 2001 setting out its twin track approach to company taxation. It is 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 has been 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 in the EU and the removal of barriers to cross-border trade and business.

It is now suggested that member states which favour the common consolidated corporate tax base should proceed under enhanced co-operation. Ireland does not favour such a course of action. However, it is a matter for each member state to decide whether to participate in an enhanced co-operation procedure. Ireland does not intend to do so. It has not been established

[Mr. McCreevy.]

that we are in a position of last resort where 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. Recently such rights were confirmed in the EU Constitution agreed by the 25 Heads of Government.

EU Presidency.

29. **Mr. Eamon Ryan** asked the Minister for Finance the reason estimated costs on hosting the EU Presidency far exceeded original estimates. [18713/04]

77. **Mr. Broughan** asked the Minister for Finance the estimated total cost to the Exchequer of Ireland's Presidency of the EU. [18585/04]

Minister for Finance (Mr. McCreevy): I propose to take Questions Nos. 29 and 77 together.

This is the sixth occasion that Ireland has undertaken the EU Presidency. Since the last Irish Presidency in 1996 there has been a significant increase in its workload, notably in the areas of common foreign and security policy and justice and home affairs. Ireland is also the first member state to preside over a further enlarged Union of 25 member states, with the addition of ten member states during our term.

It is a matter for each Minister to manage their Presidency arrangements. During 2003 the Government spent approximately €15.3 million on the additional costs associated with the lead up to our tenure as President. It set aside €60 million to meet the costs arising in 2004. Indications are that, with the exception of costs arising on the Garda and Office of Public Works Votes, expenditure will be broadly in line with the allocation. Expenditure as reported to end May 2004 was around €41 million. The additional costs are mainly attributable to the high level of policing and security work necessitated by the EU Presidency, additional meetings organised during its term and security costs for the major events. The costs will be met from existing resources available to the two Votes in the first instance. It will be some time before the final cost for this year is known as bills continue to be presented.

The costs, such as general staffing, training, accommodation, cultural events, communications and information technology, transport and security, represent once-off expenditure. They were deemed necessary to ensure an efficient and effective discharge of the additional functions and responsibilities arising from Ireland's EU Presidency.

On Ireland's behalf I congratulate all of those involved who have made this a successful and well received EU Presidency.

Questions Nos. 30 and 31 answered with Question No. 8.

Tax Revenue.

32. **Mr. Coveney** asked the Minister for Finance the total value of tax revenue collected from the purchase, registration and use of motor vehicles, distinguishing the amount collected under different tax headings. [18665/04]

Minister for Finance (Mr. McCreevy): The Revenue Commissioners have informed me that the relevant information is the amount of tax revenues collected as VAT, excise and VRT in respect of motor vehicles.

The latest provisional figures for 2003 on the yield of VAT, excise and VRT from various commodities associated with motoring are as follows:

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
Petrol	854
Auto Diesel	703
Auto LPG	0.10
Total	1,557.10

VRT	2003
	€ million
Cars	807
Motor Cycles	3
Car Derived Vans	7
Commercial Vehicles	3
Total	820

The Department of the Environment, Heritage and Local Government has informed me that it collected approximately €680 million in motor tax during 2003.

The estimated VAT yield on toll roads for 2003 is €6 million. VAT returns are not required to be compiled in a manner that identifies the yield

from particular goods and services. The Exchequer also receives an annual fee, known as the gross toll revenue, and it is estimated at €8 million for 2003.

Church Restoration Funding.

33. **Mr. Costello** asked the Minister for Finance the basis on which he agreed to sanction a payment of €1.5 million in public funds for the restoration of College Chapel, Maynooth University; if a formal application for a grant was received; the scrutiny or assessment it was subjected to; and whether the payment was agreed at a meeting between himself and the university's president without civil servants being present. [18586/04]

68. **Mr. Gormley** asked the Minister for Finance the circumstances in which he made €1.5 million available to the National University of Ireland, Maynooth. [18712/04]

Minister for Finance (Mr. McCreevy): I propose to take Questions Nos. 33 and 68 together.

Over the past two years a total of €1.5 million was made available to college for the purpose of renovating its college chapel.

The president of the college made a detailed presentation on the merits of the project during a discussion with me. My decision to recommend to the Dáil in the Estimates that funding should be made available arose from that encounter. There were no civil servants present during the discussion.

Budget Statements by Ministers for Finance have regularly included announcements of relatively small additions to expenditure to support particular groups or projects. They are usually of a once-off or time-limited nature. The funds for the college's project were not provided in the budget but in the Revised Estimates Volumes for 2003 and 2004.

There are a number of recent precedents for payments of this type. For example, the Christchurch Cathedral in Waterford, St. Isidore's College in Rome and the Irish College in Paris.

The work on the chapel involved the renewal and repair of elements of the external roof fabric, stone parapets, rainwater goods and pointing of external stonework plus an additional rainwater drainage run for the south side cloister roof. The Office of Public Works examined the schedule of works and found it satisfactory. It confirmed that the price was competitive and that it represented value for money. It also confirmed that the firm that successfully tendered to carry out the work had a current C2 certificate and all of the necessary insurance.

Question No. 34 answered with Question No. 8.

EU Budget.

35. **Mr. McGinley** asked the Minister for Finance the impact on the net flow of funds between Ireland and the EU if Commission proposals for a

multi-annual framework for the EU budget were adopted; and Ireland's key objective in negotiations surrounding the framework. [18677/04]

Minister for Finance (Mr. McCreevy): Last February the European Commission published its proposals for the framework for the EU budget for the period 2007-13, inclusive. It is known as the financial perspective. The Committee of Permanent Representatives in Brussels is chaired by the Irish Presidency. It was assisted by an *ad hoc* group of experts. It carried out a preliminary examination of the Commission's proposals. The results of the examination were set out in an analytical report that the Irish Presidency submitted to the European Council last week.

The European Council indicated that it considered the report a useful contribution towards clarifying issues and positions and providing feedback to the Commission. The incoming Netherlands Presidency was invited to continue work on the issues identified. The Council stated that the further work should take full account of the range of positions of member states and respect the timeframe envisaged in the Council's multi-annual strategic programme. That programme envisages that the European Council will aim for agreement on principles and guidelines by December with a view to getting political agreement at its meeting in June next year.

At this early stage of the negotiations it would be premature to estimate the impact on Ireland of either the Commission's proposals or alternative scenarios. More detail will be needed to get a clearer picture of their effect on member states. The Commission has yet to publish its detailed legislative proposals and to issue a report on the EU's own resources that will form part of the negotiations.

Detailed, intense and tough negotiations lie ahead over the next year. The impact on the overall flow of funds between Ireland and the EU will essentially be determined both by the contribution that Ireland will make to the budget under whatever EU own resources arrangements prevail after 2006. It will also be determined by our receipts under the Common Agricultural Policy and cohesion or structural policy.

It is clear that Ireland is moving towards becoming a net contributor to the budget and this reflects our substantial prosperity. The timing and extent of the move will depend on the outcome of the negotiations.

Ireland's objective in the negotiations will be to secure the best outcome for us in the context of the most appropriate policies for the enlarged Union. We must ensure there is adequate funding for the already agreed CAP and seek an acceptable and equitable outcome for Ireland on the future cohesion policy. Our approach will also be influenced by our prospective net contributor status and the need to keep our contribution at the level appropriate for the financing of agreed EU policies.

Commission Investigation Powers.

36. **Dr. Upton** asked the Minister for Finance the reason he did not act on the suggestion from the Standards in Public Office Commission to consider amending section 21(4) of the Standards in Public Office Act 2001 to provide it with additional powers of investigation into evidence of compliance with the Tax Acts provided to it by Members of the Houses of the Oireachtas. [18613/04]

Minister for Finance (Mr. McCreevy): As I informed the House in a previous reply, a suggestion was made to me by the Standards in Public Office Commission in December 2003. It wanted consideration to be given to amending section 21(4) of the Standards in Public Office Act 2001. It would enable the commission to conduct additional investigations into evidence of tax compliance provided to it by Members. Such evidence takes the form of a tax clearance certificate and a statutory declaration that must be provided to it by a Member within a certain period.

The suggestion raised a number of issues on the functions of the Revenue Commissioners. One such issue is information obtained in the course of an investigation that may already have been undertaken by Revenue into an individual's tax affairs. In particular, the amendment suggested gave rise to the question of waiving Revenue confidentiality for such tax affairs. Issues also arose in the context of a prosecution for a false statutory declaration. It related to the evidential status of information that may have been obtained by the Revenue Commissioners for the purposes of recovering tax, interest and penalties due.

These considerations may not present insurmountable obstacles to the commission's suggestion. However, they support my view that the need for additional powers of investigation for it under section 21(4) was not established. The Revenue Commissioners have considerable powers to investigate the tax affairs of any person, including Members. They can pursue, as appropriate, the relevant penalties in the case of non-compliance. Any Member in breach of his or her tax obligations or who may have made false tax returns faces the prospect of investigation under the Tax Acts.

On 5 May the Standards in Public Office Commission issued a press statement. It stated that the Committee of Members' Interests of Dáil Éireann had determined, by resolution, that an investigation should be carried out by the Commission pursuant to section 22(2)(5)(b) of the Ethics in Public Office Act 1995, as inserted by Schedule 1 of the Standards in Public Office Act 2001. It would be prudent to await the outcome of the investigation before commenting further.

The Department of Justice, Equality and Law Reform is considering, in consultation with my Department, a separate suggestion by the commission. It wants to amend the Petty Sessions (Ireland) Act 1851 by changing the timescale

whereby a possible offence under section 6 of the Statutory Declarations Act 1938 could be referred to the Director of Public Prosecutions. I await the deliberations of that Department.

Tax Code.

37. **Mr. Noonan** asked the Minister for Finance if he plans to make commitments on the tax code as part of the process of securing a national pay settlement; and the taxation areas in which the social partners have sought changes. [18690/04]

Minister for Finance (Mr. McCreevy): The Government and the parties have recommitted to the provisions on taxation set out under section 3.3 of Sustaining Progress. In concluding the pay agreement for the next 18 months, IBEC and ICTU have impressed on the Government the need to support the agreement with appropriate measures.

Questions Nos. 38 and 39 answered with Question No. 8.

Fiscal Policy.

40. **Mr. Cuffe** asked the Minister for Finance the plans he has to increase public spending in view of the fact that Exchequer returns exceed expectations. [18708/04]

42. **Mr. Durkan** asked the Minister for Finance the degree to which Government expenditure to date in 2004 is in line with targets; and if he will make a statement on the matter. [18634/04]

67. **Mr. Gilmore** asked the Minister for Finance the main features of the Exchequer returns for the first five months 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. [18589/04]

Minister for Finance (Mr. McCreevy): I propose to take Questions Nos. 40, 42 and 67 together.

The full, detailed Exchequer statement is published on my Department's website each month. The Exchequer balance for the first five months of 2004 showed a deficit of €0.5 billion. My Department's budget day forecast is for a deficit of €2.8 billion for the year as a whole. At the end of May there was a current budget surplus of €0.7 billion and a capital budget deficit of €1.2 billion.

At the end of May 2004 — the latest date for which figures are available — tax receipts amounted to €13.3 billion, which is €0.6 billion, or 5%, ahead of the Department's tax profile published in January. The bulk of the excess was due to a better-than-expected performance from income tax, which was €252 million over target and included once-off receipts from special investigations such as the Offshore Assets Group investigation, and capital gains tax, which was €241 million over target. The bulk of the capital

gains tax excess occurred in the first quarter of 2004 with receipts since that time slowing down. This slowdown is expected to continue. Stamp duties and VAT were ahead of profile to the end of May and excise receipts were on target, but corporation tax receipts were behind profile.

Overall net voted spending, at €12.2 billion, was €0.6 billion, or 5.2%, below the Department's spending profile. Both current and capital spending were behind profile, which is a reflection of a range of timing factors. The budget 2004 spending projections for each Department were updated in the 2004 Revised Estimates for Public Services which were published last February. The REV provided €32.9 billion for net voted spending on departmental services in 2004. My expectation is that the overall and departmental spending outturn will be broadly in line with the February target.

I have no plans to increase public spending over the substantial provisions in the 2004 REV and, as I indicated in a reply to a previous question, it is neither practical nor prudent to adjust tax rates between budgets.

Question No. 41 answered with Question No. 8.

Question No. 42 answered with Question No. 40.

Question No. 43 answered with Question No. 8.

Public Representatives' Salaries.

44. **Mr. Boyle** asked the Minister for Finance if consideration is being given to placing a limit on the wages of elected public representatives in receipt of two or more salaries. [18705/04]

Minister for Finance (Mr. McCreevy): The legislation governing the pay of members of the Oireachtas, ministerial and parliamentary office-holders and Irish Members of the European Parliament does not place any restriction on the individuals concerned receiving another salary, either as a public representative or otherwise. I do not propose to introduce any such restriction. However, as the Deputy will be aware, the European Parliament Elections (Amendment) Act 2004 provides for the termination of the dual mandate for a person who is a member of either House of the Oireachtas and the European Parliament with effect from the next general election. Dual membership of either House of the Oireachtas and of a local authority was abolished under the Local Government (No. 2) Act 2003.

EU Presidency.

45. **Mr. Sargent** asked the Minister for Finance if he will report on his involvement during Ireland's Presidency of the European Union. [18716/04]

Minister for Finance (Mr. McCreevy): The Presidency period has been a very busy, but rewarding, period for both my Department and me.

As Minister, the most important role I assumed during the Presidency was that of President of the Council of Economics and Finance Ministers of the EU, ECOFIN and of the Eurogroup, which comprises the 12 Finance Ministers of member states whose currency is the euro. This required drawing up and publishing in advance of the Presidency a policy work programme for the Council and Eurogroup and chairing both the ECOFIN and Eurogroup meetings held each month, January to June, to address this programme. Both the Council and Eurogroup normally meet in Brussels or Luxembourg, with one informal meeting per Presidency period held in the member state that holds the Presidency.

Our informal ECOFIN meeting was held in Punchestown, County Kildare, on 2-4 April. Some 250 delegates and over 300 media personnel attended. Besides the 25 Ministers, including ten representing the countries who at that point were about to join the EU, the participants included the 25 national Central Bank governors, the President of the Commission, Romano Prodi, Commissioners Solbes, Bolkestein and Schreyer, President Trichet of the European Central Bank and President Maystadt of the European Investment Bank. The meeting was one of the largest to take place in Ireland during the Presidency and was regarded as highly successful both on the organisational and policy aspects.

As President of the Council I also represented ECOFIN and put forward its views at important international meetings with our global partners, such as the World Bank, the International Monetary Fund and the Group of Seven, G7, Ministers for Finance. I attended, with the Taoiseach, the European Council meeting of Heads of State or Government in March in Brussels. In addition the Minister of State at my Department, Deputy Parlon, hosted an important meeting of regional Ministers of the EU in Portlaoise, County Laois, on 26-27 February.

Other Presidency events hosted by my Department that required significant logistical preparation were the Asia-Europe Meeting, ASEM, held at Finance Ministers' Deputies level in Cork in March, and the meeting of EU budget officials in Tullamore and the meeting of Directors General for Public Administration in Dublin Castle, both of which were held in May.

The work programme priorities that I set for the ECOFIN for the Presidency can be accessed on the Presidency website at www.eu2004.ie.

Two of the most significant priorities in the programme were the promotion of economic growth and coping with the effects of enlargement. The overall programme could be summarised broadly under the following headings: preparation of ECOFIN Presidency's key issues paper for the spring European Council on the Lisbon

[Mr. McCreevy.]

Agenda to promote the EU economy; examination of member states' stability and convergence programmes under the Stability and Growth Pact; integration of the new member states into the EU's economic policy co-ordination and Lisbon processes; preliminary consideration of the post-2006 financial perspective that determines the medium-term framework for the EU budget, and the future regional policy in the EU; pushing forward with legislation in financial services and other sectors; four Presidency joint initiative on better regulation welcomed by Heads of State and Government at the spring European Council; and certain other areas, most notably the initiative for growth proposed by the Italian Presidency of the second half of 2003. All these elements of the programme were completed successfully.

Apart from these achievements in the ECO-FIN context, my Department and I were heavily involved in the economic aspects of the EU constitutional treaty negotiations successfully concluded by the Taoiseach on behalf of the Irish Presidency at the recent European Council. Our national concerns in the negotiations in regard to taxation, economic governance and EU budget procedures were fully safeguarded in the final agreed text.

My overall assessment would be that, on both the organisational and the policy aspects, the Presidency, in the economic and financial areas represented by my Department and me, has had a very good record of achievement and in this respect has made a significant contribution towards the overall success of the Irish Presidency.

Private Sector Pay.

46. **Mr. Howlin** asked the Minister for Finance if his attention has been drawn to the recent report from the Federation of European Employers showing that pay levels here remain among the lower range in western Europe; the Government's views on the appropriate level of wage increase for private sector workers in the second half of the Sustaining Progress deal; and if he will make a statement on the matter. [13815/04]

Minister for Finance (Mr. McCreevy): The report to which the Deputy refers is Pay in Europe 2004, which was compiled by the Federation of European Employers. This is a very limited survey comparing a small number of job types across a range of countries. I do not believe this is the most reliable indicator of the relative position of Ireland when it comes to wage levels.

Official European Commission statistical data show a very different picture. Compensation per employee in Ireland is almost 10% above the EU15 average in 2004, and over 20% greater than the average for the expanded Union of 25.

This presents a significant challenge for Ireland as we go forward. The competitiveness of the Irish economy is a key factor in our economy's

potential to grow. I am satisfied that the level of pay increases agreed for the second phase of Sustaining Progress will help to safeguard Irish competitiveness over the next 18 months. They should act to bring Ireland closer to the average increase pertaining in the EU as a whole.

Civil Service Promotion Systems.

47. **Mr. P. Breen** 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. [18657/04]

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, including 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 promotions procedures. In particular, 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 the best practice in Ireland and elsewhere, and considered the steps that 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 promotions 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 that 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.

Benchmarking Awards.

48. **Mr. Morgan** asked the Minister for Finance if his attention has been drawn to the incidences in which employers are not paying the benchmarking awards agreed under recent social partnership agreements contrary to the terms of those agreements; if so, the actions he intends to take to ensure employers are complying with terms of the agreements; and if he will make a statement on the matter. [17948/04]

Minister for Finance (Mr. McCreevy): The benchmarking increases are being paid by public service employers to public service employees on foot of the agreement encompassed by the national partnership programme — Sustaining Progress — and in accordance with the recommendations of the Public Service Benchmarking Body. Provision for the payment of the increases, which is subject to certain conditions, is contained in section 19 of the Sustaining Progress agreement. This section of the agreement deals with public service pay only.

I am not aware of any public service agency which has not made the payments due to staff entitled to receive the increases where the staff have fully complied with the provisions of Sustaining Progress.

I understand that some private sector companies who are grant aided by the Exchequer have received claims for benchmarking-related increases from their staff. The question as to how these claims should be managed is a matter for the companies themselves.

Question No. 49 answered with Question No. 8.

Equal Opportunities.

50. **Mr. Sargent** asked the Minister for Finance his views on the theory that inequality is good for the economy. [18717/04]

Minister for Finance (Mr. McCreevy): It is important not to confuse inequality with equal opportunity. During my term as Minister for Finance, providing equal opportunity of access to the labour market and incentivising employment has been my priority. I have consistently implemented policies designed to reduce inequality in incomes, increase living standards and tackle poverty throughout Ireland. The significant changes I have made in the income tax system, such as the standard rating of tax credits and putting the standard rate band on a per person basis, are testament to my commitment to equality of opportunity. In the seven years I have been Minister for Finance, I have exempted 90% of the national minimum wage from income tax while more than 35% of income earners are now exempt from income tax. The huge increase in the numbers in employment proves that this Government has succeeded in providing equal opportunities in the labour market for those who are willing and able to work.

The Government has also protected and enhanced the position of people in receipt of a social welfare payments. Since 1997, the rate of the old-age contributory pension has increased by almost 70%, which is well in excess of inflation over the period. All other social welfare rates have also significantly increased in real terms since 1997.

Question No. 51 answered with Question No. 9.

Question No. 52 answered with Question No. 15.

Question No. 53 resubmitted.

Tax Collection.

54. **Mr. Penrose** 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 if he will make a statement on the matter. [18605/04]

Minister for Finance (Mr. McCreevy): I established the Revenue Powers Group, chaired by Mr. Justice Frank Murphy, to examine Revenue's main statutory powers and report to me on changes needed. As I have pointed out to Deputies in my response to several parliamentary questions 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 group's report deals. I published the group's report on 4 February 2004 to facilitate this process. With one important exception, I did not implement any of the group's recommendations in the Finance Act 2004. This exception involved a power to allow Revenue to access information held by a non-resident entity over which a domestic financial institution has control, a matter which would have arisen anyway. However, I will review all of the group's recommendations for next year's Finance Bill. In the circumstances, I remain of the view that it is not appropriate to comment now on individual recommendations.

Question No. 55 answered with Question No. 8.

Tax Code.

56. **Mr. J. Bruton** asked the Minister for Finance the action he has taken on the views expressed by the Comptroller and Auditor General in his 2003 report on his Department's failure to calculate the cost of many tax incentive schemes and tax expenditure. [18559/04]

Minister for Finance (Mr. McCreevy): As the Deputy may be aware, in general it is the Office of the Revenue Commissioners which is the main source of information, statistics and data on tax incentives and expenditures. However, Revenue's

[Mr. McCreevy.]

primary function is founded on the administration of the tax system and the collection of tax. The collection of statistical information flows from that primary function. The trend to simplify returns made by taxpayers has meant that some tax reliefs are returned in aggregate form. The result is that total costs of the individual reliefs concerned cannot always be readily identified. For example, capital allowances are treated in this way. On the other hand, where information in relation to individual reliefs is provided separately on the tax returns form, it can be captured electronically and may be examined centrally by Revenue. An example of this is the data relating to the artists' exemption where virtually all the information relating to numbers of claimants and the amounts exempted from tax can be obtained.

I am of the view 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 also conscious that capturing additional information on tax return forms must be considered in the context of not over-burdening compliant taxpayers. On foot of this work, 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 year's end 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 using ROS can more readily accommodate information data capture. Some changes have already been made in this area. As the Deputy will be aware, I stipulated in the Finance Act 2003 that returns of income must henceforth be made for stallion stud fees and commercially managed woodlands. I do not believe that each and every relief needs to be captured as some of them are on such a small scale that the cost involved would not be commensurate with the value of the information sought. An example is the relief for thalidomide victims or HIV groups. Equally, the manner of capturing information on tax reliefs is not limited to examining return forms. For example, there is no need to seek information on tax returns in relation to the tax exemption for child benefit as the cost involved can readily be estimated from other available data.

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.

Garda Stations.

57. **Mr. Deenihan** asked the Minister for Finance if agreement has been reached on the acquisition of a site for the new Garda station in Castleisland County Kerry; and if he will make a statement on the matter. [18555/04]

Minister of State at the Department of Finance (Mr. Parlon): The Commissioners of Public Works are continuing negotiations to acquire a suitable site in Castleisland for a new Garda station. All going well, they expect to acquire a suitable site in the near future.

Tax Code.

58. **Ms O'Sullivan** 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 tax loophole which allows those who sell off assets here to avoid tax by taking up residence in such countries as Portugal; and if he will make a statement on the matter. [18602/04]

Minister for Finance (Mr. McCreevy): In response to previous parliamentary questions on this 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 in May 2003. I am informed by the Revenue Commissioners that a second round of negotiations took place in Dublin in May 2004. The Revenue Commissioners are still in discussion with the Portuguese authorities and the Deputy will, therefore, appreciate that 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 this 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, prior to becoming taxable elsewhere, where the individual disposes of these assets while resident outside the State and returns to the State within five years. I announced this anti-avoidance measure in my 2003 budget on 4 December 2002 and it had effect from that date.

Public Service Contracts.

59. **Ms Lynch** asked the Minister for Finance the main changes to public sector procurement procedures announced by him on 12 May 2004; and if he will make a statement on the matter. [18587/04]

Minister for Finance (Mr. McCreevy): My recent announcement follows what I said in the

2004 Budget Statement about my intention to introduce significant changes in the areas of public sector contracts for construction and construction-related services. These changes are intended to complement the new rolling multi-annual investment envelopes, which amount to over €30 billion in the period to 2008, and to provide better value for money for the State. The changes will involve the amendment and introduction of new standard forms of construction contracts which will transfer appropriate risks to contractors where they are best placed to manage them. The purpose of this initiative is to help reduce the scale and scope of cost overruns on construction projects and enable public sector bodies to control construction projects more effectively. While there are many causes of cost overruns, this initiative seeks to address an important component which can help improve cost control and facilitate improved budget planning going forward.

Under current arrangements, in many parts of the public sector the bulk of risks are borne and paid for by the public sector body at the end of the contract which can result in a significant difference between the price set for the project at tender award stage and the final price paid by the public body. Under the new approach, contractors will be required to submit competitive tenders where the price — including a cost for the identified risks they intend to manage and control — is tendered for on a lump-sum, fixed-price basis. This contract price should remain firm and fixed for the duration of the project to the greatest extent possible. It is accepted that the risk transfer will carry a cost in terms of higher upfront tender prices but that the final cost of the project should be less than under current contract arrangements.

In the context of construction-related services such as those supplied by architects and engineers, I want to move away from a situation where fees rise as projects costs rise. Some areas of the public service are already making progress in that regard and I would like to see the practice become the norm. It is proposed to introduce greater competition into the procurement process without compromising on quality.

Question No. 60 answered with Question No. 8.

Departmental Property.

61. **Mr. P. Breen** 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.
[18654/04]

Minister for Finance (Mr. McCreevy): First, I would point out that primary responsibility for management and disposal of their assets rests with Government Departments and public bod-

ies. As Accounting Officers, Secretaries General of Departments are personally accountable to the Public Accounts Committee, PAC, for the regularity and propriety of transactions 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 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. 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 Department's 1994 Guidelines on Public Procurement, or Green Book, states 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 this possibility should be investigated before disposal by contacting other likely users.

Department of Finance Circular 30/03 sets out the principles, intended to maximise value for money, which should be applied when disposing of IT equipment. 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. Any items found to have zero market value may be given free to staff, schools, charities etc.

The conditions attaching to the capital envelopes announced in the budget include a requirement on Departments to enter into appropriate contractual arrangements for all grants of public funding to private companies and individuals or community groups to safeguard the State's interest in such assets.

As part of updated procedures for the control and management of expenditure, which included incentives for Departments to improve efficiency and cost-effectiveness, the Government decided in November 2002 that Departments could use the proceeds from the disposal of surplus property to finance high priority capital projects

[Mr. McCreevy.]

within their area of responsibility. The prior approval of my Department is required to any such proposal.

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.

I believe that the guidance and arrangements in relation to the management and disposal of assets which are in place provide sufficient encouragement and advice to Departments and public bodies to enable them to secure maximum value for money in relation to the management and disposal of their assets.

Financial Services Regulation.

62. **Mr. Howlin** asked the Minister for Finance if he has satisfied himself with the current arrangements for the supervision of the credit union in view of ongoing reports of problems and irregularities in a number of credit unions; and if he will make a statement on the matter. [13816/04]

Minister for Finance (Mr. McCreevy): The Credit Union Act 1997 provides the framework for the regulation of credit unions in the interests of their members. To this end, it lays down various restrictions designed to ensure that the savings of members are not put at risk. With the enactment of the Central Bank and Financial Services Authority of Ireland Act 2003 responsibility for statutory supervision of credit unions under the Credit Union Act 1997 passed from the Registrar of Friendly Societies to the Registrar of Credit Unions within the Irish Financial Services Regulatory Authority, IFSRA. The registrar states in IFSRA's recently published progress report that he has initiated a structural reform process to enhance regulatory and inspection activity in relation to credit unions, and that a systematic basis of communication with the representative associations has been agreed. The registrar further explains in the report that a key priority has been the upgrading and strengthening of the

present statutory prudential supervision system by means of off-site supervision with a new quarterly reporting system due to commence soon. In addition a programme of more frequent on-site review meetings with individual credit unions has been embarked upon.

It is a matter for the registrar and IFSRA to ensure that the supervision of credit unions is both appropriate to the type of institution concerned and sufficient to the needs of consumer protection. As Minister, I am open to considering changes in legislation where these seem necessary.

Non-Resident Accounts.

63. **Mr. Quinn** 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 Revenue has reached any determination as to whether these trusts facilitated tax evasion as distinct from tax avoidance; and if he will make a statement on the matter. [18604/04]

Minister for Finance (Mr. McCreevy): I am informed by the Revenue Commissioners that this investigation is still ongoing and that substantial progress has been made. Arising from a voluntary disclosure programme, 254 individuals came forward and made voluntary disclosures. To date in excess of €105 million has been received by the Revenue Commissioners. They now intend to pursue vigorously those individuals who failed to come forward, using all powers available. Criminal prosecution will be considered in these cases subject to obtaining the relevant evidence.

It is clear from some of the disclosures and the amount collected to date that some trusts were used to evade tax.

Capital Allowances Scheme.

64. **Dr. Twomey** asked the Minister for Finance if his Department's attention has been drawn to the new private hospitals being built by investors availing of current tax relief; and his views on the current situation whereby 30% of publicly funded beds are used by privately insured patients who essentially contribute a second time to the funding of these hospitals. [18560/04]

Minister for Finance (Mr. McCreevy): In Finance Act 2001 I provided for a scheme of capital allowances in respect of capital expenditure incurred on the construction or refurbishment of buildings used as private hospitals. This legislation was amended in Finance Act 2002 following consultations with the EU Commission from a state aid perspective. In order to qualify for the allowances, the hospital must have the capacity to afford medical or surgical services all year round. It must provide a minimum of 70 in-pati-

ent beds, out-patient services, operating theatres and on-site diagnostic and therapeutic services and have facilities to provide at least five specialist services, ranging from accident and emergency to oncology and cardiology etc. While the hospital will provide services to those patients with private health insurance, 20% of the bed capacity must be available for public patients, and the hospital must provide a discount of at least 10% to the State in respect of the fees to be charged in respect of the treatment of public patients. Fulfilment of the above criteria will, in the main, be certified by the local area health board.

The capital allowances regime provides for a seven year write-off period. Allowances of 15% a year are available for the first six years with the balance of 10% being written off in year seven. The allowances will be subject to a clawback if the building ceases to be a qualifying hospital within ten years. The allowances are subject to the usual €31,750 limit per annum on the amount of capital allowances which an individual passive investor can set against non-rental income.

The implementation of the legislation in relation to private hospital developments is a matter for the local health board and the Revenue Commissioners in the first instance. However, I understand from the Department of Health and Children that it is aware of a number of proposals to develop private health care facilities which are at various stages of planning and development, and which may come within the provisions of the relevant legislation.

In relation to public hospitals, all persons irrespective of income are entitled to in-patient treatment, subject to certain statutory charges. As a matter of choice, certain persons also avail of the option to buy private health insurance which, depending on the nature of cover purchased, entitles them to treatment in either private beds in public hospitals or in private hospitals.

The provision of private care in public acute hospitals has been a long standing feature of the Irish health care system. The 1999 White Paper on Private Health Insurance set out the advantages of allowing private practice on public hospital sites, as follows: it helps to ensure that medical and other staff of the highest calibre continue to be attracted into and retained in the public service; it promotes the efficient use of consultant's time by having public and private patients on the one site; it represents an additional income stream to the public hospital system; and it allows patients to avail of private health care when admitted as emergencies to public hospitals.

The consultants' common contract includes a provision to allow consultants treat private patients in public hospitals and in private hospitals. Beds in public hospitals are designated

public or private. On average 20% of the beds in public hospitals are designated as private beds.

The key policy challenge is to ensure that a fair balance is achieved and that patients dependent on the public system are not disadvantaged. Policy responsibility in that regard rests with my colleague, the Minister for Health and Children.

Revenue Investigations.

65. **Mr. Sherlock** 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 where 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. [18610/04]

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 relation to 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 and 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 the Revenue Commissioners are facing a long programme of investigations they 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 €302 million have

[Mr. McCreevy.]
made to Revenue by taxpayers who held bogus non-resident accounts.

Tax Compliance.

66. **Ms Shortall** asked the Minister for Finance the progress made to date by the large cases division established within the Revenue Commissioners; and if he will make a statement on the matter. [18600/04]

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 advisers.

Contact persons have been assigned to all 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 adviser'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.

Question No. 67 answered with Question No. 40.

Question No. 68 answered with Question No. 33.

Freedom of Information.

69. **Mr. Gilmore** asked the Minister for Finance if, in view of the huge decrease in the number of applications received under the Freedom of Information Act 1997 and in the number of cases where decisions made by a Department are processed to internal appeal, he will review the restrictions imposed by the Freedom of Information (Amendment) Act 2003; and if he will make a statement on the matter. [18588/04]

Minister for Finance (Mr. McCreevy): I have no plans to review the Freedom of Information (Amendment) Act 2003. These amendments were focused on key provisions of the Act relating to sensitive areas of Government activity and followed careful consideration of the operation of the legislation by the high level group of Secretaries General.

A number of amendments, particularly those relating to up-front fees, were intended to strike a better balance between the cost of administering freedom of information requests and the need to continue to allow people have access to information. I am satisfied that a better balance has been struck and that a greater appreciation of the service provided by public bodies and more considered and responsible use of the Act has resulted.

Question No. 70 answered with Question No. 9.

Tax Yield.

71. **Mr. Durkan** asked the Minister for Finance the extent to which VAT, stamp duty and CAT receipts to date in 2004 are in line with targets; and if he will make a statement on the matter. [18633/04]

Minister for Finance (Mr. McCreevy): The position at end May 2004 is that Exchequer tax receipts in respect of VAT amounted to €4,921 million. This is €85 million, or 1.8%, ahead of the target to end-May outlined in the profile of expected Exchequer tax receipts in 2004 published by my Department at end-January 2004. Stamp duty receipts amounted to €720 million at end-May which is €66 million, or 10.1%, ahead of

target. CAT receipts were €67 million at end-May which is €5 million, or 8.1%, ahead of profile.

Capital Projects Funding.

72. **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 PPPs; and if he will make a statement on the matter. [18614/04]

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 under 18 months ago, that it has completed or substantially completed its input on nine major infrastructure projects with a combined value of over €1 billion. All nine projects have been approved. Three of these projects are PPPs involving private finance of about €660 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 partnerships 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.

Question No. 73 resubmitted.

Question No. 74 answered with Question No. 9.

Non-Resident Accounts.

75. **Mr. Penrose** 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; and if he will make a statement on the matter. [18603/04]

Minister for Finance (Mr. McCreevy): In response to a question on 6 May 2004, 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. I also stated that a second round of negotiations took place on 7 April 2004. Further discussions are planned but as yet no definite dates have been fixed. As the Deputy will appreciate, it is not possible at this stage of the negotiations to comment further on their likely outcome.

Tax Code.

76. **Mr. J. O’Keeffe** asked the Minister for Finance if he will exempt charities from VAT and other taxes or reimburse them directly the amounts involved. [18556/04]

Minister for Finance (Mr. McCreevy): I should explain that charities and non-profit groups are exempt from VAT under the EU Sixth VAT Directive. This means that they do not charge VAT on their services and cannot recover VAT incurred on goods and services that they purchase. Essentially only VAT-registered businesses which charge VAT are able to recover VAT. Nor have I any plans, in the circumstances, to provide for reimbursement. The cost of such a refund would be expensive and could not be justified in view of the considerable and generous tax reliefs and other Exchequer funding already provided to the charitable sector.

The tax code currently provides exemption for charities from income tax, corporation tax, capital gains tax, deposit interest retention tax, capital acquisitions tax, stamp duty, probate tax and dividend withholding tax. In the Finance Act 2001, I provided for a new scheme of tax relief for donations to charities. This is a generous scheme which, I understand, has already been of significant benefit to the charitable sector.

Question No. 77 answered with Question No. 29.

Motor Fuels.

78. **Ms Burton** asked the Minister for Finance if he intends to conduct any review of the excise duties or VAT rates levied on petrol and diesel, especially in view of the substantial hike in prices over recent months; if he has an estimate of the likely additional amount that will accrue to the

[Ms Burton.]

Exchequer as a result of recent price increases; and if he will make a statement on the matter.

[18583/04]

Minister for Finance (Mr. McCreevy): As the Deputy will be aware, changes in taxation are made in the context of the annual budget and, accordingly, any requests made regarding changes in tax rates are considered in the period leading up to the budget. The Deputy will appreciate that it is neither practical nor prudent to adjust tax rates between budgets, and especially in response to what may prove to be a short-term problem.

The tax content on petrol and diesel is made up of two elements, the excise content and the VAT content. The excise content of a litre of petrol, or diesel, does not fluctuate with price changes.

The standard VAT rate of 21% is applicable to both petrol and diesel. VAT is charged on the total consideration for the goods supplied. Therefore, an increase in price will result in an increase in the Exchequer yield, mainly from petrol. This is because businesses can recover VAT on diesel and any change to the price does not impact on their VAT liability. However, VAT returns are not required to be compiled in a manner which identifies the yield from particular goods and services. It is not possible therefore to estimate with any accuracy any additional VAT which may accrue to the Exchequer.

It should be noted that Ireland's current excise rates remain well below those of many of our main EU trading partners while the rate for diesel is at the EU average for these member states.

Tax Code.

79. **Ms B. Moynihan-Cronin** asked the Minister for Finance the progress made to date with regard to 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.

[18596/04]

Minister for Finance (Mr. McCreevy): An Agreed Programme for Government states that over the next five years our priorities 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. I should also point out that 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 things, 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 Irish economy.

The current national partnership agreement, Sustaining Progress, contains a commitment in generally similar terms. The statutory minimum wage is an average hourly rate of gross pay for an employee as defined under the National Minimum Wage Act 2000. The wage currently stands at €7 per hour having been increased on 1 February 2004 from the previous amount of €6.35 per hour. The annualised equivalent of the present minimum wage is just under €14,200.

I would remind the Deputy that it was the current Government parties who legislated for the introduction of the statutory minimum wage which came into effect in April 2000. At that time less than 64% of the annualised figure of €11,330, £8,923, was exempt from taxation. In the 2002 budget, 90% of the minimum wage became exempt from tax and this position has been maintained in the 2003 and 2004 budgets even though the minimum wage has increased twice in the intervening period. Currently, the position is that a single PAYE person may earn up to €12,800 — 90% of €14,200 — without paying tax.

In my reply to a question from Deputy Costello on 6 May 2004, I indicated that the question of when those earning an amount equivalent to the statutory minimum wage annualised will not be liable for income tax is a matter for consideration in the context of annual budgets over the next number of years consistent with the Government's overall economic and budgetary strategy and with the Government's commitments in An Agreed Programme for Government and Sustaining Progress. That remains my position.

Question No. 80 answered with Question No. 8.

Revenue Investigations.

81. **Mr. Quinn** asked the Minister for Finance the number of breaches detected of the Waiver of Certain Tax, Interest and Penalties Act 1993 in respect of each year since 1994; the number of prosecutions initiated and convictions secured arising from such detections; if he is satisfied that the law is being applied in the manner intended by the Oireachtas; and if he will make a statement on the matter. [18606/04]

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 false declaration or, second, in not making a declaration. I am informed that Revenue do not have figures for the number of detected breaches of the amnesty. Because of 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 applied in the manner intended by the legislation as passed by the Houses of the Oireachtas.

Defence Forces Security Operations.

82. **Aengus Ó Snodaigh** asked the Minister for Defence the cost to the State of the Defence Forces security operations in relation to the upcoming US Presidential visit. [18888/04]

Minister for Defence (Mr. M. Smith): The Garda Síochána has the primary responsibility for law and order, including the protection of the internal security of the State. Among the roles assigned to the Defence Forces is the provision of aid to the civil power, meaning in practice to assist, when requested, the Garda Síochána, which duties include the protection and guarding of vital installations, the provision of certain security escorts etc.

In relation to the forthcoming US presidential visit, the Defence Forces will render such assistance as it deemed necessary and appropriate when requested by the Garda. The level and demand for Defence Forces assistance depends on ongoing security assessments undertaken by the Garda. As the planning for this event is in its final stages and as the level of security can vary over time and depending on the circumstances pertaining, it is not possible, at this stage, to quantify the costs to the State which may arise in respect of security duties undertaken by the Defence Forces during the US presidential visit this week.

Garda Security Escorts.

83. **Mr. Durkan** asked the Minister for Defence the costs incurred by the exchequer in connection with security provided for banks and other lead-

ing institutions in each of the past five years; and if he will make a statement on the matter.

[19146/04]

Minister for Defence (Mr. M. Smith): To aid the civil power — meaning in practice to assist, when requested, the Garda Síochána who have the primary responsibility for law and order, including the protection of the internal security of the State — is among the roles assigned to the Defence Forces. In this regard, the Defence Forces assist the Garda as required in duties, which include escorting cash deliveries to banks, post offices and other institutions.

The number of requests for cash escorts received by the military authorities from the Garda Síochána for the years 1999 to 2003 was as follows:

1999	2000	2001	2002	2003
2,161	2,285	2,488	2,516	2,335

The total cost in respect of the provisions by the Defence Forces of assistance to the Garda Síochána in protecting movements of cash for the years 1999-2003, including pay, allowances, transport, aerial surveillance and administration charge, was as follows:

1999	2000	2001	2002	2003
€5.68 m	€5.99 m	€6.58 m	€6.87 m	€6.64 m

Part of these costs is recouped from the banks through an annual contribution. A sum of €2.86 million has been refunded by the banks to my Department each year since 1995. The contribution from the banks is designed to part cover the total costs to the State of providing cash escorts. An annual contribution is also made to the Department of Justice, Equality and Law Reform in respect of the Garda Síochána. However, I can say in the case of the Defence forces, that the contribution by the banks has generally covered the non-pay costs of providing such escorts. The matter is reviewed on an ongoing basis in my Department.

Grant Payments.

84. **Mr. Ring** asked the Minister for Agriculture and Food the reason a person (details supplied) in County Mayo was awarded extensification premium on three animals, when he expected to be paid on 27 animals. [18750/04]

Minister for Agriculture and Food (Mr. Walsh): On 11 June 2004, a payable order for €240 issued to the person named representing his full entitlement to 2003 extensification premium in respect of the three animals that had already qualified for payment of 2003 special beef premium on his holding.

[Mr. Walsh.]

He did not apply for any other animals under the 2003 special beef premium scheme. Also, he did not lodge an application under the 2003 suckler cow premium scheme. Accordingly, he has been paid his full entitlement of 2003 extensification premium.

85. **Mr. Ring** asked the Minister for Agriculture and Food the reason a person (details supplied) in County Mayo has been paid slaughter premium on three animals, when he expected to be paid on nine animals. [18751/04]

Minister for Agriculture and Food (Mr. Walsh): Under the 2003 EU slaughter premium scheme, four animals were deemed eligible under the herd number of the person named. Full payment has issued on these animals.

The person named contacted my Department regarding four animals which had been slaughtered under the herd number of the deceased brother of the person named. My Department wrote to the person named advising that CMMS records for these animals did not deem them eligible for slaughter premium to the person named. These records have now been amended to reflect eligibility to the person named and accordingly payment will issue shortly.

86. **Mr. Crawford** asked the Minister for Agriculture and Food when the extensification grant will be awarded in full or in part to a person (details supplied) in County Monaghan; his views on whether it is fair to hold money from a full-time livestock farmer who is depending on this money to meet his bills; and if he will make a statement on the matter. [18752/04]

Minister for Agriculture and Food (Mr. Walsh): The person named was prosecuted by the Northern Regional Fisheries Board under section 171 of the Fisheries Act 1959, as amended, for alleged pollution of a river. The case was heard on 1 April 2004 and the facts were found proven. On payment of €2,517.19 costs and €2,200 contribution towards rehabilitating and restocking the stretch of the river affected, the case was dismissed on 6 May 2004 pursuant to the Probation of Offenders Act 1907.

My Department is obliged under EU regulations to ensure that farmers in receipt of direct aid follow good farming practices and in certain cases to penalise farmers found in breach of regulations. The payment of extensification premium to the person named was held pending clarification of the court's ruling. It has now been decided to pay the extensification premium of €5,680 in full and payment will issue shortly.

Animal Remedies Regulations.

87. **Dr. Upton** asked the Minister for Agriculture and Food if his attention has been drawn

to the outcome of a District Court case (details supplied); the implications of this decision for the enforcement of the Animal Remedies Regulations 1996 and other relevant legislation; and if he will make a statement on the matter.

[18807/04]

Minister for Agriculture and Food (Mr. Walsh): The case in question involves a criminal prosecution in the District Court which has not concluded. The District Court judge has referred a question of law to the High Court by way of a case stated and the matter will return to the District Court when the High Court has given its ruling. The State will strenuously contest the arguments raised by the defendant against the regime in the High Court. In the interim, normal inspection etc. activity by my Department will continue.

88. **Dr. Upton** asked the Minister for Agriculture and Food the reasons for proposing changes to the Animal Remedies Regulations 1996; the implications of his proposals if implemented including the implications for the ready availability and costs of such products from a farmer's perspective and the health and safety risks of allowing for the first time licensed merchants and others to dispense these remedies on foot of prescriptions; and the timeframe within which he hopes to complete his consultations on the issue and make the revised regulations.

[18808/04]

Minister for Agriculture and Food (Mr. Walsh): In the almost ten years during which the Animal Remedies Regulations 1996 have been in force, there have been a range of developments impacting both directly and indirectly on the control regime for veterinary medicines. Prominent among these have been improvements in the regulation of the veterinary medicines market through the licensing regimes operated by the Irish Medicines Board and my Department, as well as improvements in the areas of residue surveillance and animal identification. My Department, through its inspection and enforcement activities, has also gained valuable experience in the operation of the legislation, which while mainly positive, also revealed scope for improvements particularly in the areas of traceability and record-keeping.

In reviewing the regulations, I had to take into account the tendency for an increasing range of veterinary medicines to come under prescription control, including the recommendation to this effect from the Irish Medicines Board in regard to intramammary veterinary medicines. In addition, my Department had been made aware of the negative effects, particularly in the area of animal welfare, resulting from certain inflexibilities in the current national prescribing rules which have been among the strictest in the EU.

Against this background, I announced in mid-February my intention to make certain changes to the national control regime to make it more effective and relevant to the current climate. I would stress that paramount among my concerns in this regard is the protection of public health. These changes include amendments to prescribing rules to enable veterinary practitioners to exercise an appropriate degree of professional judgment, improvements in record-keeping, transfer of certain licensing functions to the IMB as well as certain changes to distribution arrangements referred to by the Deputy.

In regard to this latter aspect, it is important to stress in the first instance that the decision on the use of any prescription medicine, or on the particular product to be used, would continue to be reserved to the professional judgment of a veterinary practitioner, who, for the first time, would be required to issue a written prescription in all cases. I have proposed that retail outlets licensed under the regulations would for the first time be allowed to supply a limited range of prescription medicines on foot of a written prescription. However, where I am satisfied that there is a need for the supply of particular categories of prescription veterinary medicines to continue to be reserved to pharmacies and veterinary practitioners, these restrictions will remain.

The proposed changes will make for a more balanced control regime appropriate to current circumstances and will provide a basis for a greater degree of price competition in the supply of medicines while retaining the essential control elements. Following detailed briefings given by my Department to stakeholders following my announcement, submissions were received as well as requests for follow-up meetings. I am anxious to conclude this process at the earliest possible date so that the revised legislation can be in place by the autumn of this year.

Grant Payments.

89. **Mr. Ring** asked the Minister for Agriculture and Food the reason a person (details supplied) in County Mayo has not received beef premium payment. [18847/04]

Minister for Agriculture and Food (Mr. Walsh): The person named submitted two applications under the 2003 special beef premium scheme: one on 12 August 2003, in respect of 13 animals and one on 31 December 2003, in respect of eight animals. The 80% advance in respect of the first application has issued. However, as the herd of the person named was the subject of a field inspection, further payments were withheld pending the outcome of this inspection. The details of this inspection have now been updated on the Department's computer system and all outstanding payments will issue shortly.

Extensification Premium.

90. **Mr. Timmins** asked the Minister for Agriculture and Food the position with regard to a person (details supplied) in County Wicklow who is waiting to be paid extensification payment for 2003; if this will be paid as a matter of urgency; and if he will make a statement on the matter. [18872/04]

Minister for Agriculture and Food (Mr. Walsh): The person named declared a forage area of 38.36 hectares on his 2003 area aid application. An administrative check of the application has, however, found a forage area of 37.25 hectares. This area was used to calculate his livestock premia grants.

Under revised EU regulations in place since 1 January 2002, penalties are not applied to extensification premium in cases where the forage area is found to have been over-declared, unless the area over-declared gives the herdowner a more favourable payment position than would be the case had the over-declaration not been discovered.

When the stocking density of the holding of the person named was calculated using the declared area, it was found to be 1.3933 livestock units per hectare. When it was recalculated using the found area, it increased to 1.441 livestock units per hectare. In normal circumstances, where the stocking density of a holding is less than 1.4 livestock units per hectare, extensification premium is payable at the rate of €80 per qualifying animal. Again, in normal circumstances, where it is between 1.4 and 1.8 livestock units per hectare, the premium is payable at the rate of €40 per qualifying animal.

In this case the person named would have obtained a higher extensification premium had the over-declaration not been discovered. Accordingly, he is subject to an administrative fine of €20 per animal and will qualify for payment at the rate of €20 per animal.

The person named is being notified of the position in writing within the coming days and he can expect a payable order for € 1,180 shortly representing his full 2003 extensification premium entitlement on his 59 qualifying animals.

Tax Clearance Certificates.

91. **Mr. Eamon Ryan** asked the Minister for Finance when it is proposed that applicants for appointment to State agencies be asked to supply tax clearance certificates. [18715/04]

Minister for Finance (Mr. McCreevy): The Minister for Communications, Marine and Natural Resources wrote to me proposing the introduction of a requirement whereby all those appointed or re-appointed to positions of director in the State bodies under the aegis of his Department would be required to produce a valid tax clearance certificate from the Revenue Com-

[Mr. McCreevy.]

missioners. An inter-departmental committee chaired by my Department was set up to consider this proposal, given that it would have implications for semi-State bodies other than those under the Department of Communications, Marine and Natural Resources. The inter-departmental committee has had a number of meetings and a report on the proposal is expected imminently. I will consider the matter further based on the content and recommendations of the report.

Consumer Price Index.

92. **Mr. Durkan** asked the Minister for Finance the steps he has taken to combat those cost of living price rises not reflected in the CPI; if he has identified the major contributory factors; his plans for the future in this regard; and if he will make a statement on the matter. [18096/04]

Minister for Finance (Mr. McCreevy): 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 CPI is designed to measure the change in the average level of the prices paid by consumers for goods and services. It measures in index form the monthly changes in the cost of purchasing a representative basket of consumer goods and services. The latest CPI release shows inflation in May was 1.7%, down from a high last year of 5.1% in February 2003. The moderation in inflation is a very welcome development.

Computerisation Programme.

93. **Mr. Boyle** asked the Minister for Finance the reason the Government has chosen not to make use of open source computer software. [13427/04]

Minister for Finance (Mr. McCreevy): It is not true to say that the Government has chosen not to make use of open source computer software. Indeed, the public service has recognised the importance of open source software, OSS, and the potential it offers for some considerable time. Consequently, OSS is used quite widely and wherever it makes operational and economic sense in Departments and offices in areas such as operating systems, interoperability middleware, mail routing, firewalls, domain name services, directory services, editing, content management, databases, web serving, application serving, web scripting, caching and proxies.

The public sector operates a procurement policy that facilitates open competition, best value for money and best technological fit to requirements in keeping with public procurement law. Within that approach, different products are evaluated on their merits, including openness in

terms of future procurement and where possible, avoidance of lock-in to a particular supplier. Accordingly, an open view is taken which in practice tends to follow standards emerging from the market. These open standards are critically important to facilitate interconnection of computer systems and exchange of data and information across these systems. Consequently, with respect to the costs of software, consideration is given to the total cost of ownership, which in addition to the licensing element, also includes the issues and costs associated with development and customisation, deployment, warranties and maintenance, performance, security and reliability, management and support, upgrades, training and skills development, and adherence to and support of open standards. In keeping with this, my Department is engaged in ongoing OSS research to enable it to judge the value of new opportunities as they arise in this area.

Peace Demonstration.

94. **Mr. Gormley** asked the Minister for Finance the legal basis for refusing permission to an organisation (details supplied) for a peace picnic in the Phoenix Park on 26 June 2004; and if he will make a statement on the matter. [18729/04]

Minister of State at the Department of Finance (Mr. Parlon): Following on firm assurances given by the organisation, permission has been granted for a peace picnic in the Phoenix Park on 26 June 2004.

Responsibility for the management of the Phoenix Park recently transferred to the Office of Public Works. Management policy is to ensure that all events are properly organised and stewarded and will not unduly interfere with the enjoyment of the facilities by the general public.

Question No. 95 answered with Question No. 8.

Tax Yield.

96. **Mr. Durkan** asked the Minister for Finance the total receipts of corporation tax for the past 12 months and for the previous 12 month period; and if he will make a statement on the matter. [18874/04]

Minister for Finance (Mr. McCreevy): Corporation tax receipts in the past 12 months, June 2003 to end-May 2004, totalled €5,167 million. This is an increase of €76 million or 1.5% over the total of €5,091 million collected in the 12 month period June 2002 to end-May 2003.

Question No. 97 answered with Question No. 8.

Competitiveness Policy.

98. **Mr. Durkan** asked the Minister for Finance

the way in which he sees Ireland competing with low wage economies in the future; and if he will make a statement on the matter. [18876/04]

Minister for Finance (Mr. McCreevy): As indicated in Sustaining Progress, renewing competitiveness is central to the overall macroeconomic policy of sustaining non-inflationary economic growth and high levels of employment and is being dealt with under a broad range of policy headings. These include among others fiscal policy, income developments, competition and regulatory frameworks, infrastructure and labour market policies and the maintenance of conditions in which investment and enterprise can flourish.

As a small, open economy which is highly integrated into the global economy through our strong trade and investment links, economic conditions in Ireland are largely determined by our ability to supply goods and services to our main trading partners. It is vital in this context that wage and cost developments evolve in line with the agreed terms of Sustaining Progress.

The sound policies that built international recognition for our competitiveness and business capability have seen us through recent difficult global economic events. Ireland is, however, no longer a lower cost location for investment and the factors that have helped to make us one of the most dynamic economies in the world are becoming less relevant in the current international environment.

In order to ensure that our enterprise policies meet the needs of the economy in the medium term, my colleague, the Tánaiste, Deputy Mary Harney, established the enterprise strategy group last year. The group was mandated to chart Ireland's enterprise strategy over the next decade and to ensure that we remain the dynamic economy we are today. Under its terms of reference, the group is to develop a medium-term enterprise strategy and propose and prioritise national policy responses, taking into account Ireland's increased prosperity and changing cost and competitiveness base, future trends in demography, regulatory environment, and our physical research and development and technological infrastructures.

The group will also take account of long-term trends in globalisation, EU enlargement and the pervasive influence of technology underpinning our future. It is considering how to support industries of the future where Ireland is or can become a substantial player, with particular reference to segments of the ICT area, life sciences, food, financial services and internationally traded services sectors. The scope for new business promotion and generating more intensive entrepreneurial activity is also high on the group's terms of reference. The group has been asked to report by the middle of the year.

Tax Yield.

99. **Mr. Durkan** asked the Minister for Finance the extent to which revenues for the first six months of 2004 are in excess of expectations; and if he will make a statement on the matter. [18877/04]

Minister for Finance (Mr. McCreevy): Exchequer tax receipts, which are available for the period to end-May 2004, amounted to €13,251 million. This was €632 million or 5% above profile. This excess over target was largely accounted for by income tax and capital gains tax receipts which were running €252 million and €241 million ahead of profile respectively.

Of the €252 million excess, PAYE accounted for €72 million, Schedule D for €56 million and €114 million of the remainder arises from the Revenue Commissioners audit activity, including special investigations. It should be noted, however, that the bulk of any yield from Revenue's special investigations would be once-off in nature.

The bulk of the CGT excess occurred in the first quarter of 2004 with receipts since that time slowing down. This slowdown is expected to continue so that receipts should return to a more normal pattern by year's end.

VAT and stamps receipts were also above target, +€85 million and +€66 million respectively, while excise receipts were in line with expectations. However, corporation tax receipts were running €94 million below profile. Non-tax revenue receipts to end-May were €146 million. This compares to €117 million for the same period last year.

Vehicle Registration Tax.

100. **Mr. Durkan** asked the Minister for Finance the extent to which VRT and other motor taxation receipts for the first six months of 2004 are in line with projections; and if he will make a statement on the matter. [18878/04]

Minister for Finance (Mr. McCreevy): I am informed by the Revenue Commissioners that the latest relevant information available is in relation to the receipts of VRT and excise duty on petrol and auto diesel for the five months ended 31 May 2004. The target of expected receipts and provisional receipts to the end of May are in the following table:

	Estimates to end May	Provisional receipts to end May	Variance €m %
			%
VRT	506.0	551.6	45.69.0
Petrol	405.8	424.9	19.14.7
Auto Diesel	427.0	436.7	9.72.3

[Mr. McCreevy.]

The yield from VAT on cars, petrol, auto diesel and other goods and services relating to motoring is not separately identified in the target outlined for VAT in the profile of expected Exchequer tax receipts in 2004 published by my Department at end-January. The information furnished with VAT payments made during the year does not require the yield from a particular sector or sub-sector of trade to be identified. The information requested is, therefore, not available.

Motor tax receipts are paid into the local government fund as opposed to the Exchequer. Motor tax receipts to end of May 2004 are €337.6 million. This arises as a result of a motor tax rate increase of 5% from the start of the year and underlying buoyancy of approximately 3.8%.

National Development Plan.

101. **Mr. Durkan** asked the Minister for Finance the extent to which the targets set for the national development plan have been achieved to date; and if he will make a statement on the matter. [18879/04]

Minister for Finance (Mr. McCreevy): The monitoring committee for the national development plan and the community support framework received reports at its meeting on 16 June 2004 on progress to the end of 2003 on each of the operational programmes. In terms of expenditure, over €28 billion has now been spent on the NDP in the period from 2000 to the end of 2003 or some 54% of the projected expenditure for the 2000-06 period. Currently, over €8 billion worth of expenditure is being incurred on the NDP annually. In overall terms, I remain confident that the expenditure targets set for the NDP should be achieved.

The ESRI in its mid-term review of the NDP stated that significant progress has been made towards the plan's objectives of continuing sustainable national economic and employment growth and consolidating and improving Ireland's economic competitiveness. The plan is having a sustainable positive economic effect with expenditure to end-2002 adding a permanent increase of 3% to GNP. In the economic and social infrastructure element of the NDP, projects of unprecedented size and scope are under way or shortly to be completed, particularly in the areas of transport and environmental infrastructure including the Luas and Dublin Port tunnel.

At this stage, it is clear that not all physical output targets in the NDP will be achieved by 2006. However, the multi-annual capital envelopes, 2004-2008, introduced recently will enable substantial funding of the NDP to continue to end 2006 and will ensure that investment in infrastructure will remain a priority beyond this period. This will bring a major enhancement of the economic and social infrastructure of the State.

Tax Yield.

102. **Mr. Durkan** asked the Minister for Finance the extent to which income tax returns for the first six months of 2004 are in line with projections; and if he will make a statement on the matter. [18880/04]

Minister for Finance (Mr. McCreevy): Income tax receipts, which are available for the period to end-May 2004 amounted to €3,841 million. This is €252 million or 7% ahead of the target outlined in the profile of expected Exchequer tax receipts in 2004 published by my Department at end-January.

Of the €252 million excess, PAYE accounted for €72 million, Schedule D for €56 million and €114 million of the remainder arises from the Revenue Commissioners audit activity, including special investigations. It should be noted however, that the bulk of any yield from Revenue's special investigations would be once-off in nature.

Disabled Drivers.

103. **Mr. Durkan** asked the Minister for Finance the position in regard to the interdepartmental review of the 1994 disabled drivers' and disabled passengers' tax concessions; when it is expected to extend the current limits of the scheme; the reason for the long delay in bringing the matter to a conclusion; and if he will make a statement on the matter. [18881/04]

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 has been under consideration in my Department. The report is a substantive one and needed to be studied carefully. This process has now been completed and the report will be made available publicly in the near future.

Garda Stations.

104. **Mr. Durkan** asked the Minister for Finance the position in regard to the provision of the proposed new Garda station at Leixlip, County Kildare and the timeframe for same; and if he will make a statement on the matter. [18884/04]

Minister of State at the Department of Finance (Mr. Parlon): The Office of Public Works is preparing a revised architectural sketch which will be submitted to the Department of Justice, Equality and Law Reform for approval by July 2004.

Transport Strategy.

105. **Mr. F. McGrath** asked the Minister for Foreign Affairs if he will raise an issue (details supplied) with the authorities in Wales. [18741/04]

Minister for Foreign Affairs (Mr. Cowen): The matter raised in the details supplied to me by the Deputy is an issue for decision solely by the Welsh Assembly Government, in the context of the overall road transport strategy for the United Kingdom. I will, however, arrange to have the views raised in the correspondence brought to the attention of the Welsh authorities as appropriate.

Citizenship Applications.

106. **Mr. F. McGrath** asked the Minister for Foreign Affairs if a person (details supplied) is entitled to Irish citizenship; and if this person will be given the best possible advice in relation to obtaining the birth records they require. [18748/04]

Minister for Foreign Affairs (Mr. Cowen): Before the person to whom the Deputy refers can become an Irish citizen, on the basis of having a grandmother who was born in Ireland, it will be necessary for him to apply to the nearest Irish Embassy or Consulate General for Ireland for Irish citizenship through entry in the foreign births register.

Each such applicant for foreign births registration is required to produce sufficient documentation including birth and marriage certificates and other relevant records for himself and the parent and grandparent through whom citizenship is claimed to confirm the applicant's entitlement to Irish citizenship. The General Register Office in Dublin will be able to advise him whether the birth of his paternal grandmother in Ireland was registered.

If the person requires any further advice with his application, the nearest embassy or consulate general will be happy to assist him in any way possible.

Trade Sanctions.

107. **Mr. J. O'Keefe** asked the Minister for Foreign Affairs his response to the request of the Secretary General of the UN, Mr. Kofi Annan, to provide relevant information to enable him to prepare a report on the implementation of the UN Resolution 58/7 on the ending of the economic embargo imposed by the US against Cuba; when such request or requests were received in recent years; and when they were replied to. [18849/04]

Minister for Foreign Affairs (Mr. Cowen): I refer the Deputy to my reply to Question No. 104 of 17 June 2004, which also deals with this matter.

The Government's position on the US embargo has been made very clear over the years by our voting pattern — and that of our EU partners — in the UN General Assembly, most recently on 4 November 2003. On that date, the General Assembly approved Resolution 58/7 entitled Necessity of ending the economic, com-

mercial and financial embargo imposed by the United States of America against Cuba.

The main effect of Resolution 58/7 is to reiterate the General Assembly's call upon all states to refrain from promulgating and applying laws and measures such as the Helms-Burton Act of 1996. The resolution further urges states that have and continue to apply such laws and measures to take the necessary steps to repeal or invalidate them as soon as possible.

Each year, in accordance with the terms of the resolution, it is customary for the UN Secretary General to prepare a report on the implementation of the resolution. In line with this, on 19 April 2004, Secretary General Annan invited all UN member states to "provide any relevant information" by 16 June 2004.

Since the Government has never promulgated or applied laws or measures such as the Helms-Burton Act, it has not been customary to make a submission to the UN Secretary General on this matter. The Irish Presidency has, however, conveyed an EU submission to the UN Secretary General, which includes the following: the European Union believes that United States trade policy towards Cuba is fundamentally a bilateral issue. Nevertheless, the European Union and its member states have clearly expressed their opposition to the extraterritorial extension of the United States embargo, such as that contained in the Cuban Democracy Act of 1992 and the Helms-Burton Act of 1996.

US Presidential Visit.

108. **Aengus Ó Snodaigh** asked the Minister for Foreign Affairs if he will report on the total cost to the State of the upcoming US Presidential visit, and to itemise these costs. [18890/04]

Minister for Foreign Affairs (Mr. Cowen): The EU-US summit is scheduled to take place in Dromoland Castle, County Clare on Saturday, 26 June 2004. It is therefore not possible, at this stage, to indicate what the cost of hosting the summit will be.

Overseas Development Aid.

109. **Mr. Boyle** asked the Minister for Foreign Affairs his views on the Government's decision to reach overseas aid spending levels of 0.7% of GNP by 2007; and the way in which he intends to complete its implementation. [18709/04]

Minister of State at the Department of Foreign Affairs (Mr. Kitt): The Government has as an objective the attainment of the UN target for aid expenditure by 2007. Despite the many pressures on the public finances at present, an allocation of €400 million has been made in the 2004 Estimates to the Vote for international co-operation which is administered by the Department of Foreign Affairs. In addition, elements of ODA which are

[Mr. Kitt.]

administered by other Departments are expected to total some €80 million this year. Total spending on ODA, therefore, is expected to approach €480 million in 2004, the highest ever in the history of the programme. This level of expenditure demonstrates the strong commitment of the Government to the attainment of the UN target.

In 2001 and 2002 our aid expenditure amounted to 0.33% and 0.41% of GNP, respectively. Provisional figures indicate that we maintained the percentage at 0.41% in 2003. This year it is likely to reach the same level or possibly exceed it. In percentage terms, Ireland is one of the world's leading donors — we are currently in joint seventh place — and well ahead of the EU average. The Government hopes that increased allocations, the scale and timing of which will be considered on an ongoing basis, will be possible over the coming years with a view to the achievement of our objective.

Special Educational Needs.

110. **Ms Enright** asked the Minister for Education and Science if his attention has been drawn to the fact that there are 14 children who have been psychologically assessed as having emotional and behavioural disabilities at a school (details supplied) in County Kildare thus needing the assistance of at least seven special needs assistants; if seven special needs assistants will be retained at this school; and if he will make a statement on the matter. [18725/04]

Minister for Education and Science (Mr. N. Dempsey): I can confirm that the school in question currently has the services of seven special needs assistants.

Special needs assistants may be approved to support a pupil who has a significant medical need for such assistance, a significant impairment of physical or sensory function or where their behaviour is such that they are a danger to themselves or other pupils. The criteria used for the assessment of the need for special needs assistant support is outlined in the Department's circular 07/02.

My Department continues to review the existing arrangements for the allocation of special educational supports to primary schools. The basic purpose of the review is to ensure that each school has the level of resources required to cater for its pupils with special educational needs.

I am anxious to ensure that special education support services are properly targeted at the children who require them and that the substantially increased resources which are being made available in the special educational area have the desired effect of ensuring that all children assessed as having special needs receive the support they require.

Since 1998, the number of special needs assistants in primary schools has grown from about 300 to in excess of 5,500 full-time and part-time posts. I wish to assure the Deputy that special needs assistants posts will be retained in schools where there is a continuing care need in accordance with circular 07/02.

Schools Building Projects.

111. **Ms Enright** asked the Minister for Education and Science the progress which has been made in obtaining a new site for a school (details supplied) in County Kildare; and if he will make a statement on the matter. [18726/04]

Minister for Education and Science (Mr. N. Dempsey): The need for a new school in the area referred to by the Deputy is acknowledged. A range of site options is being considered at present to progress the matter.

Psychological Service.

112. **Mr. Penrose** asked the Minister for Education and Science if a person (details supplied) in County Westmeath will be given a psychological assessment by his Department's psychologist as a matter of urgency; and if he will make a statement on the matter. [18727/04]

Minister for Education and Science (Mr. N. Dempsey): I have made inquiries about this case, and I understand that the health board may arrange a psychological assessment for this person in the near future. However, if this does not prove to be possible, I am informed by the National Educational Psychological Service that the school attended by the person may commission an additional assessment under the scheme for commissioning psychological assessments. The school has received details of how to avail of this scheme.

Class Sizes.

113. **Mr. Crowe** asked the Minister for Education and Science if his attention has been drawn to the overcrowding in classes at a school (details supplied) in Dublin 24; if his attention has further been drawn to the set of solutions identified by the school management, that is, class sizes, the procurement of an additional learning support teacher, one special needs assistant per class and one year paid leave for every ten years' service; and if he will respond to the school management's proposal. [18733/04]

Minister for Education and Science (Mr. N. Dempsey): The staffing of a primary school for a particular school year is determined by reference to the enrolment of the school on 30 September of the previous year. The number of mainstream posts sanctioned is determined by reference to a staffing schedule and is finalised for a particular

school year following discussions between my officials and the education partners.

The overall maximum class size in primary schools, by reference to the staffing schedule, has been reduced from 35 in the 1995-96 school year to 29 in the 2002-03 school year. The staffing schedule for the current school year is structured to ensure that all primary schools will operate to an average mainstream class size of 29 pupils. School authorities should ensure that there is an equitable distribution of pupils in mainstream classes and that the differential between the largest and smallest classes is kept to a minimum.

Regarding the question of additional learning support provision, the position is that my Department continues to review the existing arrangements for the allocation of special educational supports to primary schools. The basic purpose of the review is to ensure that each school has the level of resources required to cater for its pupils with special educational needs.

I am anxious to ensure that the support services are properly targeted at the children who require them and that the substantially increased resources which are being made available in the special educational area have the desired effect of ensuring that all children assessed as having special educational needs receive the support they require.

In Circular 24/03, my Department stated its intention to engage in discussions with representative interests with a view to developing a weighted system of teacher allocations for special needs teaching. The allocation of an additional 350 teaching posts for special needs and a new system for the allocation of resources for special needs in primary schools have now been approved. Details of the weighted system are outlined in Circular SP ED 09/04, which will issue to schools this week. A copy of the circular may be viewed on my Department's website. Special needs assistants may be approved to support a pupil who has a significant medical need for such assistance, a significant impairment of physical or sensory function or where his or her behaviour is such that the pupil is a danger to himself or herself or other pupils. The criteria and procedures relating to the allocation of special needs assistant support are outlined in my Department's Circular 07/02. This circular may be accessed on my Department's website under children with special needs.

Claims for improvement in the conditions of service of teachers must be processed through the Teachers Conciliation Council.

Schools Refurbishment.

114. **Mr. Crowe** asked the Minister for Education and Science if the promised €31,000 will be provided to refurbish the toilets at a school (details supplied) in Dublin 1. [18735/04]

Minister for Education and Science (Mr. N. Dempsey): The school referred to by the Deputy applied for contingency funding in 2003 to carry out works to toilet facilities. On the basis of the budgetary allocation, it was not possible to fund the project at that time.

However, the scope of works required at the school is appropriate for consideration under the summer works scheme, SWS. The school did not apply for funding under the scheme for 2004. It is open to the school's management authority to apply for the key priority works required at the school as part of the 2005 SWS, details of which will be announced shortly.

School Services Staff.

115. **Mr. McCormack** asked the Minister for Education and Science the position regarding the three special needs teachers employed at a school (details supplied) in County Galway; if these teachers will remain on at the school after the summer recess 2004; if his attention has been drawn to the vital work these teachers are performing; and if he will make a statement on the matter. [18738/04]

Minister for Education and Science (Mr. N. Dempsey): I take it that the Deputy is referring to special needs assistants at the school in question. Special needs assistants may be approved to support a pupil who has a significant medical need for such assistance, a significant impairment of physical or sensory function or where his or her behaviour is such that the pupil is a danger to himself or herself or other pupils. The criteria and procedures relating to the allocation of special needs assistant support are outlined in my Department's Circular 07/02. This circular may be accessed on my Department's website under children with special needs.

My Department continues to review existing arrangements for the allocation of special educational supports to primary schools. The basic purpose of the review is to ensure that each school has the level of resources required to cater for its pupils with special educational needs.

Since 1998, the number of special needs assistants in primary schools has grown from about 300 to in excess of 5,500 full-time and part-time posts. I wish to assure the Deputy that special needs assistants posts will be retained in schools where there is a continuing care need in accordance with Circular 07/02.

School Dispute.

116. **Ms O'Sullivan** asked the Minister for Education and Science if his attention has been drawn to a dispute at a school (details supplied) in County Cavan; the role he has in finding a resolution to the problem; if he will take action to protect the children's rights to education; and if he will make a statement on the matter. [18744/04]

Minister for Education and Science (Mr. N. Dempsey): I am aware of the difficulties arising from the dispute in the school referred to by the Deputy. I am concerned at the impact of the dispute on the education of the pupils in the school and I have asked my Department's inspectorate to monitor the situation.

The resolution of the dispute is a matter for the authorities of the school in the first instance. However, I would urge all involved to take all the necessary steps to resolve the dispute as speedily as possible, having due regard to the rights of all concerned.

Schools Building Projects.

117. **Mr. Aylward** asked the Minister for Education and Science the reason for the delay in payment by his Department to contractors employed on a school project (details supplied) in County Kilkenny; and if he will make a statement on the matter. [18749/04]

Minister for Education and Science (Mr. N. Dempsey): The client for the project in question is the board of management and responsibility lies with it, in the first instance, for the management and delivery of the project.

In this case, the board of management does not have a contract with the contractor named, as he is a sub-contractor nominated to the main contractor. The payments on this project, other than for retentions, have already been made to the main contractor. Any issues arising between the main contractor and the sub-contractor are a matter for both parties to agree upon.

School Transport.

118. **Mr. Durkan** asked the Minister for Education and Science, further to Question No. 293 of 15 June 2004, if free school travel is available to students from Maynooth attending the school in question; and if he will make a statement on the matter. [18809/04]

Minister for Education and Science (Mr. N. Dempsey): My Department is awaiting a report from Bus Éireann on the matter. The Deputy will be advised of the position when the report has been received and assessed.

School Accommodation.

119. **Mr. Wall** asked the Minister for Education and Science his views on a submission (details supplied); and if he will make a statement on the matter. [18810/04]

120. **Mr. Wall** asked the Minister for Education and Science the reason a school (details supplied) in County Kildare has not been granted a further prefab in view of the class numbers involved and that an extra teacher is to be employed in September 2004 with no facilities to

facilitate such a position; the action the board of management can take; and if he will make a statement on the matter. [18811/04]

121. **Mr. Wall** asked the Minister for Education and Science the action the board of management can take to provide facilities when a school (details supplied) has not got the facilities for an extra teacher when the valid enrolment exceeds the Departments figures and there is a need for such a teacher; and if he will make a statement on the matter. [18812/04]

123. **Mr. Wall** asked the Minister for Education and Science if he will re-assess an application for a prefab by a school (details supplied) in view of the fact that the only option, unless he positively re-assesses the decision, is for the school to deprive all of the children in the school of their physical education classroom and its facilities and use such a room as an extra classroom; if this type of decision is within the Department's guidelines; if he will re-assess the application and ensure that such a decision is not necessary and that the Department of Education and Science will provide the necessary funding to ensure the provision of a prefab; and if he will make a statement on the matter. [18814/04]

Minister for Education and Science (Mr. N. Dempsey): I propose to take Questions Nos. 119 to 121, inclusive, and 123 together.

The school planning section of my Department has considered all applications for temporary accommodation. In the context of the available funding, and the number of applications for that funding, it was not possible to approve all applications received, and only those with an absolute and demonstrated need for additional accommodation were approved. All other schools are required, as an interim measure, to maximise the use of existing accommodation until my Department is in a position to make extra accommodation available.

The need for additional accommodation at the school to which the Deputy refers will be considered in the context of a review which is being undertaken of all projects that did not proceed as part of the 2004 school building programme, with a view to including it as part of a multi-annual school building programme from 2005, details of which will be announced later in the year.

122. **Mr. Wall** asked the Minister for Education and Science his views on whether it is his Department's policy that where a school has not got the facilities to provide for an extra teacher that is necessary under his guidelines, the school should deprive the children of a physical education classroom to facilitate such a teacher; and if he will make a statement on the matter. [18813/04]

Minister for Education and Science (Mr. N. Dempsey): The school planning section of my

Department has considered all applications for temporary accommodation to facilitate the appointment of extra teaching resources. In the context of the available funding, and the number of applications for that funding, it was not possible to approve all applications received, and only those with an absolute and demonstrated need for additional accommodation were approved. All other schools are required, as an interim measure, to maximise the use of existing accommodation until my Department is in a position to make extra accommodation available.

The need for additional accommodation at any given school will be considered in the context of a review which is being undertaken of all projects that did not proceed 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, details of which will be announced later in the year.

Question No. 123 answered with Question No. 119.

Special Educational Needs.

124. **Ms O. Mitchell** asked the Minister for Education and Science the request by a school (details supplied) to make adaptations to accommodate a four year old wheelchair user; the request for a personal assistant for a person (details supplied) in County Dublin who suffers from spina bifida as the absence of firm information about their future is causing great distress. [18815/04]

Minister for Education and Science (Mr. N. Dempsey): I can confirm that my Department has received an application for resource teaching and special needs assistant support for the pupil referred to by the Deputy.

All applications for special educational resources received after 31 August 2003, including the application for the person in question, are being considered by the National Educational Psychological Service, NEPS. In those cases, it is intended that the applicant schools will be notified of the outcome as soon as possible in advance of the commencement of the next school year.

The school has been advised to liaise with my Department's building unit concerning the matter of any adaptations that may be necessary to the building to facilitate wheelchair access.

School Accommodation.

125. **Mr. S. Ryan** asked the Minister for Education and Science if his attention has been drawn to the recent allocation of an additional pre-fab for a school (details supplied in County Dublin which is totally inadequate in view of the fact that there was a need for three pre-fabs; if his attention has further been drawn to the fact that as a

result 20 children have been refused enrolment for September 2004; and if, in view of this information and the fact that families with school going children are buying houses in Balbriggan on a daily basis, he will sanction the necessary extra classrooms as part of the short-term solution in Balbriggan. [18889/04]

Minister for Education and Science (Mr. N. Dempsey): The school planning section of my Department has considered all applications for temporary accommodation. In the context of the available funding, and the number of applications for that funding, it was not possible to approve all applications received, and only those with an absolute and demonstrated need for additional accommodation were approved. As an interim measure, all schools are required to maximise the use of existing accommodation to meet the needs of their own areas until my Department is in a position to provide extra accommodation.

The need for additional accommodation at the school to which the Deputy refers will be considered in the context of a review which is being undertaken of all projects that did not proceed as part of the 2004 school building programme, with a view to including it as part of a multi-annual school building programme from 2005, details of which will be announced later in the year.

In addition, as I recently announced, over the remainder of this school year a new school planning model involving published area development plans will be piloted in five areas. Included in the pilot scheme is the north Dublin/south Louth region which covers the Balbriggan area.

The purpose of this new approach to school planning is to ensure that, in future, the provision of school infrastructure will be decided only after a transparent consultation process. In this regard, parents, trustees, sponsors of prospective new schools and all interested parties from a locality will have the opportunity to have their voices heard in the process.

Following the consultation process, individual plans will set out the blueprint for schools' development in an area covering a period of up to ten years. The needs of the school in question will be taken into consideration in the context of the proposed development plan for its own area.

Nursing Home Subventions.

126. **Mr. S. Ryan** asked the Minister for Health and Children the progress made to date by the group established by his Department to undertake a review of the nursing home subvention scheme; and when it is expected that the group will report. [18627/04]

Minister of State at the Department of Health and Children (Mr. Callely): The review is taking into account issues arising from the interpretation of certain aspects of the 1990 Act and the subven-

[Mr. Callely.]

tion regulations which have arisen over the years, the Ombudsman's comments on the operation of the nursing home subvention scheme, the recommendations in the O'Shea and Mercer reports, and the views of clients and service providers on the operation of the nursing home subvention scheme.

The aims and objectives of the review are: to recommend any changes necessary in the light of Professor O'Shea's recommendations; to make recommendations on an equitable means assessment test for subvention; to make recommendations on the development of a standardised dependency test; to examine alternative care settings such as home care and to make recommendations for the funding of such care settings as an alternative to long-term residential care; to make recommendations on the development and implementation of quality care standards in institutional settings; and to make recommendations on such other matters as the group considers appropriate within the broad parameters of its mandate.

The ultimate aim of the review will be the development of a system which will be transparent, provide equity, be less discretionary and be financially sustainable. The review group has been working for a number of months and is comprised of a wide variety of stakeholders representing the many and varied interests associated with long-term care. These include Departments, health agencies, voluntary and professional groups and the private nursing home sector.

The group has been hearing submissions from interested parties and has also benefited from hearing presentations from the authors of the above mentioned reports. At its most recent meeting, which was held on 27 May, the group has been considering issues such as the broad principles which should underpin any revisions to the nursing home subvention scheme as well as the themes on which it might be possible to make progress in the short or longer term. One of the key matters to be discussed and considered will be the need to maintain synergy between the group's work and deliberations elsewhere in relation to the Mercer report. For these reasons it is not possible at this stage to be precise about the date on which the group will report.

Health Board Services.

127. **Ms O. Mitchell** asked the Minister for Health and Children the plans in place to ensure that children eligible for orthodontic treatment receive it within a reasonable timeframe.

[18736/04]

Minister for Health and Children (Mr. Martin): I am pleased to advise the Deputy that I have taken a number of measures to increase the treat-

ment capacity of the orthodontic service on a national basis and thus reduce waiting times for treatment.

The grade of specialist in orthodontics has been created in the health board orthodontic service. In 2003, my Department and the health boards funded 13 dentists from various health boards for specialist in orthodontics qualifications at training programmes in Ireland and at three separate universities in the United Kingdom. These 13 trainees for the public orthodontic service are additional to the six dentists who commenced their training in 2001. Thus, there is an aggregate of 19 dentists in specialist training for orthodontics. These measures will complement the other structural changes being introduced into the orthodontic service, including the creation of an auxiliary grade of orthodontic therapist to work in the orthodontic area.

Furthermore, the commitment of the Department to training development is manifested in the funding provided to both the training of specialist clinical staff and the recruitment of a professor in orthodontics for the Cork Dental School. This appointment at the school will facilitate the development of an approved training programme leading to specialist qualification in orthodontics. The chief executive officer of the Southern Health Board has reported that the professor commenced duty on 1 December 2003. In recognition of the importance of this post at the Cork Dental School, my Department has given approval in principle to a proposal from the school to further substantially improve the training facilities there for orthodontics. This project should see the construction of a large orthodontic unit and support facilities; it will ultimately support an enhanced teaching and treatment service to the wider region under the leadership of the professor of orthodontics.

Orthodontic initiative funding of €4.698 million was provided to the health boards/authority in 2001 and this has enabled health boards to recruit additional staff, engage the services of private specialist orthodontic practitioners to treat patients, and build additional orthodontic facilities. The health boards/authority have developed a number of additional orthodontic facilities, including new developments at St James's Hospital, Loughlinstown Hospital and Ashtown.

In June 2002, my Department provided additional funding of €5 million from the treatment purchase fund to health boards/authority specifically for the purchase of orthodontic treatment. This funding is enabling boards to provide both additional sessions for existing staff and purchase treatment from private specialist orthodontic practitioners.

The chief executive officers of the health boards/authority have informed my Department that at the end of the March quarter 2004, there were 21,033 children receiving orthodontic treat-

ment in the public orthodontic service. This means that there are nearly twice as many children getting orthodontic treatment as there are children waiting to be treated and almost 4,000 extra children are getting treatment from health boards/authority since the end of 2001.

128. **Mr. O'Shea** asked the Minister for Health and Children his proposals to provide the €1 million per annum required to introduce the Caredoc co-operative after hours service to Waterford city and county (details supplied); and if he will make a statement on the matter. [18739/04]

Minister for Health and Children (Mr. Martin): Between 2000 and 2003, €7.124 million was allocated to the South Eastern Health Board for the expansion of their out of hours co-operative, Caredoc. In 2004, €3.492 million has been included in the health board's base allocation for the continued provision of services under this heading. The dedicated funding is exclusive of the fees paid to participating general practitioners.

All decisions in relation to the geographical areas to be covered by co-operatives and the order of their commencement are matters for the relevant health board to make, having regard to the range of financial and other issues involved in any such expansion.

Health Board Services.

129. **Mr. Ring** asked the Minister for Health and Children the reason persons within the remit of the Western Health Board who have finally come to the top of the orthodontic treatment list are not being treated in Galway; the reason they are being sent to Enniskillen, Northern Ireland; the reason the costs of the travel involved for this treatment are not being paid for from the national treatment purchase fund; if the persons' families are not in a position to pay for the necessary travel, the position the persons will be placed on the list again; and if he will make a statement on the matter. [18747/04]

Minister for Health and Children (Mr. Martin): As the Deputy is aware, the provision of orthodontic services is a matter for the health boards/authority in the first instance.

I am pleased to advise the Deputy that I have taken a number of measures to increase the treatment capacity of the orthodontic service. The grade of specialist in orthodontics has been created in the health board orthodontic service. In 2003, my Department and the health boards funded 13 dentists from various health boards — including two from the Western Health Board — for specialist in orthodontics qualifications at training programmes in Ireland and at three separate universities in the United Kingdom. These 13 trainees for the public orthodontic service are additional to the six dentists who commenced their training in 2001. Thus, there is an aggregate

of 19 dentists in specialist training for orthodontics. These measures will complement the other structural changes being introduced into the orthodontic service, including the creation of an auxiliary grade of orthodontic therapist to work in the orthodontic area.

Furthermore, the commitment of the Department to training development is manifested in the funding provided to both the training of specialist clinical staff and the recruitment of a professor of orthodontics for the Cork Dental School. This appointment at the school will facilitate the development of an approved training programme leading to specialist qualification in orthodontics. The chief executive officer of the Southern Health Board has reported that the professor commenced duty on 1 December 2003. In recognition of the importance of this post at the Cork Dental School my Department has given approval in principle to a proposal from the school to further substantially improve the training facilities there for orthodontics. This project should see the construction of a large orthodontic unit and support facilities; it will ultimately support an enhanced teaching and treatment service to the wider region under the leadership of the professor of orthodontics.

Orthodontic initiative funding of €4.698 million was provided to the health boards/authority in 2001 and this has enabled health boards to recruit additional staff, engage the services of private specialist orthodontic practitioners to treat patients and build additional orthodontic facilities.

In June 2002, my Department provided additional funding of €5 million from the treatment purchase fund to health boards specifically for the purchase of orthodontic treatment. This funding is enabling boards to provide both additional sessions for existing staff and purchase treatment from private specialist orthodontic practitioners; €0.465 million was provided to the Western Health Board for the treatment of patients in this way.

The management of orthodontic waiting lists and the provision of orthodontic treatment is the statutory responsibility of the Western Health Board in this instance; my Department has therefore asked the chief executive officer of the board to investigate the matter raised by the Deputy and respond to him directly.

The chief executive officers of the health boards/authority have informed my Department that at the end of the March quarter 2004, there were 21,033 children receiving orthodontic treatment in the public orthodontic service. This means that there are nearly twice as many children getting orthodontic treatment as there are children waiting to be treated and almost 4,000 extra children are getting treatment from health boards/authority since the end of 2001.

Hospital Services.

130. **Ms B. Moynihan-Cronin** asked the Minister for Health and Children the reason the Warfin Clinic at Tralee General Hospital closed down; and if he will make a statement on the matter. [18753/04]

Minister for Health and Children (Mr. Martin): Responsibility for the provision of hospital services at Tralee General Hospital is 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 to reply directly to the Deputy.

131. **Mr. O'Shea** asked the Minister for Health and Children the number of patients who have to leave the south eastern region for radiotherapy treatment; and if he will make a statement on the matter. [18754/04]

Minister for Health and Children (Mr. Martin): The provision of hospital services for people living in the south-eastern region is a matter for the South-Eastern Health Board. My Department has therefore asked the chief executive officer of the board to investigate this matter and to reply directly to the Deputy.

132. **Mr. O'Shea** asked the Minister for Health and Children his views on whether the fact that patients from the south eastern region having to leave their region in order to obtain radiotherapy treatment is in accordance with the ideal cancer centre at which the three treatment modalities are available; and if he will make a statement on the matter. [18755/04]

133. **Mr. O'Shea** asked the Minister for Health and Children the way in which he proposes to provide radiotherapy treatment for public patients based on equity regardless of location when distance to travel is taken into account; and if he will make a statement on the matter. [18756/04]

135. **Mr. O'Shea** asked the Minister for Health and Children his views on the fact that the ideal cancer site is one where three modalities of treatment are available; and if he will make a statement on the matter. [18758/04]

136. **Mr. O'Shea** asked the Minister for Health and Children the reason for downgrading St. Luke's Hospital, Dublin, which has one of the treatment modalities for cancer, that is, radiotherapy, in favour of two new centres in Dublin where the three modalities are available; and if he will make a statement on the matter. [18759/04]

137. **Mr. O'Shea** asked the Minister for Health and Children his views on the fact that international best practice for cancer treatment involves the three modalities of treatment being available on one site, that gives a 20% improve-

ment in outcomes; and if he will make a statement on the matter. [18760/04]

138. **Mr. O'Shea** asked the Minister for Health and Children his views on the funding which has been made available for designated transport and accommodation for public patients regarding the sub-committee on radiotherapy; and if he will make a statement on the matter. [18761/04]

Minister for Health and Children (Mr. Martin): I propose to take Questions Nos. 132, 133 and 135 to 138, inclusive, together.

The Government's objective is to provide a model of cancer care which ensures that patients with cancer receive the most appropriate and best quality of care regardless of their place of residence. In order to achieve this objective, an integrated and co-ordinated approach is required, which encompasses prevention, screening, cancer treatment — including medical, surgical and radiation oncology — education, training and research.

As the Deputy is aware, I launched the Report on The Development of Radiation Oncology Services in Ireland in October last year. Its recommendations have been accepted by Government. The group which prepared the report formulated guidelines for the development of additional radiation therapy facilities as follows: a sufficient patient population should exist within a proposed catchment area to support the future development of a radiation oncology service; a radiation oncology service should enable maximum patient access to the highest quality service; other clinical specialties and support services that enable the appropriate function and development of a radiation oncology centre and/or supra-regional cancer centre should exist on the site; radiation oncology must be part of organised multi-disciplinary cancer care; a radiation oncology service should take account of patient groups with special needs; a radiation oncology service should develop links between those hospitals providing radiation oncology care and other hospitals involved in the provision of cancer care but without physical treatment facilities; and where radiation oncology facilities are not available on site, it will be important to provide appropriate outreach services particularly through the development of joint clinical and other appointments between hospitals and/or health boards. I am satisfied that the application of these guidelines in the development of radiation oncology services as part of a multi-disciplinary cancer service will best ensure that cancer patients have access to the highest quality of care.

The Government has agreed that a major programme is now required to rapidly develop clinical radiation oncology treatment services to modern standards and that the first phase of the programme will be the development of a clinical

network of large centres in Dublin, Cork and Galway. The development of these centres as a clinical network is of paramount importance and will, in the shortest possible timeframe, begin to address the profound deficit in radiation oncology services that has been identified in the report. The implementation of the report's recommendations is my single most important priority in cancer services in the acute setting.

The Government has also decided that in the future development of services consideration should be given to the efficacy of developing satellite centres at Waterford, Limerick and the north-west. Such consideration will take into account the international evaluation of satellite centres, the efficacy of providing this model and the need to ensure quality standards of care.

I have provided resources to begin to implement the report's recommendations. Specifically, I have approved the purchase of two additional linear accelerators for the supra-regional centre at Cork University Hospital, CUH, and the necessary capital investment amounting to over €4 million to commission this service as rapidly as possible. In 2004, €1 million ongoing revenue funding is being made available for this development which will improve services for cancer patients in the Southern, Mid-Western and South-Eastern Health Boards. Approval has recently issued for the appointment of an additional two consultant radiation oncologists with sessional commitments to the South-Eastern and Mid-Western Health Boards. The capital project team in the Southern Health Board is working in conjunction with my Department to plan for the expansion from four to eight linear accelerators in the medium term.

In relation to the supra-regional centre at University College Hospital Galway, UCHG, a new radiotherapy unit has been constructed and is currently being commissioned. In 2004, €2.5 million ongoing revenue funding is being made available. Approval has recently issued for the appointment of an additional consultant medical oncologist and three consultant radiation oncologists, two of whom have sessional commitments to the North-Western and Mid-Western Health Boards. I have requested the Western Health Board to prepare a development control plan to facilitate the expansion from three to six linear accelerators in the medium term. The capital project team is working in conjunction with my Department to develop a brief for this expansion.

The immediate developments in the south and west will result in the provision of an additional five linear accelerators. This represents an increase of approximately 50% in linear accelerator capacity. As already outlined, I have provided for the appointment of an additional five consultant radiation oncologists. Recruitment for these posts is under way. We currently have ten consultant radiation oncologists nationally. This

will result in a significant increase in the numbers of patients receiving radiation oncology in the short term. These appointments are specifically designed to offer patients in areas such as the south-east and mid-west equity of access to radiation oncology services that are in line with international best practice.

The report recommends that there should be two treatment centres located in the eastern region, one serving the southern part of the region and adjacent catchment areas and one serving the northern part of the region and adjacent catchment areas. I have asked the chief medical officer of my Department to advise on the optimum location of radiation treatment facilities in Dublin. A detailed request for submissions is being finalised at present. The chief medical officer will apply the guidelines established by the group and will be supported by the hospital planning office and international experts.

With regard to the Deputy's reference to St. Luke's Hospital, I wish to assure the House that I am committed to protecting its distinct ethos and to ensuring that its expertise plays a key role in the development programme I have outlined.

As recommended in the report, I have established the National Radiation Oncology Co-ordinating Group. The group comprises clinical, technical, managerial, academic and nursing expertise from different geographic regions. The group's remit encompasses recommending measures to facilitate improved access to existing and planned services, including transport and accommodation. I expect the group to develop proposals in these important areas.

National Treatment Purchase Fund.

134. **Mr. O'Shea** asked the Minister for Health and Children the number of public patients who have received radiotherapy treatment in private facilities under the treatment purchase scheme; and if he will make a statement on the matter. [18757/04]

Minister for Health and Children (Mr. Martin): The national treatment purchase fund, NTPF, was established to arrange treatment for those patients who have been waiting longest for surgery. As a result, it has not provided radiation oncology treatment to any patients.

The Government has agreed that a major programme is now required to rapidly develop clinical radiation oncology treatment services to modern standards and that the first phase of the programme will be the development of a clinical network of large centres in Dublin, Cork and Galway. The development of these centres as a clinical network is of paramount importance and, in the shortest possible timeframe, they will begin to address the profound deficit in radiation oncology services that has been identified in the report. The implementation of the report's

[Mr. Martin.]

recommendations is my single most important priority in regard to the provision of cancer services in an acute setting.

I have provided resources to begin to implement the report's recommendations. The immediate developments in the south and west will result in the provision of an additional five linear accelerators. This represents an increase of approximately 50% in linear accelerator capacity. As already outlined, I have provided for the appointment of an additional five consultant radiation oncologists. Recruitment for these posts is under way. We currently have ten consultant radiation oncologists nationally. This will result in a significant increase in the numbers of patients receiving radiation oncology in the short term.

As recommended in the report, I have established the National Radiation Oncology Co-ordinating Group. The group comprises clinical, technical, managerial, academic and nursing expertise from different geographic regions. The group will advise, *inter alia*, on the national co-ordination and delivery of existing and planned radiation oncology services, including agreeing quality assurance protocols and guidelines for the referral of public patients to private facilities. I expect the group to develop proposals in these important areas.

Questions Nos. 135 to 138, inclusive, answered with Question No. 132.

Cancer Screening Programme.

139. **Mr. O'Shea** asked the Minister for Health and Children the position which the unit will provide regarding the provision of a breast cancer unit at Waterford Regional Hospital for symptomatic breast cancer for non-symptomatic patients picked up through BreastCheck; and if he will make a statement on the matter. [18762/04]

Minister for Health and Children (Mr. Martin):

The national breast screening programme commenced in March 2000 to implement a scheme for the early diagnosis and primary treatment of breast cancer in women in the 50 to 64 age group. Phase 1 of the scheme operates in the eastern part of the country. Last year, I announced the extension of the programme to counties Carlow, Kilkenny and Wexford and the national roll-out to the west and southern parts of the country. Under the BreastCheck scheme women will have their diagnosis, investigation and primary treatment managed by a multi-disciplinary team.

Two centres currently operate in the eastern region, one at St Vincent's Hospital, Dublin and the other at the Mater Hospital, Dublin. In 2002 the European Reference Organisation for Quality Assured Breast Screening and Diagnostic Services, EUREF, evaluated the BreastCheck programme at these centres. The EUREF concluded

that the programme operated to a very high standard. The overwhelming majority of women whose breast cancer is detected by BreastCheck will receive their primary treatment and follow up at the BreastCheck clinical unit for their region. Women also have an option of treatment and follow up at their regional designated centre for symptomatic breast disease. BreastCheck organises its services to ensure integrated clinical pathways are in place to effectively treat and care for women with breast cancer which involves close linkages with the symptomatic services.

BreastCheck is developing a similar model of treatment and care as part of the national extension of the programme which will require a further two centres. The centre in the south, which will provide services for women in County Waterford, will be located at the South Infirmity Hospital, Cork and the centre in the west will be located at University College Hospital, Galway. Both of these centres are at the planning stages.

Hospital Services.

140. **Mr. O'Shea** asked the Minister for Health and Children the proposals he has in regard to the provision of funding for a South Eastern Regional Cancer Service at Waterford Regional Hospital for a properly resourced oncology ward; and if he will make a statement on the matter. [18763/04]

141. **Mr. O'Shea** asked the Minister for Health and Children the proposals he has to make funding available for a drop in centre to support cancer patients at or near Waterford Regional Hospital; and if he will make a statement on the matter. [18764/04]

Minister for Health and Children (Mr. Martin):

I propose to take Questions Nos. 140 and 141 together.

The South Eastern Health Board has submitted a draft planning brief to my Department for capital developments at Waterford Regional Hospital which includes the provision of a new oncology and haematology department. My Department is considering this proposal in the context of the Capital Investment Framework 2004 to 2008 which is being discussed with the Department of Finance.

The board has informed my Department that it will consider the development of a cancer support centre at Waterford Regional Hospital upon completion of a development control plan for the hospital.

In relation to the overall development of cancer services in the south eastern region, additional cumulative funding of almost €42 million has been allocated since 1997 for the development of appropriate treatment and care services for people with cancer. This investment has enabled the funding of an additional ten consultant posts

in key areas of cancer care and also the appointment of 26 clinical nurse specialists across the region.

Last year I announced the extension of the BreastCheck programme to counties Carlow, Kilkenny and Wexford and also the national roll-out to the southern and western counties. Screening commenced in Wexford in March of this year.

Suicide Incidence.

142. **Mr. Durkan** asked the Minister for Health and Children if extra funding can be provided to assist organisations helping persons and their families who have or are affected by suicide; and if he will make a statement on the matter. [18816/04]

Minister of State at the Department of Health and Children (Mr. T. O'Malley): Since the publication of the Report of the National Task Force on Suicide in 1998, a cumulative total of more than €17.5 million has been provided towards suicide prevention programmes and for research. This year more than €4.5 million is available to the various agencies working towards reducing the level of suicide and attempted suicide in this country. This includes funding to support the work of the health boards, the National Suicide Review Group, the Irish Association of Suicidology and the National Suicide Research Foundation for its work in the development of a National Parasuicide Register.

I am fully committed to the intensification of suicide prevention measures and research programmes and the further development of other initiatives. Additional funding for this area will be considered in the context of the Estimates process for 2005 and subsequent years. With regard to the further development of suicide prevention programmes, work is now well under way on the preparation of a strategic action plan for suicide reduction. This strategy, involving HeBE in partnership with the National Suicide Review Group and supported by the Department of Health and Children will be action-based from the outset and will build on existing policy. All measures aimed at reducing the number of deaths by suicide, including the provision of support services for people affected by suicidal behaviour, will be considered in the preparation of this strategy.

Vaccination Programme.

143. **Mr. Wall** asked the Minister for Health and Children the position regarding teachers and assistants working with persons (details supplied) in County Kildare who need hepatitis B vaccinations; the position regarding funding for such vaccinations and the method by which applicants can seek such funding or refunds in relation to such costs; and if he will make a statement on the matter. [18817/04]

Minister for Health and Children (Mr. Martin):

Responsibility for the provision of vaccinations to employees is a matter for individual employers. In the case raised by the Deputy I would advise that the employer contact the local area health board for further information and advice in relation to any vaccinations that may be required.

Health Board Services.

144. **Mr. P. McGrath** asked the Minister for Health and Children the number of national school children who currently require orthodontic treatment within the area managed by the South Eastern Area Health Board; the waiting time endured by the same; the number of orthodontists currently serving within the South Eastern Health Board in this capacity; and if he will make a statement on the matter. [18818/04]

Minister for Health and Children (Mr. Martin):

As the Deputy is aware, the provision of orthodontic services is a matter for the health boards/authority in the first instance.

I am pleased to advise the Deputy that I have taken a number of measures to improve orthodontic services in the South Eastern Health Board, SEHB, area and on a national basis. The grade of specialist in orthodontics has been created in the health board orthodontic service. In 2003, my Department and the health boards funded 13 dentists from various health boards for specialist in orthodontics qualifications at training programmes in Ireland and at three separate universities in the United Kingdom. These 13 trainees for the public orthodontic service are additional to the six dentists who commenced their training in 2001. Thus, there is an aggregate of 19 dentists — including four from the SEHB — in specialist training for orthodontics. These measures will complement the other structural changes being introduced into the orthodontic service, including the creation of an auxiliary grade of orthodontic therapist to work in the orthodontic area.

Furthermore, the commitment of the Department to training development is manifested in the funding provided to both the training of specialist clinical staff and the recruitment of a professor of orthodontics for the Cork Dental School. This appointment at the school will facilitate the development of an approved training programme leading to specialist qualification in orthodontics. The chief executive officer of the Southern Health Board has reported that the professor commenced duty on 1 December 2003. In recognition of the importance of this post at the Cork Dental School, my Department has given approval in principle to a proposal from the school to further substantially improve the training facilities there for orthodontics. This project should see the construction of a large orthodontic unit and support facilities; it will ultimately sup-

[Mr. Martin.]

port an enhanced teaching and treatment service to the wider region under the leadership of the professor of orthodontics.

In June 2002, my Department provided additional funding of €5 million from the treatment purchase fund to health boards specifically for the purchase of orthodontic treatment. This funding is enabling boards to provide both additional sessions for existing staff and purchase treatment from private specialist orthodontic practitioners.

The chief executive officer of the SEHB has informed my Department that at the end of the March quarter 2004, there was no waiting time for patients requiring category A orthodontic treatment; patients in category A require immediate treatment. The chief executive officer has also informed my Department that at the end of the March quarter 2004, there were 683 patients awaiting category B treatment with an average waiting time of 20 months.

The management of the orthodontic service, including the orthodontists currently employed by the SEHB, is the responsibility of the chief executive officer of that board. My Department has therefore asked the chief executive officer of the SEHB to provide the Deputy with the information requested.

The chief executive officer of the SEHB has informed my Department that at the end of the March quarter 2004, there were 2,115 children receiving orthodontic treatment from the health board. This means that there are over three times as many children getting orthodontic treatment from the board as there are children waiting to be treated.

Vehicle Permits.

145. **Ms Shortall** asked the Minister for Transport the response from local authorities to the draft guidelines on the application process for special permits for off-road dumpers; the timescale envisaged before these new guidelines are adopted; the proposals currently under discussion; the plans he has to amend legislation in this regard; and if he will make a statement on the matter. [18851/04]

Minister of State at the Department of Transport (Dr. McDaid): All vehicles using public roads are required by law to comply with a range of standards in respect of their construction, equipment, use, weights and dimensions. The requirements are set out in the Road Traffic (Construction and Use of Vehicles) Regulations 1963 to 2002 and the Road Traffic (Construction and Use of Vehicles) Regulations 2003.

Vehicles that do not comply with the requirements in respect of maximum weight, maximum dimensions, suspension, wheels and tyre characteristics may be used in a public place pro-

vided that they are covered by a special permit under the 2003 regulations.

Special permits are issued at the sole discretion of a local authority and may include conditions limiting the use of the vehicles to particular places or routes. Applicants for permits are required to give an undertaking to refund to the local authority in question the cost of repairing any damage caused to any public road by the use of a vehicle for which a permit is issued. Vehicles, which are the subject of permits, must comply with all construction, equipment and use standards that are not specifically qualified in the permits. Permits may not include provisions that would result in the use of a defective vehicle.

My Department is engaged in a consultative process with a view to amending the permit scheme so that it is more effective in road safety and operational terms. The draft revised guidelines are intended to address vehicle/road safety, protection of infrastructure investment, environmental concerns, public project economics and job protection.

A decision on revised guidelines will take account of the degree of consensus among the concerned parties including local authorities, the Garda authorities and plant owners. However, as the views of some parties remain to be finalised I am not yet in a position to anticipate the content or timing of any decision. Amending legislation is not necessary for a revision of the guidelines.

Visa Applications.

146. **Mr. Penrose** asked the Minister for Justice, Equality and Law Reform if he has received an application for a visa from a person (details supplied); if the visa will be granted; and if he will make a statement on the matter. [18728/04]

Minister for Justice, Equality and Law Reform (Mr. McDowell): I can confirm that the visa in question was approved by my Department on 31 May 2004.

Registration of Title.

147. **Cecilia Keaveney** asked the Minister for Justice, Equality and Law Reform the position in relation to a Land Registry application by a person (details supplied) in County Donegal; and if he will make a statement on the matter. [18743/04]

Minister for Justice, Equality and Law Reform (Mr. McDowell): I am informed by the Registrar of Titles that two applications for transfer of part were lodged on 14 May 2001 and 18 July 2003 on the folio referred to by the Deputy. Dealing Nos. D2001WS003831R and D2003WS006749X refer. I am further informed that these applications were completed on 21 June 2004

Adoptive Leave.

148. **Mr. Durkan** asked the Minister for Justice, Equality and Law Reform when adoptive parents will have the same entitlements as biological parents in such areas as length of maternity leave and paid time off for adoptive assessments; and if he will make a statement on the matter. [18820/04]

Minister for Justice, Equality and Law Reform (Mr. McDowell): The Adoptive Leave Act 1995 was introduced to provide an entitlement to leave from employment similar to maternity leave for an adopting mother after the placement of a child into her care. The purpose of the Act was to redress the perceived anomaly that women who adopted children were excluded from existing maternity arrangements. The Act seeks to replicate all the relevant benefits of maternity leave for women whose motherhood arises from adoption and its provisions were modelled on existing arrangements for natural mothers. However, adoptive leave has always been shorter in duration than maternity leave to take into account the health and safety considerations which arise particularly in the last weeks of pregnancy. These considerations do not apply in the case of adoption. While maternity and adoptive leave may be analogous in many respects, it is important to differentiate between them on the basis of the biological factors applicable to natural motherhood, which are absent in the case of adoption. The 1995 Act provides an employed adopting mother or sole male adopter with 14 weeks' adoptive leave, attracting payment of Department of Social and Family Affairs benefit, commencing on the date of placement and an optional eight weeks unpaid additional adoptive leave, some or all of which may be taken prior to placement in the case of a foreign adoption.

The Adoptive Leave Bill 2004, which was passed by the Seanad on 15 June last, seeks to amend the 1995 Act in order to apply, where appropriate, to adoptive leave the recommendations made by the Working Group on the Review and Improvement of the Maternity Protection Legislation. The recommendation to increase the periods of adoptive leave from ten weeks to 14 weeks and unpaid additional adoptive leave from four weeks to eight weeks was implemented very shortly after the working group completed its deliberations.

In the interests of maintaining the parity of entitlements between adopting and natural mothers, the Adoptive Leave Bill incorporates a provision to further increase the adoptive leave period by two weeks to 16 weeks as approved by the Government last October. The increase in adoptive leave is linked to the proposed reduction in the Maternity Protection (Amendment) Bill 2003 of the compulsory pre-confinement period of maternity leave. Once the

two Bills are enacted, both natural and adopting mothers will be able to avail of 16 weeks' leave, with payment of Department of Social and Family Affairs benefit, from the time a child is born or placed into their care.

The Bill also provides for a new entitlement for adopting parents to time off from work, without loss of pay, to attend the pre-adoption classes and interviews which they are obliged to attend within the State as part of the adoption process. This new provision parallels the provisions in the maternity protection legislation for paid time off work before the birth for pregnant women to attend antenatal care appointments. However, it also recognises that the adoption process differs from maternity in that it requires the full participation of both parents at each stage of preparation. This new entitlement will better facilitate prospective adopting parents in meeting their work commitments while also attending the required elements of the application and assessment process for adoption.

I am satisfied that the provisions of the Bill will offer improved employment protection and greater flexibility to employed adopting parents throughout the adoption process from the preparation stages through to placement and during the important initial period after a child is received into its new family.

Civil Debts.

149. **Mr. O'Shea** asked the Minister for Justice, Equality and Law Reform the proposals he has to end the practice of jailing persons who are unable to pay their civil debts; and if he will make a statement on the matter. [18850/04]

Minister for Justice, Equality and Law Reform (Mr. McDowell): No one is imprisoned for simple inability to pay a civil debt but the law does provide for imprisonment where, following an examination of means, the debtor refuses to obey a court order to pay the debt. The Government legislation programme does not include any proposals for amending legislation in this area. However, the area is one that continues to be kept under review taking into account the work of the Money Advice and Budgeting Service, and other relevant agencies.

Garda Security Escorts.

150. **Mr. Durkan** asked the Minister for Justice, Equality and Law Reform the costs incurred by the Exchequer in connection with security provided for banks and other leading institutions in each of the past five years; and if he will make a statement on the matter. [18873/04]

Minister for Justice, Equality and Law Reform (Mr. McDowell): I am informed by the Garda authorities that the costs incurred by the Garda Síochána in providing cash escorts for the banks-

[Mr. McDowell.]

lending institutions in each of the past five years is as follows:

Year	Costs
	€
2003	3,283,348
2002	3,953,886
2001	4,341,491
2000	2,971,817
1999	3,112,538

Following negotiations between the banks and my Department last year, the banks agreed to increase their contributions to these costs to €3,000,000 in respect of 2003. It was also agreed that further discussions would occur about the level of contributions to be made by the banks in future years, and my Department is currently pursuing this matter.

I am further informed by the Garda authorities that other, more generalised security provided to the banks-lending institutions forms part of operational policing and is not costed separately.

Treatment of Prisoners.

151. **Aengus Ó Snodaigh** asked the Minister for Justice, Equality and Law Reform if Ireland supported or opposed the ratification of the basic principles for the treatment of prisoners, adopted and proclaimed by the United Nations General Assembly on 14 December 1990; and his views on the fact that this declaration expresses the agreed international minimum standards for the treatment of prisoners and must therefore underpin prison legislation and policy in this State. [18891/04]

Minister for Justice, Equality and Law Reform (Mr. McDowell): Ireland, together with the other member states of the EU, supported the adoption

of United Nations General Assembly resolution 45/111, to which the basic principles for the treatment of prisoners are annexed. The resolution was adopted without a vote on 14 December 1990. The basic principles had been recommended for adoption by the Eighth United Nations Congress on the Prevention of Crime and the Treatment of Offenders, which was held in Havana, Cuba from 27 August to 7 September 1990.

Such resolutions of the General Assembly outline the generally accepted political consensus among member states of the United Nations but are not legally-binding and do not impose legal obligations on states. Since they are not international legal instruments, they are not open for signature or ratification.

The Rules for the Government of Prisons 1947 provide a very detailed regulatory framework for every operational aspect of prison life and set out in considerable detail the full range of rights, duties and obligations for prisoners, prison staff and management.

Proposals for new prison rules have been prepared in my Department and transmitted to the Attorney General for legal drafting. I wish to advise the Deputy that relevant UN and Council of Europe instruments are being taken into account in the drafting of the new prison rules. The rules will come into force, as a statutory instrument, as soon as possible after the text has been finalised.

Garda Operations.

152. **Aengus Ó Snodaigh** asked the Minister for Justice, Equality and Law Reform the cost to the State of the Garda security operations in relation to the coming US presidential visit. [18892/04]

Minister for Justice, Equality and Law Reform (Mr. McDowell): I am advised by the Garda authorities that the full costs of the security arrangements relating to the forthcoming visit of the US President are not available at present.