

DÁIL ÉIREANN

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Wednesday, 7 February 2007.

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

Paidir.
Prayer.

Leaders' Questions.

Mr. Kenny: Prior to the 2002 general election, the Taoiseach and the current Minister for Foreign Affairs promised that a CAT scanner would be delivered to hospitals in Dundalk and Monaghan. On my way here this morning, a pedestrian handed me a copy of the *Daily Mail*, which has a front page picture of boxes containing a CAT scanner in a laundry room in the hospital in Dundalk. Is this the delivery of the world class health service that the Taoiseach and the Minister for Foreign Affairs committed to provide the good people of Dundalk in 2002?

I understand the HSE has now indicated that this machine will be operational in the hospital in approximately a month. It is time to take stock of the effort made by the voluntary fundraising committee there. I will wait until the Minister for Foreign Affairs finishes his briefing. Has the Minister told the Taoiseach the answer to the question?

Mr. Connaughton: He was not happy. He would have it done.

Mr. D. Ahern: I am providing the correct details. The Deputy is ill-informed.

(Interruptions).

Dr. Twomey: Is it a washing machine?

Mr. Kenny: If I am ill-informed about a matter as serious as this—

Mr. D. Ahern: The Deputy is ill-informed.

Mr. Kenny: —I assume the Taoiseach will give us the answer when he replies to the question.

Mr. N. Dempsey: He has a much better source than the *Daily Mail*.

Mr. Kenny: Prior to the 2002 general election, both the Taoiseach and the Minister for Foreign Affairs committed themselves to delivering the CAT scanner but it now lies in a laundry room in the hospital in Dundalk. Humidity may well affect it.

Mr. Durkan: The Minister is off again.

Mr. Kenny: There are further briefings from the Minister for Foreign Affairs.

Ms O. Mitchell: The medical experts.

Mr. Kenny: The newspaper asks what is going on and I would like to know the answer. People in Dundalk raised €350,000.

Mr. Connaughton: He is at it again.

Mr. Kenny: A further briefing.

Mr. Durkan: Perhaps the Minister would like to take the Order of Business.

The Taoiseach: He is correcting the Deputy.

Mr. Connaughton: I am sure he would.

An Ceann Comhairle: Deputy Kenny's time is concluded.

Mr. D. Ahern: The Deputy is pathetic. It is a good story and Deputy Kenny is trying to ruin it.

Mr. Kenny: If the Minister for Foreign Affairs has finished briefing the Taoiseach, I will continue.

An Ceann Comhairle: Deputy Kenny, without interruption.

Mr. Durkan: The Minister should stand up.

Mr. J. Brady: He is making a point.

Mr. Kenny: People in Dundalk raised €350,000 voluntarily for the delivery and service of this CAT scanner. However, people in Dundalk are now travelling 20 miles to Drogheda to an over-worked system for X-rays. We have been told by the Government that the service will be up and running in less than 12 months.

Mr. D. Ahern: Mr. Finbar Fitzpatrick is sending texts to the Deputy.

Mr. O'Donoghue: The Deputy is part of a tabloid party.

Mr. Kenny: I would like to know from the Taoiseach and on behalf of the Minister for Foreign Affairs what is going on. Is this the delivery of the promise made by the Taoiseach and the Minister for Foreign Affairs? A CAT scanner worth €1 million is in a laundry room in the hospital in Dundalk when people are queuing for necessary treatment. People have to travel to Drogheda to a system that is already clearly overworked.

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

Mr. Kenny: What is going on in view of this presentation of another promise by the Fianna Fáil and Progressive Democrats Government?

Mr. O'Donoghue: A tabloid party.

Mr. Allen: The Minister's party is all washed up.

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

Mr. Durkan: Zero.

Mr. O'Donoghue: A tabloid party.

(Interruptions).

Mr. Durkan: Does the Minister know what zero means?

An Ceann Comhairle: I request Ministers and Members on the Opposition benches to allow the Taoiseach to speak without interruption.

Mr. O'Donoghue: A tabloid leader of a tabloid party.

The Taoiseach: The Government is investing €10 million in Louth County Hospital in Dundalk, with two theatres and significant other facilities going in there. It is all very good for the patients and community in County Louth. There was no issue about 2002 and the Minister for Foreign Affairs was informing me of the fundraising committee set up two years ago. I acknowledge the €350,000 raised by the excellent members of that committee and everybody who supported them.

The CAT scanner cost €2 million and was delivered in November. It requires work totalling approximately €700,000 before installation. The work, involving an electrical upgrade, is under way and the scanner will be fully installed next month.

Ms Burton: Will it be in before the election?

Mr. P. McGrath: Will it be installed before the election?

Mr. Brennan: That would depend on when the election will be.

Mr. Durkan: It will be obsolete.

An Ceann Comhairle: The Taoiseach, without interruption.

The Taoiseach: The CAT scanner will be operational next month.

Ms Burton: Before the election.

Mr. D. Ahern: Yes.

Ms Burton: That is a promise.

The Taoiseach: I have no doubt the excellent report in this morning's newspaper will be repeated tomorrow with the same headline, giving the facts.

Mr. D. Ahern: Hear, hear.

Mr. Kenny: I thank the Taoiseach for clarifying the extent of the required upgrade and the electrical rewiring that must take place. This exemplifies that there appears to be no synchronised plan at all for the training of staff or for the delivery of the dates of service. Neither is there any cohesion in terms of the approach to the management of trauma in this or other hospitals.

The Taoiseach has stated the scanner will be operational within a month, or 7 March. Will he confirm that the necessary staff are in place to run the service? I understand there is a shortage of approximately 15 to 20 radiographers in the Dundalk hospital, so are these people in place or have they been trained? I understand at least three consultant radiologists are required for 24-hour cover seven days a week. Are these people *in situ* to provide the service by 7 March? I understand that anaesthetic cover and nursing cover is also needed. Will the Taoiseach confirm that the necessary staff are in place to provide the service by 7 March, the date, he has stated, this machine will be operational? It appears as if the delivery of the promise, in so far as the purchase of the equipment is concerned, is the easiest part. That is what the Government has been doing for the past ten years in spending €60 billion, much of which was wasted, and now a €2 million machine lies idle in a laundry room.

Will the Taoiseach confirm that the training, the cohesion, the radiologists, the 15 to 20 radiographers, the anaesthetic cover and the nursing cover have been put in place to provide 24-hour cover seven days a week for the people of Dundalk and that part of the north east who have been obstructed and given an inferior service for so long, not only in this area but in others?

Mr. Crawford: When the Taoiseach is at it, he should tell us about the Monaghan CT scanner.

Mr. J. Brady: Is Deputy Crawford a leader?

The Taoiseach: If we had not provided the €2 million for equipment or the €10 million for the new facilities, that would have been a reasonable argument. I acknowledge the work of the local fundraising committee that raised €350,000. Given that the Government paid fully for the CT scanner machine, the money raised has been used for ultrasound equipment. A CT scanner is a sophisticated and highly specialised machine.

Mr. Howlin: It is in the laundry room.

A Deputy: Like the Government.

The Taoiseach: If Deputies want to raise serious issues and are in any way interested in the patients in Dundalk, they should at least listen to the facts. If they are merely interested in playing tabloid headlines, that is all right too and there is no point in me answering. If Deputies want infor-

mation for the people in County Louth, they should at least listen to the facts.

The work was necessary. The CT scanner obviously cannot be brought in and plugged into a wall. A sum of €700,000 was required for necessary work. A committee within the area was set up to look at all the aspects of purchasing a CT scanner and it will be commissioned by March 2007 — I did not state or ask for a specific date. It will be up and running afterwards.

The HSE worked out the agreement and it took some time, as is always the case, to decide the staffing levels required. Those negotiations are finished. Deputy Kenny referred to 24-hour cover seven days a week. I do not wish that our machines worked 24-7 because that would be unreasonable but, as Deputy will be aware, one of the issues with reform of the health service is that we want to extend the hours in which sophisticated machinery works. Whatever hours are settled on, the matter has been agreed.

In reply to Deputy Kenny's question, €10 million is being invested in Dundalk hospital, we purchased a €2 million CT scanner, €700,000 of electrical work is under way and is to be finished next month, the staff is in place for whatever was agreed between the HSE and the local management for the running of it and it will be operational shortly after it is fully installed in March.

Mr. Rabbitte: I want to ask the Taoiseach two or three straightforward questions about the nurses' dispute. I read in the newspapers this morning that more Government backbenchers believe that they are likely to lose their seats than otherwise because of the manner of the handling of this dispute. Up and down the country the Taoiseach will have encountered the widespread and acute concern about the state of the health services and the hospitals crisis in particular. I think he will agree that whoever is responsible for the shambles that is the health service, it is not the front-line nurses. Why are these front-line staff so alienated from the social partnership system? Will the Taoiseach give the statistics a miss this morning and say what is Government policy on this issue? Does the Taoiseach support the Minister for Health and Children, Deputy Harney, or his backbenchers who want to see the talks convened as soon as possible?

Mr. McCormack: He supports both. He should give up.

Mr. Rabbitte: In particular, does the Government require the nurses' unions to resolve this matter through the benchmarking process? Is that the only process open to them? If there is an alternative route, will the Taoiseach tell the House what it is?

On the particular claims, does the Taoiseach accept that his friends, the builders, are the people mainly responsible for driving nurses to industrial action because they can no longer

[Mr. Rabbitte.]

afford to live in this city and in parts of the country? What is the Government's attitude towards providing a Dublin allowance for the nurses concerned?

The Taoiseach: My colleagues on the Fianna Fáil backbenches are entitled, when they receive representations from interest groups, to report what those groups have said to them, and they did no more than that. They raised no criticism whatsoever of the Minister for Health and Children, me or the Minister for Finance, who outlined Government policy in this area. There is not a different viewpoint from the Minister for Health and Children, the Taoiseach and the Minister for Finance. Our stated position has been the same throughout the negotiations on this issue.

In my capacity as Leader of Fianna Fáil, I met both the INO and the Psychiatric Nurses Association, as requested, to explain the position and try to help them in the difficulties. The Minister, Deputy Harney, has been in negotiations for a number of months and is doing everything she can to help the nurses. There is no criticism whatsoever of the efforts made—

Mr. Stagg: They thought the Taoiseach would back their claim.

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

The Taoiseach:—nor has there been criticism from any of my colleagues of the Minister, Deputy Harney.

The position with the nurses is that there have been long negotiations. I have no time to go into the matter in detail, but the INO and the PNA state that they have neither accepted nor rejected the Labour Court recommendation, which urged both unions to progress their claims through benchmarking. They have left the position in limbo. The other unions have accepted the social partnership process.

The INO and the PNA have put forward a lengthy number of claims which more recently seem to boil down to two issues. Both of those issues are extremely costly on the Exchequer. With their knock-on effect, the cost would range from between €500 million and €1 billion. Deputy Rabbitte will accept that nobody can negotiate on that basis.

The Deputy asked what is our position. There is no doubt about the major contribution which nurses make to the health care system. Neither is there any doubt about the Government's commitment to ensuring that nurses are paid properly and fairly for the work they do. We recognise that there are issues of concern to nurses and that they perceive that there are significant inequities in their current position. They have highlighted what those issues to the HSE and to the negotiating body. I have acknowledged, as has the Mini-

ster for Health and Children, that these problems must be addressed. How they are addressed is the only issue in contention.

Mr. McCormack: Tell us.

The Taoiseach: They have been through the Labour Court process. Nurses form a significant part of the public service workforce and, as in all the discussions on public service pay since 1946, these issues are taken together. We have agreed a basis on which pay and conditions for the public service as a whole should be managed and we have created the benchmarking body precisely to provide an objective means of assessing whether particular groups or professions are properly dealt with. The benchmarking body is due to report in the second half of the year and is in a position to review the problems and anomalies the nursing profession feels strongly about.

Regarding the general pay issue, an increase of 10% is available to nurses represented by the Irish Nurses Organisation and the Psychiatric Nurses Association under the terms of Towards 2016. The nurses have refused to sign up to the terms of that agreement, which applies across the entire public service and the private sector. This is the only reason they have not received their first phase increase, as all the other public servants have. Our position on the point made by the INO has been effectively endorsed in detail by the Labour Court. I always agree with the Labour Court, irrespective of whether it suits the Government, and that is the position I take. Members will understand that, apart from the issue of public service pay, setting aside Labour Court recommendations on crucial issues is not a sensible path to follow.

The Minister for Health and Children, Deputy Harney, the Minister for Finance, Deputy Cowen, and I have tried to do everything we can to help. We have pointed out to the nurses' unions how they should deal with this issue, as has the Labour Court, and I have explained this to them in our recent discussions.

Mr. Rabbitte: The Taoiseach has described for the House the role of his backbenchers as messengers and postmen and he has described how the benchmarking process works and what it was set up to do. He has also told us he has met the nurses and sympathises with them. We have all met the nurses and we all have admiration for the work they do. I am trying to establish what the Government's policy is on the resolution of this dispute. When the Taoiseach says he always adopts Labour Court recommendations is he saying benchmarking is the only way forward in terms of resolving this dispute? I think that is a straightforward question. The nurses want an answer to this as do we on this side of the House.

The Taoiseach has avoided the issue of runaway house prices that has led to unrest in many areas among middle and low income workers. He

may set this matter aside if he wishes but I will put my question again. Is the Taoiseach saying, in line with requests from backbenchers and the Committee on Health and Children, that the Health Service Executive, HSE, should sit down and do business with the nurses or is he saying this can only be done through the benchmarking process? I will not get a second chance to speak on this matter and the question is straightforward. Is the Taoiseach saying to the nurses of Ireland that their dispute can be resolved, but only through the benchmarking process?

The Taoiseach: I met the nurses' groups in recent weeks and the leaders of both organisations were there, so they know the answer.

Mr. Durkan: Can the Taoiseach give us the answer?

Ms Enright: Tell us.

Ms Lynch: Tell us.

The Taoiseach: I will answer Deputy Rabbitte as he asked me the question. I informed the nurses of the position when I met them. They did not ask me to tailor future pay increases based on house prices around Ireland, for example giving greater increases where house prices are higher, so we should stop trying to raise such nonsense.

The position is that the Minister for Health and Children wrote to the INO and PNA on 22 December, setting out the Government's viewpoint, suggesting an exploratory meeting between officials from the two unions in the context of the Labour Court's recommendations. That meeting was held on 19 January and the management side confirmed the acceptance of those recommendations and its willingness to hold discussions on the claim for reduced working hours, as recommended by the court.

The Labour Court pointed out in its recommendation that, over and above the matter of pay which was properly covered in Towards 2016 and must be dealt with through benchmarking, engagement on a broad basis should be conducted to enable issues such as the length of the working week to be addressed on a sustainable basis. I want to emphasise that the Government is fully prepared to engage in those discussions.

Mr. Sargent: In recent weeks quite a number of people have visited my clinics to complain about the fact that they are living in houses built to a standard that leaves them quite cold and having to use a lot of gas, electric and open fires. I said I would raise the question with the Taoiseach and I have many examples.

A man in Balbriggan occupies one of eight apartments, all of which use whatever heating can be found because it is constantly cold there. Residents from Ballymun tell me they have moved into brand new houses which are not just cold

but damp with mould growing on the walls. Their children are getting sick and the dwellings are generally badly built.

Given the number of people waking up to cold houses, especially in this weather, will the Taoiseach take action on the failure to meet building standards? Last Sunday's edition of *The Sunday Tribune* stated 98% of houses built in this country fail to meet the Government's minimum standards on insulation and heat loss. One wonders whether the Fianna Fáil tent at the Galway races is better insulated than some of these houses.

Mr. O'Donoghue: We have solar panels.

Mr. Sargent: It is interesting to hear the expertise from beside the Taoiseach on the front bench. Why has there not been a single prosecution under this Government for the massive failure to implement its own minimum insulation standards for house building? As far as the Department of the Environment, Heritage and Local Government is aware there has not been a prosecution of any builder, architect or engineer. The Government has no facts on what local authorities are doing in this regard. Will the Taoiseach apologise to the people of this country forced to live in housing that is not built to the standard set down by his Government? Does he agree that houses should be insulated to a far higher standard and what will he do about the implementation of Part L of the building regulations?

The Taoiseach: It was -3° Celsius at 9 a.m. today; anyone in substandard housing will be in great difficulty in this weather and we all wish to see the situation improved in such circumstances. Having said that, legislation, such as the Housing (Miscellaneous Provisions) Bill and several other Bills we have had here in the past 20 years, have all sought to improve building insulation standards and I think standards have improved dramatically, particularly in local authority houses.

Mr. Sargent: I am talking about enforcement.

The Taoiseach: The implementation of existing legislation and related prosecutions are matters for the local authorities. This is not something that relates to central Government. There is a new EU energy directive and a Building Control Bill that Deputy Quinn asked me to complete and these will further improve standards of insulation.

Mr. Quinn: The Taoiseach relaxed the standards by a further two years.

The Taoiseach: They will improve standards of insulation. Resources have been made available in recent years to help local authorities with old people's homes, with insulation grants and energy efficiency grants. Perhaps the Deputy is suggesting this is not enough.

Mr. Sargent: I am not alone in suggesting that is not enough.

Mr. Cuffe: The figure of 2% is a bit low.

The Taoiseach: In fairness, as I understand, the standard of building regulations in this country is high.

Mr. Sargent: A 98% failure represents a dreadful record.

The Taoiseach: The standard of most houses built in this country in the past 20 years——

Mr. Cuffe: They do not comply.

Mr. Boyle: We do not even know if they do.

The Taoiseach: They are built to high standards. Older houses——

Mr. Sargent: They are new.

Ms Burton: New houses.

An Ceann Comhairle: Who is the leader of the Green Party?

The Taoiseach: There are four of them.

Mr. Sargent: I believe the Ceann Comhairle knows.

Mr. D. Ahern: Joint leadership.

Ms Lynch: It is a collective.

An Ceann Comhairle: Allow the Taoiseach without interruption.

The Taoiseach: There are four of them.

Mr. D. Ahern: That is a touchy subject.

Mr. Sargent: Deputy Dermot Ahern wants to be leader.

(Interruptions).

The Taoiseach: If Deputy Sargent is asking me to enforce the existing regulations, he should note it is a matter for the local authority. If he is saying the existing regulations are not sufficiently strong, that is another matter. To the best of my knowledge, the only legislative change I know in the area of energy efficiency was put in place by the European Union.

Ms Lynch: What about an inspectorate?

The Taoiseach: We have not implemented it. The local authorities are responsible for inspecting in each area.

Ms Lynch: There are two for the whole city of Cork.

Mr. Sargent: I am sorry to say that response was absolutely pathetic. Not only did not we not receive an apology for the failure or an acknowledgement that 98% is an absolutely abject failure in terms of the flouting of energy rules——

Mr. Roche: That is not true.

The Taoiseach: Ninety-eight percent of what?

Mr. Boyle: New homes.

Mr. Sargent: New homes under Part L. These are the Taoiseach's own standards.

Mr. Boyle: It is appalling that in the past ten years——

Mr. N. Dempsey: Who measured that?

The Taoiseach: That is not factual.

(Interruptions).

Mr. Boyle: A State agency.

Mr. Sargent: If the Taoiseach does his homework, he will certainly find that, according to Sustainable Energy Ireland, he is not complying.

The street credibility of the Taoiseach and Government is not great on energy performance. The energy performance directive should have been implemented in January 2006 but the Government has said it wants more time, until 2009. There has been much lobbying by the hollow block manufactures and construction industry to try to ensure that feet are dragged for as long as possible to prevent compliance with the standards.

Mr. Roche: That is not true.

Mr. Sargent: Meanwhile, local authorities — it seems the Taoiseach does not even know what they are doing——

Mr. Roche: Prove it.

Mr. Sargent: Fingal, Wicklow and Dún Laoghaire-Rathdown county councils are exceeding the Government's minimum standards, with which it is not even complying, and insisting that there be higher standards because of the need for energy insulation in addressing climate change, quality of life, the cost of living and many other issues. Given the Taoiseach's record, which is appalling, and his belief that circumstances should be better——

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

Mr. Sargent: It is important that the Taoiseach answer——

Mr. Roche: Facts are important also.

Mr. Sargent: ——why the Department of the Environment, Heritage and Local Government is saying to Dún Laoghaire-Rathdown County Council that the Department's own system should be introduced in January 2007 as it provides a better basis for expressing the required performance of buildings and that Dún Laoghaire-Rathdown County Council's proposed targets are quite onerous. It is suggesting one should not go there.

If the Taoiseach is actually asking local authorities not to install proper energy insulation, he has got some answering to do.

Mr. Roche: It is not what we are saying.

Mr. Sargent: Not only are people freezing in their homes and not only will climate change cost this country dearly, the Taoiseach is seeking to prevent local authorities from improving the standards. He must answer for this. Why is he preventing the introduction of higher standards by local authorities?

Mr. Gormley: It is disgraceful.

Mr. Roche: The same authorities made a mess of the register.

The Taoiseach: There are building standards and legislation, and the legislation should be implemented. If people want to go beyond that, it is another matter.

Mr. Sargent: Why not?

The Taoiseach: Local authorities are the bodies that arbitrate in these matters in their own areas and they cannot be stopped. It is a function——

Mr. Sargent: The Department is trying to stop them.

The Taoiseach: I am not coming in here to answer for Fingal, Kerry or Wexford county councils.

Mr. Gormley: The Taoiseach should answer for himself.

The Taoiseach: There are standards and they should be implemented.

An Ceann Comhairle: Allow the Taoiseach without interruption.

(Interruptions).

Mr. Roche: Let the truth seep through.

The Taoiseach: Deputy Sargent should raise a question with the line Minister.

An Ceann Comhairle: Allow the Taoiseach without interruption.

Mr. Roche: Deputy Sargent should stick to the truth for a change.

An Ceann Comhairle: I ask the Minister to allow the Taoiseach without interruption.

Mr. Sargent: The Department of the Environment, Heritage and Local Government——

Mr. Roche: The Deputy is deliberately misleading the House.

(Interruptions).

An Ceann Comhairle: Please, Deputy Sargent. The Deputy should control the three Members around him also.

Mr. Sargent: I have good reason to be angry.

Mr. Boyle: He is jumping out of his seat.

Mr. Roche: They are the same crowd that made a mess of the register of electors.

The Taoiseach: I do not want to argue unnecessarily with Deputy Sargent but he knows himself that it is nonsense to quote figures such as the statistic that 98% of houses in the State are cold or below standard. He knows it is not factual.

Mr. Sargent: It is the truth.

The Taoiseach: It is not the truth.

An Ceann Comhairle: The Taoiseach without interruption.

The Taoiseach: It is entirely——

Mr. Cuffe: The Taoiseach should read the report.

The Taoiseach: Did the Deputy write that himself?

Mr. Sargent: I did not write it myself.

The Taoiseach: He should not be showing me authority facts.

Mr. Cuffe: The truth hurts.

The Taoiseach: If Deputy Sargent is saying 98% of the new houses built in this country are in breach of the existing guidelines, it is not true.

Mr. Sargent: That is the result of a study.

Mr. Gormley: It is true.

The Taoiseach: It is another study of ten houses picked by the Deputy himself.

An Ceann Comhairle: I ask Deputy Sargent to be quiet. He had his opportunity and he went well over the time allotted to him. He cannot take up the Taoiseach's time also. This is a democratic Assembly and the Taoiseach is entitled to be heard.

The Taoiseach: Every time we check a figure thrown up by Deputy Sargent, we find it has no basis, is not factual and does not stand up in any area of the city.

Ms Lynch: Who did the Taoiseach ask?

The Taoiseach: Both local authorities and the Department of the Environment, Heritage and Local Government bear this out. When we check the figures to determine their basis, there is never a basis.

(Interruptions).

Mr. Roche: The Deputy should be very careful.

An Ceann Comhairle: I ask the Minister for the Environment, Heritage and Local Government, Deputy Roche, to allow the Taoiseach without interruption.

The Taoiseach: There are standards and legislation and local authorities arbitrate on these and carry out the inspections. I concede that the standards and specifications of the local authorities are very high. When people seek mortgages, clearings or valuation certificates, the issues in question are checked. The standards are high but not so high in some of the old properties.

The Government has given money for both senior citizens' accommodation and local authority accommodation to improve the standards. We have given money to Energy Ireland and have invested considerable resources to make the grants available. If in the new European directive there are even higher standards, I concede we should move on them.

Mr. Cuffe: The Taoiseach's Minister is saying "No".

Mr. Roche: The Deputy should tell the truth.

Mr. Gormley: The Minister said it.

Mr. Sargent: It was the Minister.

Mr. Roche: The Deputy is making it up.

The Taoiseach: The Deputy should not be saying 98% of all new houses in the State are insufficient in this regard — it is nonsense.

(Interruptions).

Mr. Roche: That is the crowd that made a mess of the register of electors.

An Ceann Comhairle: That concludes Leaders' Questions. We will move on to questions to the Taoiseach.

Mr. O'Donoghue: Gulliver's travels.

Ceisteanna — Questions.

Official Engagements.

1. **Mr. Rabbitte** asked the Taoiseach if he will make a statement on the outcome of his meeting with President Hosni Mubarak. [42604/06]

2. **Mr. Kenny** asked the Taoiseach the number of meetings planned by the National Forum on Europe during 2007; and if he will make a statement on the matter. [43876/06]

3. **Mr. Kenny** asked the Taoiseach the foreign visits he plans to undertake during 2007; and if he will make a statement on the matter. [43893/06]

4. **Mr. Kenny** asked the Taoiseach when he will next meet the President of the European Commission; and if he will make a statement on the matter. [43894/06]

5. **Mr. Kenny** asked the Taoiseach if he will report on his attendance at the December 2006 European Council meeting; and if he will make a statement on the matter. [43898/06]

6. **Mr. Kenny** asked the Taoiseach if he will report on his recent meeting with the Egyptian President, Mr. Mubarak; and if he will make a statement on the matter. [43913/06]

7. **Mr. Rabbitte** asked the Taoiseach if he will make a statement on the outcome of the December 2006 EU summit in Brussels. [43950/06]

8. **Mr. Rabbitte** asked the Taoiseach if he will make a statement on meetings he had with other EU leaders on the margins of the EU summit in Brussels. [43951/06]

9. **Mr. Rabbitte** asked the Taoiseach his plans for official trips abroad during the first five months of 2007; and if he will make a statement on the matter. [43956/06]

10. **Mr. Rabbitte** asked the Taoiseach if he will make a statement on the outcome of his visit to the Gulf states. [43957/06]

11. **Caoimhghín Ó Caoláin** asked the Taoiseach the official visits abroad he has scheduled for 2007; and if he will make a statement on the matter. [1128/07]

12. **Caoimhghín Ó Caoláin** asked the Taoiseach if he will report on his visit to Saudi Arabia and the United Arab Emirates; and if he will make a statement on the matter. [1581/07]

13. **Mr. J. Higgins** asked the Taoiseach if he will report on his visit to Saudi Arabia and the United Arab Emirates. [1604/07]

14. **Mr. J. Higgins** asked the Taoiseach the official visits abroad he plans to undertake during 2007. [1606/07]

15. **Mr. Rabbitte** asked the Taoiseach if he will make a statement on the outcome of his recent visit to Saudi Arabia. [2034/07]

16. **Mr. Sargent** asked the Taoiseach if he will report on his visit to the Middle East; and if he will make a statement on the matter. [2341/07]

17. **Mr. Sargent** asked the Taoiseach the visits abroad planned for 2007; and if he will make a statement on the matter. [2347/07]

18. **Mr. Rabbitte** asked the Taoiseach if he will make a statement on his participation in the World Economic Forum in Davos, Switzerland. [2691/07]

19. **Mr. Sargent** asked the Taoiseach if he will report on his visit to the World Economic Forum in Davos; and if he will make a statement on the matter. [2712/07]

20. **Mr. Kenny** asked the Taoiseach if he will report on his recent visit to Saudi Arabia; and if he will make a statement on the matter. [3671/07]

21. **Mr. Kenny** asked the Taoiseach if he will report on his recent visit to the United Arab Emirates; and if he will make a statement on the matter. [3672/07]

The Taoiseach: I propose to take Questions Nos. 1 to 21, inclusive, together.

I met the President of Egypt, Mr. Hosni Mubarak on 7 December last. We discussed the need to strengthen economic and trade links between Ireland and Egypt and reviewed the situation across the Middle East in general. President Mubarak expressed his appreciation for Ireland's strong position on the Middle East peace process, both internationally and within the EU.

I made official visits to the Kingdom of Saudi Arabia and the United Arab Emirates from 14 to 19 January. This was one of the largest trade

missions ever to travel from Ireland and it involved a total of 114 companies, as well as representatives of Enterprise Ireland, An Bord Bia and Tourism Ireland. Twenty companies from Northern Ireland participated in the trip, accompanied by representatives of Invest Northern Ireland. Their participation emphasises the increasing level of economic co-operation on an all-island basis.

My colleagues, the Ministers for Enterprise, Trade and Employment, Education and Science, and Agriculture and Food, accompanied me on the mission. The key aim of the visits was to enhance bilateral political and economic relations between Ireland and the region. The response to the visits, both at official and business levels, was very positive.

During my visit to Saudi Arabia, I met the Custodian of the Two Holy Mosques, King Abdullah, and Crown Prince Sultan, in addition to paying a courtesy call to the Governor of Riyadh. I also addressed an audience at the King Faisal Foundation in Riyadh on the theme of Ireland and the Middle East. The text of my address is available on my Department's website and in the Oireachtas Library.

Immediately following my visit to Saudi Arabia, I made an official visit to Dubai in the United Arab Emirates. During the course of this visit, I met the Vice President and Prime Minister of Dubai, Sheikh Mohammed bin Rashid Al Maktoum.

The main trade events were two business breakfasts hosted by Enterprise Ireland in Riyadh and Dubai. At these events, I met many Irish companies and organisations together with their Saudi and United Arab Emirates contacts and I witnessed a number of business signings at these meetings. During the course of my visits, I also had the opportunity to meet many members of the Irish community who live and work in the region.

I attended the European Council in Brussels on 14 and 15 December. As I will make a statement on the Council later today, I will at this stage merely give a summary account of its proceedings. The main focus of the Council was a debate on enlargement in terms of overall strategy, in respect of which the Council discussed the Commission's report on the Union's capacity to integrate new members, and in terms of individual applicant countries. The Council welcomed Romania and Bulgaria to the EU as new members with effect from 1 January 2007.

On the accession negotiations with Turkey and Croatia, the Council adopted the conclusions agreed by the Foreign Ministers at the General Affairs and External Relations Council, GAERC. The conclusions suspend part of the negotiations with Turkey. The Council also focused on a number of topics within the broad area of justice and home affairs, particularly migration, decision making and Schengen.

[The Taoiseach.]

I met with the President of the European Commission and the College of Commissioners when I visited Brussels on 8 November. I have no immediate plans for a further meeting. I attended the annual meeting of the World Economic Forum in Davos, Switzerland, on 24-25 January 2007. The invitation to participate was extended in the context of the high levels of interest that exist as regards the dynamism of Ireland's economic performance. During the course of my visit, I attended the opening session which heard a keynote address by Chancellor Angela Merkel, speaking in the context of Germany's Presidency of both the G8 and the European Union.

I also participated in a dedicated session on Building the Skills of Tomorrow, which explored the deepening importance of skills training and lifelong learning more generally in responding to the pressures of globalisation. This also provided an opportunity to outline the remarkable transformation of the Irish economy since the 1980s, including the key role of our social partnership process.

I took the opportunity while in Davos to have a meeting with the Prime Minister of Egypt, which provided a useful follow-up to President Mubarak's recent visit, and with the President of Switzerland. I also had meetings with Dr. Klaus Schwab, Chairman of the World Economic Forum, and with a number of senior executives from leading companies with operations in Ireland.

In mid-March, I will be travelling to New York and Washington for St. Patrick's Day events. There will be European Council meetings on 8-9 March and on 21-22 June. On 24-25 March there will be an informal meeting of Heads of State or Government in Berlin to celebrate the 50th anniversary of the signing of the Treaty of Rome.

I am sure that the National Forum on Europe will hold a number of meetings during 2007, continuing its good work in promoting public debate on the European Union in furtherance of Ireland's place in it. However, as the national forum is an independent body and I have no function in its day-to-day operations, it would be inappropriate for me to comment on its planned work programme for the year. .

Minister for the Environment, Heritage and Local Government (Mr. Roche): During the exchanges earlier, I mentioned that Deputy Sargent was deliberately misleading the House. I do not believe he was deliberately misleading the House, but I certainly believe he inadvertently misled the House.

Mr. Sargent: I beg the House's pardon. I do not know what the Minister is referring to, but I did not mislead the House. I was just reading out correspondence from his Department.

An Ceann Comhairle: I call Deputy Rabbitte.

Mr. Roche: On the figure of 98%, the Deputy is wrong.

Mr. Sargent: We are relying on the media for that.

Mr. N. Dempsey: That is a fair admission.

Mr. Roche: It is a fair admission. The Deputy does not have a clue. He relies on the media for a lot.

(Interruptions).

An Ceann Comhairle: I have called Deputy Rabbitte on the questions before the House.

Mr. Gormley: That is a wonderful apology.

An Ceann Comhairle: Deputy Gormley will have to leave the House if he does not allow Deputy Rabbitte to speak without interruption, please.

Mr. Gormley: Will the Ceann Comhairle ask the Minister, Deputy Roche, to leave the House?

Mr. Kenny: There are two infallible Ministers in this House, Deputies McDowell and Roche. They are both infallible.

Mr. N. Dempsey: They are a step above the Mayomen anyway.

Mr. Rabbitte: Regarding the Taoiseach's meeting with President Mubarak in particular, did he discuss the Palestinian question with him? President Mubarak is on record as saying that he fully supports the position of Palestinian President Abbas for the negotiation of a government of national unity. Since then, the Taoiseach will know that matters have severely deteriorated. There is a state of virtual civil war between Hamas and Fatah. Has the Taoiseach had any contact with President Mubarak since then?

It was the understanding of us all at the time of the invasion of Iraq that the United States and Britain were to take steps to address the Palestinian situation, which most people see as the main cause of the instability in the Middle East. Have these efforts been abandoned and does the Government have a view, either at EU or UN level, as regards taking any initiative in this regard? Did the Taoiseach discuss the invasion of Iraq with President Mubarak? Does he support President Mubarak's statement during his visit to Ireland that there now ought to be "a phased withdrawal of US and other foreign troops from Iraq"? What is the Government's position now on that issue?

During his meeting in Saudi Arabia, did he raise with the Saudi leaders the shocking human rights situation in that country? In particular, did he raise what Amnesty International has described as "discriminatory practices against

women” which are “not only prevalent” but in some cases “required by law”?

In the aftermath of the summit, is the Taoiseach able to give the House any more information on what is the position now in relation to the draft treaty? Are we any further advanced and does the Government have any clarity in respect of its intentions in that regard?

The Taoiseach: I met President Mubarak on 7 December and the Prime Minister of Egypt two weeks ago. With each of them, most of the discussions focused on the Palestinian question and the Middle East issue. Ireland is one of three countries that Egypt has taken regard for because of the position we have taken historically in support of the Middle East — from the time of our declared position 27 years ago in supporting calls for a Palestinian state and a two-state solution. The Minister for Foreign Affairs visited the Middle East last week to follow up on the situation.

The Deputy is correct that the situation has deteriorated, even since the meeting of 7 December. President Mubarak and King Abdullah, whom I also met, as well as a number of others, are endeavouring to put pressure on world opinion in an effort to try to bring forward some solution. The US Secretary of State, Dr. Condoleezza Rice, was in the Middle East at the same time that I was there and she visited ten countries. There is an effort in train to try to find some new way forward, although it will be extremely difficult.

They have to get the ceasefire within Palestine to hold and then some real momentum must be injected into the talks. I have been supportive of President Mubarak’s position for some years in a number of areas and we have built a good relationship with the Egyptians. They have put tremendous effort into the situation.

President Mubarak declines to give a personal view of events. He believes what happened in Iraq was fundamentally wrong. He has always opposed it and his advice from the start has been consistent in this regard. However, he also holds the position that a unilateral withdrawal at this stage by the United States would be equally wrong. He does not want a fast withdrawal and he is concerned that the United States would change policy and move out. He is more concerned about this than the invasion in the first place, which he opposed. That is his stated position.

In all of these countries where there are issues of human rights, we always follow the same line, through the Department of Foreign Affairs. We raise our concerns and state our position from an EU position, which is accepted by the various countries. While I do not agree with the positions they take in Saudi Arabia, they believe they are reforming at their own pace. That is not how we would view such issues but they are moving along, regardless of how slow is progress. The last time I was in Saudi Arabia was almost 20 years

ago. Things have changed, but they have their own pace and way of doing things. They talk openly about their past and they accept the position of the EU and our views. The work of Amnesty International and of the EU certainly helps to open their minds. I was there this time without any interference and I was able to meet and have direct dialogue with the women’s business group, without the presence of anyone from the administration. This was unheard of three or four years ago. Members of the women’s business group pointed out to me that many of the discriminatory practices were against men and they were anxious not to categorise the whole situation as a gender issue.

The German Chancellor has made the proposed EU constitution and energy the key issues of her Presidency. She has put much effort in to the constitution with her key negotiators. She wants to reach a position where a statement can be issued on where the EU should go, and this position was outlined in the Berlin declaration of 25 March. That will be taken forward from there for the second half the German Presidency. An extensive weekly contact is being carried out with all member states which is very helpful, and I appreciate the effort they are putting in with key people in every country. They hope to get agreement with everyone and they are making extensive efforts to influence the debate on the constitution among the presidential candidates in France.

There is little point in speculating. There are so many ideas and arrangements about what would happen, some of which I have no difficulty with, others with which I have a lot of difficulty. We will have to keep that closely monitored in the weeks ahead.

Visit of Slovak Delegation.

An Ceann Comhairle: Before continuing with leaders’ questions, I wish, on my own behalf and on behalf of the Members of Dáil Éireann, to offer a céad míle fáilte, 100,000 welcomes, to Mr. Pavol Paska, Speaker of the National Council of the Slovak Republic. I express the hope that you will find your visit enjoyable, successful and to our mutual benefit.

Ceisteanna — Questions (Resumed).

Mr. Kenny: We welcome the delegation from the Slovak Republic.

Irrespective of what happens elsewhere, how soon does the Taoiseach think there could be a referendum on the constitution in this country? Last December, EU Foreign Ministers agreed to freeze accession negotiations with Turkey in eight of the 35 legislative areas. These areas included free movement of goods, rights of establishment and freedom to provide financial services and so on. Did the Taoiseach discuss with his counterparts when these negotiations might restart? What are the procedures in place to monitor

[Mr. Kenny.]

Turkey's compliance with EU demands? Are concerns being expressed about Turkish relations with the Kurdish people? Concerns have been expressed about the Kurdish people, Sunnis and Shias further east, in Iraq and Iran.

A case was raised in the national media a few days ago of a young Zambian girl who was brought into this country under a false passport and was repeatedly raped by a Zambian national, who has since been jailed. At the last European Council meeting, the question of migration was discussed. This was also raised at the EPP meetings that I attended on illegal immigration and migration to Europe. I understand Ireland is one of the last countries in which human trafficking is not a crime. It would appear from anecdotal evidence that there has been a significant amount of human trafficking in Ireland, which is something the Government should seriously examine. If human trafficking is not a specific crime in Ireland, then we should make it such. It is an appalling abuse of human rights and human dignity. Was this issue raised in discussions with the Taoiseach? Does he have a concern about it? Has the Government any intention of introducing a Bill to make the trafficking of human beings a very serious offence? It would send out a clear signal that such human degradation would not be tolerated any more.

The Taoiseach: We do not have legislation on human trafficking, but the heads of a Bill have already been approved and we will bring it before the House shortly.

The situation in Turkey was discussed and we will debate it during the statements on the European Council. There will be close monitoring of what was agreed in the Foreign Affairs Council in December. The Foreign Affairs Ministers set down in the GAERC precisely how they want to see this matter brought forward. Turkey will be monitored for some considerable time to see if it complies with the conditions for continuing negotiations.

The position on the constitution has developed a strong momentum. I thought last year it would be derailed, but Angela Merkel has made it a key issue, as Deputy Kenny will be aware from attending meetings with his group. A meeting took place in Madrid a few weeks ago which was attended by representatives of 18 or 19 countries. The pendulum has swung back and people are not prepared to leave this go. The stated position of 19 or 20 countries is that the constitution as it stands should be the constitution that is passed. Realistically, that is probably impossible for the Netherlands and France and there will have to be some accommodation of their positions and of other considerations. I am glad to see the Germans have taken the same view as ourselves and have opened negotiation sessions. I think the Berlin declaration will be about the constitution.

There are some important issues, especially the consideration of our friends in the UK. They would like to see the charter of fundamental rights taken out of the constitution. Whatever else happens, I do not want to see that. I worked long and hard to make sure it was put into the constitution. Taking it out would create many difficulties as it would be very difficult to convince people to accept a constitution that has not got the charter in it. Therefore, the negotiations should stay as close as possible to the original negotiations. We must obviously facilitate some of the difficulties and we must be reasonable. We can slim down the document by taking out some sections without losing the substantive compromises and balances which were built in not only during the Irish Presidency — that is not the issue — but also in the convention in the years preceding the Italian and Irish Presidencies.

The date on which this can realistically come about is becoming clearer. I think it can be done by 2008. We could get into a position whereby changes could be made to allow for parliamentary ratification practically everywhere other than Ireland, which would have a constitutional referendum. That is not a position I would like Ireland to be in, but I fear that such movements could happen. That will be an ongoing difficulty for this country, which we should address some day, but it cannot be addressed now. The relevant date is 2008, after the French Presidency. There will be a great deal of momentum if Germany's tactic works and its negotiating position, which is a good one, is successful. If it transpires that 18 or 19 countries have ratified the proposed constitution, four, five or six of the remaining countries will have to ratify it in their Parliaments within a tight period of time. That will create its own problems, but that is the way I think things will pan out.

Caoimhghín Ó Caoláin: Was the Lisbon strategy discussed at the recent meeting of the EU Council? Is the Taoiseach concerned that the European Commission's annual report on the strategy tries to justify decreases in social welfare spending and insists on further so-called flexibility in the labour market, which would unquestionably be to the detriment of pay and conditions of workers throughout the EU? Was the energy crisis in Europe and the rest of the world discussed at the European Council meeting? Has the Taoiseach at any time raised at EU level Ireland's concerns about the drift-back — in the absence of a better description — towards a reliance on nuclear power as a source of energy? Has Ireland promoted renewable energy as a counter to that? There is evidence that Britain is returning to the bad old days when it relied on the nuclear option.

During his visit to Saudi Arabia, did the Taoiseach raise in a serious way the appalling human rights record of the regime in that country? Is he aware that on Monday of this week

Amnesty International issued an urgent action note in relation to Saudi Arabia? The note expressed particular concern about the fate of ten detainees, including university professors, doctors and lawyers, who had been involved in peaceful protests aimed at securing the human rights and dignity of citizens in Saudi Arabia. Did the Taoiseach reflect Irish concerns about the human rights record of Saudi Arabia? Will he act on Amnesty International's latest urgent alert, which relates to specific people who clearly face the prospect of torture and even worse?

The Taoiseach: The Lisbon Agenda always feeds into the spring meeting of the European Council. Almost the entire spring Council meeting will relate to the Lisbon strategy. Every year we draw up a report for the spring Council meeting on what we did in the preceding year across the range of areas that are set out in the strategy. We will produce a report again this year. After the reports have been discussed on a national basis, the agenda for the following year is set out. The process runs from Easter to Easter, rather than within the calendar year. That will happen again this year.

I have addressed the House previously on the European Union's approach to the energy issue. The entire autumn meeting of the European Council, which was attended by the Russian President, Mr. Putin, involved a discussion on energy. Germany has made energy the key issue of its Presidency, with the proposed European constitution. I reported to the House previously on the matter and answered questions on it. The entire autumn meeting of the Council was devoted to the matter. As energy is a national competency, each country is responsible for its own energy policies. The European Union has no problem with Ireland's energy mix. There is now greater co-operation on issues like the future supply and pricing of energy at EU level. Ireland has its own policies and competency on these issues.

Deputy Ó Caoláin asked me whether I addressed the issue of human rights in a serious manner while I was in Saudi Arabia. We always raise such issues during our overseas missions because people expect it of us, as representatives of this country. We raised them on this occasion. We do not raise such issues in a trenchant fashion by attacking the countries in question, but we outline our concerns strongly. On this occasion, I did that during my various meetings. Perhaps I did so more publicly than I have done on other occasions. During our dialogue with third countries, we always avail of the appropriate opportunities to raise our human rights concerns.

We raise human rights issues not only in political meetings, but also in detail as part of the official contacts during each visit, and we did that on this occasion. Human rights issues are also highlighted in the ongoing dialogue between the European Union and Saudi Arabia. When I raise these matters, I usually do so in the context of

the EU, which most countries are used to dealing with. It is clear that Ireland ties itself into the European position.

In my televised keynote address to the King Faisal Foundation in Riyadh, which was attended by many key academics in that city, I stated:

The principle of mutual respect must underpin all aspects of relations between our two regions, Europe and the Middle East, which are inextricably linked by geography, by history and by millennia of cultural and religious interchange. Ireland is a modern and pluralist State. We believe that fundamental human rights are inalienable. At the same time, we accept that it is most effectively through dialogue and co-operation that all states can over time meet the standards to which they have committed themselves as members of the United Nations.

Human rights issues were raised during the question and answer session that followed my speech, which was widely publicised in Riyadh. Deputy Ó Caoláin will appreciate that when one deals with academics in countries like Saudi Arabia, they are quick to speak about the standards of the west — that happened on this occasion — and one ends up defending the human rights record of other EU member states, which is not always the most comfortable position to be in.

Caoimhghín Ó Caoláin: I do not think it is something the Taoiseach should defend.

The Taoiseach: That is the trouble with these issues, as the Deputy can understand. One has to do one's best in such circumstances. When I raised our concerns about human rights, it was clear what I was doing. That is why I got it back on the other side as well.

Mr. Sargent: Gabhaim buíochas leis an Taoiseach as ucht an fhreagra a thug sé don Teach. I was interested to hear about the Taoiseach's activities in Saudi Arabia, not least because while he was there, the Minister for Foreign Affairs was moonlighting in Balbriggan on his behalf. We were all very interested to know why the Taoiseach was in Saudi Arabia while the Minister, Deputy Dermot Ahern, was opening Balbriggan Town Hall. While the Taoiseach explained that quite well, I assure him that he missed a great day in Balbriggan.

The Taoiseach recently spoke about the manner in which the World Economic Forum, which recently met in Davos, marvelled at this country's dynamism. I understand that the forum also marvelled at the lack of snow in Switzerland, as an example of how climate change is catching up seriously on its "business as usual" plans.

The Taoiseach mentioned energy in his reply. Will he elaborate on what he heard discussed and what contribution he made on the subject of climate change, given that it is a matter on which global international co-operation is required?

[Mr. Sargent.]

Was attention drawn to the bad record of this country or was that masked by the marvelling at the dynamism he mentioned? Will the Taoiseach comment on the fact that Ireland is not performing well on its international commitments under the Kyoto Protocol, with a small cut of 5% rather than the 80% cut that is needed according to the IPCC report?

I spoke at the Forum on Europe last week. I discussed the situation with the constitution and how it might be necessary to reassess it to get a more optimum document that might enjoy greater support and consensus. There might be a role for the convention to sit again for a limited period in an effort to reflect the democratic wishes of the people in the Netherlands and France and the concerns of the other member states. I agree that the Charter of Fundamental Rights is important, and that is one of many aspects to be discussed.

The Taoiseach: I do not have a difficulty with what is decided on the constitution, although I doubt that bringing back the convention would be a great idea. The German Presidency would prefer to keep the process tight and it is correct in that. If the process is opened up, many matters that were agreed in the convention a number of years ago will come back into play. There were delicate balances on a range of issues in the convention and in the discussions afterwards. If agreement cannot be secured it might be necessary to use that forum, but I do not believe it will be. The convention signed off on a position so I doubt that it will happen. I think the issue will be dealt with within the member states.

A total of 19 countries have signed up to staying with the constitution as it is. Six countries have some reservations, including, obviously, France and the Netherlands. The position in France is easier because it is clearer. I am not clear what the position is in the Netherlands; they do not appear to have worked it out. Poland has re-opened the issue of the weighted votes, something on which it was slow to agree in the first place. It was the last country to agree to them.

The problem revolves around a small number of issues. The British Government would like to remove the Charter of Fundamental Rights from the constitution, but that would be a big mistake and it would create many problems. However, its position is that it should be moved into an annexe or removed altogether. The British would get support for their position because we had a great deal of trouble having it included in the first place.

The Deputy is familiar with what happens in Davos. There are open plenary sessions with the president of the G8 and the President of the EU, Angela Merkel, and there are panel discussions on the European agenda. I participated in those. There is an enormous number of sessions on various issues. The one in which I participated was

on education, training and skills. This country has high credibility for its position in that area. Between 40 and 50 countries engaged in that session.

I was not involved in the session on climate change but I read the reports of what happened in that session and the reports of what business people said. If I had been there, I would have pointed out that Ireland has successfully decoupled its greenhouse gas emissions from economic growth—

Mr. Sargent: The EPA does not agree.

The Taoiseach: Between 1990 and the past few years emissions in this country have grown by 23% but the economy grew by 150%. That trend is continuing and is reflected in the emissions intensity of the Irish economy. Emissions per unit of GDP were 48% of the 1990 level. The Deputy would like it to be lower and so would I but it is still a huge achievement. The equivalent figure for the European Union is 78%. We will meet our Kyoto Protocol target to keep emissions at 13% above 1990 levels by a combination of measures.

I was interested to hear the reports from other countries. Ireland and the UK, and business people involved in both countries, pointed out in some of the sessions what this country is doing. Ireland accounts for 2% of the world's emissions. A range of measures are being undertaken here and the Deputy supports that. We should continue doing everything we can but we also must try to keep pressure on other countries to play their part. The best way to do that is to do things ourselves, lead by example and try to reflect what is happening in other areas. If I had been there, I would have made those points.

Requests to move Adjournment of Dáil under Standing Order 31.

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

Dr. Cowley: I seek the adjournment of the Dáil under Standing Order 31 to discuss a matter of national importance, namely, how the Government can condone the disgraceful lack of speech therapists at Mayo General Hospital, Castlebar, considering the critical role played by speech therapists, particularly in the immediate period after a stroke, and the terrible tragedy of somebody not regaining essential speech because of a failure in the duty of care owed by the Government to its most vulnerable citizens.

Mr. Durkan: I seek the adjournment of the Dáil under Standing Order 31 to discuss a matter of national importance, namely, the situation of An Post and the urgent necessity for the Minister for Communications, Marine and Natural Resources to personally intervene to ensure that

an amicable, fair and workable solution to the present crisis can be achieved, having particular regard to the potential impact of deregulation, the long-standing failure to recognise the existence of a public service obligation, the fundamental social and economic role of the post office network and its staff and the appallingly low rate of pay for a great number of postmasters, who have worked for a pittance for years.

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

Order of Business.

The Taoiseach: It is proposed to take No. 23, statements on the European Council in Brussels and No. 4, Finance Bill 2007 — Second Stage, resumed. It is proposed, notwithstanding anything in Standing Orders, that the Dáil shall sit later than 8.30 p.m. and business shall be interrupted on the conclusion of Private Members' business, which shall be No. 71, motion re health service reform, resumed, which shall be taken for 90 minutes at 7 p.m. or on the conclusion of No. 4, whichever is the later; the suspension of the sitting under Standing Order 23(1) shall take place at 1.30 p.m. or on the conclusion of No. 23, whichever is the later, until 2.30 p.m.; the proceedings on No. 23 shall, if not previously concluded, be brought to a conclusion after 80 minutes and the following arrangements shall apply: the statements shall, if not previously concluded, be brought to a conclusion after 60 minutes and shall be confined to the Taoiseach and to the main spokespersons for the Fine Gael Party, the Labour Party and the Technical Group, who shall be called upon in that order, who may share their time, and which shall not exceed 15 minutes in each case; immediately following the statements, a Minister or Minister of State shall take questions for a period not exceeding 20 minutes; the proceedings on resumed Second Stage of No. 4 shall, if not previously concluded, be brought to a conclusion at 7 p.m..

An Ceann Comhairle: There are three proposals to be put to the House. Is the proposal for the late sitting and for the suspension of the sitting under Standing Order 23(1) agreed? Agreed. Is the proposal for dealing with No. 23 agreed? Agreed. Is the proposal for dealing with No. 4 agreed?

Ms Burton: I object to the guillotine on Second Stage of the Finance Bill. This must be the shortest ever Second Stage debate on a Finance Bill. The election is coming and obviously the Taoiseach wishes to clear the decks in case he needs to go to the country early. However, the debate on the Finance Bill has been reduced to ridiculous proportions. The Labour Party has been allocated two time slots, one of which is for me.

The Finance Bill contains important measures which need to be debated. These include stamp duty breaks for people who give sites to their children but not for ordinary couples buying a house or indeed for first-time buyers who buy a second-hand house costing more than €317,000. There is no opportunity to debate in any detail the BES and no opportunity to take a close look at the proposals which the Minister for Finance has introduced, despite the promises of the Taoiseach last year for more tax breaks for property development—

An Ceann Comhairle: It is not appropriate to debate the matter now. The Deputy will have an opportunity during the debate.

Ms Burton: It is disgraceful. This is the only opportunity I have to raise some of these issues or that my party has to debate them. If the Dáil is not able to debate money Bills—

An Ceann Comhairle: The Deputy will have an opportunity during the debate.

Ms Burton: What is the purpose of calling us in if we cannot have a detailed debate on a money Bill? We object strongly to the guillotine.

Mr. Sargent: I support the Deputy. The Finance Bill provides a fundamental opportunity for Opposition Members to set down the alternatives needed. As we come to an election, it is fair that the Opposition is given the opportunity to articulate alternative views. Listening to the Minister yesterday, it was clear that he still thinks that business as usual is the only option and that we just continue to managerially refine it. That will not work. We need time for a much longer debate. My colleague, Deputy Boyle, and one other speaker are all that the Green Party is permitted and this is unfortunate. The Taoiseach should allow for a longer debate on the Finance Bill as it is a crucial part of Government policy and of our alternative.

Question put: "That the proposal for dealing with No. 4 be agreed to."

The Dáil divided: Tá, 72; Níl, 53.

Tá

Ahern, Bertie.
 Ahern, Dermot.
 Ahern, Michael.
 Ahern, Noel.
 Andrews, Barry.
 Ardagh, Seán.
 Blaney, Niall.
 Brady, Johnny.
 Brady, Martin.
 Browne, John.
 Callanan, Joe.
 Carey, Pat.
 Carty, John.
 Collins, Michael.
 Coughlan, Mary.
 Cowen, Brian.
 Cregan, John.
 Cullen, Martin.
 Curran, John.
 Davern, Noel.
 de Valera, Síle.
 Dempsey, Noel.
 Dennehy, John.
 Devins, Jimmy.
 Ellis, John.
 Fahey, Frank.
 Fitzpatrick, Dermot.
 Fleming, Seán.
 Gallagher, Pat The Cope.
 Glennon, Jim.
 Grealish, Noel.
 Harney, Mary.
 Hoctor, Máire.
 Jacob, Joe.
 Keaveney, Cecilia.
 Kelleher, Billy.

Kelly, Peter.
 Killeen, Tony.
 Kirk, Seamus.
 Kitt, Tom.
 Lenihan, Brian.
 Lenihan, Conor.
 McDowell, Michael.
 McEllistram, Thomas.
 McGuinness, John.
 Martin, Micheál.
 Moloney, John.
 Moynihan, Donal.
 Moynihan, Michael.
 Mulcahy, Michael.
 Nolan, M.J.
 Ó Cuív, Éamon.
 Ó Fearghaíl, Seán.
 O'Connor, Charlie.
 O'Dea, Willie.
 O'Donnell, Liz.
 O'Donoghue, John.
 O'Donovan, Denis.
 O'Flynn, Noel.
 O'Keefe, Batt.
 O'Keefe, Ned.
 O'Malley, Fiona.
 O'Malley, Tim.
 Parlon, Tom.
 Power, Peter.
 Power, Seán.
 Roche, Dick.
 Sexton, Mae.
 Smith, Brendan.
 Walsh, Joe.
 Wilkinson, Ollie.
 Woods, Michael.

Níl

Boyle, Dan.
 Breen, Pat.
 Broughan, Thomas P.
 Bruton, Richard.
 Burton, Joan.
 Connaughton, Paul.
 Connolly, Paudge.
 Costello, Joe.
 Cowley, Jerry.
 Crawford, Seymour.
 Crowe, Seán.
 Cuffe, Ciarán.
 Deasy, John.
 Deenihan, Jimmy.
 Durkan, Bernard J.
 English, Damien.
 Enright, Olwyn.
 Gilmore, Eamon.
 Gogarty, Paul.
 Gormley, John.
 Higgins, Michael D.
 Kehoe, Paul.
 Kenny, Enda.
 Lynch, Kathleen.
 McCormack, Pádraic.
 McEntee, Shane.
 McGinley, Dinny.

McGrath, Paul.
 McHugh, Paddy.
 McManus, Liz.
 Mitchell, Olivia.
 Morgan, Arthur.
 Murphy, Catherine.
 Murphy, Gerard.
 Naughten, Denis.
 Neville, Dan.
 Ó Caoláin, Caoimhghín.
 Ó Snodaigh, Aengus.
 O'Shea, Brian.
 O'Sullivan, Jan.
 Pattison, Seamus.
 Penrose, Willie.
 Quinn, Ruairí.
 Rabbitte, Pat.
 Ring, Michael.
 Ryan, Eamon.
 Ryan, Seán.
 Sargent, Trevor.
 Sherlock, Joe.
 Shortall, Róisín.
 Stagg, Emmet.
 Twomey, Liam.
 Upton, Mary.

Tellers: Tá, Deputies Kitt and Kelleher; Níl, Deputies Kehoe and Stagg.

Question declared carried.

Mr. Kenny: I raised with the Taoiseach the matter of the trafficking of persons. I note that

No. 32 is due for publication some time this year. Does the Taoiseach have a more specific date for publication? No. 34, the sale of alcohol Bill, has

been promised for a long time and is scheduled to be taken in 2007. Does the Taoiseach know how many heads are ready? Will the legislation be brought before Government reasonably soon?

The Taoiseach: The purpose of the criminal justice (trafficking in persons and sexual offences) Bill, which deals with the issue Deputy Kenny and I discussed, is to give effect to a number of international instruments on trafficking in persons and sexual exploitation of children. The heads of the Bill were approved in the summer of 2006 and I hope the legislation will be available over the next period. I understand drafting is well advanced but it may take another period before it comes before the House.

Mr. Kenny: What is the position regarding No. 34?

The Taoiseach: The sale of alcohol Bill is due later year this year.

Ms McManus: I will pose two questions to the Taoiseach to save time. On the decision by the Medical Council to censure three senior medical consultants, I understand Victim Support, on behalf of the victims of Mr. Neary, was told by the Minister for Health and Children, Deputy Harney, that the Medical Practitioners Bill will be in force before St. Patrick's Day. Will the Taoiseach confirm that will be the case given that the timeframe appears to be very tight?

An Ceann Comhairle: To what legislation does the Deputy's question refer?

Ms McManus: It refers to the Medical Practitioners Bill. On the eligibility for health and personal social services Bill, does the Taoiseach accept that the right to have a shower is a personal service to which elderly people and other patients should be entitled when in hospital and that this entitlement is being denied to them in Connolly Hospital in Blanchardstown?

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

Ms McManus: When is it intended to introduce the eligibility for health and personal social services Bill to protect patients, particularly elderly, vulnerable people who cannot avail of the right to have a shower?

The Taoiseach: The Medical Practitioners Bill is before the House. As indicated, the Minister for Health and Children wants the Bill to be passed as soon as possible. The eligibility for health and personal social services Bill, whose purpose is to clarify and update the present provisions relating to eligibility for health and personal services, is listed for this year.

Mr. Sargent: Yesterday, I promised a friend who was stuck on the M50 that I would raise a question with the Taoiseach today. Although I am not hopeful of a complete or straightforward answer, I will ask it in any case. Given its urgency, will the Dublin transport authority Bill be implemented before the Government goes to the country?

An Ceann Comhairle: I call the Taoiseach on promised legislation.

Mr. Gormley: Not a chance.

The Taoiseach: In the next few weeks.

Mr. Sargent: Will it be implemented before the Taoiseach goes to the country?

The Taoiseach: With the Deputy's help.

Mr. Gormley: Is that an offer?

Dr. Twomey: Do not be upsetting the PDs.

Caoimhghín Ó Caoláin: The adoption Bill, providing for the Hague Convention and the adoption authority, is promised for early 2007 or the spring session. Will it make its passage through the House before the dissolution of the Dáil?

The Taoiseach: This session.

Order of Business agreed to.

An Ceann Comhairle: We now move on to No. 23, Statements on the European Council.

(Interruptions).

Mr. Durkan: Now, a Cheann Comhairle—

An Ceann Comhairle: An Order of the House today allows 80 minutes for statements on the European Council, otherwise we will eat into the *sos*, which in my view is unfair to the staff of this House. I will hear the Members tomorrow.

Mr. Durkan: It is not fair to us.

European Council: Statements.

The Taoiseach: I attended the European Council in Brussels on 14 and 15 December. I was accompanied by the Minister for Foreign Affairs, Deputy Dermot Ahern. The conclusions of the European Council have been laid before the Houses.

The Council represented the culmination of a successful Finnish Presidency. Earlier during their term, there had been speculation that they would not succeed in forging agreement on the sensitive issue of Turkish accession negotiations where some member states held strong and opposing views. It is a tribute to Prime Minister

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Vanhanen and his team that agreement was reached before the European Council met.

The Council itself, like the Finnish Presidency, was a successful one, agreeing conclusions on enlargement, including Turkey's accession negotiations, on the area of freedom, security and justice, and on innovation, energy and climate change. It also adopted a number of important conclusions and declarations concerning the external relations area.

Prior to the Council meeting, we had an exchange of views with the outgoing President of the European Parliament, Mr. Josep Borrell. The Council took the opportunity to thank President Borrell for his valuable work in leading the European Parliament over the last two and a half years. I would like to reiterate that appreciation today. As the House knows, I met President Borrell both in Brussels and Dublin in late November. I would particularly like to thank him for his assistance in achieving official and working status for the Irish language. As Members know, Irish has had that status since 1 January and already a number of Government Ministers have availed of the facility of being able to address Ministerial Councils in our national language.

The Council welcomed the accession of Bulgaria and Romania as full members of the European Union on 1 January 2007, thereby completing the fifth round of enlargement. Ireland's Presidency played a key role in these negotiations and I know that our assistance both during the Presidency and throughout the accession process is deeply appreciated in Budapest and Sofia. For my part, I also welcome very much their accession and have expressed my hope that they will benefit as much from the Union's enlargement as Ireland did over three decades. I look forward to working with my Bulgarian and Romanian counterparts in the Council.

The European Council endorsed the conclusions adopted by foreign ministers earlier that week concerning the partial suspension of negotiations on Turkey's accession. The suspension was unfortunate but unavoidable. It resulted from Turkey's continuing failure to fulfil its obligations and commitments to the European Union under the Ankara protocol. We consider the decision taken was appropriate and proportionate, allowing the negotiations to continue in some areas but making clear to Turkey that it could not be business as usual until it meets its obligations.

While clearly this development marks a setback for Turkey's accession process, I remain confident that this accession will take place in due course. Nobody is predicting an early conclusion to the process. However, having met the Turkish leadership and having visited the country, I am convinced that Turkey has a true European vocation and is making the economic and political progress necessary for accession. Turkish accession in accordance with the requirements for membership, which must be met by every appli-

cant and every existing member state, will not only be in Turkey's interest but the interest of Europe and the wider region.

The Council also held a useful, general debate on the future enlargement of the Union which built on the Commission's communication on the enlargement strategy as well as its report on the EU's capacity to integrate new members. In the lead-up to the Council, the issue of enlargement capacity had become topical with a differing emphasis being placed on its significance by various member states.

The Council agreed that the principles of consolidation, conditionality and communication, together with the issue of the Union's capacity, would underpin the Union's approach to future enlargements, while at the same time repeating that the Union would honour its commitments to those countries in the enlargement process. We also endorsed the position of the foreign ministers on Croatia and agreed conclusions concerning countries in the western Balkans, where we encouraged Serbia to co-operate fully with the International Criminal Tribunal for the former Yugoslavia.

The discussion took place in a positive atmosphere. The contribution of enlargement to the Union's success and its contribution to peace and prosperity was not in dispute. At the same time, member states stressed the importance of acceding countries being ready to accept the responsibilities of membership.

On the freedom, security and justice agenda, we had received a report on the implementation of the Hague programme for closer co-operation in the fields of justice and security prior to the meeting. The Council noted that good progress was being made but clearly there is more to do. We agreed, in particular, that the challenges posed by illegal migration needed to be addressed urgently and agreed a comprehensive migration policy. This policy will include improved co-operation among member states and with third countries in the fight against illegal immigration, improved management of the European Union's external borders and the putting in place of a common European asylum system by 2010.

There is, as the House is aware, a large number of European instruments and measures in the asylum area. These measures, such as the Dublin Conventions and EURODAC, have proved invaluable in ensuring the Irish asylum process is fair and free from abuses such as asylum shopping. We will continue to press at EU level for efficient and fair asylum procedures.

While there was some discussion in relation to the use of the *passerelle* in existing treaties in order to have more majority voting on police and judicial co-operation, there was a general view that a greater understanding of the implications of such a move is required. Ireland believes the best way to enhance our decision making in this field is to adopt the European constitution.

We received a short report by Prime Minister Vanhanen on Finland's consultations with member states on the European constitution. Chancellor Merkel then explained how Germany intends to take that area forward towards presenting a report to the European Council in June. She briefed the Council about her plans to invite heads of state or government to Berlin to celebrate the 50th anniversary of the Treaty of Rome in March.

Since the European Council, the German Presidency has held a first round of consultations with officials from the member states on the way forward. Irish officials at these consultations have made clear our strong attachment to the constitution as negotiated in 2004, our willingness to consider proposals for changes or additions to the constitutional treaty which would not upset the delicate balances within the text, and our intention to proceed with ratification when there is clarity as to the way forward.

The Council also adopted conclusions on energy, climate change and innovation, where we agreed to the establishment of the European institution of technology. These conclusions generally should be seen as building blocks towards more significant conclusions at the spring European Council, preparations for which are already underway with the Commission having recently published a comprehensive position on energy, including climate change. The issues of energy and climate change will feature on the Council's agenda for the foreseeable future.

On the external relations front, the December European Council adopted a number of important declarations, including on the Middle East peace process and on the situation in Lebanon. Following the crises in the region last year, there is strong agreement that a comprehensive settlement to the interlinked problems of the Middle East is more urgently needed now than at any time in the past 60 years. At its heart must be a negotiated two-state solution to the Israeli-Palestinian conflict.

I set out clearly the Government's overall approach on the political problems in the Middle East in my address in Riyadh on 15 January. The Minister for Foreign Affairs visited Israel, Palestine, Egypt and Lebanon last week. Along with our EU partners, we are ready to work closely with the different parties to try to promote real progress over the coming months. It is important the current violence between different Palestinian groups ends definitively.

The revival of a credible political process with the clear aim of achieving a negotiated two-state solution would have a positive effect across the region. In this context, the situation in Lebanon is particularly fragile at the moment. The EU strongly supports the full implementation of Security Council resolution 1737, which ended last year's conflict in Lebanon, and continues to give its full support to the Lebanese Prime Minister. Ireland is playing its part politically and

through the involvement of over 150 members of the Defence Forces in the strengthened UNIFIL mission. The Government's practical support was emphasised on 25 January at the international conference on Lebanon, where we pledged an additional €2 million in assistance, bringing Ireland's total aid to over €5 million since the conflict. It is essential now that the political crisis in Lebanon be resolved through national political dialogue and that all states demonstrate clearly their commitment to the sovereignty and independence of Lebanon.

The European Council also addressed growing international concerns regarding Iran's nuclear programme and adopted a declaration reiterating its full support for efforts to find a negotiated solution to the Iranian nuclear issue. The declaration deplored Iran's failure to take the steps required by the International Atomic Energy Agency's board of governors and the United Nations Security Council. The European Council agreed that the failure could only have negative consequences for relations between Iran and the EU. Following the European Council meeting, the Security Council unanimously adopted Resolution 1737 on 23 December 2006, which imposed sanctions with regard to the Iranian nuclear programme and requested the IAEA Director General to report on Iran's compliance to the Security Council within 60 days.

Turning to relations with Africa, the European Council welcomed the first annual progress report on the EU-Africa strategy, initially adopted at the December 2005 Council. We reaffirmed the Union's commitment to continue working to transform this strategy into a joint EU-Africa strategy which might be adopted at the second EU-Africa summit. It is hoped this second summit can take place under the Portuguese Presidency in the second half of this year. The European Council agreed conclusions on a number of African countries.

The situation in Darfur is particularly alarming. The European Council called on the Government of Sudan to agree unequivocally to the UN three-phase support plan for the African Union mission in Sudan. A substantially strengthened international peacekeeping presence is clearly required to improve the situation on the ground. Following on this European Council discussion, on 22 January EU Foreign Ministers noted the EU's willingness to take further measures against those who obstruct implementation of UN support for the African Union mission.

In recognition of the serious concerns shared by EU partners regarding the situation there, the European Council reaffirmed the Union's commitment to the people and Government of Afghanistan and highlighted the key role already played by the EU in that country. It pointed to the clear interdependence of security and development. The EU will continue to examine ways to strengthen its engagement with Afghanistan, including considering the possibility

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and conditions for a potential civilian ESDP mission in the field of policing. The Council declaration followed substantial conclusions on Afghanistan adopted by EU Foreign Ministers on 11 December. These sought to provide greater focus for the EU's support for that country, as well as greater EU visibility.

The December European Council was an appropriate end to a successful Finnish Presidency. Looking forward, the next year will be an especially important one. In particular, we need, as Europeans, to find a way forward on the constitutional challenge facing the Union. I am confident, as we approach the 50th anniversary of the signing of the Treaty of Rome next month, we will overcome our present difficulties on this issue and set the scene for many more years of progress.

Mr. Kenny: The report by the Taoiseach in respect of the Council meeting on 14 and 15 December is welcome and accurate. I attended the meeting of European People's Party leaders on the day prior to the summit, where many of the issues referred to by the Taoiseach were addressed. Obviously, the question of Turkish accession to the European Union is of considerable importance to a great number of people. There was a strong feeling at the EPP meeting, for what it is worth, that unless the Cypriot question is dealt with, it will not be easy for Turkey to proceed. As we discussed during Question Time earlier today, negotiations have been suspended while waiting for Turkey to measure up in terms of the criteria for entrance to membership of the Union. It is only right and proper that these guidelines are set, that they are adhered to and seen to be so and that the required monitoring takes place.

Agus mé ag féachaint ar an teilifís, chonaic mé baill de chuid Pharlaimint na hEorpa as an tír seo ag labhairt as Gaeilge. Thug Baill anseo gach cabhar go mbeadh an Ghaeilge ina teanga aitheanta ina mbeidís in ann a gcuid oibre a dhéanamh i bParlaimint na hEorpa. Is maith an rud é agus tugaim buíochas don Rialtas as ucht na hoibre a rinne sé leis na blianta anuas. Is maith an rud é dóibh siúd ag freastal ann, tá siad in ann anois ráitis a cisiúint as Gaeilge. I hope the situation will also improve here as a consequence. If we send our people to speak in Irish to the Europeans, perhaps we should also examine what we do in our school system.

Reference was made to the constitutional treaty. Chancellor Merkel has taken this on board to a point where she hopes the intervention of the German Parliament, with all the other members, will at least bring about a common position. The Taoiseach stated today that there is now a view within European countries that we should get back to business on the constitution and that European enlargement and the Europe

of the future cannot proceed without having the constitution enacted.

Perhaps some of the elements of the constitution will be, if not watered down, referred to differently by way of declaration, which might make it more conducive to countries which currently have a difficulty in passing it. While we may be one of the few countries which must deal with this by way of referendum, I believe that the Irish people, when this is presented to them in a fully thought out and properly discussed fashion, will see its value in terms of how we proceed in Europe. When they have the opportunity, they will endorse the constitution.

There will be another two presidential elections in the United States in the next ten years, with the associated impact related to whether the American people elect a Republican or a Democrat, and what this will mean in terms of foreign relations, the conclusion or otherwise of difficulties in Iraq and the relationship with Iran, North Korea and other countries. I share the view that central to all of this is the solution of the Palestine-Israel problem. I also share the view that there should be negotiations for a two-state outcome to the problem. The issue gives a foundation to much terrorist activity in the Middle East, where it is in some cases used as an excuse. The authority of the European Union and the impact of international politics should be brought to focus on the issue of Palestine-Israel, as well as Lebanon and other countries, in whatever way is possible.

Many of the economic indicators suggest there will be a new order in the world within 20 years, with the big economies of China, India, Russia, Brazil, Japan and South Africa coming to the fore. With climate change, climate control and carbon dioxide emissions having moved centre stage in many European countries and a growing number of states in the United States, the fact that Russia has such huge reserves of oil and gas in a way leads to a new focus on international politics, given that energy is so critical for industry and normal life. These are issues on which Europe will have to focus increasingly in the future.

Chancellor Merkel stated:

We're defending this constitutional treaty although we take note that others have rejected it. . . . We have to search for compromises but we will not take a minimalist approach... We can't re-start the discussion from scratch. To all those who are always afraid of too much Europe, we have to tell them that on many points it is the rights of the member states that are strengthened. But we need to have more order on the question of where Europe is not allowed to interfere and where it can act.

It is important that we set out, on a continual basis and with a structure in mind, to communicate the idea of Europe to our people. We must engage them increasingly in debates on what it

means to be European. We must give them a sense of Europe as being a real, relevant presence in their lives, not some remote, bureaucratic monolith.

I recently attended a school debate at which Europe was the issue. As a Parliament and a political process, we have failed to get across to young people in particular the value and potential of Europe and what it means and can mean. We must consider ways to make it more relevant. Ireland's MEPs do the best they can and the European affairs office and the Institute of European Affairs make valiant efforts to get the message across. We are a small, but important, element of a European Union which faces serious challenges from emerging economic powers, particularly in the Far East, such as India and China, and existing powers such as the United States. It is important that Europe is as strong as these countries. I like to think that the Lisbon Agenda, which we discussed here, will be revised and examined to see which of its aspirations we can implement.

Some concern has been expressed by the chief executives of major multinational companies here with regard to the unit cost of production and the impact of globalisation on a country like Ireland. I listened to the remarks of the chief executives of Microsoft and Intel on the cost base they must contend with here compared to that in other countries. It might be appropriate for the Taoiseach and the Minister for Enterprise, Trade and Employment to interact with these multinational chief executives to discover what the country must do in the European context to keep our cost and unit cost base down. This issue has implications for us as other countries can offer much lower unit costs for manufacture. We need to look carefully at the situation in order to anticipate future research, development and technology requirements.

The Council confirmed that the future of the western Balkans lies within the European Union, but reiterated that each country's progress towards membership depended on its individual efforts to comply with the Copenhagen criteria. It is worth noting these criteria: Membership requires that candidate countries have achieved stability of institutions guaranteeing democracy; the rule of law and human rights and respect for and protection of minorities; and the existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union. Membership presupposes the candidate country's ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union. In this regard, the Prime Ministers and leaders of various parties from the new eastern countries and the Balkan states look to Europe as their future and make no bones about stating this.

Chancellor Merkel has said there is no case for expansion of the European Union without a con-

stitution that will be able to take that structure. This is the reason I support strongly the Forum on Europe and the allocation of resources to it. I support programmes from government and other agencies that spread the interest and understanding of Europe and what it offers.

I wish to point out to the Taoiseach and the Minister for Foreign Affairs that the issue of migration and illegal immigration into the European Union was the subject of much discussion by some of the Prime Ministers and leaders of different European groups. Two years ago 17,000 people were sent back to their home countries from Holland, which caused serious trouble in Holland. France has had serious social problems in terms of integration. Last year the Greek Government arrested 25,000 people trying to enter the country illegally. Malta has had a similar problem with illegal immigrants because of its position. The Zapatero government in Spain has legalised 100,000 persons, most of whom were from the African Continent.

The point being made by EU member states is that the African population is due to double in the next 20 to 25 years. If just 10% of that population decides to emigrate or move, no one European country could withstand that challenge or pressure. The point, therefore, is that we need a fair, transparent and accountable system. For this to happen we must have international co-operation and dialogue with Third World countries of transit or origin of persons who want to move. This will involve improvement of the management of the European Union's external borders. The situation is of particular interest to EU member states. I do not know what happened at the European Council, but I am sure resourcing for this was discussed along with ideas for bringing about a fair and transparent process.

The Council also made declarations in respect of Iran, Afghanistan and African issues. With regard to Africa, Europe's position should be one of helping Africa to help itself. Corrupt regimes, serious difficulties with regard to human rights, and international politics being played in many countries of Africa mean Europe has a part to play in allowing African nations to develop as best they can. Our influence in this regard may mean we also have an impact on the movement of persons from there.

The Taoiseach referred to the issue of energy which will always be central to Council discussions. I note the most recent announcement in respect of emissions from cars. While welcome, it is a reduction on the target set originally. Ireland, as one of the biggest producers per head of carbon dioxide emissions, did not face its responsibilities or the options open to it when it decided to buy credits at €270 million per year for five years. That amounts to over €1 billion, which could have been better spent. This issue should be addressed in a different manner.

In general the Council meeting was productive and was conducted in a healthy fashion that

[Mr. Kenny.]

allowed clarity and focus on some of the issues facing us. What 2007 and 2008 will hold, after Prime Minister Blair — I almost said Prime Minister Ahern — and the impact of what will happen in the United States and other countries, remains to be seen. We support the Government in the main on these issues, which are important not just for Ireland but for the Union of which we are members.

Mr. Costello: I thank the Taoiseach for presenting his views on what transpired at the European Union summit on 14 and 15 December. However, my assessment of what transpired there is not nearly as sanguine as that of the Taoiseach. While he presented the summit as a great success, that is not my opinion.

In recent years, European Council summits have tended to be statements of collective aspiration rather than celebrations of achievement and progress. The great European project is becalmed. The Dutch and French torpedoing of the constitutional treaty has damaged the great ship which is moving around in circles, rudderless and in need of urgent repair to give it new direction.

At the European Council meeting on 15 and 16 June 2006, it was clear that none of the 25 Heads of State present had the answer. When they could not decide what to do next, they decided to do nothing other than to officially extend the period of reflection into a period of analysis. The buck did not stop with anyone, but was gingerly passed on to the Finnish Presidency which with equal alacrity passed it on to the German Presidency which is now endeavouring to grapple with the problem in the first six months of 2007. The Germans are cleverly sharing the burden by bringing the Portuguese and Slovenians on board in a kind of troika of presidencies to seek to resolve the constitutional treaty debacle over the next 18 months.

Nobody suggested that France and the Netherlands should face the stark but simple choice faced by Ireland after it rejected the Nice treaty in 2002. A second vote was Ireland's only option, but it has never even been considered for the two states in question, which were members of the original group of six countries. The 25 Heads of State were content, on 14 and 15 December 2006, to tiptoe around the issue. It was agreed that the Finnish Presidency should pass on its assessment of consultations with member states regarding the constitutional treaty to the German Presidency. The German Presidency in turn will invite European affairs Ministers, including Ireland's Minister of State, Deputy Treacy, for separate and secret talks to try to narrow the differences on the constitutional issue. The German Presidency hopes to produce a report at the end of its tenure in June 2007 that functions as a roadmap for resolving the crisis in future presidencies and

before the European Parliament elections in 2009.

However, a group of 18 countries that have ratified the constitution, including Ireland and Portugal, met on 26 January in Madrid to promote the treaty and discuss other revisions to the text that might accommodate the concerns of France and the Netherlands. A further meeting is planned for Luxembourg in February. Clearly, the European Union risks a rapid division into two camps, one consisting of friends and promoters of the constitution, the other sceptical and revisionist. That is a real danger if the German Presidency cannot make progress in the near future.

The constitutional conundrum can be resolved in only one way, namely, through enhancing the constitutional treaty, and certainly not by delusion. Cherry-picking the current constitutional proposals can only end in tears and confusion. If, however, major new initiatives are grafted onto the treaty, they will expand and enhance its value and significance. The new added value might be acceptable to those countries that have already ratified it and to those, like Ireland, that have refrained from doing so thus far, despite being in favour.

One such added-value component was proposed by the leader of the Labour Party, Deputy Rabbitte, when he addressed the National Forum on Europe on 21 December 2006 following the summit. He argued that the treaty should contain additional provisions on energy and the environment and that, in view of the urgent action required on climate control and the United States' failure to take seriously the Kyoto Protocol, the EU should firmly grasp world leadership on the issue. The same point was echoed by Deputy Sargent, leader of the Green Party, who addressed the forum on 1 February, calling for an energy revolution led by the EU.

While climate control and global warming are clearly the issues of the day, there are others that might well add value to an enhanced treaty. Global poverty is the scandal of our times. It is the product of natural disasters, bad economics, mismanagement, ignorance and a lack of leadership. It need not be so in a world of plenty, however. The EU should take a central role in eliminating world poverty. Those two protocols alone could lend fresh momentum and focus to the constitutional treaty and would not in any way infringe basic trust in it.

The December 2006 European Council reaffirmed the importance of commemorating the 50th anniversary of the Treaty of Rome to confirm the values of the European integration process. What better way to do so than by restating the principles of the founding fathers in a new set of modern, idealistic objectives? Regarding enlargement, a major part of summit discussions, the Commission President, José Manuel Barroso, commented as follows:

Enlargement makes Europe stronger on the world stage. Enlargement is the most important tool to bring peace and stability on our continent. Ours will remain an open house.

The summit leaders welcomed the accession of Romania and Bulgaria, which joined on 1 January 2007 in the fifth enlargement of the EU. However, most of the wealthier EU states, including Ireland and Britain, had already closed their labour markets to the 30 million newcomers for the immediate future. Enlargement was quietly put on the back burner as summit leaders pledged to consider the EU's ability to maintain and deepen its own development before admitting new members. That will require the European Commission to undertake impact assessments of how a candidate state's membership would affect the Union's key policies. Stricter conditions will be applied to future enlargements, and the EU will refrain from setting target dates for accession until talks are close to completion.

That will almost certainly mean that no new members will be admitted before the EU's institutions have been reformed, that is, until the question of the constitutional treaty has been resolved. The new gospel of "integration capacity" agreed at the summit will have a negative impact on the Balkan states, which had been hoping to accede within a few years, and that is most unfortunate. Furthermore, a partial suspension of negotiations with Turkey has put its accession prospects firmly on the long finger. That was all agreed at a summit proclaimed a great success.

The area of freedom, security and justice was also accorded a great deal of time at the summit, with discussions on the constant and growing expectations of citizens who wish to see concrete results in matters such as cross-border crime and terrorism, as well as immigration — I am paraphrasing the bumf issued following the summit discussions. There was agreement that existing co-operative measures were not satisfactory. Cross-border crime, drug-trafficking, money-laundering, trafficking in children and women and illegal immigration, it was thought, were not being tackled effectively by existing controls, structures and policies. Everyone agreed with that contention at the summit.

The Finnish Presidency proceeded to seek to eliminate the national veto on decision-making in the area of justice and police co-operation, but European leaders resisted any change and jealously guarded national sovereignty on the matter. However, they pledged to move towards a comprehensive European migration policy and closer co-operation on immigration. Member states were determined they retain control of their external borders and resisted the concept of a common EU immigration policy.

Crime and immigration are of critical concern to citizens throughout the EU. The removal of national borders has greatly increased the capacity for transnational illegal activity. However,

there has been corresponding enhancement of border controls or policing. Co-operative policing covering different jurisdictions has been unsatisfactory and ineffective, and the states meeting at the summit were well aware of that.

The EU international comparative crime survey published this week showed Ireland at the top of the comparative league of crimes in European states. There is a very significant EU transnational aspect to the figures. Virtually all illegal drugs are imported into Ireland, as there is no indigenous source. Most of our drug barons are ensconced in bolt-holes in Spain, the Netherlands and Britain. Police forces in those countries are not seriously engaged in bringing such criminals to justice, and we know how famously loath policemen are to share confidential information on criminals. Consequently, they export their deadly products to Ireland from safe havens in those countries.

A failure to address those issues causes widespread resentment and tarnishes the benefits of EU membership. There must be a common EU approach to such issues; the citizens of Europe are crying out for that. Clearly, rejection of the constitutional treaty by France and the Netherlands has stopped the EU in its stride. Hard decisions are no longer being taken at summits. Let us compare Ireland's Presidency and the summit of June 2004 with those since. There is no comparison; Ireland's tenure was one of progress, excitement and achievement, while recent summits have been little more than talking shops. It is time to move on. The European Union must be either relevant or redundant.

I will comment on Fianna Fáil before I finish and I am sure the Minister will be glad I am not leaving them out of the equation. Fianna Fáil's membership of the right wing Union for Europe of the Nations, UEN, political grouping in Europe has received some adverse comment and the Taoiseach was questioned on the issue at the summit by journalists. The Italian Northern League and the League of Polish Families, who have recently joined the group, are ultraconservative, racist and homophobic, as is the Danish membership. The apparent reason for the increase in numbers is to boost the group's membership to 44, past the magic number of 41 that allows a group a vice-presidency. These are uneasy bedfellows for an Irish democratic party and perks, privileges and power are not appropriate grounds for sharing membership with those who have no respect or time for democracy.

Fianna Fáil should urgently reconsider its position as it is an embarrassment that the Taoiseach of this country, head of the main Government party, is associated with such a political grouping. Fianna Fáil and the Taoiseach have no option but to leave the UEN and join a proper democratic grouping.

Mr. Gormley: I wish to share time with Deputies Connolly and Ó Snodaigh.

Acting Chairman (Dr. Cowley): Is that agreed? Agreed.

Mr. Gormley: I welcome the opportunity to speak on the issue. I also welcome the recent visit by the Minister for Foreign Affairs to Palestine, where he held a meeting with the Israeli Foreign Minister. This issue was debated at the summit but we require some clarity on the matter at European level. As has been stated by previous speakers, dealing with the Palestinian problem is the way forward for tackling all problems in the Middle East.

This has been recognised by British Prime Minister, Tony Blair, although one would have to ask if his support for US President George W. Bush and the policies of the White House is leading in that direction. Similarly, one would have to ask whether our support for the US in Shannon is leading in the right direction, as it is rightly perceived in the Middle East that we are staunch supporters of George W. Bush, whom the Taoiseach referred to as a great man.

I wonder if we could get clarity, particularly on the Israeli wall. The issue has been raised and I know when the point was put to the Israeli Foreign Minister she became quite irate. We should be clear that the wall is a land grab and does not go along with the 1967 borders, but instead takes in many settlements. That should be unacceptable and our Minister for Foreign Affairs should state clearly where he stands on that issue. There can be no lasting peace, or the two state solution referred to by the Taoiseach, if we allow this wall to continue in that way. We should at least have a solution based on the 1967 borders.

As a member of the European Union we should be clear that the military build-up in the Persian Gulf targeting Iran will also lead to further destabilisation. We have seen destabilisation in Iraq, failures in Afghanistan and Gaza going up in flames. Are we going to compound all of this by supporting the US in a possible air strike in Iran? That seems to be very much on the cards at this stage. Did the Minister or the Taoiseach raise this possibility at the summit?

I refer to the question of climate change, probably to the irritation and disappointment of the Taoiseach, as this is the third time the Green Party has raised the issue in the House today. Our record on climate change is appalling, so do the Taoiseach or Minister for Foreign Affairs have any sense of shame when they go to summits and present it?

We are currently running at 23% above 1990 emission levels and have the worst record in Europe. There seems to be no prospect in sight that this Government is prepared to offer leadership on climate change. The people determining our climate change strategy are those in the Galway tent providing funds for the Fianna Fáil Party. This results in substandard buildings, bad

insulation and very poor planning, the root causes of our poor record on climate change.

Deputy Kenny stated that Angela Merkel was calling for “more Europe”, yet when it was put to her that we need “more Europe” in tackling CO₂ emissions from cars, she rejected it out of hand. It would appear that Angela Merkel has very good friends in Government, as it is only too delighted to have its Ministers driving around in Mercedes cars. The Mercedes cars favoured by the Minister for Foreign Affairs and his colleagues are among the worst emitters of CO₂. The EU target is supposed to be between 120 g and 130 g of CO₂ emissions per kilometre. The Mercedes E-Class has been the transport of choice for most Ministers, with seven Ministers still using them. Those cars produce 240 g of CO₂ per kilometre, whereas the new car chosen by the Taoiseach produces 250 g of CO₂ per kilometre.

If the Green Party is lucky enough to ever be in Government, we will be saying goodbye to the Mercedes. I do not care if Angela Merkel is annoyed by it.

Aengus Ó Snodaigh: Is trua go bhfuil an tAontas Eorpach ag díriú ar an bhunreacht athuair. Cad is fiú iad na rialacha? Tá siad scríofa, agus tugadh le fios, dá mba rud é go ndúirt aon tír “No” leis an bhunreacht nó aon chonradh eile, chuirfeadh sé sin deireadh leis, agus chuirfí ar leataobh é. Ar ndóigh, tuigimid sa tír seo nach fíor sin, agus ní gá ach smaoinreamh siar ar a ndearna an tír seo go maslach maidir le Conradh Nice.

Sin go díreach an rud atá á dhéanamh arís leis an bhunreacht, agus tá an tír seo arís ag tabhairt tacaíochta d’iarrachtaí an Aontais conradh nó bunreacht nach ritheann le pobal an Aontais a chur chun cinn. Ní maith leo í, agus tá siad sásta cur ina coinne. Tá an tír seo sásta í a bhrú chun tosaigh, áfach. Is masla don daonlathas é sin, ach ní dúirt aon duine ariamh gur chlub daonlathach é an tAontas Eorpach. Ní gá ach féachaint ar an tslí a gcaitheann an tAontas lena bhaill ar fad. De ghnáth i gclub, nuair a shíníonn daoine suas, glactar leo mar bhaill iomlána — muna bhfuil sé leagtha síos go bhfuil dhá ghrád de bhallaíocht ann. Ba é an rud a dúradh le gach tír a lorg ballraíocht san Aontas ná go mbeidís in ann teacht isteach mar bhaill iomlána agus go mbeadh gach rud a bhaineann leis an Aontas ag dul dóibh.

Is léir, áfach, go bhfuil ballraíocht den darna grád á hofráil — agus tugtha sa chás seo — don Rómáin agus don Bhulgáir. Is trua é an seasamh a ghlac an Rialtas maidir le ballraíocht den dá thír sin. Bhí an tír seo láidir agus ceannródaíoch nuair a tháinig

1 o'clock

na deich dtír eile isteach san Aontas tamall beag roimhe sin. In áit díriú ar an bhunreacht a diúltaíodh athuair, ba chóir go mbeimis ag díriú ar conas is féidir linn déileáil le fadhbanna taobh istigh den Aontas. Seachas díriú ar straitéis Liospóine, straitéis a bhfuil teipthe uirthi, ba chóir polasaithe a chumadh ar féidir leo déileáil leis an fhás i míchothromas ioncaim ó 2000 ar aghaidh. Bhí

milliún duine breise dífhostaithe idir 2000 agus 2005. Tá breis agus 5 milliún ar chonarthaí téarmaí ceangailte agus 1 milliún gafa i bpoist pháirt-aimseartha san Aontas. Tugadh tús áite i gcónaí do straitéis Liospóine, ag cur príobháidithe agus liobrálachais sa mhargadh chun cinn. Ba é an toradh a bhí air ná ionsaí ar choinníollacha oibre, pá, sláinte, pinsin agus, as láthair, leasú sóisialta.

Caithfidh polasaí an Aontais a athrú má tá sé chun déileáil le fás eacnamúil inmharthanach, le bochtanas agus dífhostaíocht. Caithfidh meon nua a chothú agus athdháileadh a chur ar ais ar an chlár polaitiúil. Ba chóir é a cheangal isteach leis an tosaíocht timpeallachta agus athrú aeráide a luaigh an Teachta Gormley. Is ceist don Aire é sin, ach cén seasamh atá glactha ag tosaíocht na tíre seo maidir le cumhacht núicléach? Caithfidh Éire agus an tAontas Eorpach ina iomláine díriú isteach ar conas is féidir déileáil leis agus fuinneamh inathnuaite a úsáid agus a chur chun cinn, chomh maith le úsáid níos éifeachtaí a dhéanamh den fhuinneamh atá againn cheana féin.

Tá a lán eile ann. Cuirim fáilte roimh an chéim chun tosaigh a glacadh don Ghaeilge ar 1 Eanáir. Tá súil agam gur spreag sí daoine sa Teach seo Gaeilge a úsáid. Bheimis in ann Gaeilge a chloisint i bParlaimint na hEorpa agus ag cruinnithe, mar a phléigh muid anseo.

Mr. Connolly: The recent European Council meeting coincided with the end of the Finnish EU Presidency and I am happy to note that it adopted a welcoming attitude to the issue of further EU enlargement and described enlargement as a key priority for an open union like the EU.

I also note that the Commission was asked to assess how possible EU membership to the acceding countries would affect the European Union's functioning. In this regard it intends to keep its commitments to the acceding countries, with particular reference to the western Balkans which have much to contribute within the EU. I am also pleased to note that the application of Croatia has regained momentum after some difficulties in 2005 and this may lead to the sixth enlargement of the Union, along with Turkey, by 2009.

A comprehensive European migration policy, along with concrete action to achieve this, was another issue on which there was agreement at the Council. The flow of international migration affects all member states of the European Union and a co-ordinated approach that takes account of the economic and demographic position of the EU will be instrumental in the better management of migration flows.

Large numbers of both legal and illegal migrants have continued to come to the EU in spite of restrictive immigration policies that have been put in place for decades. Smuggling and trafficking networks have taken hold across the EU with the sole objective of taking advantage of

persons looking for a better life. This has resulted in the deployment of considerable resources to fight illegal migration and particularly to target smugglers and traffickers.

Human trafficking is a trade of human misery that affects 15,000 people in the EU annually, and affects approximately eight times that number worldwide. Poverty, corruption and social breakdown are the circumstances in which this odious trade thrives, with the lure of an apparently better life and work opportunities in the EU. Since they may have entered the country illegally, they are afraid, unwilling or unable at times to seek help from the Garda or police. In such situations the need to protect, rather than punish, victims is paramount and all forms of human trafficking such as illegal adoptions and selling human organs must be outlawed.

However, it should be recognised that the EU needs migrants in certain sectors and regions to deal with the economic and demographic needs. This was the pretext for the adoption at the European Council meeting at Tampere in Finland in 1999 of a new approach to EU immigration policy with the setting out of elements for a common EU immigration policy. This was further confirmed with the adoption in 2004 of the Hague programme setting out the objective of strengthening freedom, security and justice in the EU for the period 2005-10. These are the logical steps towards an ultimate new order, with a vast European space of between 25 and 35 countries with joint immigration planning and joint external borders.

Generally, the eastern EU border controls function fairly well, thanks to the different training and EU harmonisation, but the southern sea borders are more in focus at present. Transit movements through Albania to other EU countries in rubber boats have been temporarily brought to a halt, but the transit flows from Lebanon, Morocco and Libya are growing and there is a particular difficulty with these countries at present. Libya has become the people smuggling hub, with over 1.5 million sub-Saharan migrants in the country. Through Morocco and across the Straits of Gibraltar, the boats bring hundreds of thousands over to Spain. They have been brought to the Canary Islands as well and quite a number of lives are lost each year in this trade. In the past ten years the Spanish authorities have counted over 6,000 dead migrant bodies on their shores. This is how many of these are detected.

Acting Chairman: There will now be questions to the Minister for Foreign Affairs, Deputy Dermot Ahern.

Mr. Costello: I am delighted to see the Minister for Foreign Affairs here. How to deal with the constitutional treaty is the central issue overshadowing every EU summit and meeting and, indeed, every meeting of the National Forum on

[Mr. Costello.]

Europe these days as the various party leaders have made their contributions on their vision for Europe. I saw nothing in the Taoiseach's speech to indicate a road map for a way forward. I presume no bilateral meeting has yet taken place between the German Presidency and the Minister of State for European Affairs, Deputy Treacy, but there must be some preparations being made for it on how to respond on the issue of progressing the constitutional treaty. Could the Minister elaborate on the thinking within Government on how we might resolve this crux and move forward? There has been the period of reflection and the period of analysis, and the German Presidency has indicated, seemingly quite firmly, that the buck would stop to some degree with the Presidency in terms of whatever road map would be put together for others to follow in finalising a new dispensation on the constitutional treaty. What is Government thinking on this matter?

Minister for Foreign Affairs (Mr. D. Ahern): Discussions have been ongoing. In fact, the Taoiseach was with the German Chancellor before Germany took on the Presidency. Since then there have been discussions at official level. I was due to meet the German Foreign Minister next week but that has been postponed mainly owing to problems with my diary. I will see him at the General Affairs and External Relations Council, GAERC, and hope to renew discussions with him on this issue.

The Minister of State at the Department of Foreign Affairs, Deputy Treacy, and his officials have been in constant contact with the Germans on this matter and I met the Spanish Foreign Minister yesterday on the same subject. I do not disagree with what Deputy Costello said in his opening statement regarding the need to keep the core of the constitution. It is sometimes forgotten that many member states have ratified this, something I discussed with the Spanish Foreign Minister, some by way of referendum. We have a duty to the people in those countries to sustain the principles set out in the constitution to which those people gave their assent. We are not in favour of part ratification and we oppose the cherry-picking mentioned by Deputy Costello because we believe, having been involved in negotiations towards the end of drafting of the constitution, if one cherry-picks on one side people will wish to add or remove elements from the other side.

I agree with Deputy Costello that we must examine issues such as climate change and energy matters as they affect Europe in particular. Some additions could be made to the constitution in this regard without taking from the main issues on which a compromise was reached between all member states.

Deputy Costello referred to enlargement and that must be examined carefully. Given that we do not have the tools to allow enlargement to take place, it is generally accepted that we need

to change the structures of the EU to allow it to work better given that it has expanded dramatically in recent years.

It is unfair to criticise the Finns as there was a period of reflection and it was accepted they would liaise with all the member states and then hand over to the Germans, with substantive work being done during the German Presidency. It is generally accepted that this cannot go on forever and that a conclusion must be reached on the matter within the next year or so.

Mr. Gormley: The Minister for Foreign Affairs, Deputy Dermot Ahern, once again mentioned climate change and, while I dealt with a number of issues in my opening remarks, I would like to return to this topic. What is the position of the Government on the Commission proposal to set a mandatory limit on CO₂ emissions of 130 g per kilometre on all new cars from 2012? Does the Government support this sensible proposal or join the Germans, who have major concerns about it, in rejecting it? Is the Minister prepared to lead by example if he is so concerned about climate change? As I asked in my opening speech, is the Government prepared to use cars with lower CO₂ emission values? Will the Minister explain why the Toyota Prius family car, the most fuel efficient car, has been rejected by Ministers on the grounds of it being "insufficient for the needs of a Minister"? What does that mean? Are Ministers on a higher plane than the rest of us that allows them to ignore EU directives?

Mr. D. Ahern: My party is not a party of gestures but of delivery and, I think it is fair to say, even some of our most ardent critics would accept the Government has made great strides on eco-friendly policies.

Mr. Gormley: Nobody would say that.

Mr. D. Ahern: This country has far exceeded EU recommendations on recycling levels. In the recent budget we introduced a new tax break of 50% on vehicle registration tax for electric cars, which builds on last year's initiative for hybrid cars. We have abolished excise duty for kerosene and liquified petroleum gas used in home heating and introduced an enhanced rural environment protection scheme. We brought in new support for bio-energy crops and a continuation of bio-fuels relief. Additional funding, amounting to €20 million, will be introduced between now and 2009 for the very popular green homes initiative. Thankfully, thousands of people, including myself, have applied for that grant. I do not believe in gestures but, rather, live my life this way because we all have a personal responsibility, not just in this House, but also outside.

Mr. Gormley: The Government has a responsibility.

Mr. D. Ahern: Thankfully the Government introduced a significant grant scheme and I am delighted to inform the Deputy that well over 11,000 people have applied for that grant. The Government introduced it because we do not believe in gestures but rather in delivery regarding these issues. In the recent budget we introduced corporation tax relief for investment in renewable energy and it is being extended for five years. The list goes on.

The Government is moving on the issue of climate change but there is a balance to be struck. People such as Deputy Gormley should acknowledge that we find it gravely difficult to adhere to some of these targets because we have one of the most successful economies in the world. Every time we have year on year growth rates of 6% and 7% it becomes more difficult for us to meet those targets.

The Government is very willing to engage on this issue as it goes to the core of our policies. Yesterday we had a Cabinet committee meeting on the issue of new targets for climate change and this will continue.

I do not subscribe to the types of view expressed in an amazing quote that I was given, made by Mary White, deputy leader of the Green Party.

Mr. Gormley: It is completely untrue.

Mr. D. Ahern: I have not given the quote yet so how does the Deputy know what I am going to say?

Mr. Gormley: I know because the Minister has said it before and it is in his stock literature.

Mr. D. Ahern: Does the Deputy know what it is because I cannot believe it?

Mr. Gormley: It is handed around all the time and it is not true.

Mr. D. Ahern: I cannot believe it. Perhaps it is not the quote the Deputy is thinking of because his party comes out with such weird statements from time to time.

Mr. Gormley: It is nonsense.

Mr. D. Ahern: I frequently do not disagree with you but, unfortunately, some of your statements, like this one, are off the wall.

Mr. Gormley: The statement is untrue.

Acting Chairman: The Minister should address his comments through the Chair.

Mr. D. Ahern: I am not sure if this quote is the same one that the Deputy is heckling me about. Perhaps he does not like to hear a response to it, but this is a direct quote from Mary White, deputy leader of the Green Party: "I would wel-

come the collapse of the Irish economy because it would mean the Irish Government could no longer afford to build roads".

Mr. Gormley: That is nonsense.

Mr. D. Ahern: Will that be in the Green Party's election literature?

Mr. Gormley: It is nonsense. It is completely untrue and the Minister should withdraw that.

Mr. D. Ahern: Regarding Ministers' cars, a number of my colleagues have moved towards the hybrid car to show an example to others.

Mr. Gormley: Is that a gesture?

Mr. D. Ahern: It is a gesture. I have moved from a large car to a small car, in my personal life, to show an example. There is no domestic bin collection from my house. I recycle everything. In my home town and in Drogheda in my constituency we have an excellent recycling facility, provided through Government funds on a public private partnership basis. The Deputy should have a look at it some day.

Mr. Gormley: I did recently.

Mr. D. Ahern: The Deputy did not acknowledge that it was funded by the Government. I have applied for and am awaiting a grant for a wood-burning stove, which is currently in my house. I have even taken advice on solar panels from the Deputy's deputy leader, who was a little equivocal on their long-term benefits, and I hope to receive a substantial grant from the Government to install one.

The Green Party is all talk and I wonder—

Mr. Gormley: Wait until we get into power. When we do, we will deliver a lot more.

Mr. D. Ahern: —whether the Deputy, like me, is implementing his own policies.

Mr. Gormley: Absolutely.

Mr. Crawford: I hate to interrupt such an interesting combat. Is it the Government's or taxpayers' money that is paying for all this? The Government has the job of dispensing taxpayers' money.

My question may not be totally relevant because I was not present for the full debate and I therefore ask the Minister to forgive me. Where stands the Government regarding a possible referendum on new rules to govern the European Union? Having spent time in the voluntary sector, I realise enlargement cannot proceed indefinitely without the introduction of more rigorous structures. The Minister stated that most countries have already agreed to the structures that were put in place. How many countries require a

[Mr. Crawford.]

referendum? Are there any plans for one in Ireland in the foreseeable future?

Mr. D. Ahern: I cannot say off the top of my head how many other countries require a referendum. Two have already had them and they were obviously successful. There are no plans at present for us to have a referendum on this matter because the discussions at EU level are not finished. As I stated, I hope there will be progress under the German Presidency but the issue may become relevant to its successor. One way or the other, we will have to reach some conclusions on the European constitution in the next year and a half or two years.

Mr. Costello: Having heard the Minister's response to Deputy Gormley's question, I note he has an admirable track record in waste management in his own home.

Mr. D. Ahern: The Deputy has local knowledge.

Mr. Costello: I do. The Minister might transmit his knowledge to the Minister for Finance who, in his forthcoming budget, might withdraw the provision in the last budget to spend €300 million to €400 million on purchasing carbon emission allowances from poorer countries. Thus, the members of the Government will all be singing from the same hymn-sheet. It is quite obvious the Minister for Foreign Affairs is singing for himself.

On the issues of security and justice and the question of how to proceed regarding trans-border crime, one should bear in mind that much crime is now taking place on a transnational, trans-border basis. This includes the importation and exportation of illegal drugs, money laundering, trafficking of children and women and modern-day slavery. Existing policing mechanisms and controls are totally inefficient and inadequate, and this was accepted by everybody at the summit. The proposal by the Finnish President on limiting the national veto was rejected out of hand. There is therefore need for a common EU approach to this issue so citizens of member states will know the Union can act for their benefit in this very difficult area, which causes so much concern right across the Union. How will the Union proceed and does the Irish Government have any proposals?

The Minister for Justice, Equality and Law Reform, while standing or sitting on his high horse, or whatever one does with one's high horse, has been pontificating that he will jealously stand by Ireland's sovereignty on this matter and that he will not be found wanting regarding co-operation. However, we know modern police forces from different countries do not co-operate effectively unless there are structures or mechanisms in place to ensure that it happens. Circumstances otherwise go from bad to worse.

I quoted the statistics on the recent survey that put Ireland top of the league in terms of the difficulties I have described. We know how much crime on this island has a cross-Border element, just as we know cross-border crime is committed throughout other European countries. Will the Minister state whether the Government has some ideas on this matter?

Mr. D. Ahern: The Minister for Justice, Equality and Law Reform has been very active in this area and there is no doubt that it is significant from a European point of view given the high level of migration, particularly in the Mediterranean area. This is a significant issue and we are very strong supporters of the FRONTEX proposals in that respect. I have had discussions with some of my colleagues and in this regard I met representatives of the Spanish Foreign Ministry yesterday and Maltese representatives in Malta when the President was there.

In December the European Council endorsed a comprehensive European migration policy, which referred to international co-operation and dialogue with third countries. The latter is vital because it is not a question of "Fortress Europe" whereby barriers would be put up to prevent people from entering.

We provide overseas development aid to developing countries, particularly in Africa, to ensure they have the opportunity to develop such that there would not be a pull therefrom to other areas of the world. They must develop favourable economic circumstances and address all the relevant issues, not least that of HIV-AIDS. It is great that some reports, particularly from countries such as Lesotho and Mozambique, show clearly that investment in the health systems of such countries by the international community, particularly by the European Union, is beginning to stop the rapid increase in HIV-AIDS.

Co-operation among member states in the fight against illegal immigration were addressed at the Council meeting. Ireland, because of its historical ties with Britain, has a common travel area and this can pose a problem. We are not subscribers to the Schengen Agreement, yet we try to work within some of its aspects where possible. We are in a unique area. When this Government came to office, the controls regarding illegal migration, particularly across the Border into my constituency and others, became insufficient. The management of the European Union's external border was agreed at the European Council meeting. Illegal migration was addressed, as was a common European asylum system, of which we are strong advocates. This system is to ensure people are not going from one country to another depending on the controls that apply therein. The availability of adequate resources was also deemed necessary.

We will be proceeding according to the afore-described template. I agree that efforts must be made on a European-wide basis so there will be

a level playing field and so our own citizens and citizens from outside the European Union will know the circumstances within which they can proceed.

Some say it is very difficult to develop a uniform system when working in concert with other member states in the areas of policing and justice, particularly the latter, considering the types of legal systems that obtain. Some member states have common law systems and others, which comprise the majority, do not. We know from our history of the difficulties that arise, an example being the issue of extradition. I am thankful that the European arrest warrant has been agreed upon but even with that there are teething problems. We must work within the template of what is done at European level to ensure there is a common denominator that everyone understands.

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

Ceisteanna — Questions (Resumed).

Priority Questions.

Decentralisation Programme.

104. **Mr. Bruton** asked the Minister for Finance the timetable to which the Government is working in respect of the decentralisation of State agencies; if it includes an examination of the business case for the proposed move; and the special arrangements being prepared to deal with the entirely different role and contractual arrangements which exist in the State agencies compared to the public services. [4363/07]

Minister for Finance (Mr. Cowen): As the Deputy will be aware, 30 State agencies are due to relocate under the Government's decentralisation programme. Some 2,340 posts are involved, or just over one fifth of the programme.

The decentralisation implementation group, DIG, did not set a specific timeframe for State agencies as it believed that it was the responsibility of the board and senior management of each agency to implement the Government decision and to report to its parent Department in the first instance on the progress being made. The DIG noted in its latest report that while progress had been made by some State agencies, there was a marked lack of action among others. The group is meeting CEOs from a number of State agencies to get an overview of progress to date and to identify the challenges remaining in implementing Government policy.

The main issues facing the State agencies are those relating to the filling of posts in undersubscribed locations, the placing of staff choosing to remain in Dublin and promotion

arrangements. These issues are further complicated by the absence of any tradition of or agreement on interchangeability between public service organisations, and between the public service and the Civil Service. The decentralisation implementation group is of the view that the resolution of the outstanding issues is central to the overall implementation process in the State agencies. The group has asked my Department to pursue directly with ICTU proposals on getting central discussions under way on the full range of industrial relations issues relating to the decentralisation of State agencies.

An approach based on consensus and agreement has enabled significant progress to be made as regards the Civil Service moves and it is the intention to continue with this policy in the State agency sector.

Mr. Bruton: I thank the Minister for his reply. I am sure he was invited to a recent meeting that was organised by some of the representatives of the workers affected. It was notable that there was no Fianna Fáil representative and many people were disappointed. Nonetheless, some very important questions were put at that meeting that require answers if the Government is intent on fulfilling what it says in its policy.

There is a tiny number of people volunteering to move within the State agencies. In the case of five agencies, not a single person has volunteered and in the case of seven, fewer than ten have opted to do so. Overall, fewer than one in ten specialists is volunteering to move. How does the Minister propose that State agencies will continue in a decentralised location if 90% of the skilled expertise is melted down in that process? The Minister raised the question of interchangeability and this goes to the core of the issue. People working in particular State agencies do not have the option of moving to others. Their contract is with the State agencies by which they are employed.

What is the Government's proposal on interchangeability? Has the Minister some idea whereby, say, skilled mappers who have opted to stay in Dublin may continue to be used effectively or shall we just see the meltdown of that expertise and the enormous expense of trying to re-employ it in some new location. There needs to be some clarity, other than palming this off on the implementation group, when plainly nothing has happened in the three years by which, in the Government's admission, it was to have been completed.

Will the Minister outline his vision as to how this might possibly be dealt with? Has he received from any of the CEOs or boards involved clear indications that they do not believe there is a business case that will stack up the proposal and what does the Government propose to do?

Mr. Cowen: As I said, we believe the outstanding industrial relations issues can only be dealt with in the context of a centralised discussion

[Mr. Cowen.]

with ICTU, at that level rather than at individual State agency level, which has been the case up to now. The DIG, which has responsibility for moving this forward, has suggested to us, and we have agreed, to pursue proposals directly with ICTU for getting central discussions under way on the industrial relations issues, including the ones raised by the Deputy as regards the decentralisation of these agencies. That is where matters stand. Until the industrial relations problems are sorted out, clearly very little progress can be made. Progress has been made in some agencies but overall, as the Deputy has said, because there is no tradition of interchangeability or greater operability, we must explore with ICTU how this might be moved forward at central level.

That element of the programme will take longer to achieve, but progress is evident in a number of areas. A number of agencies are progressing their moves where location, mix of staff, business and size of organisation are favourable. The Health and Safety Authority has established an advance office in Kilkenny in preparation for its moves to Thomastown, and Pobal has set up an office in Clifden. This year it is expected the Road Safety Authority will be located in Loughrea and Ballina. FÁS will have a further small advance office in Birr. The Equality Authority will have an advance office in Roscrea and SEI will have a presence in Dundalk. In addition, Enterprise Ireland will have established a presence in Shannon, including the transfer of some existing Shannon Development posts to that organisation.

Officials in my Department are in contact with the Irish Congress of Trade Unions on the matter. The decentralisation implementation group has expressed a view that resolution of the outstanding issues is central to the overall implementation process in the State agencies. I agree with that view and I hope that matters can move forward. As with all industrial relations negotiations, it is impossible to give a precise timeframe for their conclusion.

Mr. Bruton: What is the offer to people with expertise in State agencies who opt to remain in Dublin? This is supposed to be a voluntary programme. The Government wants people to volunteer to do one or the other. The only offer that I have heard from people who wish to remain in Dublin is unemployment. If they do not move and the Government pushes ahead, then unemployment is their only option if they remain in Dublin. The onus is on the Government to make an offer, as decentralisation is Government strategy. This negotiation must be opened up by putting some thoughts on the table as to how it will work. These ideas have not yet come forward.

Mr. Cowen: We are hopeful that discussions with the Irish Congress of Trade Unions at a cen-

tral level will help resolve these matters, rather than dealing with individual State agencies and unions that represent individual groups of staff.

It is important to understand the process in place to manage the issue of staff remaining in Dublin. Staff will come on stream in Dublin on a phased basis as their organisations progress through their timeframe for relocation. This phasing allows for the absorption of Dublin staff into vacant posts to be managed over the full transitional phase of the programme.

Mr. Bruton: Into what vacancies are people being deployed?

Mr. Cowen: Of the 6,000 general Civil Service posts being moved out of Dublin, approximately 3,400 applicants are coming from Dublin. This is only a snapshot of the central applications facility and it is changing all the time. There is a significant turnover each year at the clerical grades and junior management grades in the general service, where the majority of staff are employed. Therefore, we do not anticipate significant difficulties in placing these staff in Dublin.

Mr. Bruton: That does not apply to Stage agencies.

Mr. Cowen: I am going through each detail. The turnover at senior levels is not as great, but the overall numbers at that level are smaller and can be managed over time. The phasing has been arranged so that the locations with the best take-up are moving early. The Department of Finance is currently analysing retirement patterns over its transition phase and has been liaising with Departments and offices to plan the phased relief of staff into vacant Dublin posts.

Professional and technical staff make up about 10% of the overall programme. Proposals have been tabled in talks with the unions on options for staff remaining in Dublin. While the issues are more complex for professional grades, discussion and dialogue on the full range of options is the only way forward, including inter-organisational mobility in the Civil Service and mobility in the wider public service.

There have not yet been any substantive discussions with union representatives of the State agencies on the detailed implementation arrangements. Progress on issues such as mobility between State agencies and between agencies in the Civil Service would expand the range of options for all staff, including staff remaining in Dublin.

Economic Competitiveness.

105. **Ms Burton** asked the Minister for Finance if his attention has been drawn to the recent warning by the Central Bank of the risk posed to the Irish economy and its competitiveness by continued high inflation and its prediction that annual inflation is set to rise to 4.5% in 2007; and

if he will make a statement on the matter.
[4210/07]

Mr. Cowen: I am aware of the report by the Central Bank and welcome its broadly positive assessment of the Irish economy. The best measure of underlying inflation is the EU comparable measure of inflation, known as the harmonised index of consumer prices. Average HICP inflation in Ireland was 2.7% in 2006 and my Department is forecasting HICP inflation averaging 2.6% in 2007.

The annual rate of inflation as measured by the consumer price index was 4.0% in 2006 and is forecast to be 4.1% in 2007. The CPI differs from the HICP in terms of coverage. The main difference between the CPI and the HICP is the inclusion of mortgage interest repayments in the CPI. Recent CPI inflation has been impacted by six interest rate increases since December 2005, each of 0.25%. I agree with the point expressed by the Central Bank in its bulletin that the outlook for CPI inflation will depend in large part on the future path of interest rates.

Where it can, the Government is taking action to contain inflation by implementing responsible fiscal policies. With the exception of an increase in indirect tax on tobacco in the last budget, which was done for health reasons, indirect taxes have not been raised in the past three budgets. The Government also removed the groceries order and this is beginning to have an impact on food prices. The Minister for the Environment, Heritage and Local Government specifically requested that in order to support competitiveness in the economy and to protect the interests of communities, local authorities should exercise restraint in setting any increases in commercial rates and local charges in their budgets for 2007.

We are also investing heavily in public infrastructure which will enhance our ability to produce more goods and services more efficiently, and that will help keep inflation down. To the extent that the prices of Government services reflect increased wage cost factors, we need to make the provision of the services more efficient. This is what we are seeking to do in modernising the public service.

The stable macro-economic environment created by the Government through the pursuit of sound public finances will support the economy's competitiveness, and will in turn provide the basis for achieving further economic and social policy objectives in the long term.

Ms Burton: Does the Minister appreciate the plight of the ordinary family who must do a week's shopping? The report of the Central Bank shows that Ireland is now the country with the highest level of prices in Europe and in the eurozone. Our price levels are 19.5% higher than the eurozone average. Ireland is significantly more expensive than either the UK or Germany. The

Government is the primary party responsible for a great amount of price increases which the people must face. The Euro barometer in which the Minister placed so much faith during his answer showed that the Irish figure is 3% for December. The only country that is higher than Ireland is Greece, which is at 3.2%. We are joint second for the highest price levels with Slovenia, which only recently joined the eurozone.

The family that must do a week's shopping is living in the country with the highest price levels and we are drifting to the top of the inflation league. We are also at the bottom of the competitiveness league in areas like broadband penetration. Does the Minister have any kind of response to the impact of this on families and on the many workers who are getting redundancy notices? Even workers in high-tech jobs at Motorola are losing their jobs. Our competitiveness is simply not keeping pace with that of our competitors. What does the Minister say to that after ten years in Government?

Mr. Cowen: In ten years we have seen unprecedented economic growth, massive employment and relative price stability. Since we have come into the eurozone, there has been a divergence in inflation, which drifted to 3.2% higher than the average at one stage, but came down to zero in 2005 before going back to 0.5% in 2006. There have been recent interest rate increases which have fed into the inflation figure. That is affecting all economies in Europe. There are other issues for which we are not responsible. We cannot direct the cost of crude oil or gas prices as these are regulated sectors in the economy.

The most recent inflation forecasts produced by my Department were published in the budget. The Department forecasts that the CPI will increase marginally to an average of 4.1% this year, before falling to 2.4% next year and 2% in 2009. In the same period for the harmonised index of consumer prices, inflation is forecast to average 2.6% this year, 2% next year and 1.7% in 2009. We have good reasons to believe that the harmonised index inflation will average 2% over the medium to long term in line with the ECB target. Apart from the fact the 2% rate is the ECB's target measure, there are other reasons specific to Ireland which should cause the harmonised index to average around 2% in the future. For example, price levels in Ireland are currently the second highest in the EU. As inflation in Ireland cannot diverge continuously, the rate of inflation can be expected to fall over time, leading to the attainment of an average harmonised index rate of 2%. Demand will not be as strong in the future as the economy moves through a more stable growth phase. As competition increases across the economy, we can expect an easing of inflation. We have a more open labour market, which has already started to reduce wage pressures, particularly in the construction industry.

[Mr. Cowen.]

We have to be vigilant. It seems some of the recent high-profile job losses can be attributed to the fortunes of individual companies, rather than problems with national competitiveness. I am aware of the comments of the various finance houses. It is estimated that in the ten years to 2006, taxation added an average of just 0.5% per annum to the consumer price index. As the health and education sectors, for example, have relatively small weights in the basket of consumer goods and services, their impact on overall inflation is relatively low. Many of the factors which influence health inflation, such as the fees charged by doctors and dentists, are outside the Government's control. The increase in the price of oil is not exclusive to Ireland, as I have said, because all oil-importing countries are similarly affected. Its impact on our competitiveness will ultimately depend on how we respond.

Ms Burton: During the term in office of the Minister, Deputy Cowen, Ireland has performed consistently badly on the European harmonised index of consumer prices, which is compiled by EUROSTAT. Since 1998, prices in Ireland have increased by almost 30%, which is the highest level among EU countries and almost twice as high as the EU average. The nurses' claim, in respect of which they are threatening to go on strike, is partly based on the fact that they can no longer afford to buy houses in the greater Dublin region. They want a Dublin cost of living allowance because it is so expensive to live in this part of the country. The builders, who are the Minister's friends, have not been slow in jacking up house prices. The EUROSTAT figure is lower than the official rate of inflation in Ireland because it does not include the cost of a mortgage for people, particularly young families, who have to spend 25% or more of their net wages on mortgage payments. Can the Minister answer the question he was asked? The Government said in Towards 2016 that it would try to reduce inflation, but what is it actually doing to that end? It is all talk and no action.

Mr. Cowen: It is not all talk and no action, obviously, because we have been experiencing growth rates which are two and half times the EU average. I assure the Deputy that the finance ministers in Germany and France would love to have a little more inflation in their economies, so they could have annual growth rates of 5.3% or 5.4%.

Ms Burton: People can buy houses in France and Germany.

Mr. Cowen: They would love to have more domestic demand in the economy.

Ms Burton: A nurse in France or Germany can afford to buy a house.

Mr. Cowen: Wage increases in Ireland have significantly outstripped inflation. Pensions have increased by 85% in the period mentioned by the Deputy, whereas inflation has been 30%. We would have been waiting a long time to get to that level if pensioners got increases of just £1.50 a week, which is what they were getting the last time the Labour Party was in Government. Under the social partnership agreement, a committee meets to ensure we monitor the position in respect of this matter. Our long-term strategy for responding to higher oil prices involves continually repositioning the economy so it produces more knowledge-intensive goods and services. Such services tend to be less energy intensive, which should help to reduce Ireland's exposure to international energy price developments. The impact on the economy of higher energy prices will ultimately depend on how economic agents, including policy makers, react in such circumstances. In the past, higher energy prices resulted in demands for higher wages. The subsequent increases in public spending had a detrimental effect on our economic performance. We now have a greater awareness that we cannot compensate ourselves for such increases. We intend to increase significantly the productive capacity of the economy by investing an average of 5.4% of funds in the public capital programme each year, thereby ensuring there are no inflationary pressures. This measure will ensure that our growth is not accompanied by the inflationary pressures which would arise if we did not expand the productive sector of the economy. Deputy Burton spoke about builders, who are needed to build houses.

Ms Burton: Can the Minister do something about the manner in which builders engage in land speculation?

Mr. Cowen: I do not know who else the Deputy expects to build houses. The capacity of the construction industry has expanded in recent years, thankfully, so it is now able to meet demand by providing up to 80,000 houses per annum. That contrasts with an annual average of between 30,000 and 35,000 houses when Deputy Burton's party was last in office.

Ms Burton: A nurse could afford to buy a house at that time.

Mr. Cowen: These are all indications of increased capacity.

Ms Burton: Nurses could afford to live in the Dublin area.

Mr. Cowen: Annual house price inflation has decreased to approximately 5% over the last six months.

Credit Card Debt.

106. **Mr. Connolly** asked the Minister for Finance his plans to control the degree of credit card debt, which is double the 2006 level; and if he will make a statement on the matter. [4305/07]

Mr. Cowen: As the Minister for Finance, I am charged with putting in place an appropriate and robust legislative framework for the regulation of the financial services sector, with a particular focus on the consumer. I am satisfied that such a framework has been in place since the Financial Regulator and the Financial Services Ombudsman's Bureau were established. All credit card providers must comply with the regulator's consumer protection code, which states that the providers of financial services must not provide financial products other than those which are suitable for the relevant consumer. When credit institutions change their interest rates, they must state the effective date of the new rates and update the interest rate details on their information services as soon as the changes come into effect. The limits on credit cards cannot be increased unless such increases are requested by consumers. The Financial Regulator spends significant time and uses considerable resources to inform consumers about the potential risk of excessive credit card debt. Credit card cost surveys, which have been undertaken by the Financial Regulator, are available to help consumers to choose the credit card that best suits their needs. The Financial Regulator recommends that consumers take on the right type of credit for the right purpose — credit cards are not suitable for long-term debt as rates are considerably higher than other forms of credit. The Financial Regulator issues information to help people who have problems with credit card debt. This information is available through its publications, helpline and website. The Minister may wish to note——

Mr. P. McGrath: That is a death wish.

Mr. Cowen: I was referring to the Minister of State, Deputy Parlon, who has an interest in this question as well.

Mr. P. McGrath: It could happen.

Mr. Cowen: The Deputies opposite are not on my horizon.

The Deputy may wish to note that credit card debt represents less than 2% of personal sector credit and less than 1% of overall private sector credit. In addition, credit card data refers to debt outstanding on all credit cards at the end of the month and includes balances that may be paid in full at the payment due date. The increase in the number of credit cards issued and the amount of debt outstanding is in line with a general trend of increased market penetration in the EU and a move towards electronic retail payment methods.

Mr. Connolly: I am sure the Minister will agree that the level of debt at this time of the year inevitably leads to a major debate about access to credit and credit card limits. It has been reported that an additional €166 million was spent last Christmas. While that may be good for business, people will eventually suffer if their purchases are made using credit cards. Total debt for December stood at €1.2 billion. Given that credit card debt has increased by 15.8% over the last year, does the Minister intend to introduce any measures to control the credit limits which are offered by banks to card holders? Does he have any proposals to deal with non-mortgage credit, which increased by 31.7% in December 2006? Does he appreciate the inflationary effects of increased credit card debt and its potential dangers for the economy? Does the Minister have any plans to control total lending in the economy, which increased by €59 billion in 2006? Does the Minister agree that excessive credit card limits encourage people to live beyond their means? Misery is heaped on people when their credit card bills are pushed through their letter boxes, particularly at this time of the year. The banks dream about people who are bad at managing their money because they made their real money from such cases.

Mr. Cowen: Current levels of credit debt could become a cause of concern if they continue. However, I do not believe the current levels of indebtedness represent a substantial risk to the economy. It is to be expected that consumers seek to make use of the continuing levels of interest rates, which are historically low. Nevertheless, I fully support the vigilance of the Central Bank and the Financial Regulator on the issue of personal credit and mortgage debt, in reminding borrowers and lenders of the need for responsible behaviour. The high proportion of household indebtedness in Ireland relates to borrowing for house purchases which, in turn, involves the acquisition of an asset for such households. In the same way, borrowing by the business sector, which generally underpins investment, and the creation of business assets, which yield future income, reflect the strong performance of the economy and confidence in our economic prospects.

As far as overall economic and financial stability is concerned, an overall measure of credit encompasses both public and private sector credit and debt levels. The Minister for Finance has a key role in this regard in ensuring prudent management of the budget and overall sustainability of the public finances. In this context, our fiscal performance is among the best in the developed world, with Government indebtedness the second lowest in the euro area. Responsible budgetary policy has made a significant contribution to economic performance overall and to the achievement of record employment levels.

3 o'clock

[Mr. Cowen.]

With regard to the issue of what legal protection consumers get in the face of increases in the cost of credit, the provision of consumer credit in Ireland is effectively regulated by the Consumer Credit Act 1995, which is administered by the financial regulator. It obliges credit providers to include specific information in all credit agreements with regard to such matters as the total cost of credit, the amount of each repayment instalment, the number of instalments and so forth. The purpose of obliging credit providers to provide this information is to ensure that consumers, when making credit decisions, are armed with full information about any credit agreement they are entering into and, most importantly, the impact that servicing a loan will have on the consumer's household budget.

On the issue of Ireland's private sector debt to income ratio, I fully support the vigilance of the Central Bank and the financial regulator with regard to personal credit and mortgage debt. House mortgage finance represents approximately 83% of the outstanding stock of personal debt. Accordingly, a high proportion of private sector indebtedness in Ireland relates to borrowing for house purchase, which in turn involves the acquisition of an asset for the households concerned. In the same way, borrowing by the business sector generally underpins investment and the creation of business assets, yielding future income.

As far as looking after the interests of the individual borrower and investor is concerned, the function of government is to provide an appropriate legislative framework for regulation of the financial services sector that is both comprehensive and robust. Within the implementation of the overall legislative framework, private sector credit debt and growth levels are, in the first instance, a matter for the Central Bank and Financial Services Authority of Ireland. This follows from its role as part of the European system of central banks and its functions as the financial regulator in the prudential supervision of financial institutions and the protection of the customers of those firms. In this regard, I fully support the vigilance of the Central Bank and the financial regulator regarding these matters.

Mr. Connolly: I accept that credit agreements and arrangements are regulated. The difficulty is that they are not capped or kept under some level of control. It was indicated at one time that the Money Advice and Budgetary Service, MABS, would be put on a statutory basis. That body provides a great deal of useful and beneficial information to people who get into trouble with debt. Putting it on a statutory footing might encourage people to go to it. Are there plans to put the service on a statutory basis?

Mr. Cowen: The Money Advice and Budgetary Service was established to help people manage

their money with a view to regaining control of their finances, including how to avoid falling into difficulty as a result of debt. MABS provides an extensive range of money advice, personal budget and community education services where necessary and liaises with financial institutions on behalf of clients. There are 52 independent companies nationwide operating the service. In 2006, a sum of €16.4 million was provided to fund the service, representing an increase of 20% on the previous year. This year, I further increased the annual allocation to €17.64 million. Last year, almost 27,000 people availed of the service, compared to 18,000 in 2001.

I also note the measures proposed by the National Youth Council of Ireland in its report, *Can You Credit It: The Real and Growing Cost of Credit Cards for Young People*, to better protect young consumers, such as a minimum balance warning and an annual statement outlining all interest and fees paid. I welcome that report, which raises many important issues regarding young people and their management of credit card debt. It is further evidence of the increased awareness of the importance of consumer protection in the financial services area. The financial regulator is examining the report prepared by the National Youth Council of Ireland and this will inform its study of the transparency of information provided to all holders of credit cards.

I understand from the discussion on the Order of Business yesterday that the Money Advice and Budgeting Service Bill is to be introduced this year.

Public Service Contracts.

107. **Mr. P. McGrath** asked the Minister for Finance if he will require all agencies with capital projects of over €30 million to publish the cost-benefit evaluation before committing to proceed with the projects. [4364/07]

Mr. Cowen: Under the Department's February 2005 guidelines for the appraisal and management of capital expenditure, a full cost-benefit analysis or CBA is required to be carried out by public sector agencies as part of the detailed appraisal for all major projects over €30 million in value. It is the responsibility of the project sponsoring agency to carry out the cost-benefit analysis. The cost-benefit analysis is an important input into the appraisal of major capital projects and it must take place prior to entering into any commitments to proceed with the project.

As a general rule, the cost-benefit analyses are not published. They contain commercially sensitive information, the publication of which could be prejudicial to the State's capacity to get best value for money in the procurement of capital projects; for example, they include the estimates of the capital and operating costs of projects. It would not be in the interests of getting best value

for money to share this information with potential tenderers in advance of procurement.

There are, however, a number of checks in place as part of the Government's value for money framework to ensure reporting on and scrutiny of the appraisals undertaken by Departments and agencies for capital projects, without compromising the confidentiality of commercially sensitive information. Under the arrangements applying to the multi-annual capital investment framework, Departments must put systems in place to carry out spot checks of compliance with the various elements of the value for money framework, including appraisal and cost-benefit analysis where appropriate, and they must report the findings of these spot checks annually to the Department.

The central expenditure evaluation unit, which I recently established in the Department, will review these spot check reports and will, both on its own initiative and as part of this review process, also directly undertake a series of spot checks of individual capital projects. More generally, the new unit has a remit to promote best practice in pursuit of value for money, including appraisal and cost-benefit analyses. Individual projects and the associated appraisal processes, including the cost-benefit analysis, may also be subject to audit or examination by the Comptroller and Auditor General.

Mr. P. McGrath: The Minister referred to 2005, when he reduced the cost of projects which would require a cost-benefit analysis from €50 million to €30 million. The Minister said the various agencies are producing the cost-benefit analyses and they are being sent to his Department. It is unfortunate that he will not allow them to be published. He said they might contain commercially sensitive information. However, will he allow the publication of any of these cost-benefit analyses retrospectively? Is it not important from a public perspective point of view and for public confidence that the Department is spending money wisely?

The recently announced Transport 21 plan will cost approximately €34 billion and the national development plan will cost €184 billion. There are also various local announcements that projects will go ahead but there is no mention of the cost-benefit analysis that will be required for each of those projects. Perhaps the Minister would examine the situation in New Zealand, which has a very open system. In New Zealand all these information documents are published and they are even available on the worldwide web. One can see the cost-benefit analyses for all the projects. It does not seem to cause damage in New Zealand and does not appear to cause the problem cited by the Minister with regard to commercial information being seen by the opposition. We must take the road of being more open and honest with the public by publishing these cost-benefit analyses.

Mr. Cowen: With regard to Transport 21 and the national development plan, there is a strong framework in place for the delivery of value for money in the planning and administration of projects. As regards appraisal, a full cost-benefit analysis is required for projects worth over €30 million, with other forms of appraisal required for projects below that level. We are moving to fixed price contracts to ensure greater cost certainty. Departments and agencies are extremely proactive in monitoring the cost of projects by reference to project level budgets. Recent experience is positive, with the bulk of projects now coming in at or below budget and on or ahead of time. Constance vigilance is, however, required in this area.

My Department, in co-operation with other Departments, notably through the agency of the central expenditure evaluation unit, will seek to ensure that best value for money practice is applied in the national development plan and in all expenditure under it. If we want a value for money culture across the system, the responsibility for carrying out the cost-benefit analyses and, more generally, for delivering value for money at individual programme and project level should rest with the sponsoring Department or agency. This is the best way to inculcate a culture of value for money across the system. It is fully consistent with the concept of delegation from the centre which is a key part of the public sector modernisation agenda. My Department's role is primarily to set out the framework to be implemented across key value for money areas, such as procurement, PPPs and capital appraisal. It can also offer advice and assistance and as stated in my reply it will carry out spot checks to verify compliance. More generally, cost-benefit analysis is just one element, albeit a very important one, of the appraisal and management process for major capital projects. In my view it is essential throughout this process to have an identified sponsoring agency responsible for all major projects of the appraisal and management of the project and ultimately for the delivery of a value for money outcome for the taxpayer.

All the projects in Transport 21 must be evaluated in accordance with the Department of Finance capital appraisal guidelines. A significant amount of analysis has taken place relating to various aspects of Transport 21. The DTO Platform for Change provides the basis for the proposed investment in Dublin. This was subject to an independent economic evaluation which was reported in the document. Iarnród Éireann carried out an appraisal of its greater Dublin integrated rail network plan. This was reviewed by independent consultants and found to be robust. A full appraisal was undertaken of the strategic rail review by the independent consultants who prepared it. Major projects of more than €5 million such as the metro and the interconnector will require the specific approval of Government before any contract is signed. I am not aware of

[Mr. Cowen.]

the New Zealand experience as referred to by the Deputy but I will ask my officials to follow it up and brief me on the situation there.

Mr. P. McGrath: The Minister and I agree on a lot of things. We agree it is necessary to have the cost-benefit analysis and we agree that the sponsoring body is the body that should be responsible for producing this. However, the major disagreement between us and where we differ is that the Minister wants to keep secret all this cost-benefit analysis material such as the research and so on. Is there not a case to be made that this should be made public at some stage, not under the 30-year rule but within a much shorter timescale? There must be public confidence in these projects. Public confidence has been lost in recent times because of overruns and so on but thankfully, this situation has tightened up now. Will the Minister give a commitment that he will move forward towards making this material available and give the public an opportunity to see and analyse it?

Mr. Cowen: During the course of the latter years of the last development plan, a level of expertise and competence has been built up in the implementing agencies and as a result large projects are coming in on time and within budget, even before time in many instances. Everyone now recognises that this learning curve has been achieved and will continue.

Mr. P. McGrath: It has been achieved at a big cost.

Mr. Cowen: I disagree. The price of these projects included the cost of acquiring the land which was an issue and subsequent negotiations put a much higher figure on the cost than would have been the case in the original appraisal. It is a fact that construction inflation occurred because we did not have the capacity in the economy. Construction inflation in 2000 amounted to 12% and 9% in 2001 but it is only 3% to 4% in the recent past. We now have the benefit of fixed price contracts, improved procurement procedures, revised capital guidelines and increased expertise in the agencies. We are achieving results such as project cost equalling tender price. There has been more heat than light shed in the many arguments about project costs and the basis for the initial pricing and original tender price. The test is whether the job is completed for the tender price when the tender is approved. For example, the cost of building a house today will cost more than it did six years ago. If a bigger extension is put on the house and the final result is a different design from the original then it will cost more than what it would have cost six years ago and it is a nonsense to argue otherwise. Such a discussion undermines confidence. The Deputy has acknowledged the much greater degree of confidence in

our capital programmes because we are delivering them in the way that taxpayers are entitled to expect.

The Deputy's ultimate point is whether they will ever be published. It may be that in some exceptional circumstances — on the basis that it will not compromise a future tender or contract — it will be possible to show that the work was done in accordance with procedures. However, the easiest way to find out whether there has been value for money is to test whether the job was done for the tender price, within time and on budget. If a contract is given for the construction of a road and it costs €200 million, then that is the cost of the project. When it was designed by a local authority 20 years ago and the cost was estimated at €20 million, it is a nonsense argument to suggest it could be done for that price of €20 million which would only supply a tenth of the road now. The tender price is the issue and the bottom line is that all of these projects, almost without exception, are now coming in on time and within budget. I believe we all recognise this fact. It is good for the taxpayer and it reflects well not just on Government but on the implementing agencies and on the level of expertise and competence with which they are delivering projects.

The Government's job is to ensure that funds are available to proceed with those projects in the way that they wish to do it. There has been some re-profiling of expenditure on Transport 21 and the national development plan on the basis that the NRA had the capacity to do more work than three years ago when Transport 21 was introduced. This level of flexibility with such a framework and being able to respond in a way that does not cause construction inflation but gets the job done more speedily makes eminent sense and proves both the robustness and the appropriateness of the framework we are setting out.

Tax Code.

108. **Mr. Boyle** asked the Minister for Finance the existing available tax reliefs and the estimated tax foregone in the most recent annual period from which information is available. [4209/07]

Mr. Cowen: The Deputy may wish to note that a table headed Classification of Tax Reliefs — where Tax Expenditures Go and providing classification of the income tax reliefs costing an estimated €11.6 billion for 2003, the last available year, is included on page B.15 of the Budget 2007 book. This gives a full breakdown of the reliefs in question. I will read out the details if the Deputy wishes.

Mr. Boyle: The Minister should be aware that my supplementary question is a development of the point that the most recent statistics relate to 2003. A significant amount of alteration has occurred in the tax reliefs available. The Minister has chosen to extend some but he has not

renewed many and some have been brought in that have not been costed since 2003. The Minister has also indicated in the last two budget speeches a new procedure for assessing the introduction of new tax reliefs. However, this does not seem to be as open as it could be.

Will the Minister consider making statistics of this type available on a regular basis? He could measure not only the anticipated tax expenditure with each of these tax reliefs but where loopholes have been identified with each of these tax reliefs — I have brought them to his attention before — the estimated amount of loss to the State as a result of each loophole. Each year the Finance Bill prevents a number of loopholes being closed. Members of this House and the public are given no assessment of the loss that has been accruing to the State as a result of the existence of those loopholes. Has the Minister any proposals in mind for making this information more widely available?

Mr. Cowen: The two major reports on tax reliefs undertaken in the context of last year's budget were published along with the Finance Bill. They give a detailed and clear assessment of many of these reliefs. The majority of the moneys are in respect of the following categories. Basic personal credit amounts to more than €5 billion; personal reliefs such as child benefit, €327 million; mortgage interest relief worth €222 million; private health insurance, such as VHI and BUPA, €191 million; PAYE expenses, €112 million; reimbursement of health expenses, €82 million; other reliefs such as trade union subscriptions, rent reliefs and redundancy reliefs are worth €80 million, bringing a total of personal reliefs of more than €1 billion. Other discretionary or incentive reliefs on pensions amount to €2.8 million; capital allowances for companies include over €1 billion for self-employed and €560 million for farmers; for SSIs it is €530 million; Government savings schemes, €230 million; rent and residential reliefs for section 23, €69 million; charities, €49 million; profit sharing schemes, €36 million; artists, €22 million; films, €25 million; business enterprise scheme, €17 million; maintenance of spouses, €15 million; others, such as heritage items and stock relief, €108 million. This gives a total of €11,647 billion.

The majority of the reliefs I have cited are in respect of credits and reliefs available under the tax system for the vast majority of taxpayers. When pensions are included, these reliefs account for more than €9.5 billion of the total figure, which includes entirely legitimate items such as capital allowances for business, etc.

In circumstances in which Revenue seeks to change a tax provision on the basis of how the courts subsequently interpret it or as a result of a practice that develops beyond the contemplation of the specific section, when enacted, it advises the Department and I take its advice in practically all cases. It would be open in an individual

case for a Deputy to table a parliamentary question to determine whether Revenue could estimate the expenditure incurred.

Mr. Boyle: I do not want circumstances to arise in which it becomes necessary to commission a further three-volume report examining the effects of particular tax reliefs. The massive Indecon report dealt only with property based tax reliefs. The information available to Deputies is out of date. We have still not been informed what type of public accountability mechanism the Minister has introduced for new reliefs, what type of modelling was carried out and what decision was made on the basis of information supplied to the Minister. We must be better informed if loopholes and wanton abuse of tax reliefs are to be avoided. The current system invites future reports of the type finance spokespersons had to wade through last year and could result in widespread overuse of tax reliefs, which would render them ineffective. I ask the Minister at least to consider making the relevant information available in a more timely manner and improving awareness of the citizenry, specifically taxpayers, as regards the way in which decisions on tax reliefs are made and the effects of such reliefs.

Mr. Cowen: The Deputy is being a little unfair in neglecting to mention the benefits delivered by tax reliefs, as outlined in the Indecon report. It emerged from the report that many of the reliefs could be phased out because the economic objectives for which they had been introduced had been broadly achieved. Considerable benefit accrued from many schemes, including in the area of urban renewal and regeneration, and there are many excellent examples of incentivised investment delivering real community benefit in addition to personal benefit to those who availed of the schemes. For this reason, I do not take as negative a view as Deputy Boyle.

The consultants also left open the possibility of introducing further tax relief schemes in future. They did not rule out new schemes but stated they should be assessed. The Department has done this and the most recent scheme, announced in the Finance Bill, includes characteristics in line with what was recommended. The consultants may regard the proposal as having limited potential because it is not in a traditional tourism area. This is precisely the reason some incentivised investment might help. The approach envisaged, under which a certification body will be brought in and a quality assurance mechanism will determine eligibility under the scheme before construction of any facilities, is sensible and one I am willing to adopt.

The Department is learning. It does not propose to give open-ended approval or take a non-time limited approach. We have taken on board some of the ideas Indecon stated should be part of any future tax relief schemes. As I indicated, it is possible that economic objectives in specific

[Mr. Cowen.]

areas of activity may be more rapidly or best achieved by some degree of incentivisation. One can assess the measures subsequently. Having a certification body will assist the Department in making precise assessments of the projects which receive approval and the expenditure involved.

Other Questions.

Tax Code.

109. **Mr. McCormack** asked the Minister for Finance if his attention has been drawn to the criticism of the Revenue Commissioners by the Irish Taxation Institute; and if he will make a statement on the matter. [4150/07]

Mr. Cowen: I assume the Deputy is referring to the presentation by the Irish Taxation Institute, ITI, to the Joint Committee on Finance and the Public Service on 17 January on the under-claiming of allowances and reliefs by PAYE taxpayers.

I understand the ITI, in its presentation, suggested the introduction of a "one claim, one form" approach for securing tax reliefs. This would be a retrograde step because, under the current system, no forms are required for claiming most PAYE tax credits. Revenue operates a self-assessment ethic and assumes that people are honest. For example, the majority of claims to amend tax credit certificates are made over the telephone, via Revenue's lo-call 1890 service.

Forms are required in some instances, for example, medical expenses relief. Where Revenue requires a form to back up a claim, it generally prompts the claimant to complete the form every year. For example, anyone who claimed medical expenses relief in excess of €1,000 will receive a claim form in the post every year. This also applies in the cases of elderly persons who claim deposit interest retention tax, DIRT, relief. As announced in the recent budget, Revenue is working with the credit institutions to establish a system which would allow the elderly and incapacitated persons to obtain interest free of DIRT from 2007 onwards.

Revenue's philosophy regarding PAYE credits is, wherever possible, that taxpayers who claim once will keep a credit forever. This approach works well for standard credits with fixed amounts. Any suitable credit, once allowed, is generally carried forward from year to year by the Revenue computer system. In addition, many of the more significant reliefs have been made virtually automatic, either through the introduction of tax relief at source, TRS, or the automatic carry forward of the reliefs. For example, mortgage interest relief and medical insurance relief are provided at source through the taxpayer obtaining a reduction in repayments or premiums

equivalent to the tax relief. Once claimed, recurring reliefs such as those for trade union subscriptions are allowed on an ongoing basis and reappear each year in the taxpayer's certificate of tax credits.

The ITI also implied that when claims are made refunds are not made in a timely manner. This is not the case and I am assured by Revenue that repayment claims are prioritised and Revenue's published customer service standards for the processing of refund claims are generally met, save in peak periods.

The ITI also urged Revenue to educate PAYE taxpayers about the tax system and their entitlements. I assure the Deputy that Revenue has taken this task seriously for many years. Each year, every PAYE taxpayer receives a tax credit certificate showing the credits he or she has been given. He or she also receives a short leaflet explaining all the standard credits available. It is relatively simple to check the credits given against those available and taxpayers are encouraged to do this. Credit certificates for 2007 are being issued and a press and radio advertising campaign is being built around this process.

From time to time, Revenue has public information campaigns. In 2006, its chairman wrote to every person on the PAYE tax record informing them about the new Revenue on-line service, ROS, and other self-service options for employees. In August and September 2006, Revenue launched an intensive nationwide campaign to encourage take-up of health type reliefs, the waste charge credit and rent relief. The response was encouraging and I am advised that Revenue will run a similar campaign this year.

A wide range of publicity booklets can be found in Revenue public offices and on its website. Leaflets and claim forms for medical and dental expenses are available in clinics, surgeries and pharmacies. More limited information is available on Teletext and, increasingly, Revenue information for the public is being made available in a wide variety of other languages, including Polish, Lithuanian and two Chinese dialects.

All these factors demonstrate that Revenue has long been proactive in its approach to dealing with claims for tax credits and reliefs. I am satisfied that taxpayers are being offered every assistance and advice in relation to claiming reliefs and credits and, together with the variety of service channels Revenue has put in place, they are being given the opportunity to do this in the most efficient and customer friendly way possible.

Mr. Bruton: I thank the Minister for his reply. The criticisms made by the Irish Taxation Institute have a number of worrying dimensions which militate against the view that Revenue is improving its performance. For this reason, it is important to carefully examine the institute's concerns. The Minister adverted to its concern that a high proportion of those entitled to certain reliefs, including medical expenses, trade union

subscriptions and nursing home expenses, do not claim them. In other words, Revenue is retaining moneys which do not rightfully belong to it.

The ITI also found a high level of dissatisfaction among professionals — more than 50% — with the refund service. They found high levels of dissatisfaction that the Revenue is not handling complaints satisfactorily. Those are three serious findings. Although the Minister has refused to do so in the past, I ask him once again to arrange for the Revenue Commissioners to undertake a properly based estimate of how much in tax allowances is not making its way to taxpayers. Information is power and the Revenue Commissioners have available to them all the returns of medical practitioners, nursing homes, trade unions and others. They know these values and could easily calculate the extent to which under-claiming occurs. That is the key to making a change. If the Revenue once recognised the scale of the problem, one would see a huge amount of change following from that, both in Revenue's willingness to deal with refunds and other complaints. That is the linchpin of change. I ask the Minister to reconsider his previous decision not to have the Revenue Commissioners undertake such a study.

Mr. Cowen: At the Deputy's request, I will reconsider that matter. The Revenue Commissioners' plan for the development of PAYE through their operations policy and evaluation division is managed by an assistant secretary and contains two substantial units which monitor daily performance of the PAYE system. It plans future improvements and provides a wide range of information leaflets and guides aimed at employers and workers using PAYE. In this context, setting up a new PAYE customer satisfaction unit would be wasteful duplication. The Deputy is obviously not aware of the large number of Revenue staff in place serving PAYE taxpayers. The latest figures available show there is a total of over 1,880 working in customer service areas. Of those, close to 800 are dedicated solely to the PAYE sector. That represents core numbers engaged in customer service duties for PAYE customers. At peak periods, however, temporary staff are recruited and existing staff are moved between functions to alleviate backlogs and speed up response times.

As regards customer satisfaction, I refer the Deputy to a Civil Service-wide survey conducted on behalf of the Department of the Taoiseach in March last year. It found that 78% of general public customers and 81% of business customers said they were "very" or "fairly satisfied" with the level of service provided. Since Revenue is such a significant point of contact for so many Civil Service customers, it is also gratifying for them and indicates a higher level of satisfaction with the staff and the standard of service being provided by that office than the Institute of Taxation's survey might suggest.

As has been said, however, this has been a constructive contribution to the debate and the interactive relationship between these bodies is good. From my discussions with the Chairman of the Revenue Commissioners, which are reasonably regular as one would expect, I know he is focussed on ensuring that customer satisfaction is high and that people are happy with the level of service provided. There is a growing level of responsibility on Revenue, so staff pressures come into play as well, but we have been able to assist in that regard in recent times. The Chairman is not averse to trying to see what other improvements could be introduced in addition to what is already being done. In fairness, initiatives as reflected in the Finance Bill confirm there is a co-operative approach from Revenue in trying to assist in terms of consumer satisfaction.

Ms Burton: On behalf of the Labour Party, I have proposed the creation of a taxpayers' advocate. Notwithstanding the improvements which the Opposition has forced on the Revenue Commissioners in recent years to be more accountable to hard-working taxpayers, progress has been slow. It is a well established fact that every year some €200 million in tax refunds and rebates go uncollected by people in the PAYE sector and other taxpayers. Perhaps the Minister could update us with the figures. Recently, the Minister introduced a restriction of four years on ordinary PAYE taxpayers reclaiming rebates and refunds that may be due to them. Health expenses refunds are particularly bad in this regard. Young people may have influenza at this time of year and need to visit a doctor. They may not need to do so again until next November or December. They do not keep receipts, yet they are entitled to a tax refund for the minimum €50 it costs to go to a doctor in Dublin.

The Minister is arrogant to suggest that what the Revenue Commissioners have done, as a result of continuous pressure by the Opposition, is fantastic. Over Christmas, the Revenue Commissioners featured at some length in the Moriarty report. That report revealed that the Minister's late leader, Mr. Charles Haughey, could pick up the phone for two or three millionaires who had tax problems or were anxious to have a discussion about tax issues and, hey presto, the Chairman himself would get in touch with the affected millionaires.

An Leas-Cheann Comhairle: The Deputy should put a question.

Ms Burton: Hard-working taxpayers earning €34,000 pay tax on overtime at 41%. Very often, they get no tax refunds on medical expenses. A taxpayers' advocate is required who would put pressure on the Revenue Commissioners to give small taxpayers, who are not earning vast sums, their fair share. How many people get their

[Ms Burton.]

refunds for bin charges? The estimate by the Institute of Taxation is up to 50%.

An Leas-Cheann Comhairle: The Deputy should put a question.

Ms Burton: Will the Minister give us his estimate? If 50% of people do not get their tax refund on bin charges, the Minister should give us his figures and tell us how good is the system.

Mr. Cowen: Let us be clear about it, the responsibility for claiming credits lies with individual taxpayers. The Revenue Commissioners are making every effort to ensure people are aware of their rights so they can claim them.

Ms Burton: It is not good enough.

Mr. Cowen: The only arrogance that ever arises in this House at question time is when someone disagrees with the Deputy, so she calls them arrogant.

Ms Burton: I represent taxpayers.

Mr. Cowen: So do I.

Ms Burton: I do not represent millionaires, but the Minister does.

An Leas-Cheann Comhairle: Question No. 110.

Mr. Cowen: My party represents far more working people than the Deputy's and that is why we have 81 seats.

Ms Burton: The Minister should read the Moriarty report to see what the commissioner did for Mr. Haughey.

Mr. Cowen: If the Deputy looks at the Moriarty recommendations in that respect she would be more accurate in her comments. The Deputy has a blinkered view.

House Prices.

110. **Mr. Kehoe** asked the Minister for Finance if he has assessed the affordability of house purchase for young families in view of the 40% increase in the cost of mortgages in the past 12 months and its implications for Government policy. [4146/07]

Mr. Cowen: As the Deputy will be aware, housing policy is primarily a matter for the Minister for the Environment, Heritage and Local Government. From an economic perspective, house buyers benefit from a range of supporting factors, including healthy income growth, low income tax rates and relatively low levels of interest rates by historical standards. Affordability is also supported by the strength of the economy, record employment levels and rela-

tively high savings rates. Recent indicators point to continued moderation in house price inflation in line with increased housing supply and higher European Central Bank interest rates.

The consensus among commentators is for this trend to continue, resulting in a gradual cooling and soft landing for property prices in Ireland. The Central Bank's financial stability report 2006 shares the view that this is the most likely outcome, while noting that increases both in house prices and interest rates are contributing to reduced house price affordability. House prices rose at a markedly reduced rate of only 0.1% in December 2006 and, according to economic commentators, this signalled the beginning of a slow-down and expected soft landing in the property market.

The Finance Bill 2007 confirms measures I announced on budget day, which will help to sustain economic growth and improve both take home pay and affordability of housing. These measures include a doubling of the ceiling for mortgage interest relief for first-time buyers as well as increases in relief for those other than first-time buyers.

Significant support is being provided for investment in social and affordable housing under the National Development Plan 2007-13. The housing programme in the NDP will total some €21.2 billion over the period of the plan. This represents a substantial increase over the investment level of €9.1 billion in the NDP for 2000-06. It represents an average investment of over €3 billion for each year of the plan.

Mr. Bruton: The Minister may think the property market will have a soft landing, but there is certainly no soft landing for first-time buyers. Is the Minister aware that the figures for the housing market show the percentage of houses bought by first-time buyers has declined rapidly, from over a half in 2004 to less than one third now? This clearly indicates first-time buyers are being squeezed out of the new house market, as they have already been squeezed out of the second-hand market.

The Minister adverted to the national development plan and social and affordable housing. Does he accept the Government has delivered just 45% of its own target for social and affordable housing? More than twice as much social and affordable housing would have been delivered to young families if the Government had met its targets. How does he square this with the complacency that seems to exist in Government circles? A body like the Central Bank, which is hardly a hotbed of social policy, tells us that half of young families cannot afford to buy a house, a figure that will increase to 60% if changes are not made.

The Government must get real with regard to first-time buyers and begin to deliver realistic opportunities for them to have affordable homes

in places where they can have a sustainable lifestyle.

Mr. Cowen: The Government's housing policy will tackle issues of affordability through supply side actions. Maintaining the pace of housing supply in line with our future demographic requirements is a primary objective of Government policy—

Mr. Bruton: The policy is collapsing. The targets are not being delivered.

Mr. Cowen: —which has a critical role to play in securing balance in the marketplace and supporting affordability, particularly for first-time buyers.

The Department of the Environment, Heritage and Local Government's housing policy framework outlines Government plans to reform the social and affordable housing sectors and support the expansion of home ownership. We are working towards building sustainable communities through a capital investment programme of €4 billion over the next three years. Some €17 billion will be invested in social housing with the aim of delivering a greater quantity of social housing options and improving the overall quality of the tenure. Some 27,000 new homes for people in need of social housing will be commenced or acquired over the period 2007 to 2009 and it is estimated that over 60,000 new social housing units will be provided over the full period of the national development plan.

The Affordable Homes Partnership, established in 2005 for the greater Dublin area, will build on its growing experience to assist in the roll-out nationally of certain initiatives. Investment of €4 billion under the plan will provide support for people seeking accommodation in the owner-occupied sector through the provision of affordable housing. It will also assist in the upgrading of the physical conditions of certain categories of private housing with particular emphasis on those who are most in need, including people with disabilities and older people. Some 17,000 new affordable units will be delivered over the period 2007 to 2009. The financial framework reflected in the plan will allow for broadly similar levels of output beyond 2009, resulting in some 40,000 households benefiting from affordable housing over the period of the plan.

Mr. Bruton: That is all bluff and bluster. The Minister should consider the hard figures. The Government committed to producing almost 7,000 social housing units and 4,000 affordable housing units, but it has achieved less than half of that target. All this talk about what will happen in the years 2007 to 2013 does not butter the parsnips for people who are waiting for housing but find that, as the Central Bank has told us, half of them cannot afford it and that they are being

squeezed out of the first-time buyer new housing market as they are replaced by investors, which has been demonstrated.

That is the reality on the ground. There is no point going to the word processor and reading out scripts which are delivered to the Minister's desk by I know not whom. The Minister should take a look at the reality around him. Perhaps the situation is different in Offaly from that in Dublin but this is the reality for people in Dublin. They cannot afford housing and the promise of affordable housing is not being delivered.

Mr. Cowen: It would be better if some of the local authorities in the greater Dublin area which are populated with majorities from the Deputy's party were more supportive of housing development than is the case. I can point to a few who have been less than helpful in making sure we maximise housing development prospects within their local authority areas. That is an issue about which the Deputy has done nothing.

Mr. Bruton: The Government collapsed its own policy of 20% for social and affordable housing. It has not pursued its own policy.

Mr. Cowen: The Deputy should get his house in order and support construction. I have to listen to Deputy Burton constantly talking about builders. At the same time, the Deputies do not want houses.

Mr. Bruton: The Minister is in Government. He can start lecturing when he is—

An Leas-Cheann Comhairle: Order, please. I will take a brief supplementary question from Deputy Burton.

Ms Burton: Does the Minister realise there are families with two children in my constituency who are living in one-bedroom so-called affordable apartments? They cannot trade up because they do not have enough income, even though they are working in high-tech companies. For a single income family, the penalty in extra tax is almost €5,000 per year on their after-tax income. They would be better off on the dole as a family in Dublin West would get €1,200 to €1,400 from the community welfare officer. What has the Minister to say to these families? What does he consider "affordable"? Is €320,000, which is what the Affordable Homes Partnership is offering for a starter house in Dublin West, an affordable price if the family is on one income? The Minister should get real.

An Leas-Cheann Comhairle: We must move on.

Mr. Cowen: I reiterate that the people who need to get real are those in local authorities populated by the Deputies' parties, who are

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doing everything they can to stop housing developments in the greater Dublin area.

Ms Burton: It is those in the Minister's party who own all the land. It is the seven developers who own all the land.

Mr. Cowen: They succumb to the NIMBY factor. They are doing nothing about affordable housing. The Deputy should ask Deputy Gilmore what he is doing in his local authority area. He talks about local housing in this House when his party has a majority on that local authority, which is a disgrace for the amount of housing it provides.

Ms Burton: The Minister should talk to his developers in the tent.

An Leas-Cheann Comhairle: We must move to the next item.

Ms Burton: On a point of order, the Minister is an inhabitant of the tent at the Galway races where the developers who own the bulk of land in my constituency hang out with him.

Mr. Cowen: That is all cant. The Deputy is full of cant.

An Leas-Cheann Comhairle: We have moved on.

Mr. Cowen: The Deputy is politically paranoid. That is her problem. The Labour Party should not talk to me about housing.

Ms Burton: Tell that to the people of Dublin West.

Mr. Cowen: The Labour Party talking about housing is a joke.

Ms Burton: The affordable houses are a joke.

Mr. Cowen: The Labour Party should get their local authorities in order.

Ms Burton: Our local authority is the best in the country. The Minister is never done praising Fingal County Council.

Mr. Cowen: The Deputy is a joke.

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 Moynihan-Cronin — the reason for a delay in providing a new school to replace SN Breac Chluain, Annascaul, County Kerry; (2)

Deputy Kirk — the immediate and medium-term plans for the accident and emergency unit at Louth County Hospital, Dundalk; (3) Deputy Costello — the need for the Minister to establish local criminal assets bureaux to tackle the national drugs epidemic; (4) Deputy Deenihan — the collapse of Ballinagare Bridge, Lixnaw, County Kerry; (5) Deputy Cowley — the need for the Minister to carry out an urgent review of the DEIS scheme in regard to nine secondary schools in County Mayo; (6) Deputy Cooper-Flynn — that the Dáil notes with concern the escalating cost of energy supply, its effect on the competitiveness of Irish industry, the announcement of further impending increases in 2007 and the need to protect jobs by bringing energy costs back into line with those obtaining in competitor countries; (7) Deputy Gogarty — the need for the Government to purchase the lands at St. Edmundsbury-Woodville or to extend the special amenity area order as far as the Lucan Road so these lands can be preserved intact for future generations, preferably as part of a Liffey Valley national or regional park; (8) Deputy Hctor — that the Department provides a school bus to Boher national school (Roll No: 09190G) for the growing numbers of children living in the neighbouring Ballina area who currently attend Boher national school due to overcrowding in Ballina national school (Roll No: 18207V); (9) Deputy Hayes — to ask the Minister to get a report from South Tipperary County Council and Cashel Town Council officials in regard to the sale of a site at Convent Grounds, Cashel, County Tipperary; and (10) Deputy Burton — the need for the Minister to provide extra language resource teachers in schools to cater for those with limited or no understanding of the English language.

The matters raised by Deputies Kirk, Moynihan-Cronin, Cowley and Deenihan have been selected for discussion.

Finance Bill 2007: Second Stage (Resumed).

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

Minister of State at the Department of Finance (Mr. Parlon): I wish to share time with Deputy Curran.

An Leas-Cheann Comhairle: Is that agreed? Agreed.

Mr. Parlon: I am glad to have the opportunity to contribute to this debate and to raise a number of important issues that may assist the debate on taxation matters in this House. The Bill demonstrates the continued commitment of the Government to use the tax system to promote fairness so the benefits of strong economic growth can be enjoyed by all taxpayers, especially low and middle income earners. It also contains a number

of important initiatives to support enterprise and maintain and grow our strong employment levels.

I welcome the income tax changes in sections 2 to 4 of the Bill which will increase the personal and PAYE credits to ensure that those on the minimum wage will stay out of the tax net in 2007, reduce the top rate of income tax by 1% to 41% , increase the standard rate bands to ensure that those earning the average industrial wage will not face a liability for the higher rate of tax in 2007, and increase the personal credits and bands to ensure that at least 80% of income earners will pay less than 20% of their income in income taxes in 2007.

I also welcome section 6 of the Bill confirming the budget day announcement doubling the ceilings on mortgage interest relief for first-time buyers from €4,000 to €8,000 in the case of a single person and €8,000 to €16,000 in the case of a married couple or a widowed person. This measure offers real tangible financial relief to house buyers trying to enter the property market for the first time.

With regard to tax changes which impact positively on particular sectors of the economy, I applaud in particular the new tax incentive scheme aimed at encouraging the development of tourism infrastructure in the mid-Shannon area covering a corridor of about 12 km on either side of the river stretching from approximately the bottom of Lough Derg to Lough Ree, which is dealt with in section 26. I also welcome the deductibility of VAT on conference-related accommodation expenses from 1 July 2007 to help Irish hotels compete more favourably on the global stage for conference business, dealt with in sections 76 and 81.

With regard to business, section 18 extends the business expansion and seed capital schemes for a further seven years until 31 December 2013 and increases significantly the company limit and investor limits under both schemes.

Section 42 confirms the budget day announcement that the corporation tax liability threshold for treatment as a small company will be increased from €50,000 to €150,000 and that new or start-up companies with a corporation tax liability of €150,000 or less for their first accounting period will not be required to pay preliminary tax in respect of that first accounting period. Section 87 confirms the budget increases to the VAT registration thresholds for small businesses from €27,500 to €35,000 in the case of services and from €55,000 to €70,000 in the case of goods.

With regard to the farming and bloodstock industry, the new tax arrangements for stallions allow their purchase price to be written off over four years. This represents a sensible approach to protecting what is an important sector of our economy. Farmers' flat-rate VAT addition will increase from 4.8% to 5.2% with effect from 1 January 2007. The 25% stock relief for farmers will be extended, as will the special incentive stock relief of 100% for certain young trained

farmers for a further two years. Stamp duty relief for farm consolidation will be extended for a further two years to 30 June 2009 and the widening of the scope of the relief will include cases where only one farmer is consolidating his holding.

On the environment, I welcome section 46 which proposes to extend the qualifying period for the scheme of tax relief for corporate investment in certain renewable energy projects from 31 December 2006 to 31 December 2011.

I believe this Finance Bill builds on the solid achievements of recent years and supports the progress of our economy. It should be seen in the context of the past decade when taxes on work and enterprise have been reduced dramatically and there is record growth in the country. Nearly two out of every five earners, or 846,000 persons, will be outside the tax net in 2007 compared to one third, or 677,000 persons, in 2004 and one quarter, or 380,000 persons, in 1997. With regard to tax rates, when we came to office, we made a commitment to the people to reduce the marginal rate of income tax from the then 48% to 42%. In this year's budget we reduced the top rate of tax from 42% to 41%. Our public finances are now in excellent shape and unprecedented resources are being committed to health, education and social inclusion. The Finance Bill is a clear signal of the continued commitment to the sound macroeconomic and fiscal management that has been the hallmark of this Government.

Mr. Curran: I welcome the opportunity to speak on the Finance Bill which specifically gives legislative effect to a number of the proposals made in the recent budget. Before looking at the Bill in detail, I would like to look at its economic background.

For more than a decade we have seen an extraordinary period of economic growth. This did not happen by chance, but rather by adopting and implementing a range of policies that fostered economic development and growth. We have succeeded in attracting a significant amount of foreign direct investment into Ireland. On a *per capita* basis, foreign direct investment into Ireland is the highest in Europe. This has been achieved by the strategies adopted by State agencies and the policies pursued by Government. Since 1997, for example, the economy has grown at a rate of more than 7% annually.

We must continue to ensure that Ireland remains a pro-enterprise environment. The foundation has been laid upon which to build permanent progress, but this cannot be taken for granted and we cannot be complacent. I have heard Opposition Members say that economic growth would have happened anyway irrespective of who was in power, but nothing could be further from the truth. The economic growth we have seen has occurred because of a range of policies we have introduced, such as low taxation, lower corporation and income tax and efforts to attract

[Mr. Curran.]

foreign direct investment into the country. These have been good policies. In addition, there have been partnership agreements. We have created the conditions for economic growth, but it is the people who have taken the opportunity, worked hard, returned to education and gone for further training who have driven the economy. The result is what we see today and we cannot take it for granted.

If we are to maintain a pro-enterprise environment, we must ensure that regulations do not unreasonably discourage small and medium businesses. While we recognise that regulations are necessary, they must be proportionate. Businesses cannot afford to be unnecessarily caught up in red tape. A reduction of the burden of regulation on business that has been much welcomed is the raising of the audit exemption limit to €7 million. A review of other business regulations is also necessary.

It is worth noting that small and medium enterprises, businesses employing up to 50 people, now employ more than 800,000 people or 40% of the workforce. We should not forget that these businesses are critically important to the economy. Some aspects of the Bill specifically address the issue of small businesses. Section 42 confirms the budget day announcement that the preliminary corporation tax liability threshold for treatment as a small company will be increased from €100,000 to €150,000. New or start-up companies with a corporation tax liability of €150,000 or less for their first accounting period will not be required to pay preliminary tax in respect of the first accounting period. Provisions are also being introduced under which large companies in a group will be allowed offset their preliminary tax between group members for the purposes of working out the adequacy of such payments for interest purposes. We must remain conscious of these SMEs that employ 40% of our workforce.

With regard to very small companies, sections 68 and 89 contain a number of important provisions on the VAT code. Specifically they confirm the budget increases of VAT registration thresholds for small companies, from €27,500 to €30,000 in the case of services and from €55,000 to €70,000 in the case of goods, with effect from 1 March. These initiatives are welcome.

I want to look briefly at the area of income tax. The Government is committed to a taxation policy designed to maintain and strengthen the competitive position of the economy and foster improvements in productive capacity, economic and social development and equity. It is also committed to maintaining a sound fiscal stance and will continue to implement enlightened policies in this area.

The Bill provides for increases in personal and PAYE credits to ensure that those on the minimum wage, which has increased, will stay out of the tax net in 2007. It has reduced the top rate of tax from 42% to 41%. There have been increases

in standard rate bands to ensure that those earning the average industrial wage will not face a liability for the higher rate of tax in 2007. Personal tax credits and bands have been increased to ensure that at least 80% of income earners will pay less than 20% of their income in income tax in 2007. We have one of the lowest income tax regimes in the European Union.

Members of the Opposition often use the fact that a substantial number of people are exempt from tax when talking about those on the higher or lower rate. They do not talk about the total number of people in employment, but about people who are paying tax at the higher and lower rates. They deliberately exclude those exempt from tax from their calculations so as to manipulate the figures. The number excluded is a substantial number as it includes all those on the minimum wage who are totally exempt from income tax.

I want to look briefly at the issue of first-time buyers. It has often been alleged here that high property prices are a result of the cost of land and sites and developers' profits. I do not disagree with the allegation that property developers are making substantial profits. However, I fundamentally disagree with the argument that a property's cost determines its purchase price; nothing could be further from the truth. The purchase price that someone pays is absolutely a function of supply and demand. We have recently heard arguments about stamp duty for first-time buyers and so on, but we should be absolutely clear that the price that someone pays for property depends entirely on market forces. Those property developers have made substantial profits, but we must take a step back to see why. The fundamental reason is that affordability and access to loans in the shape of lower deposits, longer-term loans and lower interest rates have driven up prices significantly.

Before the last budget there was a great deal of debate regarding stamp duty for first-time buyers, but the Minister chose not to alter the position that obtained, a decision with which I agree. If stamp duty had been lowered for first-time buyers, the net effect would have been to benefit the person selling the property rather than the buyer. I welcome the Minister's move in this case instead of lowering stamp duty for first-time buyers. We must be clear that the price that people pay for a property is not specifically related to the cost of the site or the construction. It is specifically related to what the market will bear, with prices decided by demand.

In that regard, the changes made in section 6 of the Bill, which confirms the budget increases and the ceiling on mortgage interest relief, are extremely beneficial to first-time buyers. I do not mean those who will buy in future but those who have bought recently. For a single first-time buyer, the ceiling is doubled from €4,000 to

4 o'clock

€8,000, and for those married or widowed, it is raised from €8,000 to €16,000.

When Deputy Rabbitte asked questions today, he referred to high property prices in Dublin, making insinuations about the Taoiseach's friends and so forth. That was absolutely disingenuous given the prevailing economic position. We have high property prices in Dublin because of supply and demand. Demand is one issue, and supply the other, but affordability is driven by access to funds. In recent years, we have seen mortgages extending over much longer terms. In my day, if one could get a mortgage over 20 years, one was doing well. Now they have gone up to 40, and I recently heard a radio commentator talk about a 42-year mortgage with lower interest rates. That is primarily what has driven prices up.

Those who have specifically argued for a reduction in stamp duty for first-time buyers would not have delivered the market's competitive advantage as they intended. However, the Minister's move in this Finance Bill and budget is delivering competitive advantage to the first-time buyer, which is what I want to see.

While the midlands are not my area, I have an interest in that part of the country. I would like to acknowledge the improvements and advances that the Minister is making regarding tourism along the Shannon. I have taken most of my holidays in Ireland. With two or three children, we have been abroad only twice in the last 15 or 16 years. All our holidays have been here, and the midlands region, particularly along the Shannon, where I have holidayed once or twice, has vast potential. Too often we Dubliners who wish to holiday in Ireland speak of Cork, Kerry or the west coast. The midlands have——

Mr. Naughten: The Irish Riviera.

Mr. Curran: The Deputy should not go too far.

The midlands have great potential, and more tourists than ever are coming to Ireland. It is absolutely appropriate that we target development. Some parts of the country where there is tourism are now at maximum capacity. While it is not my patch, and there are enough Members who wish to talk of their proximity to the Shannon, as someone who has holidayed in Ireland I welcome the Minister's initiative in this regard and look forward to the new facilities to be created along the river.

I commend the Bill to the House.

Mr. Crawford: I wish to share time with Deputy Naughten.

I welcome the opportunity to speak on the Bill, and while I have not had much time for preparation, there are one or two issues that I very much wish to raise. I will begin with the subject on which the last speaker finished. I too welcome the support for the Shannon region. Bringing tourism into more difficult sectors is welcome, but in saying that I wish to put down a marker that

we have heard a great deal of talk about large sums being made available to the Border and Northern counties through the St. Andrews Agreement. The sooner the package is made specific and people understand what it is all about, the better. It would certainly help to cement the peace process in Northern Ireland and Border areas.

I was canvassing in Clones within the past week. One looks around and remembers what was there, a thriving railway town with a major station. The trains came in, and there were turntables, with hundreds employed. That has now closed completely, and the town has never got over the decimation wrought by closure of the CPV factory.

In that light, we certainly need a package for the Border areas. Money from previous packages, such as the IFI and the PEACE fund, was supposed to be additional but was not, and even the Taoiseach has acknowledged that. In the main, it was a case of replacement. The Taoiseach and the Minister for Finance, Deputy Cowen, have an opportunity over the next few weeks, with the elections in Northern Ireland and, one hopes, agreement towards the end of March, to provide the details of that package. We require an absolute guarantee that the Ulster Canal project will be advanced. It could be the mechanism to recreate the necessary infrastructure and tourism, not only for the Clones town area but for all of north Monaghan and the immediate Border region. The potential is absolutely enormous.

The second matter on which I would like to speak is the primary certificate for disabled drivers. The Minister must utilise the Finance Bill to rectify the completely unacceptable strictures in that regard. In some areas, people can secure such certificates, while in others, they cannot, an anomaly that I find very unfair. There has been a great deal of talk regarding the amounts that we are prepared to spend on the disabled and handicapped, but I find this area above all others completely unacceptable. A friend of mine was involved in a very bad accident many years ago. He has been through the mill several times to get the certificate. He simply cannot drive a car without its being customised. His friend, who claims to have a stiff knee, has received it, but he simply cannot get it. It would be laughable if it were not so serious. I would like the Minister to consider the issue again in the context of the regulations in the finance structure. I hope he ensures that some common sense is allowed and that people will be able to get the primary medical certificate and all the benefits that go with it.

I refer to the issue of stamp duty, mentioned some moments ago. This presents a problem for first-time buyers, and people in co-operatives are not currently buying either. To state that if stamp duty relief was given to first-time buyers it would not be beneficial is naivety.

Under the current regime a property sale is free of stamp duty for first-time buyers up to a

[Mr. Crawford.]

certain level, but once that is reached it is payable on the whole amount. Fine Gael policy is that a sale would be free of stamp duty up to a certain level, and a sale above that level would only be liable to stamp duty on the balance. The overall cost to the Exchequer would not be very high, with Deputy Bruton estimating the cost at approximately €100 million. That is not much in the context of the yearly budget. I ask the Minister to consider that matter.

I also ask him to consider the transfer of land within the farming industry. The Minister of State used to have some interest in farming.

Mr. Hayes: He had at one time.

Mr. Crawford: If a person is a few weeks or a few years over a certain age, that person loses everything, which is absolutely unacceptable. If we are sincere about trying to move the younger generation into farming, proper relief must be available, and stamp duty is one of the costs.

I wish to discuss compulsory purchases for road building. The Minister of State claims he did a great deal when president of the IFA in getting relief on tax from land sales.

Mr. Parlon: It is still a very good one.

Mr. Crawford: It has been given back and the roll-over relief was removed. The Minister of State should ensure that is reinstated.

Mr. Naughten: I wish to share time with Deputy Tom Hayes. He will take three minutes at the end of my time.

An Ceann Comhairle: Is that agreed? Agreed.

Mr. Naughten: I warmly welcome the scheme for the mid-Shannon area, which is a very positive development. I thought the Minister and the Minister of State had forgotten all about us until the announcement of the scheme.

Mr. Parlon: There is more to come.

Mr. Naughten: Neither of them made an impact within the Department up to now, but this is a positive development, which I warmly welcome. I hope it will succeed in the targets that have been set in providing the type of facilities urgently needed in the area, which does not have and traditionally did not have tourist amenities.

The River Shannon is a significant asset, but it is critically important there is one promoting agency for it. Currently, the river acts as a boundary in tourism promotion, with Ireland West, which deals with matters up to the River Shannon, Midlands East, which takes over from there and other tourism agencies in Limerick, Clare and Tipperary. The River Shannon is the single biggest asset in the midlands and it should be the focus of development rather than the

unco-ordinated and bordered development it is at the moment. I hope the Minister, with the Minister for Arts, Sport and Tourism, will consider this issue.

I am glad the Minister of State, Deputy Parlon, is here for my contribution. I hope he will at last act on the annual flooding caused by the river. When he was president of the IFA, he was going to move mountains and he blamed the Government and politicians for their lack of action. Although a pre-feasibility report has been produced, it is about time we saw action on the ground.

Mr. Parlon: The Deputy can watch this space.

Mr. Naughten: Maintenance of the River Shannon is critically important and I hope it will happen. I know the Minister of State has made soundings on it but he has made many hollow soundings to date. We want to see the colour of money with this issue.

In tandem with this we need to consider communities marooned along the River Shannon. Over Christmas a home was flooded in County Roscommon, with a number of farm buildings. We must put investment in place to once and for all raise roads so they are not prone to flooding and are safe and secure. Many of these roads have been raised over the years and, although they are not over the level of the Shannon floods, in some instances they are two metres above the ground around them. When the ground floods there is a serious safety hazard as none of them has crash barriers. If a vehicle went off an icy road it may not be found for months. It is very important to deal with this in tandem with the maintenance of the river.

There is a proposal before the Minister for the Environment, Heritage and Local Government to re-flood part of the cutaway bogs in the north midlands to develop a national wetlands park. This would have the potential to flood an additional 18,000 acres just north of Lough Ree, which would attenuate to some extent the annual flooding south of Athlone. I ask the Minister for Finance to consider the matter and promote it, ensuring the Minister for the Environment, Heritage and Local Government takes a progressive attitude in promoting and developing the scheme.

It may be no harm for the Minister of State to come to Roscommon to see what is happening on the ground. He could see the impact of the flooding and speak to some people whose farmyards have been flooded and whose sheds need to be relocated from the flood basin. Other people have had their homes flooded. The Minister of State has a golden opportunity to address the issue. We are in the dying days of the Government and now is the time to act.

I wish to focus on some agriculture issues.

Mr. Parlon: Perhaps the Deputy will supply a list of the houses and farmyards he would like me to visit.

Mr. Naughten: That will be no problem.

The Minister for Finance has indicated he will consider on Committee Stage tax relief measures for farmers. I hope he will consider a number of issues, the first being the sugar compensation package due to farmers. We were told by the Government that the payments would begin in June, but the Minister for Agriculture and Food yesterday sang a different tune. She stated that it would depend on the legal case being taken by Greencore and that the payments could be made later in the year.

Currently, at least 80% of the sugar compensation package is liable to tax and the Department is awaiting clarification on the other 20%. It is possible that all of it will be liable to tax. I hope to see an amendment on Committee Stage to deal with the issue. Farmers got a bad deal in the distribution of the sugar compensation package, receiving one quarter of the available compensation, a far cry from the traditional 60% to 40% split on the beet crop return. Now that the Government has turned its back on the beet industry and giving farmers a fair breakdown of compensation, the least it can do is not penalise the compensation by taxing it. I hope the matter will be addressed.

It is a significant disappointment that there is no measure to address the €1,000 taken from retired farmers. Many such farmers have had a raw deal from the scheme because of the anomalies that exist. We all know about these and I will not go into them, but up to last March the Minister for Agriculture and Food consistently stated that it was impossible to give a top-up payment because the European Commission would not allow it. Last March, information was received from the Commission that it would allow a top-up from the Government, but the Minister kept that quiet until November, when a top-up was distributed.

If she had given it from 1 April, when the information became available to her, farmers who joined in the first scheme would have been entitled to an extra €1,166 and those involved in the second scheme would be entitled to an extra €875. The value of the pension has reduced dramatically because of the increases in the old age pension and the rising cost of living. The Minister had a golden opportunity, especially in light of such a low uptake of the farm retirement scheme in the past couple of years, to allow that top-up payment. The money was available within the Department of Agriculture and Food and it would not have had an impact on the Exchequer, but for some reason it was not given. The Minister, Deputy Coughlan, had a poor record on dealing with the vulnerable when she was in the Department of Social and Family Affairs.

Mr. Parlon: That is very unfair. She is the best Minister for Agriculture and Food the State has had. She has given more money directly from the Exchequer to agriculture than any previous Minister.

Mr. Naughten: Does the Minister of State, Deputy Parlon, want to speak about the savage 16 cuts or does he want me to spend the next few minutes speaking about them?

Mr. Parlon: Fair is fair.

Mr. Naughten: The facts are available on the matter.

Mr. Parlon: The facts are that the Minister has given more——

An Ceann Comhairle: The Minister of State has made his point and should allow Deputy Naughten to continue without interruption.

Mr. Naughten: It is a disappointment that she is now turning her back on another vulnerable element of the community — retired farmers. The Minister of State, Deputy Parlon, had an opportunity in the Finance Bill to address it.

Mr. Parlon: Deputy Naughten should look at the partnership deal.

Mr. Hayes: People will be scared of the Minister of State, Deputy Parlon's leadership now that he has said that.

An Ceann Comhairle: Allow Deputy Naughten to continue.

Mr. Naughten: It is not the only area where the Government has turned its back on the farming community. For example, a self-employed person, regardless of whether he or she is a farmer, is not entitled to the PAYE tax credit which has increased over the past number of years — in this budget by €440 to €3,520. That is discrimination against farm families and the farming community, and of the self-employed. That anomaly increased in the budget.

In tandem with that is the plight of stay-at-home spouses on farms, who are completely ignored in the PRSI system where they are given no recognition. The Minister for Agriculture and Food and the Minister for Social and Family Affairs have paid lip-service to it, but nothing has been done about it.

My final two points are ones on which the Minister of State, Deputy Parlon, has gone out on a limb. The first relates to the tax implications of the compulsory purchase of land. He negotiated a deal but the minute he got into Government, he rescinded it. It is a disgrace that farmers who are forced by the State to sell lands have been taxed on the proceeds. I have first-hand knowledge of this because my own family's farm is

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being divided by the new motorway to the west and they are getting a raw deal.

Mr. Parlon: I meet people all the time and that is not my experience.

Mr. Naughten: He negotiated a good deal but the minute he went into Government, he overturned it.

Mr. Parlon: People are signing up to deals, which are very fair.

Mr. Naughten: My final point relates to his comments on the promotion of biofuels. While I wholeheartedly welcome the positive development in the budget, there is not much point providing incentives for the growing of a crop if there is not a market for it and nothing has been done to develop it. I ask the Minister of State to look at this matter in the context of the Finance Bill. He will be aware of what needs to be done in this regard. One simple suggestion we in Fine Gael have put forward is to change the law to ensure that a percentage of all petrol and diesel would include renewable energy. This at least would provide a market.

Mr. Parlon: One cannot put the cart before the horse.

Mr. Hayes: There are a few points I want to make on the Finance Bill. Has the Government costed the abolition of the tax relief for stallion fees, the impact of which will be considerable on the economy of south Tipperary? I refer not to Coolmore but to the many small stallion operations that have developed in that part of the country because of the success of the horse breeding industry. Other countries, France and Italy in particular, are putting pressure on the EU because of the sector's success in this country. Is this another case of the Government giving in to the Europeans on a tax relief which has been very successful?

The Minister of State, Deputy Parlon, is one of those who would support me on this and who would understand the benefits of the bloodstock industry in many constituencies, but particularly in south Tipperary. Before the Bill is enacted, will the Government put a hold on its abolition to determine whether there is a real benefit to the economy involved? Figures from various sources which I have seen prove beyond a shadow of a doubt that this investment in the bloodstock industry has been of enormous benefit, particularly to employment throughout the country.

Deputy Naughten referred to the drainage difficulties in the west. I wish to bring to the attention of the Minister of State, Deputy Parlon, the difficulties in Clonmel. He saw them at first hand when — fair play to him — he came to Clonmel.

It is all over local radio today that there is still no money coming from the Department to the people of Clonmel. I am extremely concerned about this and on behalf of the people of south Tipperary I ask the Minister of State to take the matter on board. The mayor of Clonmel and several others have just raised it on the news. There is much worry about that matter.

Mr. Parlon: I assure Deputy Hayes that he need have no such worry. The scheme is in hand. Thankfully, there has been no flooding since we did preliminary work in Clonmel.

Mr. Hayes: I take the point that there has been no flooding, but the scheme was supposed to start last September. It is February and it still has not started.

Mr. Parlon: One cannot do it in the winter time.

Mr. Hayes: Then why was it promised at the time?

Mr. Parlon: We never promised to do it over the winter—

Mr. Hayes: It was to start in September.

Mr. Parlon: —when they are not even allowed on the river.

Mr. Hayes: I do not want to banter with the Minister of State on this matter. I was genuine in raising the matter because I heard about it. Officials also told me about it over the past number of months. I accept what the Minister of State has said and I would appreciate a letter from him to that effect.

Mr. Dennehy: At the outset, I wish to give a little advice to Deputy Hayes on the horse breeding industry. We are aware that the European Commission was examining the tax relief concerned, but I advise him to look for criticism much nearer to home. His potential coalition partners are the ones who have made the noise.

Mr. Hayes: The sting of a dying wasp.

Mr. Dennehy: It might be worth looking at.

Mr. Parlon: Deputy Hayes should look to his partners.

Mr. Hayes: That is the sting of a dying wasp. They are feeling the effects of it now.

Mr. Dennehy: Deputy Curran referred earlier to the new tax relief scheme for the Shannon area and there is also tax relief for the film industry. I support all those schemes although I have no direct involvement in any of them. There is a significant amount of begrudgery on many sides of

the House on these issues but we cannot afford it because too much employment is at stake and we are under too much pressure.

There was personal begrudgery in much of the criticism of the horse breeding industry. In many cases, the same principles were involved in funding the film industry and no one objected to that because the people working in it were lobbying them directly. Likewise, the Shannon scheme is an excellent one. I do not think I should state that I am against it, because it is further north than Cork, but we are hearing an element of that.

I wish to comment briefly on the highly personalised attack on the Minister for Agriculture and Food, Deputy Coughlan, by Deputy Naughten. Referring back to the Minister's position in a previous Ministry is of no benefit to us. She has an excellent track record. Early in life she has achieved a status of which the Deputy, like me, will probably only dream. She has done an excellent job in her ministries and it is grossly unfair of the Deputy to refer back to her former Ministry with a casual throwaway suggestion that she was not caring or did not worry about the vulnerable in society. I do not accept that; it is inaccurate and unnecessary.

As others stated, the purpose of the Bill is to protect our prosperity and encourage further enterprise and investment by underpinning the main provisions of budget 2007, which was designed to foster fairness for all. Obviously, tax related issues figure prominently in any Finance Bill. Andrew Jackson, the seventh President of the United States, apparently once claimed that the wisdom of man never yet contrived a system of taxation that would operate with perfect equality. I suppose that is the goal to which we all should aspire. There is also an old saying which suggests that, next to being shot at and missed, nothing is quite as satisfying as an income tax refund. In that context, I hope there will be many satisfied people. As previous speakers have said, this Bill, when enacted, will remove almost two in five income earners from the tax net. It delivers on our promise, which largely affects middle income earners, to ensure that 80% of all taxpayers pay tax at no more than the standard rate.

The recently proposed increases in the minimum wage, together with the €400 increase in tax credits, means that an employee can earn €17,600 without paying tax. This compares with €5,000 in 1997. The lowest paid workers in society can now earn over three times more than they could then before entering the tax net. So much for Labour Party claims that we have treated these people unfairly.

Even allowing for inflation and related factors this represents real delivery for one of the most vulnerable groups in society. When commentators speak in absolute terms about some not benefiting from our sustained economic progress, they might consider such matters. I am not suggesting that everything is perfect but strides are being taken to alleviate the burden on taxpayers

who can least afford to shoulder payment. Progress has been made by the Minister for Finance, Deputy Cowen, since he took up his portfolio.

I have long argued that anyone earning the minimum wage should be exempt from tax. If there is a minimum wage which an individual must be paid for his or her labour, he or she should not have to pay income tax on it.

Tax is an everyday feature of our lives and we all feel that the less we have to pay, the better. The Finance Bill 2007 is, I believe, another step towards achieving that noble aim by putting the provisions of the recent budget in place, including the reduction of the top rate of tax to 41 per cent and the exemption of the minimum wage from tax payments.

Again, we are casually accepting the reduction in the top rate of income tax. I mentioned previously that with a household consisting of seven dependants, as the sole earner, I paid 67% in stoppages in 1986 and 1987. That was my personal situation and I have no problem mentioning it to show the progress that has been made under these two Governments.

I believe that we must also continue to pursue the objective of removing all retired pensioners from the tax net. We can do this most effectively by increasing the thresholds to, say, over 65 years of age, then over 70 years of age and so on, in the same way that we give extra social welfare payments to those specific age groups. This allows for the fact that they will experience increased dietary and heating needs and so on. This concept should be extended to remove those over 70 years of age from the tax net.

The first time I suggested all pensioners should be exempt from tax, people went over the top and started suggesting it would benefit millionaires. That is rubbish as there are very few such people and an income limit could be set. Removing retired people over 70 years of age from the tax net should be an objective.

I compliment the Minister on several initiatives he has taken which are aimed at assisting older people, people with disabilities, part-time workers and other specific groups. I compliment him in particular on section 9 of the Bill, which provides the necessary legislative changes to allow the Revenue Commissioners, where possible, to credit and repay automatically reliefs such as age-related tax credits, health expenses, tuition fees and trade union subscriptions.

This issue has been bandied around for some time and, under examination, the Chairman of the Revenue Commissioners estimated how much in unclaimed benefits might be involved. Figures of up to €1 billion have been suggested. Two things are certain: it is a very substantial amount and it belongs to the taxpayers involved. I say this despite the fact that the Office of the Revenue Commissioners has become more user friendly and has made dramatic changes in dealing with and facilitating the public. We must make greater efforts to ensure people receive their entitlements

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and there are thousands of cases where people have not claimed all the possible refunds and allowances.

I know from distributing my budget leaflets that people are not aware of many of the reliefs available to taxpayers and therefore they are not utilised. This aspect of the Bill is one that will be welcomed by most people. Up to this point, unless one was able to employ an accountant, one would struggle to figure out what was available.

Mr. P. McGrath: One could not even afford that, given what they charge.

Mr. B. Smith: Present company excluded.

Mr. Dennehy: As I said, there are millions of euro in unclaimed taxes and the Government has taken unprecedented action to return the money, something previously not considered.

There are two thresholds for claiming relief for health expenses — €125 for one person and €250 for a family, and the aim is to rationalise these into a single threshold of €125. Again, in an effort to expedite the tax repayment process, a requirement that the taxpayer paying the medical expenses must be related to the person in respect of whom the expenses were incurred will be abolished.

These are issues that will cost money but they are fair. They are directed towards those who pay taxes and are meant to compensate the person who is not in receipt of allowances and social welfare. I compliment the Minister for Finance, Deputy Cowen, on taking this initiative. It will mean a great deal to many people and will mean less income to the State. However, the Minister has accepted that it is not our money and we wish to return it automatically.

Likewise, section 31 provides for deposit interest retention tax free interest to be paid automatically by financial institutions to taxpayers of 65 years of age and over whose total income does not exceed the relevant income tax exemption limit. This will also apply to permanently incapacitated people in receipt of such interest in defined circumstances. It will ensure that relief is given without the need to apply to Revenue for a refund each year. I have no difficulty with upper limits being set to ensure there are not abuses of this leading to complaints similar to those relating to tax exemptions for artists. These measures are better features of what is usually described as the Big Brother approach, whereby the State takes a measure of control. However, in these cases it will be done to assist those people and we should welcome such measures.

In the same mould, section 10 extends indefinitely the special tax exemption for unemployment benefit paid to systematic short-time workers which had previously been renewed from year to year. This relates to specific areas and the first

example I had of this issue was with dockers in Cork. Having this extended every year used to be messy as it is a matter of paying back money quickly. It has been extended indefinitely, however, so we need not worry about returning to it every year.

I welcome the fact that the Minister is looking at pensions in the context of tax treatment and so on. I know that the Minister for Social and Family Affairs, Deputy Brennan, has made great progress and has major proposals in regard to the social welfare aspect of pensions, but I believe that all other aspects of the matter must also be examined. Section 16 will amend the tax treatment of various pension products and approved retirement funds in a number of respects. An amendment to the legislation is also being made to clarify that the operation of the pension fund limits is not affected as a consequence of pension adjustment orders made by the courts in circumstances of judicial separation or divorce. This obviously affects a minority of people, but it is very important to that group. We should deal with such issues fairly quickly.

The more we can do to improve the entire pension structure and assist the voluntary contributors, the better. It was suggested to me this week by a retired civil servant, who makes proactive suggestions not for personal gain but to be helpful, that parents could be encouraged by way of the Finance Bill to contribute to a son's or daughter's defined contribution pension scheme, just as many parents assist a son or daughter if he or she is a first-time house buyer. We can argue over how this would pan out but if parents could benefit from an income tax reduction on their contributions, they would be willing to get involved.

The civil servant said the proposal could perhaps save the State from paying a non-contributory pension where the offspring, by virtue of disability or invalidity, would be unable to keep a job. He emphasised that an income limit should apply to parental income. If we had suggested an SSIA scheme before the bold Charlie McCreavy became Minister for Finance, such that savers would be given €1 for every €4 saved, our suggestion would have been rubbish. In this context, we need to examine pensions and take every possible step to help people out.

Increases in PAYE and personal credits, involving a top-rate reduction from 42% to 41%, widened tax bands and a doubling of the ceiling on which first-time buyers can claim mortgage relief are among the benefits that will accrue to taxpayers from the enactment of this Bill. These measures are to be welcomed by Members on all sides of the House.

A series of measures to target growth in small and medium-sized businesses will come into effect. My constituency colleague, the Minister for Enterprise, Trade and Employment, Deputy Martin, has already stated that the extension of the business expansion scheme until 2013 and the

decision to include recycling firms underline the Government's commitment to supporting small companies and entrepreneurs. It is an exciting time for the sector and the elements I have mentioned are key features of the Bill. Those of us who have tried to help people in business will be aware of the difficulties that exist and of how necessary it is not to have Irish businessmen heading off to Poland or any place else. There are many challenges facing small businesses in an increasingly globalised economy and State assistance in this regard, particularly the cutting of bureaucracy by facilitating easier tax repayments and less complicated filing of returns, is surely positive and welcome.

Recent high-profile job losses underline the need for the continued growth and expansion of indigenous small and medium businesses. As I stated on television and as I genuinely believe, we can never create too many jobs. My mother — Lord have mercy on her — might have asked whether we thought we would never again see a poor day. People were becoming blasé about jobs but we can never create too many. As we know from experience, particularly in Cork, multi-nationals can leave at the drop of a hat in pursuit of cheaper options. Budget 2007 provided €272 million for small business and research and development and this Bill will trigger that investment, which is most welcome.

The Taoiseach recently launched the national development plan, which sets out ambitious proposals for our country's continued progress until 2013. The Finance Bill is a keystone of that plan in that a total of €7.7 billion will be invested in upskilling the workforce in order to maintain the highest standards of education and training for all.

Since 1997, more than €5 billion has been returned to Irish taxpayers. Social welfare and public expenditure have doubled in that timeframe, and the national debt has been halved. This represents intelligent financing and prudent management of the economy. Some will argue about this — it is obviously the job of the Opposition to oppose and the job of those in Government to promote and govern — but they should note that the macro figures I am outlining are factual. Others will squirm at these figures but they represent a major step in the right direction. The Finance Bill 2007 is underpinning our progress, although one can argue about the micro side of the equation and about how individuals might be affected by the Bill's provisions. We all represent such individuals.

There is a new tendency for media commentators to say those in Government sound like the Opposition when it suits them, but I have said the Opposition had no difficulty whatsoever in producing a huge pamphlet after the budget stating the Government was right, outlining citizens' entitlements and welcoming the increases in social welfare and health spending. It is as though the Opposition had sanctioned the increases

itself, and this is the way it should be. There is nobody totally in Opposition and nobody totally in Government. None on this side will ever be in a position not to criticise, seek new benefits or make suggestions for improvements. It is never a case of taking just one side; there must be a mixture of approaches and that is why we are elected.

Deputy Naughten had a go at the Minister of State at the Department of Finance, Deputy Parlon, about his negotiations on land prices. Let me refer to this because, as the Acting Chairman knows, I vote on the Committee of Public Accounts. The Opposition has been referring very loudly to overruns in the cost of road projects, yet the much-lauded IFA agreement trebled the price of the land involved and automatically triggered overruns. I commend this excellent Bill to the House.

Mr. P. McGrath: I wish to share time with Deputies Kehoe, Ring and McGinley.

Acting Chairman (Mr. Carey): Is that agreed? Agreed.

Mr. P. McGrath: I will be speaking for eight minutes and the Acting Chairman might remind me when my time is concluding. I am delighted to have the opportunity to address the House on the Finance Bill. It will be my last opportunity to do so on any Finance Bill and therefore this is my swansong. I hope I will make good use of the eight minutes allocated to me.

I listened with interest to Deputy Dennehy, who stated everything he said was factual. His comments should carry a Government health warning because he said the national debt has been halved. It has not, it has increased over recent years. The remainder of the Deputy's script probably refers to a percentage of GDP or GNP, but he did not read that. He just said the national debt has been halved, which is totally untrue. I am just putting the record straight lest students read the Deputy's remarks and believe they can take them as gospel because they were said in the House.

I am very disappointed that the Minister did not manage to address a great anomaly in our tax code in so far as it impinges upon people's incomes. We have three different thresholds for deciding on people's income. On the basis of one's gross income, one's tax is decided by the Revenue Commissioners and one receives a certificate at the end of the year to state one earned X euro. If one's son or daughter requires a higher education grant from a local authority to go to college, one produces this certificate stating one's income — let us say it is €35,000. The local authority will look at the certificate and ask for one's accounts to confirm one's income.

If one has a number of occupations, perhaps as a taxi driver, farmer or whatever, one may have legitimate write-offs on leasing. The Acting Chairman will know about this from his pro-

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fession. The local authority may say that because one is spending €7,000 a year on leasing a vehicle, the sometime taxi driver's real income is not the €35,000 the Revenue Commissioners said it was. The lease money must be added because the local authority does not recognise leases for the purposes of higher education grants. Suddenly the income level is €42,000 because the leasing figure has been added. That is to make a mockery of the decision by Revenue as to what is a person's income.

One might present a certificate to the Department of Social and Family Affairs indicating one has an income of, say, €20,000 and four children. In this case one believes one is entitled to family income supplement, FIS, because of the four children and the fact of being below the threshold. The Department of Social and Family Affairs will ask for the certificate of income and the applicant will show the document as produced by Revenue indicating the income last year was €20,000. He or she will be told, in the event, that this evidence is not acceptable because of the applicant being self-employed and the Department will not trust him or her, accordingly. It will not accept that the Revenue has done a good job in assessing the person's income. It will not accept the certificate because the person is self-employed and will not give him or her FIS. On the one hand Revenue decides what a person earns and confirms his or her income, while other arms of Government are saying, in effect, they do not believe the Revenue assessments and will not agree with them. That is absolutely ridiculous. Why did the Minister not put that right? Is it not time some Minister for Finance took on that issue and sorted it out?

I have heard so many Government people talk about our low tax regime and how we pay low personal tax. I concede, of course, that personal tax has gone down and people pay less now than they did before. Last year, however, for the first time in the history of this State, the money collected in VAT exceeded the amount contributed in personal taxation. Is this not dramatic and a major change in the collection of taxes? It means people are paying less in personal taxes but much more in indirect taxation by virtue of VAT and the like. Recently I looked at figures in relation to New Zealand, a country that is comparable to ours. It has approximately the same population and is highly dependent on agriculture, with much the same numbers of people at work. A goods and services tax imposed in New Zealand represents somewhere in the region of 10% of the amount taken in personal taxation. The country with a similar set-up to ours. We collect more in VAT than in personal taxes while New Zealand collects about 10% and we wonder why.

Another point I want to make relates to the individualisation of taxes. Take two couples living side by side in this country with a notional income of €60,000 per household. In one house both partners are working and they earn €60,000. In the

other the income is the same but there is only one earner. Is it not dramatic that this Government will impose an additional tax of €120 per week on the household where there is one income? Is it not a disgrace that such an additional tax is imposed on the household with one income? On that sad note I rest my case as regards the Finance Bill 2007. Between now and June I am sure I shall have opportunities to talk about other issues.

Mr. Kehoe: In my short time of four minutes it is difficult to express my frustration to the House with this Finance Bill. I shall take the time to outline to the House the neglect of County Wexford over a long period of time, particularly over the last ten years of this Administration. Wexford has been left behind in terms of investment and infrastructure, foreign direct investment, tourism, education, agriculture and a wide range of other areas because of this Government's neglect of the county. If one takes the national development plan announced only two weeks ago, the only place Wexford got a mention in the document's 300 pages was on the map at the very back, along with every other county. The Government has totally neglected the infrastructure of County Wexford. To say it has not been highlighted sufficiently over the last number of years would be a lie. The gate to Europe is Rosslare Europort. We are still waiting for the Enniscorthy bypass. Hopefully we shall see the completion of the Gorey bypass over the next couple of months. We still await the New Ross river crossing. Now, we are being told we are being left behind because the Ferns bypass is to be completed at the same time as Enniscorthy work.

The CSO figures place County Wexford in 19th position and that is not a good placing for the county with the gateway to Europe. I am not a great fan of statistics. Nonetheless, if one compares Wexford to the BMW region, the south-east county is way behind. The Government has not created too many jobs in Wexford over the last ten years, but it has lost jobs there during that time. When one compares other counties to Wexford in terms of inputs from the IDA and Enterprise Ireland one sees that these agencies have not looked after the south east by any manner or means. This is something an alternative Government will do as has been done in the past. In the three-year period 1994-97, when the rainbow Government was in power, there was more investment in Wexford than in last ten years.

In the short time left to this Dáil I want to put on record the fact that Wexford has been left behind. However, the electorate there knows an alternative Government will look after the people of County Wexford. I ask the Minister for Finance, while he is looking after the Laois-Offaly area, to give Wexford its fair slice of the cake.

Mr. Ring: People pay a good deal of revenue to the State. They do not mind this, but they are

upset as regards what is happening in the public service. People ring the Department of Social and Family Affairs, the council and the health board. It seems the biggest employer now in the country is voicemail. There is voicemail here, there and everywhere and one never gets a reply back from it. We are spending a fortune putting new executives into county councils, health boards, the Department of Social and Family Affairs and computer services and we are supposed to be more modern and yet when people pick up the phone the first thing they hear is voicemail.

I was disappointed I did not see a provision in the Finance Bill 2007 for Knock airport and on the BMW region and the underspend involved. I am disappointed that the western rail corridor will not be opened soon, rather than having to wait 25 years. I will have left the Dáil by then and I assure the Minister of State that we will never have the opportunity to use that service to come to the Dáil or anywhere else.

People feel let down. They are paying their taxes and their dues to the State, but the State and the public service are not doing their job. We are disappointed that we are not getting our fair share of the national cake in the west, including in my town. I received a letter from the NRA this morning, which is another body that is not accountable to anybody. Every Minister has handed over power to the NRA, the HSE and so on, and these bodies will not respond.

However, I got a letter back this morning regarding the N5 from Westport to Castlebar. Westport is a thriving tourist town, trying to do business and trying to employ people, yet there are tailbacks in the town every single day because the roads cannot deal with the number of cars coming into the town. When Fine Gael was last in government between 1995 and 1997, that was the first priority for Mayo County Council. However, this morning's letter from the NRA informed me that it is no longer a Government priority and that it was more concerned with developing roads into the cities. A number of roads on the east coast were named so the west will suffer again because the east coast must get a third round of Structural Funds.

It is time to call an election. The people are waiting for this Government. None of us likes elections, but I am looking forward to this one because we will be able to show the people what we delivered in County Mayo in two and a half years whereas nothing has happened in the past ten years.

Mr. McGuinness: They got a——

Mr. Ring: The Deputy should be quiet. He better enjoy his last days in this Dáil because we are targeting his seat. He is on the way out. Deputy Finneran announced a new road for Roscommon that was not in the national roads programme, was not in the county council prog-

ramme and could not even be found in space when they went looking for the money for it. The Deputy said he was talking to the top man in the NRA. That top man must have gone to the moon because we could not find him when we asked for information on that road.

We are not looking for much. All we want is fair play. I support the Minister of State and my colleagues from the west regarding the road from Longford to Mayo. It is the biggest disgrace in the country. One cannot overtake a lorry when travelling from Longford unless one goes into the sea at Clew Bay. We have been talking about that road for 20 years. A small amount of money was provided for the N26 to Ballina. Now we are told there is another small amount to come because there is an election around the corner. Why can we not get an acceptable amount of money from the Government to do jobs, instead of getting a small bit now and again? Are we not entitled to get our share of the national cake? Are we not entitled to the same funding as the east coast? Are we not entitled to go to work on good roads and do business the same way as it is done on the east coast?

We got no jobs from this Government. IDA Ireland might as well be in Spain on holidays. It opened an industrial park recently in Castlebar and it paid €16,500 to put up a tree near the entrance.

An Leas-Cheann Comhairle: The Deputy should conclude.

Mr. Ring: I will hand over to my colleague, to be fair to him, but I am sorry I could not finish the point I wanted to make.

Mr. McGinley: Like the people on the balcony, I could continue listening to the Deputy with great pleasure.

The national plan was launched with fanfare and triumphalism some weeks ago and the only thing I wish to say about the launch is that it cost about €300,000. If it is anything like the last plan, there will be little for the BMW region. The Government took €600 million away from that area to finish the port tunnel and the Luas in Dublin. If the next plan is not more flaitiúil to the BMW region, God help us.

A golden opportunity has been missed in this Bill to do something logical for Donegal. I was here eight or nine years ago when the tax incentive scheme for tourism and development was introduced for the upper Shannon region. This covered some of the Minister of State's constituency. It covered all of Leitrim and part of Sligo and Roscommon. At that time, Leitrim was known throughout Ireland and the world as one of the backwaters of this Republic. The population of Leitrim was on a downward graph since the time of the Famine. The tax incentive scheme that was introduced for that region has turned around the economic and social history of

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Leitrim. There is investment in the county, with new industries, facilities and houses being provided. It is a pleasure to see it. I was glad the Minister for Finance introduced it in his constituency in the mid-Shannon region.

What better county to qualify for such a tax incentive scheme than Donegal? It is one of the economic backwaters of this Republic. We have lost 12,000 industrial jobs in the past seven years. These figures can be verified by questions that can be answered here in the Dáil. Jobs were lost in Fruit of the Loom, Hospira, Unifi, at Údarás na Gaeltachta industries and all over the county. The fishing industry is at a low ebb and we have the highest *per capita* unemployment in the country at four to five times the national average. That does not give the full story as many people are leaving to work in other parts of the country and abroad.

Donegal was an ideal location to receive this tax incentive. The only land border we have is with Leitrim so the incentive only needed to be extended to Donegal. People there are not looking for hand-outs or grants, they are looking for simple incentives to create flagship projects in the county. A few already exist, such as the Glenbeigh National Park, the Dunlewey outdoor centre and some others. However, we need far more of them to provide a boost to tourism in the county.

We can no longer depend on our industrial base as it has been corroded to the bone. The fishing industry and agriculture are at a low ebb. One part of our future is in tourism, but unless we receive this tax incentive in Donegal, we will continue on a downward slope. The Minister should accept an amendment on Committee Stage of this Bill to extend the tax incentive to County Donegal and redress the imbalance that exists.

Mr. Finneran: I am pleased to have the opportunity to speak on the Finance Bill. I compliment the Minister and the Government on the Bill and on the major investment in the constituency of Roscommon and south Leitrim in recent years. I refer to the rural renewal scheme and decentralisation of the Land Registry to Roscommon, which is well on target with 36 of the 230 staff already there. I also welcome the decentralisation to Carrick-on-Shannon.

The Minister has brought in an innovative scheme to provide a tax break on tourism in the lower Shannon. I am extremely pleased that the south and mid-Roscommon area, including the town of Roscommon, is included in this scheme. It will be a major boost to economic activity along the River Shannon and the River Suck in County Roscommon. It will bring the major tourism developments which are necessary, such as marinas, health farms, restaurants and accommodation, to the lovely area between the two rivers. I compliment the Minister, Deputy Cowen,

on this proposal. I also compliment the Roscommon county manager, Mr. John Tiernan, on the fine submission he made in support of this initiative in the lower Shannon area.

Mr. McGinley: Was that area not included in such an initiative a number of years ago?

Mr. Finneran: No, it was not included in the rural renewal scheme. This is exclusive of the rural renewal scheme. I compliment the Minister for Finance on this welcome and appropriate measure. I challenge the Opposition Deputies and Senators in the region to disown the comments of the main Opposition finance spokespersons in this House last night. They denigrated the proposed scheme in the lower Shannon region, which includes parts of the constituencies of Roscommon-South Leitrim and Longford-Westmeath.

Mr. McGinley: The only thing we have against the proposal is that it does not cover a wide enough area.

Mr. Finneran: I appreciate that we need to consider this matter on a regional basis. I do not doubt that the decision that has been rightly made to offer transatlantic flights from Knock Airport will be of major benefit to the region I represent. I understand that further announcements about the airport will be made in the near future.

When I see the economic activity and development in the BMW region, I am reminded that the main Opposition parties were opposed to the concept of a separate BMW region when decisions were being taken on the matter many years ago. The record of the House will show that some of the main players in the Opposition at the time made comments to that effect. The Government's decision to develop the BMW region was a positive one. While the full anticipated levels of investment may not have been made in the region, it seems likely that economic activity there will catch up with the activity in the other region. There has been an increase — of almost 9% — in the population of my constituency for the first time. I understand that the population of the west of Ireland as a whole has increased by approximately 7%. Those increases have resulted from the implementation in the region of the Government's policies.

I compliment the Minister for Finance and his team of officials on introducing the Finance Bill 2007. I refer to the Minister, Deputy Cowen, in particular because he has taken an innovative approach to the further development of the lower Shannon region. He is giving people an opportunity to invest in the development of tourism infrastructure along the Shannon corridor. This Bill will bring many benefits, including increased economic activity, to that area.

Mr. McGuinness: Like the previous speaker, I welcome the Finance Bill 2007. I compliment the Minister, Deputy Cowen, on the content of last December's budget and the positive Bill that is being debated by the House today. The budget and the Finance Bill demonstrate that the prudent approach of the Minister and the Government to the management of the economy is working. The effective policies which are being rolled out are benefiting the people of this country in real economic terms.

I listened to an Opposition speaker, Deputy Kehoe, say that nothing is being done for County Wexford. Deputy Ring made a similar point about his local area. In the south east, there has been an impressive increase in economic activity in all business sectors, such as the construction industry. If we are to assist home-grown businesses in the south east, which employ a significant number of people, we need to accelerate the rate of expenditure on the construction of new roads etc., in that region. A number of major projects have been delayed even though the money that needs to be invested is available. The National Roads Authority and the relevant local authorities need to ensure that all impediments are removed from the system, so that the necessary investment can be rolled out at a rapid pace. When developing such projects, we should bear in mind the need to achieve value for money and to ensure they facilitate the economic development of the south east.

It is no harm to mention the need for the development of a university in the south east. I hope the current analysis of Waterford Institute of Technology will lead to it being given university status. Those undertaking the analysis should look favourably on the development of a faculty in Kilkenny, which is synonymous with design. It is important for Kilkenny to have a third level facility that can deliver real courses which benefit the economy.

The creation of wealth in this country gives us an opportunity to assist those who are less well-off. We will be judged on our achievements in treating that sector of society. I refer to the care of the elderly, for example. Increased investment in social welfare schemes, health and education is made possible by the collection of so much taxation. We are directing those moneys in a focused manner at all areas which need support. We are financing schemes to help people to get back into full-time employment and education, for example. Such schemes help people to improve their lives and enjoy a better quality of life.

I would like to respond to what Deputy Paul McGrath said about the level of receipts from value added tax, as opposed to general taxation. People have substantially more money to spend because they are taking more money home. They can decide how to spend that money. The overall VAT take, which was mentioned by the Deputy, is increasing because more quality of life items, such as cars, televisions and various products for

the home, are being purchased. This country's increased economic activity is helping people to enjoy a better quality of life. People are using their additional funds to enhance their quality of life by doing things they see as important, such as making improvements to their homes. It is a sign of the greatness of our economy that such purchases are generating taxes like VAT and stamp duty, which are redistributed as the Government has done over the last ten years. I accept the Government needs to make adjustments and provide for additional allocations in certain areas. It is a work in progress. If one understands what is happening in the economy, one can make certain changes each year in the budget and the Finance Bill. It is hugely important that the Government has the common sense to address these issues as they arise. This country's economic development has attracted some significant outside investors who are increasing the country's profile and adding to the market.

It is important to highlight the economic value of indigenous businesses. I support the position being taken by the Minister for Enterprise, Trade and Employment in response to ICTU's comments about the business expansion schemes. The schemes, which have created almost 800,000 jobs, were established to support the development of an enterprise culture in this country and are hugely beneficial to our economy. The Minister, Deputy Martin, has invited ICTU to discuss its concerns with him. I am surprised that ICTU has made a complaint to the EU. I hope it will reconsider its approach and withdraw the complaint so that the schemes, which are of great importance to the economy, can be implemented.

I urge the Ministers for Finance and Enterprise, Trade and Employment to examine the role of the county enterprise boards, which are of significant importance. The boards should be given sufficient front-loaded funds so they can help to develop a thriving local economy. Such an economy could be built on innovation in the area of information technology, for example. We need to ensure that investment is made in jobs at local level. The indigenous sector is very important. Many of the budgetary decisions which have been taken in this Bill will assist local businesses to develop.

It might not be any harm for the Minister to consider the possibility of developing the railway lines. Such lines could be built beside the main roads that are being constructed at present. That would ensure there is connectivity by rail throughout the country. To achieve this, some type of governmental investment vehicle could be created, such as was created for the SSIs, so ordinary people could invest their money to generate a return in the context of rolling out a 21st century railway system that would connect everywhere in the country and, at the same time, would deliver financial benefits to those who invest in it.

I wish to draw the Minister's attention to another matter. A constituent wrote to me asking

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that the Minister extend the capital allowance regime to include the 112 registered caravan and camping parks in Ireland. Sam Harper of Nore Valley Park has made a strong case for this. In recent years capital allowances were extended to include hotels, guest houses, holiday hostels and holiday camps. For some reason the sector Mr. Harper represents was omitted. The argument has been made in a genuine fashion and has merit. I ask the Minister to ensure that, in view of the case made by Sam Harper, this sector is included by means of an amendment to the Finance Bill.

The section which deals with stamp duty on sports clubs and recognised sporting organisations states the changes will come into effect when the Bill is passed. Presumably, the Bill will be passed in March or early April. There is a case for putting forward an amendment to provide that the change should apply from the date of publication of the Bill, as is the case with other aspects of the Bill. Recognised sporting organisations, therefore, could benefit from the adjustment in stamp duty. This is most important and I ask the Minister to ensure the amendment is brought forward on Committee Stage.

In previous years I have made the case for the Comerama workers. It is a legitimate case and it should be made. I have availed of the debate on each Finance Bill to do this. A cynical exercise has been undertaken by some Members of the Opposition whereby they have brought this matter to the attention of the Committee of Public Accounts.

Mr. Quinn: The cynicism is on the part of the Minister for Health and Children.

Mr. McGuinness: Deputy Quinn will have an opportunity to contribute to the debate. This matter has no place in the Committee of Public Accounts. That committee investigates State spending retrospectively. This involves money that was not spent by the State. It should be taken up by the Committee on Enterprise and Small Business or by the Committee on Finance and the Public Service.

The total amount of money involved is less than €1 million. The Leas-Cheann Comhairle has made the case for this, as has every Member of the Oireachtas from the constituency. To put it at its mildest, a genuine mistake or error was made at the time by the then Tánaiste. The workers decided to enter into the deal for the closure of Comerama in a genuine manner because of what they were told. As a result, they were left short in their payment from the State. The total amount involved is roughly €1 million. In the context of the budget it is small change.

The Finance Bill again offers an opportunity for the Government, in consultation with the Minister for Finance, to ensure the money is paid, either by the Department of Finance or the

Department of Enterprise, Trade and Employment. There is almost a moral obligation on the State to honour the commitment that was given, regardless of whether it was given in error. The decision taken later by the workers hinged on what they were told at that meeting. I again appeal to the Minister to ensure this is done, whether it is through an amendment to this Bill or in some other way by another Minister. The workers who are asking to be heard should be allowed to come forward and put their case, either to the committee on finance or to the committee on enterprise.

The role of the Committee of Public Accounts in the context of the Finance Bill and the budget is most important. The legislation dealing with the remit of the Committee of Public Accounts must be changed. The committee must be given far more clout to ensure that wherever an overspend is identified and is debated by the committee, it does not just go into a report for the Minister for Finance. There should be some way of dealing with the issue and preventing the ongoing loss of money to the State with regard to the project.

An enormous amount of money has been spent on projects throughout the country and the Committee of Public Accounts has been examining that spend retrospectively. That is not really productive. Yes, problems are identified and corrections have been made with regard to contracts and how the Secretaries General of the Departments now approach their work in the context of accountability and transparency. However, more must be done. Members of the committee travelled to America some time ago and found many examples of how that could be done. It is not a case of inventing a new process. The processes are there and they only need to be adapted to this country.

We must put a value for money flag on Leinster House and make it clear to all and sundry that nothing short of the delivery of value for money for the taxpayer will be accepted. We must put on notice everyone who is engaged in business with the State that we are serious about our business and anxious to achieve the value for money which is so important in the context of what we spend. That change should be made as soon as possible. As I said earlier, there are plenty of examples available.

The Bill provides for other changes relating to credit unions, the minimum wage and so forth. All of them have a positive input into the development of the economy. It is essential we continue to manage the economy as we have done and that we get better at managing Government spending.

I accept the point made by Deputy Ring. We have a changing economy and there are now billions of euro to spend, where previously it was only hundreds of millions. We must ask if we have the mechanisms and skilled professionals in every Department not just to account for the

money but to ensure it is spent wisely and properly. The Opposition blames the Ministers but the fact is that there are highly paid civil servants throughout the Departments and they have a responsibility to ensure the appropriate mechanisms are in place to monitor the spend and ensure we get value for money.

Deputy Ring spoke about answering machines. That is the first line of engagement with the general public and I believe it must be changed. There must be systems in place that not just deliver value for money but also deliver services in an efficient way. They should not only be accountable to the Committee of Public Accounts and this House but also at county or regional level. That is not happening. The way to open it up is to ensure every job opportunity within the service is open to applications from outside. That will require the opening up of the interview processes.

Currently, county managers interview county managers for vacant positions. It is the most ridiculous system I have seen in a long time. It will not attract those who are skilled and professional enough to take on the position of county manager or of director of services or any other position in the HSE. Just because one has come up through the grades does not mean one is a good administrator. If one has come up through the Garda Síochána, it does not mean one will be a good Garda Commissioner and administrator. We need to examine the structures and the qualifications of the people in them. Until recently, the NRA did not have an accountant. Given the amount of money it is spending, surely the first thing it should have done was ensure the accounts department and the valuations office were in place. I agree with Deputy Ring that there is a need to reform the Civil Service to ensure we get the best people in place to spend the billions of euro we currently push through the system.

I commend the Bill and the work the Minister is doing.

Mr. M. Higgins: I wish to share time with Deputy Quinn.

Debate on the Finance Bill is one of those rare occasions when we have an opportunity of speaking about the state of the economy and the relationship of the economy to society. It is appropriate therefore, to seek to discern some of the values upon which Government policy is based and beyond that, how these values are influencing policy, in particular how that policy is implemented within the usual five years of Government. The first question must be to what extent has the behaviour of the budgets presided over by the Minister for Finance and the general finance policy been regressive or the degree to which they have distributed opportunities or distributed the fruits of economic growth.

Before we could begin to answer that question, we need to be realistic and honest about growth rates. The Tánaiste, Deputy McDowell, has

issued a set of statements about the economy which rather sadly have no relationship to accuracy or to truth itself. I refer to the growth rates in the economy. The lowest growth rate in the last ten-year period was a figure of 2% when the Progressive Democrats had begun their contamination of the Fianna Fáil-led Government. The growth rate in 1989 was 4.7%; in 1990, 6.5%; in 1991, 2%; in 1992, 2.5%. I had the honour of being in the Cabinet with Deputy Quinn who was the Minister for Finance. I refer to the growth rates during his period of office. In 1993 when he took over the office, the growth rate was 3%; in 1994, 6.5%; in 1995, 8%; in 1996, 7.8%; in 1997, 10.3%. If the public were foolish enough to believe one word from the Tánaiste — this would be a great risk — they would realise that this is not the description of what he calls a “slump performance” in the economy. In 2002 the growth rate of GNP was 2.8%; in 2004, 3.9%; 2005, 5.4%. Let there be an end to the myth-making about the economy and growth rates. I am far more interested in the fundamental question of whether the growth in the economy was used to lessen the gross inequalities in society or whether it exacerbated them. Differential access to income has an effect on inclusion and one’s access to education, health, transport and so forth.

In the short time available to me I wish to deal with one other inaccuracy which is being floated around, namely the suggestion that low tax rates have been the major impetus towards economic growth. I have already factually corrected the statements about the growth rate made by the Tánaiste, Deputy McDowell. The increase in the growth rate, the increase in volume in the economy and in indirect taxes, has created a situation where there can be a higher tax take without expanding the net to capture taxes. I do not have time to develop this point. I recall the promise at the beginning of this Government that 20% of people would be paying the top rate of tax; as the departmental officials well know, the figure is 32%. We need not discuss these broken promises because I am far more interested in my fundamental question, namely, the degree to which the growth in the economy either did or did not assist the creation of a more decent society.

Figures about gross domestic product are a little suspect with regard to Ireland. They must be submitted to the criticism that the transfer pricing might artificially increase the gross figure so that when it is divided by the population this produces an inaccurate *per capita* figure. Using that caveat, it is interesting to note Ireland’s GDP. The United Nations report on human development ranked Ireland 16th out of 18 OECD countries in terms of income and equality. That report shows that despite phenomenal economic growth, Ireland has the third highest level of poverty in the developed world.

We have been told that we have the second richest economy. Last year some of the economists who were telling us we never had it so good

[Mr. M. Higgins.]

were somewhat taken aback when Mr. Ulrich Kohli, the chief economist of the Swiss National Bank, poured scorn on the notion that since Ireland had surpassed Switzerland in terms of gross domestic product *per capita* or that Irish people were somehow better off than Swiss people. Mr. Kohli pointed to the huge deficits in Ireland in what economists call public goods. These are schools, hospitals, public transport, roads, public recreational amenities. Switzerland's investment in these public goods is much greater than Ireland's and whatever the GDP figures show, anybody who has visited Geneva or Zurich will know why these two cities are in the top two positions for the best places to live for quality of life while Dublin is ranked 23rd.

What has been quite scandalous is the manner in which direct taxation has been substituted by indirect charges, accurately termed stealth charges. Those families who are the most vulnerable in terms of education, transport and access to health care, have faced a whole series of indirect charges so their net disposable income is very little.

There is a malign element in this budget as there was in many others. Once again the gap has been widened between dual income families and single income families through this Finance Bill. The real test of an economy is its impact on society and what it achieves. If one does not accept this, one is speaking about some version of the depeopled economy of which I have often spoken. If people exercise a choice that they are unwilling to pay gross charges for a crèche, that they should not be forever sitting in traffic jams with long commuting distances, worn out and unable to participate voluntarily in their community, and if they exercise a choice that one of the parents will be involved in the primary tasks of child care, they are penalised yet again in this budget. That is what the tax structure has delivered. We need to move away from a depeopled economy that has little but regressive effects on society and move to one that distributes chances equally.

Mr. Quinn: The need for gender proofing, poverty proofing and equality proofing which have characterised previous Government policy frameworks must now be met with a new addition, that of climate proofing. For those who do not already believe it, the recent Stern and IPCC reports have made it clear that we are facing the next great test of humanity. Climate change is happening and there is no longer any point in trying to deny it. There are only two options left, either ignore it or face the challenges head on and find innovative solutions to reduce our impact on the planet so future generations can survive.

Unfortunately, this Government, in its Finance Bill as in all its other legislation, has chosen to ignore the problem and leave it to tomorrow's leaders to deal with. Some people, like President

Bush and the Tánaiste, Deputy McDowell, do not accept the overwhelming scientific evidence and do not see the imperative for action that is obvious to the rest of us. Even they, however, must still observe the economic arguments for action. Under the Kyoto Protocol, to which Ireland is bound, we must cut our carbon emissions significantly and failure to do so will cost us greatly in direct payments for carbon credits.

Addressing this matter in a serious manner gives us a great opportunity to be a carbon credit exporter. Surely one would expect a Government led by the Progressive Democrats, those champions of market solutions, to realise the potential in this area. Instead, they choose to ignore and evade. Rather than go slightly out of his way to make a difference, the Minister for the Environment, Heritage and Local Government, Deputy Roche, bought €270 million worth of carbon credits to keep us going for a few years. He also postponed implementation of the energy directive, which would require all vendors of new residential properties to provide, from 1 January this year, a building energy rating certificate with the title documents. The Minister changed the goalposts to ensure this obligation would apply only to residential buildings for which planning permission with effect from 1 January has been sought, thereby postponing an energy conservation mechanism for at least 18 months.

The cost of complying with the Kyoto Protocol will pale into insignificance with its successor after 2012. If Ireland has not reduced our carbon outputs to the prescribed levels by that date, we will be faced with an arduous struggle to meet the next set of targets. At minimum, these are likely to require a reduction to 1990 levels of emissions. There is, therefore, a financial imperative, even for those who ignore the environmental, ecological and moral imperatives for addressing climate change.

Just as in the past we moved to gender and poverty proof Government plans, we must start to climate proof them. That the Government would even consider issuing a national development plan — to be completed, coincidentally, at the same time as the Kyoto Treaty — without aggregating and costing its impact on the climate is irresponsible, reckless and incomprehensible. The increased carbon emissions caused directly and indirectly by the NDP could cost us billions of euro over the lifetime of the projects proposed. Despite this, the document and Government spokespersons, from Ministers to Deputies, are silent about its impact.

Ireland is particularly exposed to the consequences of climate change. Our ecology is strongly dependent on the Gulf Stream to keep temperatures a few degrees warmer than they would be otherwise. Without the Gulf Stream, we would experience harsh winters and cool summers and farming as we know it would be devastated. A change of just a few degrees in either direction in the temperature of the Atlantic

Ocean or in its salt levels would be sufficient for such changes to occur. While it may appear otherwise to a Minister of State from the plains of Kildare, Ireland is an island nation with more than 80% of its population and all of its major cities in low-lying coastal areas. As such, it is among the countries most at risk from rising sea levels. Germany, France and other European Union member states do not face the direct and dangerous consequences we do if real action is not taken soon. Dublin is much more at risk from climate change than Paris, Berlin or Madrid. It is incumbent upon us not only to take action but to lead the rest of Europe and the world. The Government, however, after ten complacent years in office, has decided to ignore the problem.

Deputies know that the Fianna Fáil Party in Government likes to buy its way out of a bad situation, with elections it is about to lose being a key case in point. This time, however, all it is doing is buying time. Normally, when one needs to buy time, it is to allow serious action to be taken. That is not the case in this instance. The Government is buying time and the only plan it has down the line is to buy more time. Even a child could tell us that this approach is not sustainable because the financial bill imposed on this and successive generations will increase exponentially, as will the cost of meeting our commitments.

It is clear that Ireland needs to get back on track. This Government has neither the vision nor determination to deal with the problem of climate change. Only an immediate change of Government will result in it being addressed in a meaningful way. Fortunately, people will have a choice in about 100 days. They know where they can find a safe pair of hands for the economy, as my colleague, Deputy Michael D. Higgins showed in the figures he cited, and where they can find the vision, drive and commitment to address the challenges facing us. On the basis of the Bill before us and the national development plan launched with all the fanfare of a grubby election manifesto, the Government does not have answers to the problems we manifestly face.

Mr. Ó Fearghail: I am pleased to have the opportunity to contribute, albeit briefly, on the third Finance Bill of the Minister for Finance, Deputy Cowen. It comes in the aftermath of the presentation of the Book of Estimates and a successful, balanced and well crafted budget.

The Minister has already set out the aims of the Bill, which places emphasis on the promotion of enterprise, jobs and investment, the removal of low earners from the tax net and the advancement of environmental and socially desirable objectives via the tax system. He is continuing the job of consolidating the enormous fiscal and economic progress made over the past decade, while at the same time laying the groundwork for continued growth, prosperity and fairness.

It is important that we do not take our economic environment for granted. Viewers of the special "A Week in Politics" programme broadcast on RTE at the weekend could not help but notice, as the American presenter did, that the focus group took the Government's present position of strength as a "given".

Mr. Kehoe: That is not a wonder given that the group included Fianna Fáil Party hacks. The Deputy should read today's newspapers.

An Leas-Cheann Comhairle: Order, please.

Mr. Ó Fearghail: While watching the programme I was reminded of a comment made on radio by a Fine Gael Party spokesman that a monkey could run the economy. The hard work, commitment, initiative and genius of the Irish people, operating in partnership with a government that has provided leadership, foresight and prudent management, has brought us to our current position. We should be loth to do anything that would unscramble that winning formula.

In the time available to me I will refer to two particular areas of concern. As a representative of the thoroughbred county in my constituency of Kildare South, I have a special interest in the bloodstock industry, as has my colleague, the Minister of State, Deputy Seán Power. The sector is the backbone of the rural economy in County Kildare and many other counties. Section 24 addresses tax arrangements for stallion stud fees, with new provisions taking effect from 1 August 2008.

I am conscious that not every Member of the House understands the importance of the stallion industry for the rural economy and in that regard it is useful to refer to the Indecon report. I will summarise the report's main findings on the bloodstock sector. Indecon estimated that total stallion fee income in 2002 was €85 million. After adjusting for costs, including wages and salaries, keep and related expenses, depreciation and financing costs, Indecon prudently estimated the total net value added produced by annual stallion income in 2002 at between €7 million and €16.4 million.

The report also suggested that 2,154 full-time equivalent jobs were supported by the stallion sector. The Minister for Finance indicated yesterday that this figure has since increased to approximately 2,500. The employment created by the operation of stud farms also generates substantial employment incomes, estimated by Indecon to total €44 million in 2003. Conservative estimates put total Exchequer contributions from the stallion sector, through PAYE and PRSI taxation paid on employment incomes and VAT and excise duties, at €22.4 million in 2003. Assuming a multiplier of 1.43 and based on a best estimate of total current spend by the sector, it was estimated that total contribution to the economy of

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expenditures undertaken in the stallion sector was of the order of €120 million.

Since the Indecon report was published in July 2004, the bloodstock sector has continued to grow to the point at which Ireland is now the third largest producer of thoroughbreds in the world. That, in itself, is quite a phenomenal achievement for such a small country. The industry is conscious of the significant support it has received from this and the previous Government. It is, I believe, understanding of the changes that are now proposed to the tax regime, on foot of objections from the EU Commission and some Opposition Members of the Oireachtas to stud fee relief. The Minister's proposal for a four-year write-off on the purchase cost of a stallion is welcome and will, I assume, be approved by the EU.

Moving on from a tax relief that is to be abolished, the Minister might consider a new relief in line with his own belief that some reliefs continue to be justifiable where they are targeted and likely to be productive for the citizen and taxpayer. It is appropriate that the Minister of State, Deputy Seán Power, is in the House to hear this suggestion. The Government is strongly committed to the implementation of the primary health care strategy, a key element of which is the introduction of an interdisciplinary team-based approach to primary health care provision. It is recognised that modern, well equipped and accessible premises are essential to the effective functioning of a primary care team and that such premises should provide a single point of access for the user, as well as encouraging closer co-operation between providers.

The primary care strategy group estimates that, at 2001 prices, a typical such facility would cost of the order of €2.5 million. Given that the group recommended that up to 600 special care units would be required up to 2011, a total capital investment of €1.2 billion would be needed. I am proposing the following suggestions in this regard. First, the Minister should consider the introduction of tax benefits like those for nursing homes, to be offered to groups of GPs, with a combined list size that is sufficient to fulfil the required numbers for a primary care team. These GPs would then proceed to develop primary care centres with both GP surgeries and areas for wider primary care team participation. This would encourage GPs to invest funding in primary care centres. It would provide the necessary capital investment for the primary care strategy, and would act as a real incentive for GPs to come together and join into primary care teams.

Second, I am proposing the introduction of a lease-back scheme, whereby the HSE would either lease back the area of development earmarked for the primary care team alone — leaving GPs to own their section of the development — or the entire development, so that once they had gained ownership of the building they would

lease the GP section back to GPs at a reasonable rent.

The first of these options would attract GPs who want to retain ownership of their surgeries, while the second option would allow the HSE to have control in deprived urban areas, thus ensuring that new GPs would not face significant capital investment costs. Such a scheme should be severely limited. Tax incentives should only apply to the medical part of any development and only GPs involved in the primary care strategy should be entitled to avail of any relief. Such GPs would have to be in a team that is sufficiently large to justify the development in the first instance. Any new developments would require the agreement of both the HSE and the GPs.

The advantages of such an approach would obviate the long bureaucratic process whereby the HSE tries to obtain sanction for capital funding for each individual project across the country. In addition, because of the appetite among GPs for such developments, it is realistic to envisage such centres being developed much faster and more cost-effectively than via the public sector. It would also encourage GPs to expedite these developments by providing such tax incentives for a limited period of three to five years. The ultimate goal is to develop as many purpose-built, state-of-the-art, primary care centres as possible, both quickly and efficiently.

I strongly believe that these suggestions warrant consideration as a means to advancing the provisions of the primary health care strategy. I commend the Bill to the House.

Mr. Blaney: I welcome the opportunity to speak on this legislation, which is probably the best ever Finance Bill to have come before the House. A vast range of reliefs, particularly tax reliefs, has been provided across the board. Those reliefs aimed at middle to low-income earners have been generally welcomed by the public. It was an excellent move to increase PAYE credits, which will ensure that those on the minimum wage will continue to be outside the tax net in 2007. In addition, increases in personal tax credits and bands will ensure that at least 80% of earners will pay less than 20% of their income in taxes this year.

Another particularly good step entailed doubling the ceiling on mortgage interest relief for first-time buyers, so they can reclaim that relief. I personally lobbied the Minister on that proposal. Before the budget there was much talk about tackling this matter in other ways. There were proposals to cut taxes and increase grants to first-time buyers, but such measures would not have helped them as the benefits would have been swallowed up by developers. I look forward to welcoming other such measures, akin to doubling the ceiling on mortgage interest relief for first-time buyers, in the future.

The Bill's proposals for the business sector are also welcome. These are particularly aimed at

small to medium-sized enterprises. County Donegal relies heavily on such businesses, which are the backbone of the local economy, carrying the county forward by creating employment. Economic growth has been hard to achieve there at times, so this is a welcome move by the Minister for Finance.

The automatic repayment by the Revenue on entitlements such as health expenses, trade union subscriptions and age-related tax credits, represents another welcome step. Some may say it should have been done long before now, but I welcome the fact that the Minister has recognised the position and acted upon it.

The Minister has also introduced a consultation period for a review on car emissions and VRT levies. This is another welcome development given that, in recent weeks, there has been much debate on emissions generally in the context of global warming. It will be particularly welcomed by many vehicle owners.

The large package of measures unveiled by the Minister for Agriculture and Food, Deputy Coughlan, including farm retirement reliefs, has been very much welcomed by farmers. She is leading the way for farmers in the 21st century. They went through a tough period for a while but the Minister has taken them out of the doldrums. Given the modern nature of our economy, not all farmers want to continue farming but those who wish to will now be able to do so. Sadly, interest in farming is dwindling but the Minister, Deputy Coughlan, is doing her utmost to ensure that farming remains a priority sector.

The package of social welfare increases, proposed by the Minister for Social and Family Affairs, Deputy Brennan, has been welcomed across the board.

I wish to refer in particular to the opportunities for North-South development and co-operation that exist under the terms of the national development plan, as unveiled by the Taoiseach and his Government. For the first time a southern Government has recognised infrastructural needs in the Six Counties. We have heard many parties talk about republicanism and being the true republicans. This move is republicanism in its truest form. It provides €1 billion for infrastructure on a cross-Border basis, which is a massive and welcome move from the Government.

Donegal is perhaps the seventh Northern county and this investment is very welcome. Given its proximity to the fourth largest city, Derry, I feel good times are ahead for Donegal under the national development plan, as well as for Derry and the Border region. However, much hinges on getting the Assembly and devolved government up and running in Northern Ireland, which is something to which I greatly look forward. For too long there has been negative politics in Northern Ireland but, thankfully, times are changing. Politicians are seeing the light and showing leadership. I hope they continue to do so

because the Six Counties and the Border counties would have much to gain. It is an exciting time for us all.

I thank the Government for delivering so much under the national development plan, which has created many opportunities. I have no doubt that if the institutions in the North are up and running, the Government will be prepared to negotiate with regard to infrastructure, whether road or rail, or perhaps even air infrastructure, given that the Government will also invest up to €10 million in City of Derry Airport, which is welcome. There are many opportunities ahead for the north-west and the Border region. I look forward to having the institutions up and running and having politicians in Northern Ireland get involved with us and approach infrastructure development and other Government matters on an all-island basis, as should be the case. When that happens, this country will be much the better for it.

Mr. Eamon Ryan: I wish to share my time with Deputies Crowe, McHugh and Catherine Murphy.

An Leas-Cheann Comhairle: Is that agreed? Agreed.

Mr. Eamon Ryan: I note the Taoiseach, if I understood him correctly in the Dáil yesterday, said that yesterday's Cabinet meeting focused on climate change. I would love to have been a fly on the wall as the Taoiseach turned to his colleagues and said: "Lads, what has gone wrong? What is happening?" The Minister for the Environment, Heritage and Local Government would no doubt have replied: "Well, Taoiseach, the problem is we have an economy that is growing too quickly and we do not have nuclear power. That is why I am failing to do my job." Perhaps the Minister for Justice, Equality and Law Reform, taking George Bush's line, said: "Whatever you do, Taoiseach, do not do anything. The markets will sort this out." The Taoiseach might have looked to his Minister for Transport, Deputy Cullen, but no doubt he was out in his little hard hat, opening a road somewhere, and was not able to proffer a response. I can imagine the Taoiseach pulling his hair out and turning at last to his stalwart Minister for Finance, Deputy Cowen, and asking him what to do about climate change. I imagine the Minister for Finance's reply was "What is climate change?" because nothing in his budget, his Finance Bill or his national development plan prepared us for the future which is with us now.

The science is certain. The European Union has told us the new targets we need to abide by — either a 20% or 30% cut by 2020. As we will be 30% above the limits by 2010, we will have to cut our emissions by at least 40% in ten years or try the Minister for the Environment, Heritage and Local Government's approach and borrow

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our way out, which would cost us a prohibitive amount.

The remarkable aspect of the Minister for Finance's budget and this Bill is that there is a suggestion that we will simply think about changing VRT to take emissions into account, but we will do it after the election, next year, maybe. The cars purchased now will be on the road in 2020 when we will have to cut our emissions by close to 40% to be part of the international solution to this huge problem. I find this incredible.

It is unbelievable a Government can show so little foresight or interest in the big global issue of the day. It is bad for the economy. The level of Government inaction is putting us in a position where we will have to pay dearly, and we will not create the jobs we could otherwise create if we began to take this seriously. It is a major disappointment. The most remarkable aspect is that the Government is dressing its meagre efforts in a green label but it is doing nothing and is nowhere near meeting the challenge we need to meet.

I attended a debate on climate change in a university in the city earlier today. One of the questions I was asked was why the issue was not catching people's imagination. The common response was that the problem in this city is that people spend so much time trying to get the career and raise the income necessary to be able to afford to pay for a house, they are impeded from any form of social action, involvement or engagement. The Minister for Finance has failed to understand the urgency of that problem and has failed to put in place measures that might improve the situation.

For four years the Green Party has suggested a reduction in stamp duty for those who are trading down from a large property to a smaller property on the basis it brings major planning, environmental and economic benefits. If there is an incentive for the owners of large houses, perhaps with four or five bedrooms not being used, to trade down, those houses then become available for younger families trading up. Such houses are close to schools, shops and bus routes, and people living in them would take shorter journeys and reduce their emissions while having a better quality of life. However, there is nothing from the Government to encourage such co-ordinated, joined-up thinking and development.

It is interesting to listen to the Deputies opposite — I presume I would say the same in their position. This country is immeasurably better than it was 20 years ago, which we should all recognise. We should not be so stupid as not to understand that full employment has been a major boon. We should take pride in the success and achievements of our country. However, those in Government should also keep an eye to the future and not be so proud of our achievements and our momentary success not to understand what we need to do to guarantee that success into the future. It is that lack of forward thinking in

the Finance Bill and the Government in general which I find particularly disappointing.

Mr. Crowe: The Minister, Deputy Cowen, speaking on the Bill stated "the system of indirect taxes under this Government seeks to safeguard the lower paid. It is not regressive as some studies maintain". I take issue with that comment. I accept there are some anti-regressive features built into the VAT system, such as its non-application to certain very basic necessities. However, the Minister is entirely wrong to dismiss evidence of the impact of VAT and user charges on low income families. There is no question but that the extent of indirect taxes disproportionately penalises those on low income. Indirect taxes are inherently regressive because they are paid at a fixed percentage of a price and do not take into account the ability to pay. They also hit low income earners hardest.

Almost one third of the overall tax take is raised through VAT and more than 13% is raised by way of excise duties. The Combat Poverty Agency, the State advisory agency whose job it is to develop and promote evidence-based proposals to combat poverty, found that indirect tax payments for the lowest income households amounted to more than 20% of income; for the wealthiest households, it was just over 9%. The Minister's comments last night suggest he disputes these findings. In addition, there is a growing number of user fees and service charges for public services, which are also unjust as the public already pays for essential services, such as waste management, health care and road building and maintenance, through the general taxation system.

During his speech, the Minister made many claims about the Government's record to date, including the statement: "In this Bill I seek to ensure the benefit of strong economic growth is shared by all taxpayers and, in particular, low and middle income earners." Surely the greatest indictment of the present Government is that the wealth generated over the past decade has not been used to deliver better public services nor has it been used to eliminate the scourge of poverty. The State is characterised by increasing inequality between the well-off and the low and middle income earners. Having a job and being poor are not mutually exclusive given the prevalence of low paid workers.

The Minister told us 845,000 low income earners are now exempt from income tax. One must be on or below the minimum wage, €8.30 per hour, to be exempt. It is a question of what has been done and what could have been done had the political will existed in a time of plenty when the revenue was available to make a decisive impact on the elimination of poverty. History will not absolve the Government for its failures, for presiding over growing inequality, for contributing to unprecedented deterioration in the quality of so many people's lives and for failing to use its

record resources to ensure public service delivery. More than 80,000 children suffer consistent poverty and go to school hungry. Those on low pay join others left behind by the Government, such as the 40,000 households on social housing, the 62,000 households living in consistent fuel poverty, the 100,000 or more children who do not get proper food and parents trying to raise a family on far less than the Minister's expense account.

It is right to examine the Government's legacy as its second term in office comes to an end. Public services, health in particular, are in crisis. Those on low incomes hoping to have a roof over their heads must contend with costs of accommodation in the rental sector at an all-time high. Those on average incomes cannot afford to purchase a home, particularly first-time buyers in the greater Dublin region. Getting home from work is an increasing struggle because the Government has failed to prioritise the development of public transport. Despite the dire need for extra buses, funding for Dublin Bus has been held back. Low and average earners do not have the ability to cope with the range of economic pressures, including the rising energy prices and rising mortgage prices they now face.

In addition to all this, we have record levels of household indebtedness, over-valued property, an economy over-dependent on construction and a Government over-dependent on revenue from construction and consumption. People deserve better.

Mr. McHugh: I thank the Chair for the opportunity to speak on the Bill. I welcome the proposals contained in the Bill for the introduction of a new tax incentive scheme for tourism facilities in the mid-west region, in particular for specified areas within a seven to eight mile corridor of the Shannon River. I welcome this not alone because it contains benefits for my constituency, but because in some small way it makes an attempt to spread tourism activity outside the traditional tourism locations.

East Galway has not had any significant benefit from tourism. Some small pockets have seen some activity, but in the main no tourism activity takes place. I welcome the initiative, not because it will do wonders for my constituency, but because when one comes from an area like east Galway that has seen a lack of effort from successive Governments, one realises that the crumbs from the table are better than nothing at all. We are accustomed to crumbs in east Galway, and from that point of view it is disappointing the Finance Bill did not contain any other initiatives for such areas or for the west as a whole.

As a result of the neglect of the region by successive Governments we need positive discrimination in favour of the region and other regions like it. The disgraceful outcome for the west under the national development plan cannot go unchecked. The Government must acknowledge we have a problem of major proportion and set

about putting corrective measures in place to address the region's weaknesses. They need to be addressed in a positive, up-front way, not by lip service where we hear over and over how committed the Government is to the west. We do not want to hear any more on the issue, but want to see action.

The neglect of the west and east Galway could not be more manifest than through the saga surrounding the threatened closure of Seamount College in Kinvara, which is in my constituency of Galway East. Seamount College is an excellent all-girls' secondary school, but the Mercy sisters are pulling out of the provision of education there and no intake of students will occur in September unless the Department intervenes and saves the school. The Minister and her Department are dragging their feet on the issue. They are examining figures and projections, but in effect are doing nothing while the lifeblood of this excellent school is draining away. This is just one further example of the Government's neglect of the west.

Ms C. Murphy: The Finance Bill is underpinned by a certain set of values. It could have been an opportunity for change as society changed, but that opportunity was not taken. The Bill could have provided an opportunity to row back on the multitude of tax breaks aimed at investors in the construction sector, thereby freeing up finance for redirection to other sectors. It was important that we would make a real start in this direction this year because it would make a statement of intent and would be welcome, particularly prior to the general election. We know the power of the construction industry and the special relationship it has with Fianna Fáil.

Both in terms of the budget and the Finance Bill, the Government has missed the opportunity to respond to needs such as child care. We were told in the 2005 budget that because there was so much to be done, we would have incremental delivery on child care needs. However, we were hugely disappointed with the budget that followed in December 2006 because it failed to do anything meaningful in the area. I noticed in *The Irish Times* today that tax-free exemptions for people minding up to three children in their home will increase from €10,000 to €15,000. This amount is significantly less than the minimum wage and illustrates two facts for us. First, women are over represented in the lowest pay sectors and rate poorly in comparison to men in terms of the average wage. Second, it places a poor value on one of the most important jobs a person can do, namely, minding and rearing children. There was no take-up of the exemption last year and I doubt there will be any take-up of the €15,000 exemption.

In terms of the national development plan, the focus with regard to child care is on tax breaks to the private sector to provide facilities. However, affordability is as big an issue as provision. The Government could do more to encourage pro-

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vision by dealing with issues such as the underlying cost of child care, low wages to staff in the industry and the low margin of profit. To offer benefits in terms of costs such as VAT and commercial rates would make a difference. It should also invest in the community sector to ensure better provision. Imaginative initiatives could be taken under proposals such as the Part V proposal, whereby some child care facilities could be provided in communities. If the builders and the babies competed for attention in the Finance Bill, the builders won hands down.

The issue of stamp duty for first-time buyers continues to be a major source of anger. In my area of north Kildare one would not get a house for €317,500, the point at which stamp duty kicks in. If the setting of that limit did anything, it increased the price of houses. Any changes made in this area must be made carefully. I am not against the idea of a threshold, but there should be tapering of the allowance as a significant group of people are badly affected by the current limit which makes housing very unaffordable for them.

Much could have been done in the Bill to make public transport more attractive. We have seen charges imposed at park and ride facilities, which increase the cost of public transport for people willing to use it. This is a retrograde step. We should have investment that will ensure these facilities are provided in a way that makes public transport as attractive as possible.

I listened to Deputy McHugh and others talk about the west and the national development plan. I can well understand that, from the perspective of delivering the NDP's capital side. However, there is also a very significant problem on the east coast and in rapidly developing areas regarding recurrent spending. For example, Kildare is the biggest net contributor of motor tax. For every €100 paid, €21.70 is spent outside the county, and that has an impact on the quality of services. It is the second worst county *per capita* regarding the receipt of local government funds. It also does exceptionally poorly when it comes to commercial rates and local government funds. Kildare is surpassed only by Meath, which employs 700 staff to run its local authority services, serving a population of more than 160,000 according to the last census. It has the nation's lowest staffing ratio.

Kerry, on the other hand, with 30,000 fewer people, has double the number of staff to provide services. There is no doubt that a price is paid by people in such places as Meath, Kildare and Fingal in the quality of services provided. It is a total and absolute rip-off. If there is an understandable whinge regarding capital resources in the west, there is an absolutely unarguable case regarding the rip-off in developing areas. It has a direct impact on the delivery of such facilities as parks and playgrounds and community developments such as swimming pools and traffic calming measures.

A fund must be provided, and the local authority must produce a third to match the two thirds of Government funding with disabled persons' grants. Every set of figures shows those counties at a great disadvantage regarding the quality of their services, and that must stop just as much as the underdevelopment of the west from an infrastructural perspective. I present that argument as a counterbalance, since it is important.

Mr. Fleming: I welcome the opportunity to speak on the Finance Bill 2007, regarding which I will raise several issues. I know that many points will be discussed in far more detail in the next few weeks before the committee that I chair.

Wearing that hat, I would like to raise certain issues that we addressed in 2006, requesting that they be dealt with in the budget and the Finance Bill 2007. We are happy to see that they have been acted on; while they may seem minor to some people, they are very important to others. The first example was an issue discussed in the committee last year, namely, VAT on meals-on-wheels services where provided through a company on a contract basis. Hitherto, they have had to charge VAT, whereas none has been levied on voluntary equivalents because they are not trading businesses.

As a result of the anomaly coming to light last year that the elderly would now have to pay VAT on their meals on wheels, which is not what the Government wishes for them, it is being dealt with in this and other legislation involving the Department of Health and Children, which will have to approve registered contractors who will be able to avail themselves of the facility. I am pleased that the issue has been acknowledged and is being dealt with, having been aired in the broadcast media several times.

I am delighted by the speedy and comprehensive response in the budget and Finance Bill 2007 to another issue mentioned in the committee in recent months. Businesses in their first year of trading were having to pay preliminary tax on the normal dates applicable to other businesses. A change announced a few years ago was to take effect within the last few months. It meant that some companies would have to make a preliminary payment of 90% of the year's company tax before reaching the end of the first year's trading. It was a severe burden for small companies just getting off the ground, and the rule due to enter force has been acknowledged as excessively onerous for small businesses, which are the backbone of the economy. I am pleased that the matter is being dealt with and will work its way through the House as part of the Finance Bill 2007.

A third issue to emerge in committee may be impossible to deal with specifically in the Finance Bill, as it concerns taxation, although it may be discussed on Committee Stage. I do not know whether there will be an amendment from any committee member on the topic. I speak of the dispute between opticians and the Revenue Com-

missioners regarding the VAT that they were charging. Hitherto the Revenue had insisted that they charge VAT on the full price of supplying spectacles and contact lenses, including the costs of fitting and supplying the spectacles and lenses. The opticians took their case to the VAT Appeals Commissioners, who ruled in their favour, stating that they had been wrongly instructed by the Revenue over the years to charge VAT to customers for the provision of services as opposed to the product being supplied. The Revenue had insisted that the full 21% be levied on everything.

Over the years opticians were forced to pay the VAT to the Revenue, and now they are entitled to a massive refund amounting to perhaps €50 million. As a spectacle-wearer, I feel that the VAT should be refunded to the customers who paid it in the first place. I know that it is a matter between the opticians and the customers, and the former may argue that they absorbed the VAT in their own margins and paid it pending the VAT Appeals Commissioners' ruling. Pigs do not fly, and it would be nonsense to think that opticians or any other Irish businesspeople were paying VAT out of their own margins without charging it to customers. No one could make that argument with a straight face.

Perhaps our committee will have to invite a delegation from the opticians' representative body to address us as the VAT was paid by their customers. Every optician has a good record of clients and knows who paid the VAT. As chairman of the Committee on Finance and the Public Service, I urge them to put in place arrangements to refund VAT to the customers who paid it. If they do not do so, industry representatives will appear before the committee to explain to the public why they feel that they are entitled to that €50 million bonanza when it is not really theirs.

I also wish to address certain aspects of the Bill that will benefit my constituency of Laoighis-Offaly. One is section 96, which inserts a new section into the Stamp Duties Consolidation Act 1999 to provide for an exemption from stamp duty for acquisitions of land by an approved sporting body where it will be used for the sole purpose of promoting athletics or amateur sports. The exemption will apply to instruments executed on or after the date of passing of the Finance Bill 2007. That is a fantastic provision and I, as a constituency Deputy, have been lobbied on this by sports clubs moving grounds or which have had to purchase a permanent pitch because they never had one. It is no secret that Portlaoise GAA club will be one of the principal beneficiaries of this change because it recently sold its current site for approximately €14 million and is buying a new site for €6 million. The club is providing many extra facilities and developing pitches with it.

The new site would have attracted a stamp duty rate of 9%, equivalent to €540,000, and the club will save that amount as a result of this change in

legislation. The legislation has not been changed only because the Minister is from Laoighis-Offaly; the issue has arisen right across the country. I know of clubs other than my own which will benefit in due course around the country. I ask the Minister to consider one aspect of the provision. Perhaps the exemption could have effect from the date of the Finance Bill's publication, or some such date. The Bill will probably be passed in the middle of March and I am worried that we will then have to wait for commencement orders for individual sections.

Although I am not very familiar with commencement dates, we could find them to be at the end of the year and some clubs could inadvertently be caught out. They might believe themselves safe to complete a transaction immediately because the provision was announced on budget day; indeed most people, including myself, would have assumed it was effective from budget day. Other provisions in the legislation are effective from 1 February, when the Bill was published. I do not know why this is being put on the long finger and I would appreciate if the issue was examined.

Section 97 is also relevant to many rural constituencies. I have concerns about the section, although the logic behind it is fair and reasonable. It provides:

. . . that the transfer of a site from a parent to a child is exempt from stamp duty if the purpose of the transfer is for the construction of the child's principal private residence and the market value of the site does not exceed €254,000. The change being made limits the size of the site to 0.4047 hectare (i.e. one acre) exclusive of the area of land on which the child's principal private residence is to be constructed. The change applies to instruments executed on or after 1 February 2007.

That means it comes into effect on the day the Bill was published. Why is a restriction on stamp duty effective from 1 February, but in an instance where stamp duty is abolished it is not effective until a much later date? The Bill has one section after another with two different dates for coming into effect. I do not follow the logic and we are dealing with stamp duty in both cases. I have a concern about the particular wording. I understand there were abuses, where parents were transferring four or five acres to their offspring, with some of the large tracts of lands transferred free from stamp duty being commercial activities. I realise this must be captured in legislation, but my concern lies with the restriction to one acre.

In counties such as Laois, it was a requirement up to recently in the county development plans that where percolation and other factors were not of a satisfactory standard to be accommodated on a small site, the applicant had to provide a two acre site for the house. This has been relaxed in recent months in certain cases but many local authorities can sometimes still require a two acre

[Mr. Fleming.]

site for the construction of a house. This section does not take such a requirement into account.

The legislation stipulates that the one acre is in addition to the area of land on which the child's principal private residence is to be constructed and the amount of land on which the residence is to be constructed could be quite small in terms of square yards or square metres. Perhaps an amendment could be included to reflect that amount of land being required for the purpose of building a private residence. If a planning authority stipulates the size is half an acre, so be it, but there should be a provision should the stipulation be two acres. If such a requirement exists from local government, we should not pass legislation that conflicts with some planning laws being operated democratically by local authorities throughout the country. The matter is complicated because there are different rules for different areas.

From a small business perspective, I am pleased about the arrangements for the VAT filing frequency for small traders. In order to reduce the compliance cost for small VAT traders, the frequency of filing VAT 3 returns for small traders is being reduced. For cases where the annual VAT liability is less than €3,000 per annum, such traders will be obliged to fill in VAT 3 returns only twice a year, a great improvement from the current six times a year. Cases where the annual VAT liability is between €3,000 and €14,000 per annum will be obliged to complete three VAT forms in the course of the year, a very welcome development.

Many small businesses could not cope with the bimonthly VAT returns in their own right, and the normal practice was to bring in an accountant to do the VAT return. I am an accountant myself but so be it. Some accountants might have appreciated the business of making at least six visits per annum to small businesses but it was an undue burden. There are cases where small employers can make their PAYE return once a year instead of monthly. I am pleased that this is a step in the right direction.

I will move on to some improvements for ordinary individuals under income tax changes etc. In particular I wish to highlight reliefs from the 2007 budget. That budget doubled the ceiling on mortgage interest relief for first-time buyers from €4,000 for a single person to €8,000, a 100% increase. The ceiling is also being increased from €8,000 per year for a married couple or widowed person to €16,000 per annum. The support applies to those receiving mortgage interest relief in the first seven years of their mortgage. The Government estimates that approximately 125,000 first-time buyers will benefit directly from this.

This translates into a single person gaining up to €800 per annum, which would help first-time buyers already in their home, as well as potential first-time buyers, without inflating house prices

further. We are considering ordinary people so I will give an example. A couple with a joint mortgage of up to €379,000 over 33 years, at an interest rate of 4.25%, will be able to claim mortgage interest relief on the full amount of the interest on the loan, gaining up to €1,600 per annum, or €133 per month in relief. That equates to €1,600 per annum in cash into such a couple's pocket because of the change. The ceiling on interest relief for non-first-time buyers is raised from €2,540 for a single person and €5,080 for a married couple to €3,000 for a single person and €6,000 for a married couple. That will also help.

I will move on to how these changes and the Finance Bill will affect individuals. The budget is helping to reward work and cut taxes. The entry point to people paying income tax has increased to €17,600 per annum, meaning the first €17,600 of income is tax-free for PAYE workers. I remind the House that this compares to a figure of less than €5,000 in 1997. This will ensure those on the minimum wage will be completely out of the tax net. The threshold at which the top rate of income tax is paid is also increasing by €2,000 to €34,000 for a single PAYE worker. The 20% standard income tax band will be widened by €2,000 per year to €34,000 for a single person and €43,000 for a married couple with one earner.

The rate at which a single worker pays the top rate of tax is now effectively double that of 1997. This ensures workers on average earnings will not pay tax at the higher tax rate and any workers earning €480 or less per week will also be exempt from the health levy, another form of taxation. This builds on income tax policies over the past ten years which have favoured the less-well off. Hundreds of thousands of people who have been less well-off have been completely removed from the income tax net, meaning a tremendous burden has been removed.

I now want to refer to some of the tax credits addressed in the Finance Bill. There has been a major increase in many tax credits all of which are to be welcomed. These increases are considerably above the rate of inflation and there are one or two I want to mention specifically.

I suggest, if it is possible, that the Minister table an amendment on Committee Stage, or at another stage when it is appropriate to do so, to the allowance to an incapacitated person for employing a carer. Up until now there has been a generous allowance, where one can pay €50,000 per annum to a person who is providing care for an elderly person. The elderly person, if he or she has the income, can pay a carer and get the full tax relief at the top tax rate of 41%, which almost reduces by half the net cost, or sons or daughters can come together to employ a person to look after an elderly relative. In this context, it is the word "employ" which concerns me. The people who are doing this must register as an employer for PAYE purposes. That is a little offputting and I would like to see whether it is possible to introduce a mechanism whereby they could pay this

on a contract basis to a person who would be responsible for his or her own tax returns. I would have no difficulty with providing that the contracts and the PPS numbers must be given to the Revenue Commissioners in advance for approval, but it would be a tremendous benefit. The current law requires the incapacitated person to become a registered employer for PAYE purposes, and that is a little severe. It would be far better if they could be allowed to engage a person on a contract basis rather than employ him or her directly. I ask that the matter be highlighted.

Another matter on which I congratulate the Minister is the massive increase in the incapacitated child credit. Up until this year it was worth €300 for taxpayers. Parents with a child who is permanently incapacitated, either physically or mentally, can claim for the child maintaining himself or herself independently in the long term. The Minister has doubled the cash value of this to a family, from €300 to €600, a 100% increase. It seems like a small sum, but people who heard about it in the budget and came in to my clinic over the Christmas period were shocked because they had never heard about it previously and now they will get €600 per annum, even though they had been looking after their incapacitated child. I advised them to ensure they applied for a refund for the previous four years as well and they were happy to do so.

All in all, there is much good news. I will conclude because my time is up but I could continue for another hour outlining the excellent improvements in the Finance Bill. I look forward to further detailed discussion on some of the finer points of this legislation when it comes before the Select Committee on Finance and the Public Service later in the month, and to the smooth passage of the legislation and the implementation of these measures as quickly as possible.

Minister for Finance (Mr. Cowen): I thank Deputies for the many interesting contributions to the debate on the Finance Bill 2007 and I look forward to a constructive and informed discussion on Committee Stage. In my reply, I will respond as far as possible to the points raised by the Deputies in their remarks on the Bill.

Deputy Bruton referred to the alleged anti-family bias in the Bill and in other aspects of Government services delivery. I do not go along with that. If one look at the facts, in 1997 a married one-earner family on €30,000 per year paid nearly 25% of its income in taxes and levies and this year the percentage will be 5%, or one fifth of the 1997 amount. On €20,000 per year, the figures for tax liability were 20.7% then and 2.7% now. The same pattern of reduction applies to married two earners. The simple fact is that we have championed the family by reducing and removing the tax burden, increasing child benefit substantially and introducing measures to help with the costs of child care.

The position is that the tax burden has reduced considerably for all earners in the past ten years directly as a result of the policies pursued by the Government. There are many more people at work than there were ten years ago and they are paying much less tax on what they earn. It is not correct to say, as was implied by Deputy Burton yesterday, that a single person on a wage of €34,000 with additional marginal earnings due to overtime or some other reason will pay tax at the same rate as very high earners with incomes in excess of €1 million. The effective tax rate of a PAYE person on €34,000 is less than 10% in 2007. If such a person earns, say, an extra €2,000 in overtime, his or her effective tax rate will be about 11%. A person who earns €1 million will have an effective tax rate of 40%. Even where a person with income of that magnitude seeks to avail of tax reliefs to reduce their tax liability to very low levels, and the number that do so is small, the horizontal measure, which I introduced in Budget 2006, will ensure that their effective tax rate will be not less than 20% in any one year.

This Government's approach has been all about keeping personal and business taxes low to strengthen and maintain the competitive position of the Irish economy, and we have been very successful in doing so. The reform of the tax structure over the past ten years has been one of the contributory factors in our economic success, which gives people money in their pockets and lifestyle choices which were not available in the past to previous generations.

Deputies Bruton and Burton may also wish to note that for a married one-earner couple with two children on average earnings, Ireland has the lowest tax wedge in the entire OECD area. In addition, when cash transfers from the State are taken into account, such couples face a negative burden in Ireland because they receive more in the cash transfers than they pay out in tax and social security contributions. Ireland is the only OECD country where this is the case.

Deputy Burton decries the effect of individualisation and claims that this measure was introduced in 1999 to increase the female labour supply. This is not the full story. The weakness of our income tax system at that time was how heavily it bore on single people because, in order to improve their position, we had to give double increases to married one earners and this used up scarce tax resources. If we want to go back on individualised tax bands, we will inevitably raise the relative burden on single earners for a given amount of tax relief. While I accept that people may make life choices at different times in their lives, I am not sure if we can turn the clock back at this stage.

I welcome Deputy Bruton's positive comments on the various "tax back" initiatives being taken by Revenue to help taxpayers receive the tax reliefs to which they are entitled. To recall what is being done, starting in 2007 credit institutions will be allowed to operate DIRT-free accounts

[Mr. Cowen.]

for those over 65 and incapacitated persons; and all age-related credits and credit for trade union subscriptions will be given as far as possible automatically. Revenue is also looking at making arrangements so that the non-reimbursed amounts paid on prescribed drugs under the drugs refund scheme can be automatically refunded at the person's marginal rate of tax, and for 2008 the plan is to move to giving automatic repayments in respect of certain hospital and other medical expenses. Other automatic relief options, for example reliefs in respect of nursing home payments, are also being explored. I regret that Deputy Burton does not appear to share Deputy Bruton's positive view of these developments and is still calling for the establishment of a tax advocate's office. As I indicated previously to the House, I do not see the need for such an office. A robust internal complaints procedure already exists in Revenue for handling taxpayers' complaints and taxpayers can also ask the Ombudsman to review their case if they are still not happy. Given the comprehensive and accessible system already in place for complaints or appeals by any taxpayer who feels unfairly treated by the tax system, it is not obvious to me that there is a case for putting in place the additional layer of a tax advocate's office.

On a related point, a number of Deputies criticised the fact that since 2003 taxpayers can only claim tax rebates for the previous four years. The *quid pro quo* for this is that Revenue can only go back four years in seeking tax due, except where there is clear fraud on the part of the taxpayers. There is a symmetry in this measure which is perhaps overlooked.

A number of Deputies have referred to the mid-Shannon scheme. First, for the record, I never said that all property-based incentive schemes would end. In budget 2006, I made it clear that any proposals for the introduction of new reliefs should, as far as appropriate, be time limited and be subject to an assessment of costs and benefits prior to their introduction where relevant, and that full information of those availing of the scheme be made available to Revenue. This commitment has been followed in full in that scheme.

This scheme, which originated from a submission received from Shannon Development in the lead up to Budget 2006, was the subject of an *ex ante* evaluation by Goodbody Economic Consultants which I have had published on the Department's website. One of the principal objectives of that evaluation was to assess the potential costs and benefits of the proposed scheme in advance of any implementation. In the view of the consultants: the Shannon region appeared to be relatively underdeveloped from the point of view of tourism; there was potential for a relatively small and targeted investment in tourism infrastructure in line with what they saw as the limited tourism potential of the region; and

a subsidy to attract such investments would usefully redistribute economic activity to a relatively less well developed part of the country.

Accordingly I have introduced this time-limited pilot measure. However, while I appreciate Deputy Bruton's perceptive analysis of how the worth of such schemes should be assessed, cost-benefit analysis helps to inform the assessment but all such decisions on reliefs in the end come down to a matter of judgment. I note there is broad support in the House for this measure, when one listens to the wider spread of Deputies commenting on the Bill, and I welcome that.

To reassure Deputy Burton, the scheme does not apply to apartments or holiday homes and the environmental impact, according to the study I mentioned, should be limited. The scheme is aimed at promoting the development of tourist-related infrastructure in the region and the selection of projects will be carried out by an independent board in line with guidelines to be drawn up by the Minister for Arts, Sport and Tourism in consultation with me.

Deputy Cowley made a plea for tax relief for projects in Mayo, in particular for Knock, and Deputy Boyle referred to Cork. This was in contrast to Deputies Bruton and Burton who favour limiting the spread of such relief. We can discuss the merits of both of these courses further on Committee Stage.

Deputy Boyle asked what is so special about the horse industry. Jobs are what make the industry important — jobs in rural areas and jobs where no jobs might otherwise arise. I spelled this out in my Second Stage opening remarks. Deputy Boyle's concern regarding the sale of a stallion after the rolling over of the four year allowance for the cost of stallion acquisition is wide of the mark. In cases where the cost of a stallion is written down for tax over four years and the horse is subsequently sold, the stallion owner will be taxable on the full sale price rather than just the profit from the sale of the horse. Therefore, it is hard to see how the measures introduced in the Bill could encourage the widespread selling of horses for the purposes of rolling over the four year allowance along the lines described by Deputy Boyle.

Deputies Boyle, Burton and Bruton raised the challenge of global warming and looked for further measures to reduce our carbon footprint. My policy is to incentivise carbon reduction by fostering new technologies, encouraging alternative fuels and extending tax breaks such as the business expansion scheme, BES, to genuine recycling — wind farms and bio-fuels already being covered. There are other policy choices, for example, increasing the tax on coal, gas, electricity, oil, air fares and so on and if that is the Opposition's policy, in all fairness, they should tell the voters so.

Some Deputies have commented on the lack of green items in this Bill. However, the most significant tax item that this House has ever passed in

respect of alternative energy was in last year's Finance Bill. Finance Act 2006 provided for excise relief of more than €200 million for bio-fuels over a five year period. This scheme commenced last November on foot of receiving the necessary EU state aid approval and has managed to successfully kick-start the domestic bio-fuels industry. The scheme will ensure 2% of the transport fuel market comes from bio-fuels by 2008. Significant additional non-fiscal measures which will increase this target are due to be announced shortly by my colleague, the Minister for Communications, Marine and Natural Resources, Deputy Dempsey.

Deputy Ó Caoláin wanted to know why we cannot proceed with vehicle registration tax, VRT, changes now on high CO₂ emission vehicles. This is simply because we need to get this change right from the outset and to consult with both car dealers, car users and those concerned with the environment. Any system linking VRT to CO₂ emission levels will need to be relatively simple, and capable of adjustment over time to maintain appropriate downward pressure on emissions. We also need to make sure we will be able to continue to get the €1 billion or so tax revenue, which, in the end, is the reason for VRT. Incidentally the closing date for receipt of submissions under the public consultation process is 1 March, so my officials will very shortly commence work on the design of the new system taking into account the views of submissions received.

On the more general point of our national climate strategy, my colleague the Minister for the Environment, Heritage and Local Government, Deputy Roche, has established a ministerial task force on climate change to oversee the preparation of a new strategy. He intends to publish this strategy by Easter, taking into account submissions received in the public consultation, policy developments in other sectors, in particular energy, as well as commitments made in the budget.

Deputy Boyle's comment that the cost of carbon credits for this country will be of the order of €1 billion to €1.5 billion is completely inaccurate. Independent consultants retained by the Government have assessed the average price of credits to be €15 per tonne in the 2008-2012 Kyoto compliance period. Against Ireland's total credit purchasing requirement of 18 million tonnes this translates into a cost of €270 million.

Deputies Bruton and Ó Caoláin referred to our dependence on the property boom. In so far as stamp duties and capital tax reserves are concerned, this is not the case. We have not built the budget on expectations of continuing large increases in these sources of revenues. Our tax forecasts now, and in previous years, are modest, indeed cautious, on this score and we are as a result criticised for large overshoots. I should also point out that the main reason we are receiving more in tax is the significant growth in the econ-

omy. The tax and economic policies being pursued by this Government have put more money into the pockets of taxpayers and they are spending and investing that extra money as they see fit. This extra spending and investment yields extra taxes.

Deputies Connolly and Crawford expressed their disappointment at the stamp duty threshold for first time buyers on second-hand houses not being increased from €317,500 to take account of house price increases. They will, however, be aware that the Government decided to ease the burden for first time buyers by instead increasing their mortgage relief — doubling the ceilings on mortgage interest relief for first time buyers from €4,000 to €8,000 in the case of a single person and €8,000 to €16,000 in the case of a married couple or a widowed person. This initiative is aimed at putting the money straight into their pockets instead of into the pockets of sellers, which would probably happen if the stamp duty threshold was changed.

Deputy Burton has mentioned the use of company shares, where the stamp duty is 1%, to circumvent the stamp duty of up to 9% on acquiring land. This is claimed as some sort of special deal we gave to land developers when, in fact, the 1% stamp duty on company shares dates from 1951 when it was set by the then inter-party Government. It was looked at in 1996 when the rainbow Government sharply increased stamp duty on residential property to pay for the abolition of residential property tax, RPT, and local service charges, but was left unchanged. Contrary to what the Deputy claims, our fingerprints are not on this.

Deputy Bruton referred to the proposed renewal of the BES and associated seed capital scheme and the survey carried out by my Department during Summer 2006. The aim of the survey was to identify the types of companies that generally avail of the scheme and to determine the nature and extent of the benefits of the scheme to companies that have availed of it in the past. Of the 1,391 companies surveyed, 491 responded, representing 35% of those to whom the survey was sent. This is a very good response rate for a survey of this nature and the survey clearly indicates that the BES has been good for manufacturing, good for jobs and good for investment in small firms throughout the country.

I would like to clarify for the House, however, that my decision to extend these schemes was not based solely on this survey. A thorough review was carried out by my Department in conjunction with the Department of Enterprise, Trade and Employment and the Revenue Commissioners and the results of this will be published shortly. The review took account of the findings of the report of the Small Business Forum, Small Business is Big Business, the survey of small and medium enterprise, SME, finance equity carried out by Forfas, and the PricewaterhouseCoopers, PWC, report Strategic Advisory Services,

[Mr. Cowen.]

Enterprise Ireland's Seed and Venture Capital Funds Programme 2006, as well as a range of submissions from interested parties. The extension of the scheme was considered by the tax strategy group in the context of budget 2007 and the relevant papers will also be published in the normal way.

On the basis of all of this work, I concluded that there was a strong case for extending the schemes, given the clear market failure in providing equity capital for small firms in their start up and early development phase, the evidence of how vital the schemes have been in the past for such firms and the continuing needs in this regard, the potential return to the economy from indigenous Irish companies and the clear support for continuation from a large number of representative and other bodies in the public and private sector.

On a more macro-economic level, Deputy Bruton indicated that public spending was outpacing economic growth by 50%. This is not correct as growth in public spending, both current and capital, has been maintained at around 10% on average over the past five years, compared with average annual gross national product, GNP, growth of around 9% over the same period. This level of increase has allowed for major improvements in the level of public services with tangible impacts in areas such as education, roads and public transport. More resources are being allocated to strengthen front line public services such as health and justice and we have invested considerably in building up our economic infrastructure in a way that supports the growth potential of our economy.

The recent national development plan, NDP, provides a coherent framework for progressing this strategic approach to resource allocation into

the future. Moreover, in making available the necessary resources, this Government has succeeded in keeping our public finances within sound and sustainable overall parameters, to the extent that Ireland's overall economic and budgetary position is now the envy of Europe. Our national debt is among the very lowest in Europe, we are running a healthy budget surplus, our economy is strong, and unemployment is low.

Naturally, it is not just a question of making available the resources, as we have done — good governance requires that we ensure that the public gets good value for money for every euro spent. That is why the Government has put in place a comprehensive value for money framework that addresses every aspect of public expenditure from the planning phase right through to implementation and delivery. This Government has made available the resources that are necessary for public services and for investment in our economy. We have done so in a way that is manifestly prudent and sustainable and we are taking very concrete and innovative steps to promote value for money and to link public expenditure with public service outcomes.

A number of Deputies mentioned the issue of farm taxation measures. I recognise the important contribution of the farming sector and I have included specific reliefs in the Bill for the farming community and, more important, for the rural economy in general via the mid-Shannon scheme and the replacement of the stallion relief scheme. This Government's commitment to support the vitality of the rural economy is not open to question.

Time does not permit me to respond on all the points raised but I look forward to Committee Stage which will offer an opportunity for a more detailed discussion.

Question put.

The Dáil divided: Tá, 71; Níl, 57.

Tá

Ahern, Michael.
 Ahern, Noel.
 Andrews, Barry.
 Ardagh, Seán.
 Blaney, Niall.
 Brady, Johnny.
 Brady, Martin.
 Brennan, Seamus.
 Browne, John.
 Callanan, Joe.
 Carey, Pat.
 Carty, John.
 Collins, Michael.
 Cooper-Flynn, Beverley.
 Coughlan, Mary.
 Cowen, Brian.
 Cregan, John.
 Cullen, Martin.
 Curran, John.
 Davern, Noel.
 Dempsey, Noel.
 Dennehy, John.
 Devins, Jimmy.
 Ellis, John.

Fahey, Frank.
 Finneran, Michael.
 Fitzpatrick, Dermot.
 Fleming, Seán.
 Gallagher, Pat The Cope.
 Glennon, Jim.
 Grealish, Noel.
 Haughey, Seán.
 Hoctor, Máire.
 Jacob, Joe.
 Keaveney, Cecilia.
 Kelleher, Billy.
 Kelly, Peter.
 Killeen, Tony.
 Kirk, Seamus.
 Kitt, Tom.
 Lenihan, Brian.
 Lenihan, Conor.
 Martin, Micheál.
 McEllistrim, Thomas.
 McGuinness, John.
 Moloney, John.
 Moynihan, Donal.

Tá—*continued*

Moynihan, Michael.
 Mulcahy, Michael.
 Nolan, M. J.
 Ó Cuív, Éamon.
 Ó Fearghaíl, Seán.
 O'Connor, Charlie.
 O'Dea, Willie.
 O'Donnell, Liz.
 O'Donovan, Denis.
 O'Flynn, Noel.
 O'Keefe, Batt.
 O'Malley, Fiona.

O'Malley, Tim.
 Parlon, Tom.
 Power, Peter.
 Power, Seán.
 Roche, Dick.
 Sexton, Mae.
 Smith, Brendan.
 Wallace, Mary.
 Walsh, Joe.
 Wilkinson, Ollie.
 Woods, Michael.
 Wright, G. V.

Níl

Boyle, Dan.
 Breen, James.
 Breen, Pat.
 Broughan, Thomas P.
 Bruton, Richard.
 Burton, Joan.
 Connaughton, Paul.
 Connolly, Paudge.
 Costello, Joe.
 Cowley, Jerry.
 Crawford, Seymour.
 Crowe, Seán.
 Deasy, John.
 Deenihan, Jimmy.
 Durkan, Bernard J.
 Enright, Olwyn.
 Ferris, Martin.
 Gilmore, Eamon.
 Gormley, John.
 Gregory, Tony.
 Hayes, Tom.
 Healy, Seamus.
 Higgins, Joe.
 Higgins, Michael D.
 Howlin, Brendan.
 Kehoe, Paul.
 Kenny, Enda.
 Lynch, Kathleen.
 McCormack, Padraic.

McEntee, Shane.
 McGinley, Dinny.
 McGrath, Paul.
 McHugh, Paddy.
 Mitchell, Olivia.
 Moynihan-Cronin, Breeda.
 Murphy, Catherine.
 Murphy, Gerard.
 Naughten, Denis.
 Neville, Dan.
 Ó Caoláin, Caoimhghín.
 Ó Snodaigh, Aengus.
 O'Dowd, Fergus.
 O'Keefe, Jim.
 O'Shea, Brian.
 O'Sullivan, Jan.
 Pattison, Seamus.
 Penrose, Willie.
 Perry, John.
 Rabbitte, Pat.
 Ring, Michael.
 Ryan, Eamon.
 Ryan, Seán.
 Sherlock, Joe.
 Shortall, Róisín.
 Stagg, Emmet.
 Twomey, Liam.
 Upton, Mary.

Tellers: Tá, Deputies Kitt and Kelleher; Níl, Deputies Kehoe and Stagg.

Question declared carried.

That Dáil Éireann,

Finance Bill 2007: Referral to Select Committee.

aware of:

Minister for Finance (Mr. Cowen): I move:

- the fall in the number of acute hospital beds in Ireland up to 2001;
- the fact that over 40,000 elective operations have been cancelled in the past two and a half years;
- the cancellation of emergency surgery due to lack of ICU and HDU bed capacity at St. James's Hospital;
- the fall in the percentage of people eligible for medical cards;
- the shortage of consultant, specialist and general practice doctors; and
- deploring the Government's failure to reform the health service to enhance the quality of services and achieve better value for money;

That the Bill be referred to the Select Committee on Finance and the Public Service, in accordance with Standing Order 120(1) and paragraph 1(a)(i) of the Orders of Reference of that committee.

Question put and agreed to.

Private Members' Business.

Health Service Reform: Motion (Resumed).

The following motion was moved by Deputy Twomey on Tuesday, 6 February 2007:

calls on the Government to commit to excellence in the quality of care, fair access on the basis of medical need, and efficient use of resources by *inter alia*:

- beginning immediate planning for an additional 2,300 hospital beds;
- scrapping the Ministers plan to build private hospitals on public land;
- extending medical card coverage to 40% of the population; extending GP-only cards to all children under five, who are not covered by a medical card;
- introducing health insurance for all children up to the age of 16 — including an element of free GP care for children from 5 years upwards;
- beginning reform of health funding so that the money follows the patient;
- making progress on the appointment of 1,500 new consultants, with a corresponding reduction in the number of junior doctors in general specialties, until a better balance is achieved;
- implementing the Fottrell report on medical training to expand the number of doctors in training;
- expanding community support services for elderly people to live independent lives as far as is practicable;
- providing at least 1,500 additional convalescence, rehabilitation and long stay community beds to meet current and future needs with 600 of these beds based in Dublin; and
- increasing the number of home help hours.

excess of 1 million patients receive treatment in public hospitals each year;

- supports management actions to improve the efficiency of use of acute hospital beds in order to shorten lengths of stay for patients and bring average length of stay closer to international norms;
- regrets that some patients have their operations postponed when priority is necessarily given to emergency cases; recognises that postponements cause upset and inconvenience for patients and their families; and supports all management actions to free up hospital beds and keep postponements to a minimum;
- notes the significant increase in intensive care and general bed capacity at St. James's Hospital;
- supports the success of the National Treatment Purchase Fund in providing treatment for 55,000 patients, achieving major reductions in waiting times for public patients and providing a service that is directly responsive to patients;
- supports the initiative to encourage private investment in new facilities on the campuses of public hospitals with the central purpose of freeing 1,000 beds currently reserved for private patients for use by public patients in a most cost effective way;

commends the Minister for:

- the fact that there are now more medical cards in issue than in 1997;
- the fact that substantially more people can now visit their GP free of charge than in 1997 due to the introduction of the GP visit card;
- the substantial increases in the medical card and GP visit card assessment guidelines;
- the considerable easing in the means test income assessment now based on disposable income after tax and certain living expenses;
- the investment in the development of GP out of hours services and the recent commencement in GP out of hours service in north Dublin city; and
- funding additional GP vocational training places;
- commends the Government on the funding of €44 million provided to date for the establishment of Primary Care Teams and Networks and acknowledges the commitment in the Towards 2016

Debate resumed on amendment No. 1:

To delete all words after “Dáil Éireann and substitute the following:

- welcomes the increase of 1,200 in the number of inpatient beds and day treatment places since the publication of the Health Strategy in 2001 and the plans to open new acute hospital units;
- welcomes the unprecedented rate of expansion of acute hospital bed capacity since 1997;
- notes the national review of acute hospital bed needs currently underway which will identify the number of acute hospital beds needed up to 2020;
- notes the annual increase in acute hospital activity with the result that in

Partnership Agreement to the further expansion of the primary care system;

- strongly commends the Government for the largest expansion in services for older people over the two recent Budgets, with additional funding of €400 million provided, bringing in major expansions in home help packages, home help hours, palliative care and nursing home subventions;
- commends the Government and the Health Service Executive for securing 1,000 new long-term care beds in 2006 and for the planned addition of 800 long-term beds this year, the majority in the public sector;
- commends the Government on publishing and accepting the broad thrust of the recommendations from the Working Group on Undergraduate Medical Education and Training (Fottrell) and the Postgraduate Medical Education and Training Group (Buttimer);
- acknowledges the measures taken by the Government to provide funding and support for the integrated implementation of the reforms in medical education and training across the health and education sectors from undergraduate through to specialist training;
- supports the Government's proposals to increase the numbers of EU student places in medicine at undergraduate level; introduce a graduate entry stream into medical education; reform the entry mechanisms into medical education; strengthen governance and accountability, improve graduate retention and phase out Non-Consultant Hospital Doctor (NCHD) posts of limited training value;
- acknowledges the significant increase of 66 per cent in both the number of consultants and junior hospital doctors over the last 10 years; and
- supports the Minister in the conduct of negotiations with medical consultants on a new contract within a specific, urgent timeframe, to allow for the beginning of the recruitment of 1,500 new consultants on new contractual terms and a corresponding reduction in NCHD numbers.

— (Minister for Health and Children).

Mr. Nolan: I wish to share time with Deputies O'Connor, Devins, Cooper-Flynn, Fiona O'Malley and Callanan.

Acting Chairman (Deputy Woods): Is that agreed? Agreed.

Mr. Nolan: I welcome the opportunity to speak on this motion, especially on primary care. This is one area where substantial savings can be made, but not that alone. In dealing with health matters we should not think purely in terms of cost. A positive and good service can be provided for the community through the development of primary care teams. The development of a primary care service is an essential component of the health service reform process which has been spoken about by the Minister for Health and Children over a considerable period of time.

In a developed primary care system, more than 90% of day to day health requirements and social care needs can be met. It is important that we deal with patients in a home setting in so far as this is possible and this can be accomplished by the provision of a proper primary care service. The emphasis is on keeping people in good health and supporting them so that they may live in the community rather than in institutional care. We know that the cost of institutional care far exceeds that of keeping people in the home setting. The key objective is to give them direct access to integrated multidisciplinary teams of general practitioners, nurses, physiotherapists, occupational therapists, home help carers and others. Such teams will be able to provide integrated comprehensive services to meet health and social care needs at community level. This has been characterised as providing the right care in the right place at the right time. Where it is happening, it is, indeed, very successful.

With the introduction of additional resources, which are being funded, the HSE will be working on reorganising existing professional resources in the community so that people's needs may be met in a generalist rather than a specialist manner in so far as this is possible. The Government has provided significant new funding — €44 million in total — to enable primary care teams to be rolled out. In 2005 an additional €5 million in revenue was provided, bringing the total ongoing funding to €12 million in support of the primary care strategy. Funding of €10 million was provided in 2006 to enable the establishment of up to 100 primary care teams, involving the appointments of 300 additional frontline professionals. These core teams can be further developed in the future as restructuring takes place within the HSE and as resources permit. It is money well spent. Indeed, with the ongoing increase in costs for keeping high support beds in general hospitals, it is to be encouraged that the HSE, the Minister and all involved in managing the health system should ensure that individuals, particularly the elderly, are kept in their own homes as far as possible.

Another €22 million is being provided in 2007 to meet the full year costs of the 2006 developments and to enable a further 100 primary care

[Mr. Nolan.]

teams to be established. The 2006 funding was targeted by the HSE to establish up to three primary care teams in each of the 32 local health offices, which were formally known as community care areas. To achieve this objective, the HSE has identified the preferred locations for the first group of teams. There are currently 90 teams in development. This also involves placing 450 general practitioners in teams during the 2006 phase, with a further 700 GPs to join the teams in 2007. The HSE also proposes to run a recruitment competition seeking a further 300 additional front-line professionals for these primary care teams. Approximately 235 additional personnel are being offered appointments, including 77 physiotherapists, 52 occupational therapists and 80 nurses. The HSE is also exploring alternative means to provide staff when it has not been possible to recruit them.

I welcome these developments and I wish the Minister and the HSE every success in promoting this particular scheme.

Mr. O'Connor: I welcome the opportunity to make a contribution to this important debate and I compliment the Opposition on giving us this opportunity. I always take an interest in health matters and this goes back to the founding of the then planning board under the chairmanship of Deputy Woods, which set the tone for Tallaght Hospital. I was proud to be involved all the way through the planning process and to be on the MANCH board which founded the hospital in 1988. I am proud of the hospital which is within sight of where I live. There will always be challenges and difficulties, but I want to acknowledge that point.

I took the opportunity last week, when speaking on a similar motion, to talk about cancer services in Tallaght. I will not repeat everything I said, but as evidence of the Government's commitment, it will be expected that Tallaght Hospital will be designated as one of the eight major cancer centres when the cancer report is finalised.

I was interested to hear what my colleagues said about developments in primary care. We have been very proud of the development of primary care centres in Tallaght, such as the health centres in Jobstown and the GP centres in Brookfield and Killinarden. I highlight these developments because they are making a tremendous contribution to primary care needs in the Tallaght area. However, there is one problem at the Millbrook Lawns health centre, which was damaged in a fire several years ago. We have been campaigning to have the development programme started. I would like the Minister of State to convey my disappointment to the Minister that the builders are not yet on site. I will continue to press this with the Minister, departmental officials and the HSE. It is important that my local community gets that particular centre. I

have pursued these issues for four and a half years and I will continue to do so.

I strongly support the concept of primary care in the community. There should be a seamless connection between primary care and the local hospital. We should stress that to HSE management at every possible opportunity. People are very proud of the development of GP services in north County Dublin and I welcome that move. However, we also need centres in Dublin south west, especially in Tallaght. I hope that the Minister's officials will look at that issue and develop it as much as possible.

I come from a health board background. I was on the Eastern Health Board from 1994. I was the founder chairman of the south-west area health board and I was committed to that particular concept. Many of us in this House are frustrated that we still must fight with officials to get information. We table Dáil questions but we do not get proper answers. We are brought to briefing sessions but we do not get the information we want. I will go to the briefing session next week, under the chairmanship of Deputy Sexton, and I look forward to it. However, the HSE is still not doing simple things. Why are we not given phone numbers of local officials so that we can get information from them? We would not have to table Dáil questions if that was the case.

Whatever about the Mater Hospital site — I do not want to excite Deputy Twomey — I have been——

Dr. Twomey: I am listening.

Mr. O'Connor: ——very consistent in my views on this subject. The excellent services which have been in Tallaght since 1998 must be retained. That is my bottom line.

Dr. Devins: I am delighted to have the opportunity to speak on this very important issue. I commend the Opposition for putting forward another Private Members' motion on health.

I wish to discuss one aspect of the wide-ranging motion and the amendment, which is the provision of health care at the primary care or general practitioner level. Since I was first elected to the Dáil five years ago, almost all debate has centred on hospitals, while little has been said about care at primary level. However, the fact remains that more than 95% of all encounters that take place occur at GP level. It is patently obvious that a good, well resourced multi-disciplinary general practice would take much of the pressure off our hospitals. Most patients can be dealt with at primary care level and do not need either referral or admission to hospital.

General practice must be well resourced for the system to work at maximum efficiency. For far too long, it has been the Cinderella of medical care, with virtually no resources supplied. Thankfully, that has changed in the recent past and I welcome the recognition that the Minister has

given to the vital role of primary care by substantially increasing the funding available. This is manifested in the establishment of over 100 primary care teams throughout the country. These teams are the key to the future. By having a range of services available under one roof in the community, the public can avail of a comprehensive service. Not only is a general practitioner available, but a practice nurse, a physiotherapist, an occupational therapist and other support services can be co-ordinated and centred around the patient, who is the most important person in the health service.

Having worked as a GP in Sligo, I know the benefits that can accrue to a patient when a multi-disciplinary team is available to him or her. There are three primary care teams in Sligo and Leitrim, one in north Sligo, one in south Sligo and one in Leitrim. However, there is an urgent need for more. I welcome the fact that €22 million will be provided this year to continue funding the 100 teams and establish a further 100 teams throughout 2007. Some 450 general practitioners are currently involved in the teams and a further 700 will join the teams this year. In addition, 77 physiotherapists, 52 occupational therapists and 80 nurses will be recruited. I ask the HSE to establish some of the extra teams in the Sligo-Leitrim area, as the benefits to patients are increasingly obvious. Primary care can and must play a more pivotal role in health care provision, not only at disease treatment level but also at disease prevention level. More resources must be made available to screen the population for illnesses such as high blood pressure, diabetes and cervical and prostatic cancer. I am delighted the Government recently decided to roll out the cervical screening programme to the entire country. I look forward to that happening before the end of the year. Prevention is better than cure. Money spent on screening for such diseases is well spent. The full resourcing of general practice so it can achieve its full potential is essential. I ask the Minister to continue to make available the moneys which have been made available this year. I commend the amendment to the House.

Ms Cooper-Flynn: I also welcome the opportunity to speak during this important debate on the health services.

I accept that the number of hospital beds has increased by 1,200 since 2001. While the number of beds in acute hospitals in County Mayo has increased by 60, there has been a greater reduction in the number of beds available in public long-stay facilities, unfortunately. That reduction has contributed significantly to the problems which have been encountered in the accident and emergency department of Mayo General Hospital over recent years. The Government made a commitment in recent times to develop community nursing homes so people can be looked after within the community. Some of those who served with me on the former Western

Health Board will be familiar with the campaign, which has been ongoing for over 20 years, to develop a community nursing home in Ballinrobe. Now that a site is available, all we need is a commitment from the Government to spend the money that is needed to ensure the proposed community nursing home becomes a reality. Such a development would make a significant difference in that community. I ask the Minister of State, Deputy Seán Power, to contact the HSE to ascertain the current status of the proposed development in the list of priorities. The nursing home should have been built and opened in the Ballinrobe community long before now.

I do not think all the contract beds which are available in my local area are being utilised. The provision whereby beds can be contracted out to nursing homes is not being availed of. I do not know whether the hospital authorities are trying to save money for other areas within the hospital budget. This matter should be examined because there is plenty of availability in many private nursing homes in the area.

Like many of my colleagues, I have made the case over many years for a fairer subvention rate to be made available to older people in the west. I have pointed out that there is a significant gap between the subventions paid in the western and eastern regions. While there has been an increase in the rate over recent times, there continues to be a gap of over €400 between what one receives as a subvention in County Mayo and what one receives on the east coast. We will not accept minor increases if we are expected to think they will solve the problem. The discrimination that has existed in respect of subventions — the fact they have been so low in the west — has meant many people who would have liked to take up beds in private nursing homes have been denied the right to do so.

I welcome the increase in home care packages over recent years. Just five packages were awarded in my local area in 2005, at a time when the home care package system did not represent a realistic option for older people who want to live in their own homes, which is something the Government supports. I welcome the significant improvements in that regard over the last year.

I would like to speak about the transport of people by ambulance to hospitals. I am concerned about the limits on the availability of ambulances to bring people to hospitals in my local area. County Mayo is a huge geographical mass — it has a diameter of 140 miles — with some very remote areas. Many people in the county, who rely on social welfare payments, do not have the money to pay for taxis to bring them to visit people in hospital. Perhaps we should demonstrate a little more leniency in the provision of transport to and from hospitals.

I support the Minister's position on consultants' contracts. I agree with the proposals to provide for public-only contracts; to arrange for the provision of services by consultants 24 hours

[Ms Cooper-Flynn.]

a day, seven days a week; and to move from a service that is led by consultants to a service that is provided by consultants. I commend the Minister on the manner in which she is pushing that agenda. Mayo General Hospital has been waiting for a number of years for a rheumatology consultant to be appointed. People who are in severe pain have to travel to Galway. Some of them have been waiting for seven years or more to be seen by a consultant. I brought this matter to the attention of Professor Brendan Drumm at a meeting of the Joint Committee on Health and Children and I am bringing it to the attention of the Minister of State now. I understood that funding would be provided in 2007 to alleviate this problem, but it does not appear at this stage that it will happen. I am particularly disappointed about that. I ask that something be done about this matter, which is a priority in the Mayo area.

I would like to mention the plight of nurses, who have balloted for strike action, in the context of the debate on consultants' contracts. I supported a motion on this matter at a meeting of the Joint Committee on Health and Children. I agree that nurses should get a fairer deal in our hospitals. I support their call for a shorter working week, for example. The Labour Court indicated 26 years ago that the working week of nurses should be reduced from 39 hours on a phased basis. This proposal should be considered by the Government. Hospital administrators have a 33-hour working week, whereas nurses have a 39-hour working week. Nurses who complete four years of education as part of the degree course should receive fairer pay. We are discussing consultants but we should not forget nurses, who are the backbone of the health service. I ask the House to support their claim.

I acknowledge the work that has been done on medical cards. There has been a significant increase in the number of people who qualify for medical cards. It is noticeable that many more people have been getting medical cards over the last two years, in particular. I welcome the considerable improvements which have resulted in recent months from the changes to the guidelines for GP cards, because by November 2004 we had witnessed a situation over the previous few years whereby many people had lost their entitlement to a medical card.

I also support the investment of money by the Minister for Health and Children and her Department in primary care teams, which constitute an essential component of health service reform. I look forward to the Government meeting its commitment to increase the number of primary care teams throughout the country over the next number of years, so that there will be 300 such teams by 2008, 400 by 2009 and 500 by 2011. This component of the health system will be of great assistance in our communities in the years to come. I ask the Minister of State to bring the

points I have made to the attention of the Minister.

Ms F. O'Malley: I thank the Opposition for giving me this opportunity to speak about the challenging circumstances we are facing in the health care system. It is challenging because reform was needed. The Department of Health and Children is lucky to have the Minister, Deputy Harney, at the helm because she is courageous, determined and brave.

Mr. McHugh: Those are brave words.

Ms F. O'Malley: The Department has waited for a long time to have a Minister like her. She has taken to her task with the reforming zeal one would expect from a Progressive Democrats Minister. I would like to discuss two aspects of the Government's amendment to this motion. I refer firstly to what I call the "restoration programme", whereby 1,000 beds in public hospitals which are currently designated for private use will be redesignated for public use. I cannot understand why some Deputies in this House are so opposed to the programme. Deputy Joe Higgins disparaged the proposal this morning, even though it involves the restoration of public beds to the public service for its exclusive use. I fail to understand how it can be referred to as an example of the privatisation of the health service. It is something one would expect the Labour Party to support because it emphatically demonstrates that public beds in public hospitals will only be available for public use.

If an independent or private hospital chooses or is given the go-ahead to lease publicly owned lands and to provide additional services, the pressure is again reduced on the public service. What is wrong with that? It should not be penalised. I fail to understand the criticism that this is the privatisation of the health service. The opposite is the case. This initiative will provide an additional 1,000 public beds. Anybody who has an interest in the Irish health service should applaud it.

Deputy Joe O'Higgins this morning spoke about how private developers would rape and pilage public lands, as it were. He can be assured that a stringent cost benefit analysis will be carried out. In many cases the land will be leased at the going commercial rate so he has nothing to fear in that regard.

Another issue that deserves attention is the extraordinary success of the National Treatment Purchase Fund. It is one of the hallmarks of the Irish health service. The National Treatment Purchase Fund recently published figures from the national patient register which show that patients waiting for the 20 most common operations are now treated within two to five months.

Dr. Twomey: It is wrong.

Ms F. O'Malley: This is phenomenal. I can hear the Deputy giving out about it but he cannot argue with the facts.

Dr. Twomey: It is wrong.

Ms F. O'Malley: How can the Deputy say that? It is not wrong.

Dr. Twomey: I refer some of those patients and they are not seen within two to five months.

Ms F. O'Malley: In 2002 there were waiting lists of between two and five years. Whatever else one can say, nobody wishes to see a patient waiting longer than necessary. The way the National Treatment Purchase Fund has operated has been phenomenally successful. It provides choice for patients and, more importantly, it means the patient is relieved of the painful symptoms they had to endure.

It is telling that the new patient treatment register recently wrote to 11,397 patients and that 8,042 of that number did not respond. That is extraordinary. I am glad the National Treatment Purchase Fund will examine this. One would expect people on waiting lists to grasp the opportunity to have their ailment treated. I commend the amendment to the House.

Mr. Callanan: I welcome the debate. I served on a health board from 1985 to 2002 and I have seen huge improvements in services. A total of 95% of patients who attend hospital are very satisfied with the care and services they receive. Waiting lists for many operations, especially hip operations, have been greatly reduced. If one is on a waiting list for a hip operation for six months, the National Treatment Purchase Fund will find a bed for the patient in a private hospital. I remember when one might wait up to four years for an appointment.

Our hospitals have more nurses, consultants and care staff than ever. I congratulate the hospitals in my locality, University College Hospital, Galway, Merlin Park Hospital and Portiuncula Hospital, which are providing a great service to a greatly increased population. I look forward to the provision of a new accident and emergency department in Portiuncula Hospital, Ballinasloe. This will provide far better facilities for the workers and patients. The unit is at present extremely restricted for space.

With regard to services for the elderly in east Galway, I welcome the proposal to build an 80-bed community nursing home at St. Brendan's Hospital, Loughrea, to replace the old buildings there. I compliment the nurses and care staff of St. Brendan's for the excellent care they give to the patients. I also welcome the proposal for a 60-bed community nursing home in Ballinasloe to cater for the needs of the elderly in that area and in St. Brigid's Hospital. I compliment the nurses and staff of St. Brigid's psychiatric hospital in

Ballinasloe who give great care to their patients. Numbers in the hospital have been greatly reduced. A great deal of work has been done to move most of the patients into the community, which is most welcome.

I urge the Minister to proceed with the proposal to build a psychiatric unit in Portiuncula Hospital as planned. It is now accepted that psychiatric patients should be treated on the same site as the main general hospital. I welcome the proposed new hospital campus for Tuam. This will take pressure off the Galway hospitals and will cater for less severe cases in the Tuam catchment area.

I welcome the increase in the number of people with medical cards and doctor-only cards. Owing to substantial increases in the income thresholds to qualify for doctor-only cards, approximately 30% of the population will qualify for them. These people will also qualify for the drug repayment scheme, whereby no family unit need pay more than €85 per month for drugs. Holders of full medical cards are entitled to free treatment in hospitals as outpatients and as inpatients in public beds. People who opt to take a public bed in a hospital pay less than €100 per night for ten days and the bed is free for any time after that. This is a great service as patients who find themselves in hospital for long periods need not pay after ten days. In all the debate on the health services, these services are not highlighted enough. Most countries do not provide such a free health service and if people get sick, they are faced with huge medical bills.

I welcome the increase in nursing home subvention from €190 to €300. It is still not enough but the increase is particularly welcome in the west, where nursing home subvention was far too low compared to other parts of the country. In community care, I welcome the increase in the income disregard whereby a married couple can have an income of up to €640 and qualify for carer's allowance. Furthermore, a widow can qualify for carer's allowance of €105 in addition to her widow's pension if she is caring for somebody. I also welcome the increase in the respite care grant.

Mr. Gormley: I wish to share time with Deputies Ó Caoláin, Gregory, McHugh, Cowley, Catherine Murphy and James Breen.

An Leas-Cheann Comhairle: That is agreed.

Mr. Gormley: Deputy Callanan said we have a good health system in that people in other countries must pay for care. Perhaps the Deputy will point out where that applies in Europe. Ireland is unusual in the European context in having a peculiar hybrid system. Essentially, the public sector pays for the private sector. Only 10% of the funding comes from health insurance; the rest is publicly funded. There is a huge imbalance in our society that is unjust and unacceptable. Those

[Mr. Gormley.]

who have money are attended to first, get better treatment and are privileged, while those who do not have money are discriminated against. There can be no argument about that.

The starting point of any debate on health must be about reforming the inherent injustice in that system. There must be an even playing field so I strongly support the proposal in the motion for the introduction of universal health insurance. There are a number of ways to even the playing field. There could be an NHS type system or universal health insurance, and there are different models for that. A common waiting list could be introduced. However, it is clear that the Government is not interested in any of these measures and is happy to continue with this strange public-private system. We are heading towards a private system. The term “yellow pack” has been used increasingly with reference to the public system. There may be more beds in the public system but the type of treatment will be inferior and this is the difficulty.

Deputy Fiona O'Malley talks about the so-called success of the National Treatment Purchase Fund, but it can only be regarded as a stop-gap measure. I accept that certain people are now better off because of it but if we continue with it, we will entrench a system which is inherently unjust.

I met a woman last night who needs a basic operation. She has a kidney failure problem but she does not have insurance. One hears about this situation in the United States but this woman has to save up her money to go to the Blackrock Clinic. This is an appalling indictment of our society and such situations are becoming more commonplace.

One of the elements missing from the motion is preventative care. I would have liked some reference to the implementation of the recommendations of the task force on obesity and the task force on alcohol. Alcohol abuse costs this country €2.65 billion every year. It creates a burden on accident and emergency units where injuries caused by anti-social behaviour are treated. It is an appalling drain on the country's resources, yet the Government chooses to ignore it. The alcohol products Bill, which was due to be introduced, was shelved at the behest of the alcohol industry and this will become an issue in the general election. While people acknowledge the drink culture which exists and which is sometimes celebrated——

Mr. S. Power: The monitoring group will have reported by then.

Mr. Gormley: We need more than monitoring; we need action.

Mr. S. Power: It is an independent group.

Mr. Gormley: This voluntary agreement was put in at the behest of the alcohol industry——

Mr. S. Power: It was not at the behest of the alcohol industry. The Deputy should not spoil a good story by telling the truth.

Mr. Gormley: The alcohol industry tells us not to put health warnings on bottles——

Mr. S. Power: The Deputy should not spoil a good story by telling the truth.

Mr. Gormley: ——because they say it does not work. The industry recommendation on every bottle is to drink sensibly. If it does not work, why do they put it on bottles?

I will conclude by saying that the privatisation agenda must end.

Caoimhghín Ó Caoláin: On behalf of the Sinn Féin Members I support the motion in the name of the Fine Gael and Labour Deputies and I reject the Government's amendment.

I welcome the fact that last night the Minister for Health and Children, Deputy Harney, set aside her script and replied to the points made by Members in the debate. I read her remarks with interest. If she really believes half of what she said, then we are in more trouble than I thought.

Her amendment to the motion proposes that her plan to allocate land at public hospital sites to the developers of private for-profit hospitals will free up 1,000 beds currently reserved for private patients for use by public patients “in the most cost-effective way”. Given that we have no costing at all for the Minister's madcap collocation plan, it is breathtaking that she can describe it as the most cost-effective way to provide additional public beds. This is nonsense. In the face of growing opposition to the collocation plan, “1,000 beds” has now become the mantra. It is near time the Minister told us where the figure of 1,000 beds comes from and where exactly these beds will be located.

The Government and its predecessors have all defended the two-tier public-private system which put private beds in public hospitals in the first place. The Minister still defends it, yet expects to be taken seriously when she says that her hospital privatisation plan is designed for the benefit of the public patient. This again is nonsense. She cannot get away from the fact that in 2001 the Government's own health strategy estimated that an additional 3,000 beds were required to replace beds taken out of the system in the 1980s and 1990s and to cater for our growing and ageing population. In a most dishonest way, the Government amendment states that they have provided 1,200 “inpatient beds and day treatment places”, thus using the day treatment figures to bump up the hospital bed figures.

The Minister appears to be talking tough when it comes to hospital consultants. However, as far

back as 2001 in the health strategy, the Government promised that it would re-negotiate the contract with hospital consultants to ensure greater equity for public hospital patients and that this would be done by 2002. However, in 2007, an elite of hospital consultants is still allowed to draw massive salaries from the public purse while spending much of their time treating private patients in private for-profit hospitals and clinics. I ask the House to guess who gets more time and better treatment. The consultants have delayed negotiations for over five years in order to defend this indefensible contract. The Minister tried to appear outraged at this last night, but where was she and the Government for the past decade? They and their predecessors negotiated and maintained this privileged position for consultants to the detriment of the public patient.

The Minister, Deputy Harney, now claims to be standing up to the consultants but she has totally undermined the Government's position because while she "talks tough" about the consultants' private work, she is driving forward with her disgraceful privatisation co-location plan. In reply to a Dáil question from me last week, the Minister said tendering for these private hospitals will begin in March. If this goes ahead, the State will be tied into legal contracts and the privatisation plan will be implemented with no mandate and within weeks of a general election. The plan should be scrapped now.

The latest embarrassment for the Health Service Executive is the fact revealed by a citizen who contacted my office yesterday. The HSE has confirmed that supplies of the BCG vaccine have run out, leaving a gap of several weeks in the vaccination programme and causing worry to parents of newborn children. The HSE blames the suppliers but how was the stock allowed to run out?

Members of the Irish Nurses Organisation and the Psychiatric Nurses Association of Ireland have voted for industrial action which will take place unless the Fianna Fáil-Progressive Democrats Government changes its stonewalling attitude to the nurses' just demand for a 35-hour week and the resolution of serious pay anomalies. The IMPACT trade union, which represents thousands of workers in the health services, has also threatened industrial action because of the treatment of its members. It has highlighted the Government's ceiling on recruitment and its obsession with privatisation.

The health crisis requires a radical response. The public health system must be defended against privatisation. The two-tier system must be challenged. There is no halfway house between where we are now and a fully public system based on the right to health care for all. This is what the people of this State deserve and demand.

Mr. Gregory: I support this motion because it is a commitment to fair access to the health service on the basis of medical need. I do not believe this principle of equality is possible under

the current two-tier system. What is required is a real change to a more egalitarian social health care insurance scheme along with free primary care. Under the existing unequal, two-tier system, there is no doubt but that people are dying on waiting lists because they are not being treated equally.

The case of Rosie, the cancer patient, is just the tip of the iceberg. Many public patients with serious health problems can only access treatment after their condition has deteriorated and is at an advanced stage where full recovery is more difficult to achieve. This is a scandal that cries out to be addressed.

Last year, a constituent began to lose her sight. Using her medical card, she attended her GP who advised her to see a specialist as quickly as possible. She was then informed there

8 o'clock was a long waiting list and she might not be reached until the end of 2007. This alarmed her greatly as her eyesight was deteriorating rapidly. She contacted my office and I tried to assist her. As the lady in question was on a low income and had a medical card, she was obliged to wait irrespective of the urgency of her condition. She waited for a number of months to no avail before arranging to borrow money. She was then able to make an immediate appointment when she contacted the Mater Private Hospital. The consultant confirmed the seriousness of her condition and made arrangements for the necessary treatment with his team.

The moral of the story is that if one is on low pay and has a medical card, under the Government's two-tier health service one can go blind or worse while waiting for treatment, but if one has money, one can receive treatment immediately. This constitutes inequality Progressive Democrats style which can only be addressed by political change.

Mr. McHugh: I wish to place on record the circumstances surrounding a disgraceful development in my constituency of Galway East where the Health Service Executive, through its inaction, is putting at risk the lives of people in the north east of the county. In May 2006, €1.8 million was provided under the capital plan for the provision of an ambulance base in Tuam, County Galway, to serve the entire north-east Galway region. Since then, the HSE has done nothing to improve the lot of members of the public in the area. This disgraceful scandal is further illuminated by the fact that the building in question, the old Grove Hospital, is available and suitable to house an ambulance base. A planning application, site purchase or design are not required. The only requirement is that the base be established in an existing building with a parking area and all other services.

In medicine the term "the golden hour" is used to describe the hour after a person suffers a major trauma, such as a heart attack, and during which he or she must reach a coronary care unit to have

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a reasonable chance of survival. The golden hour criterion cannot be met in present circumstances given that ambulances based in Galway city must travel 35 miles in each direction to collect and take a patient in north-east Galway into care. This journey of 70 miles, which must be undertaken before a patient arrives in hospital, cannot be completed in one hour. The HSE, by its inaction, is behaving disgracefully and placing at risk the lives of people in north-east Galway. My requests to the HSE on this issue have fallen on deaf ears. I demand that the Minister for Health and Children, Deputy Harney, take action to force it to act.

Dr. Cowley: When the Taoiseach or Minister for Health and Children, Deputy Harney, are asked about deficiencies in the health service they cite statistics to show the amount of money supposedly being spent on health. Despite this expenditure, the two-tier health service is alive and well. For example, Mayo General Hospital holds ear, nose and throat clinics on two days each week. Those attending the morning clinics who try to arrange an appointment with a consultant must wait five to six years to be seen. A very urgent appointment takes two weeks, while those scheduled to see a consultant “soon” must wait for one and a half years. Deputies will get no marks for guessing that these waiting times apply to public patients, towards whom the Government has a duty of care.

Those who attend the afternoon clinic in the same hospital will sit in the same seats in the same outpatient department and be seen by the same consultant on the same couch. The only difference is that this group consists of private patients who must only wait a week for an appointment. This is not the consultants’ fault as they are entitled under their contracts to see private patients in their own time. If a consultant wants to obtain a place in University College Hospital, Galway, for a public or private patient, even one with cancer, it will take approximately a month to secure a bed. Why is this the case? In the case of the latter group, it is due to a bed capacity problem in University College Hospital, Galway, whereas in the former case, it is because Mayo General Hospital does not have an ENT consultant. Patients in County Galway are not required to wait as long as patients in County Mayo. Moreover, there are too few ENT consultants in the region despite the large amount of money supposedly being spent.

Comhairle na nOspidéal, the expert State body which decides on the number of hospital consultants required, has indicated that the number of ENT consultants in the HSE west area should increase from three to six. Is the failure to appoint three additional consultants related to money? We learned almost five years ago that a fourth ENT consultant, a head and neck cancer specialist, was to be appointed in the region as a

priority. The appointment has been a long time in the pipeline. However, as it is an academic post, the consultant will be based full time in Galway, with the result that the ENT clinics in Mayo General Hospital will be held on just one day each week. This will lead to public ENT patients in County Mayo being forced to wait for ten to 12 years for an appointment. That is disgraceful.

Ms Catherine Murphy: I will focus on one aspect of the motion, namely, the issue of health insurance. A decade ago, it was inconceivable that a healthy 20 year old or 30 year old would have private health insurance. This is no longer the case and this sends out the message that people in this group need insurance because they cannot afford to queue and experience delays.

The debate on reforming the health service is characterised by opposing visions. The United States model, which has been much studied by the Government, restricts public coverage to elderly and disabled people and certain groups living in poverty. According to the OECD, 71% of the US population has some form of health insurance. The alternative vision demands the establishment of a properly funded universal health service. Key to delivering this demand is the delivery of the thousands of beds called for in the motion.

Health has become a commodity discussed within the parameters of the marketplace as if it were a replacement part for a washing machine or fridge. In many ways the debate on private health insurance is the wrong discussion. While 43% of the population has private health insurance, according to the OECD, private health insurance contributes just 7.6% to the cost of health provision. We need to address the reasons for increasing reliance on private health insurance.

A review carried out in 2004 by the OECD — the same organisation which will receive €400,000 this year to review the general public service — noted that private health insurance has given rise to equality concerns and raises cost-related challenges. For example, the report points out that providers face incentives to offer preferential treatment and quicker access to private patients in public hospitals because these patients are largely treated in public hospitals where the cost of treatment is subsidised. We need a decent public service and we must end reliance on private health insurance.

Mr. J. Breen: Week in, week out the appalling state of the health service is debated in the House. The Government’s only defence is to inundate Deputies with statistics, hoping that the real truth will be lost among the dross. Every week the Taoiseach comes to the House and waffles about all the money being spent on the health service. If he referred to large sums of money being squandered on the health service, people would believe him.

Mr. Mulcahy: Where is money being squandered?

Mr. J. Breen: Does the Deputy believe there are no waiting lists for operations or beds, or that operations are not being cancelled? Is no one waiting for a consultant's appointment? Last week, a constituent of mine who suffers from severe diabetes was sent to Limerick Regional Hospital to see a neurologist before being sent home without being seen. Limerick Regional Hospital does not have a neurologist which means one must come from County Kerry two days every month to serve the mid-west region. Is this the health service of which we are proud?

We have endured a long saga with Ennis General Hospital. Before the 2002 general election, the then Minister for Health and Children, Deputy Martin, stated on a visit to my constituency that an upgraded hospital was so far advanced in the planning and design stages that it would shortly be advertised for tender in the European journal. The four Oireachtas Members from the Government side met the Taoiseach about 18 months ago without asking me or my namesake, Deputy Pat Breen, to accompany them because they wanted to deliver an upgraded hospital in Ennis on their own. What happened after the meeting? The Members hurried home because the Taoiseach instilled in them such confidence about the project that they were afraid it would commence before they arrived in Ennis, with the result that they would not have an opportunity to announce it on Clare FM or in *The Clare Champion*. Nothing has happened since.

We were informed by a Senator that the Minister assured him the team would proceed to the tender and planning stages in July 2006. The date was changed first to late October 2006. It is now early spring of 2007. When will Ennis General Hospital be upgraded? The election will be long over but I am hopeful I will be here to see the project delivered.

We do not want any more waffle from the Minister or the Taoiseach. The truth is not being told in the House. The Government has tried to hoodwink people. East Clare does not have a 24-hour accident and emergency service and Loop Head, 60 miles from Ennis, does not have an air helicopter service. We have been promised both services. While this is grand on paper when will we see them in reality? Is it surprising that the people of County Clare have lost confidence in the Government? When will Ennis General Hospital be upgraded? Will the Hanly report be implemented? Will Ennis retain its 24-hour doctor-led accident and emergency service? I doubt it. The Government has failed the people, including the people of County Clare. They will continue to fail while in power but, hopefully, we will be on the Government benches after the election and we will bang them out of the place.

Mr. Neville: I wish to share time with Deputies Hayes and Connaughton.

An Leas-Cheann Comhairle: Is that agreed? Agreed.

Mr. Neville: I want to deal with the issue of mental health, which has been ignored as the Cinderella of the general health service. The Minister of State, Deputy Tim O'Malley, said I am always speaking about this matter so I wish to introduce an independent view of the Government's performance since the publication in January 2006 of *A Vision for Change*, the policy report accepted by the Government. The Irish Psychiatric Association has produced a one-year progress report on the initial report, entitled *A Vision in Hindsight*. The latter report was launched on 24 January 2007 and the Minister of State should reflect on the views of one of the key groups which delivers psychiatric services. Dr. Siobhán Barry, the public relations officer for the Irish Psychiatric Association has stated that the experience at the coal-face over the past 12 months was disappointing. She said the degree of enthusiasm felt by service providers has not been responded to, so there is a feeling of betrayal and disappointment.

After the first year, the Minister should have some structures in place but there is disappointment and dismay at what has occurred. The Government is not serious about doing anything about the health services or introducing the recommendations in *A Vision for Change*. Dr. Éamonn Moloney has pointed out that one third of community-based psychiatric teams have less than 50% of the staff recommended. At last year's rate of appointments, which amounted to 24 posts, it will take 25 years to introduce the full recommendations of *A Vision for Change*.

Dr. Barry has said the Government's response to capital development requirements is shameful, shabby and shoddy. The national mental health directive has not been introduced, although it is cost neutral. That indicates the Government's lack of interest in introducing any reform in mental health services. The Government is not serious about change.

The report of the Irish Psychiatric Association says there is little evidence that the task of implementing *A Vision for Change* has been tackled seriously to date. The HSE implementation and expert advisory groups took almost six months to be established and each met just three times. No formal mapping exercise has yet been conducted by the HSE, although such a task is fundamental in the association's view. Insufficient funding has been provided, according to the Irish Psychiatric Association which states that although €26 million was committed nationally to the development of new mental health services in 2006 at the commencement of *A Vision for Change*, the level of funding received by individual services has been small with none receiving more than €500,000. This has been insufficient to create the

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new multidisciplinary teams recommended. In fact, the introduction of such teams was first mooted 22 years ago in a report entitled “Planning for the Future”, which was accepted by Government but not implemented.

Last year, I tabled a parliamentary question asking how much was being invested in the psychiatric services as a percentage of the total health service. I was told the figure was 7.3%. That compares to 12% in England and 18% in Scotland. On 1 February, I asked the Minister for the percentage of the budget allocation for psychiatric services compared to the total health budget, but the Minister did not know. She told me the Revised Estimates volume for 2007, which will give a breakdown of spending across these areas, including mental health services, is being compiled. We will not know the answer until 22 February when it is due to be released. While the Minister does not know the relevant figure, the Irish Psychiatric Association could calculate it, and stated:

An unprecedented increase of €1.1bn in the health spend was announced in the 2007 budget — bringing the total to €14 billion. Of that, €800m is allocated to mental health as revenue funding and €25m to new service developments. A Vision for Change advised that implementing their recommendations would require the mental health percentage of the health budget to increase from its previous 6.9% to 8.24% — the meagre increased funding for mental health in 2007 brings that percentage down to below 6%, indicating clearly that we are moving in the opposite direction.

The Irish Psychiatric Association concludes that one year after its publication, A Vision for Change remains a plan. At the most senior organisational level, little thought appears to have been given to organisational development, financial or otherwise, to enable its implementation. The funding issue, if it is being debated at all, is being discussed in the abstract. The financial targets outlined in A Vision for Change will clearly not be met. The Irish Psychiatric Association’s latest report states:

We can say with some confidence that on the first anniversary of the publication of the document, and also the year in which our budgetary giveaways have been at a historical high, the relative decrease of the mental health budget is a very bleak indicator for the future.

At its press conference, the Irish Psychiatric Association’s representatives stated, “The vision is vanishing and with it the opportunity and goodwill to make it possible. Those affected by mental ill health are close to yet another political betrayal.” This is a missed opportunity for the Minister of State, Deputy Tim O’Malley, who is the first incumbent in the newly created junior ministry, to make a credible and enduring contri-

bution to those his office is meant to serve. The public, service users and carers are angered and disappointed. They cannot accept this lack of progress. The IPA, together with service users and providers, is demanding urgent political and administrative action or, failing that, it will seek electoral accountability.

On the first anniversary of the launch of A Vision for Change, the Irish Psychiatric Association published a review of the progress in its implementation but, as I have outlined, no progress is being made.

The Minister of State’s colleagues sometimes tell me this is not a political issue and there are no votes in it. I probably agree with that. While getting re-elected is important in order to deliver one’s views, politics is also about leadership. It is about taking on major issues of deep public concern, which may not be overtly expressed. The stigma surrounding psychiatric services prevents open debate about their provision. We have asked repeatedly for investment to reduce this stigma. For example, the National Suicide Prevention Office will receive a budget of €1.6 million this year. The National Safety Office, which promotes road safety, has a budget of over €30 million, yet there are more suicides than road deaths. I adhere to the view that investment in promoting road safety is not adequate. Young people in crisis need help. They need to understand that they are suffering from depression. They see no way out of their pain other than to take their lives, but there is no investment or interest in this.

There is a need for leadership in this area. We in Fine Gael and the Labour Party have shown leadership in our first published policy document which, initially, one senior Minister moved to rubbish but then quickly pulled back and accepted it was a good document. Fine Gael and Labour have shown leadership. If there is a change of Government, the parties will have committed themselves to producing a costed policy to change the situation.

Mr. Hayes: I am delighted to contribute on this important topic. When I listened to the “One O’Clock News” with Sean O’Rourke today, the opinion poll under discussion showed a huge turn in favour of the Opposition, which would enable it to form a Government. A major issue in the featured constituency was that of health, in particular equipment purchased with public funds but left lying idle because the HSE and those responsible for putting it in place did not carry out the work. That situation will be replicated in constituencies, towns and cities throughout the country. There is no greater concern in the public mind than health and the situation of friends and family when they get sick.

Members of the public visit many public representatives every week seeking to have hospital beds provided. They know that the huge amount of money spent on the health service by the

Government is delivering a poor service. Nobody will condemn it for spending the money but when a poor service is being delivered, somebody must be held accountable. That is the real concern. Some weeks ago the HSE and the Department of Health and Children came before the Joint Committee on Health and Children, where several of the issues raised concerned the waste of money. Following the contributions of the officials of the HSE and the Department on management of the health services, I have major concerns.

My constituency has seen one of the longest and most bitter struggles between two towns on the amalgamation of services and the location of a hospital. The transfer of surgical services from Cashel to Clonmel took place after Christmas but there is serious concern in the constituency about the need for reassurance that standards will remain high. Major resources have been invested and people have had to give up much in the context of the transfer of services. This is the first time the matter has been discussed in the House, despite an agreement over ten years ago to the transfer. I want an assurance that high standards will be maintained for the people of south Tipperary.

St. Patrick's Hospital in Cashel is one of the finest geriatric hospitals in the country. I am very much in favour of the future development of the hospital, which serves the needs of a wide community in south Tipperary. No matter what happens, if funds are not invested in services for older people, we are going nowhere as a country and as a people. I commend the work of the staff and all involved in St. Patrick's Hospital and support the submission the hospital has put before the Department. The Minister of State, Deputy Brian Lenihan, should remind those in power in the HSE that there is a role for St. Patrick's Hospital in Cashel. He should bring this matter to the attention of the Minister.

Mr. Connaughton: I listened attentively to the Taoiseach when he answered on Leaders' Questions yesterday with regard to the number of patients on trolleys in accident and emergency units last month when compared with the figures for the previous 12 months. The figures he provided were fascinating. He told us there had been reductions of 20%, 30% and 50%. However, I have great doubts about the method of calculation of the number of patients on trolleys throughout the country.

For example, it has been brought to my attention that at University College Hospital, as in many other hospitals in recent months, five wards were closed due to the incidence of the winter vomiting bug. Two weeks ago, while those wards were closed, 16 patients were on accident and emergency trolleys. Lo and behold, at a certain time during the morning, one of the wards was opened and the 16 patients were wheeled off to

it. However, I understand they were wheeled back again later in the day.

I would like to know if those 16 patients were added to the day's statistics for persons on trolleys. Many operations were cancelled at that hospital while the wards were closed, but it was remarkable that one ward could be opened that morning. The Minister and the HSE should explain how the figures are calculated because people are suspicious, as I am, given that the method of calculation seems unusual. I hope the explanation is to the contrary.

No matter what way the Government massages the message on health, the electorate are fed up to the teeth with the services they must put up with. In east Galway, like every other rural area, many elderly people have no car and have no one to drive them to hospital appointments. Until last year, they were used to having the health boards organise transport from their homes to the hospital and back. Apart from patients with cancer or needing dialysis treatment, that service has been stopped. Does anybody suggest this is a good service? Will the Taoiseach or his Ministers tell me it is the right way to do business?

I carried out a survey in east Galway of 25 matters relating to normal health problems which people experience. Some 1,400 people across the constituency saw fit to answer the questions and send back the survey with their comments. I guarantee that if the people in every other constituency are as fed up with the service as the people in my constituency, as demonstrated in this survey, the Government is in for a bigger shock than it expects.

For example, 84% of those who responded claimed the public dental service was either poor or average. Just 16% believed the public dental service in County Galway was a good one. The response was similar with regard to accident and emergency and other services. If there was ever an issue on which the Government faced criticism, it is the health issue. I hope the day will come soon when the Government will be in opposition because of what it did not do.

Minister of State at the Department of Health and Children (Mr. B. Lenihan): The Government, in accordance with the wishes and votes of the House, has invested almost €15 billion in health services this year. In 1997, we spent €3.6 billion. Normally when we have debates on the business of different Departments, some word of praise is uttered on all sides for those involved in the provision of the service.

Mr. Mulcahy: Hear, hear.

Mr. B. Lenihan: For the tremendous work that is done within the health services, the social services and the associated primary care services, I have nothing but unqualified admiration.

[Mr. B. Lenihan.]

In the tenor of this debate, there is no recognition of that from the Opposition. Instead, there is constant identification and isolation of problems which inevitably arise in any system involving the administration of health and social services.

Mr. Mulcahy: Hear, hear.

Ms B. Moynihan-Cronin: Perhaps we should not talk about the problems.

Mr. Mulcahy: The Opposition did not say one good word.

Mr. Connaughton: There is no good word to say.

Mr. B. Lenihan: There may be no good word in the document the Deputy is brandishing, but there is the good word of the many who have a good experience of what happens in our health care service. There is the good word of many who have had their physical and mental infirmities, difficulties and incapacities addressed by our health service and who have had good outcomes because of our outstanding medical profession, because of our outstanding and caring nursing profession and because of all the other allied support services that go together to provide an excellent health service.

Our capital investment in health is among the highest of all OECD countries, including Norway, which is often cited as a particular exemplar in the provision of such services. Let us look at where the money is being spent and what we are getting. First, let us look at the hospitals. Much of the focus of public debate and discussion has been on hospitals which provide more and better services than ever as evidenced by activity levels.

Ms McManus: Some patients cannot even get hot water in a hospital in the Minister of State's constituency.

Mr. B. Lenihan: This year 1.2 million patients will be admitted to hospital, the HSE proposes to carry out more than 2.75 million procedures in outpatient departments and we expect 1.3 million visitors to accident and emergency departments. We also have care for the 65,000 births that take place in the State.

Mr. Stagg: Things could not be better.

Mr. B. Lenihan: I am not saying that, but I am saying that if we examine the volume of the statistics, particularly those on activity levels relating to outpatient procedures, we can see an enormous increase in the number of outpatient procedures carried out in the past decade. This increase in volume reflects the amount of assistance medical science now provides for individuals

and the corresponding investment by the State to ensure that many people benefit.

It is inevitable in a system which involves such substantial investment and such an enormous number and range of operations, procedures, assessments and tests that there will be complaints from time to time about the system.

Mr. Stagg: From time to time — the Minister of State must not have been canvassing recently. It is a torrent of complaint.

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

Mr. B. Lenihan: The Deputy will be glad to hear I have intensified my efforts in the area of visiting constituents since the summer months and have heard complaints and comments about many different public services.

Ms McManus: Would the Minister of State like to repeat them here?

Mr. B. Lenihan: It would not be normal for a Deputy to hear no complaints. The Taoiseach has always been assiduous in visiting constituents, but I confess that I have always belonged to the class which, like leaving certificate students, only prepares for the exam in the last year or two. I accept I am fully into the senior cycle phase of the election at this stage and am aware that the exam is drawing near. I assure Deputy Stagg that I am very active in visiting my constituents and I hear their many complaints about public administration and the different public services.

Mr. Stagg: The Minister of State has passed all his exams so far.

Mr. B. Lenihan: There are many good stories to be heard in our health and social services. There are many successes, but it is the job of the Opposition to focus on the failures and difficulties. A significant volume of investment is going into the system. Much of the public debate has focused on how we can get value for money and how we can invest to the best benefit of the patient.

Ms B. Moynihan-Cronin: I am delighted to have the opportunity to speak on this issue. It is a bit disingenuous of the Minister to say that we never compliment those in the health service as we do so at every opportunity. However, today the staff of the HSE came out to say that they have lost confidence in the system. Therefore, it is not only the Opposition that is saying it has no confidence in the system. The Government has a big problem on its hands and sticking its head in the sand will not solve it.

The first issue I want to address is the new home care package lauded by the Minister for

Health and Children whenever we raised the issue of people leaving hospital without having somebody to look after them if they are not going into nursing homes. A constituent of mine who lives alone in a very rural area recently came out of hospital. His family got a letter from the HSE to say he was granted a home care package valued at approximately €60 per week and there was no problem with that. The letter was approximately four or five pages long and informed the family that it would have to make the arrangements for the people involved in the care package. The grant of €60 per week was to cover an initial period of six weeks. The letter provided a list of private providers who would provide care, but when the family rang the two companies in Cork, it was told they only cover urban areas. What will happen to this man who lives in a rural area and has no home care? This amounts to privatisation of the home help service.

I will read a paragraph from the letter which I find interesting:

A list of private companies providing Home Care in the Health Service Executive South is attached for your convenience. The Health Service Executive makes no recommendation with regard to the suitability of any supplier and you or your representatives must satisfy yourselves that the provider selected by you can provide the care that is needed and to the standard you desire.

The HSE will pay for the service and provide a list of companies, but it does not want to have anything to do with standards. Have we learned anything from the nursing home debacle? We are going backwards. The HSE is more or less privatising the system and telling elderly people they must decide what standards they require and satisfy themselves as to that standard. The HSE wants to wash its hands of the problem, which is not acceptable. The Minister must take another look at this area. A system that asks an individual living almost 100 miles from Cork to ring up and arrange private home care with a company in the city, for him to be told care is only provided in urban areas, will not work.

This system was lauded by Government and we were told it was the answer to all the problems of elderly people coming out of hospital. It may work in the cities, but it definitely does not work in rural areas. I have serious reservations about the standard of care provided. I do not suggest there is anything wrong with the companies, but it is not right that patients must decide what is a satisfactory standard. The HSE is paying the money and it should decide on standards. There will be more investigations if this is what is happening.

Another issue I want to deal with is that of orthodontic waiting lists in Cork and Kerry. The senior public orthodontist for Cork and Kerry has

announced that he has closed the waiting list for public orthodontic patients because there are more than 1,000 patients on the waiting list. Two dentists who left to continue their studies have not been replaced. The average wait for an orthodontic patient in Kerry is now four to five years, which is too long for a child in need. This is another stark failure on the part of the Government. I have been raising the issue in the House for the past ten years with no improvement.

Dr. Twomey: When working as a full-time GP, I had between 12,000 and 15,000 consultations with patients every year, just like any other GP across the country. When I was on call, for example, going out at 12 midnight to see a sick child, admitting someone to hospital, ringing a local accident and emergency department or consultant, or chatting with an ambulance crew outside a patient's house, no one thought that patients should bow or scrape before us. We were doing what we were paid to do, and it was our duty and privilege to help people in that way.

If we are in Government after the next general election, it will be our job to look after the health services. Although people in this House do not refer to it directly, those working in the health services know what a good job they are doing. However, they are disgusted at the way in which the Government has used their good work and serious commitment to the health services to cover up its gross inadequacies and failures. The Minister of State is part of a Government that has been making an absolute mess of things, and that is among the reasons that Fine Gael and Labour issued a joint policy paper on a patient safety authority.

Patients lack an independent authority to protect them. An authority would last a great deal longer than the Minister of State or I and allow patients to feel that someone was looking after their interests. It would contradict the notion that every patient across the country must bow and scrape to Fianna Fáil for the great privilege that it has accorded them through providing a health service. That is the sort of disgusting arrogance creeping into the Government, which is responsible for what is going wrong with the health services and for addressing what is going wrong.

At a time when the consultants' contract has not yet been negotiated and the Minister is going around playing spin-doctors with patients' welfare, why does the Taoiseach or the Minister for Health and Children, Deputy Harney, not take control of those talks? Why does the Taoiseach, who does not know whether he is for or against the consultants and nurses, not take them in hand? He could show that great commitment to labour relations of former years, chair the talks himself, and secure a resolution.

On the fifth floor of this building, Fianna Fáil backbenchers scream all night at the Taoiseach

[Dr. Twomey.]

about how the poor nurses in their constituencies might not vote for them. They do not give a damn about nurses; they are worried about nurses' votes. Why does the Taoiseach not come out and say what he wants to give the nurses who keep the service alive? They are very much its backbone, and he should not embarrass them or others working in the health service by forcing them to go on strike before an election. He should show us what he can do for health service workers rather than drag matters out with press releases detailing what he might do. He has let patients down desperately.

Dr. Neary was suspended from practice in Our Lady of Lourdes Hospital in 1998, yet we have the most faulty Medical Practitioners Bill that might possibly be introduced to the House to stop such events recurring. The Bill might have to be withdrawn so the Government can issue a new version. There is no quality assurance to get bad doctors out of the system. The vast majority of doctors and nurses in the health care system are fantastic. They are dedicated, well trained and totally committed, but the Government has done nothing to remove bad doctors from the system or protect patients. That is why we need a strong, robust Medical Practitioners Act and why we need a patient safety authority rather than another commission, which is the Minister for Health and Children's solution. There is no clear commitment to protecting patients.

The Minister of State should suggest at next Tuesday's Cabinet meeting that the Taoiseach or the Minister for Health and Children chair the consultant contract talks. The Taoiseach should make a commitment regarding nurses rather than send them out on the picket line. He should make clear his intentions. When he is there talking to them, instead of paying the lip service that I have heard from so many Fianna Fáil backbenchers regarding their concern for primary care or elderly people at home, he should ask why children with disabilities and those elderly people who want to stay at home cannot get an occupational therapist. Such therapists are necessary to assess an older person's house or whether a child with a disability requires additional services. It is used to restrict services, and the Minister of State supports that.

We have many physiotherapists, but they are not being employed by the HSE to care for elderly people in the community. There is no commitment to such care in the sort of lip service that Fianna Fáil pays in this Chamber. The hospitals are a disgrace because they have no clear commitment to looking after them. MRSA is rampant, and what has the Government done to deal with it? It is absolutely everywhere and getting worse each year. Some 29,000 people are waiting to see a hospital consultant, while 40,000 have had procedures cancelled. The Minister, Deputy Harney,

told the House the bare-faced lie that people must wait only three months.

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

Dr. Twomey: I will say that it was at variance with the truth.

That is what is happening, and a recent report from the Irish College of General Practitioners — and the Irish Cancer Society in case the Minister of State thinks there is a vested interest — showed that 41% of public patients wait more than 12 weeks for a colonoscopy, which is what the patient known as Rosie required. In her case, it was delayed significantly, and she was handed down a death sentence from bowel cancer. When I hear Deputy Fiona O'Malley or the Minister tell the House that patients are being seen within three months, I recognise it as a misstatement of the truth trotted out by Government representatives. That is why they have lost people's trust. They have deliberately tried to mislead them, and that is the sort of misleading information that they supply daily.

The Minister of State is part of a Government that will soon have been in power for a decade without having any strategy for the cancer services for which he is responsible. Those services are being run in accordance with a cancer strategy written in 1996. The strategy that the Government published last year awaits an implementation report that will not come until next year. They will have had a decade in power with no direct input into policy on cancer services.

Mr. B. Lenihan: But there have been great improvements in outcomes.

Dr. Twomey: On the basis of the cancer strategy written by Deputy Noonan and presented to the Dáil.

Mr. B. Lenihan: We funded it.

Dr. Twomey: It was funded by the Irish people. Fianna Fáil should not fool itself into thinking it did it. The economy was built on the backs of Irish people.

The Government must identify weaknesses in services and improve them. It must protect patients by whatever means necessary. Our favoured means, the way forward, is a patient safety authority rather than a commission to examine the issue. Deputy Martin puts everything off for four years, and Deputy Harney has also come down with a dose of "Micheál-itis". It is the Minister's job to look into the matter.

We know the health services work fairly well if one has access to them owing to the dedication of those who work in them. However, the Minister of State's job, like that of all those in the Government, is not to squeal from the fifth floor

of this building about what he would love to see done. He must instead locate those problems and address them. He must not play politics, in this case with nurses but every day with patients' lives. That is what is so despicable about current events and what he is supposed to change.

We have formulated policies on mental health and screening programmes and decided that we need more beds. I cannot understand the Government's problem with that contention. Our hospitals are working at 100% occupancy all the time. The Minister, Deputy Harney, attended the House last night. There was a clear problem, since she stated that Ireland's bed occupancy exceeded 100%. However, the average length of stay here, according to the OECD, is among the shortest.

The Minister stated the average length of stay to be one of the longest.

Deputy Kenny raised the issue of BreastCheck and the Taoiseach tried to rubbish his statements about the ten dedicated beds for breast cancer patients in the Mater Hospital. The BreastCheck programme is supposed to identify people with breast cancer who are then supposed to be treated. There is not much point diagnosing breast cancer unless there is an ability to treat it. The Taoiseach's mumbling, fumbling and warbling on about something he does not understand just shows how disconnected the Government is with what is happening on the ground.

Amendment put.

The Dáil divided: Tá, 69; Níl, 54.

Tá

Ahern, Michael.
Ahern, Noel.
Andrews, Barry.
Ardagh, Seán.
Blaney, Niall.
Brady, Johnny.
Brady, Martin.
Brennan, Seamus.
Browne, John.
Callanan, Joe.
Callely, Ivor.
Carey, Pat.
Carty, John.
Collins, Michael.
Cooper-Flynn, Beverley.
Coughlan, Mary.
Cowen, Brian.
Cregan, John.
Curran, John.
Dempsey, Noel.
Dennehy, John.
Devins, Jimmy.
Ellis, John.
Fahey, Frank.
Finneran, Michael.
Fitzpatrick, Dermot.
Fleming, Seán.
Gallagher, Pat The Cope.
Glennon, Jim.
Grealish, Noel.
Haughey, Seán.
Hector, Máire.
Jacob, Joe.
Keaveney, Cecilia.
Kelleher, Billy.

Kelly, Peter.
Killeen, Tony.
Kirk, Seamus.
Kitt, Tom.
Lenihan, Brian.
Lenihan, Conor.
McEllistram, Thomas.
Martin, Micheál.
Moloney, John.
Moynihan, Donal.
Moynihan, Michael.
Mulcahy, Michael
Nolan, M.J.
Ó Cuív, Éamon.
Ó Fearghaíl, Seán.
O'Connor, Charlie.
O'Donnell, Liz.
O'Donovan, Denis.
O'Flynn, Noel.
O'Keeffe, Batt.
O'Keeffe, Ned
O'Malley, Fiona.
O'Malley, Tim.
Parlon, Tom.
Power, Peter.
Power, Seán.
Roche, Dick.
Sexton, Mae.
Smith, Brendan.
Treacy, Noel.
Walsh, Joe.
Wilkinson, Ollie.
Woods, Michael.
Wright, G.V.

Níl

Boyle, Dan.
Breen, James.
Breen, Pat.
Broughan, Thomas P.
Bruton, Richard.
Burton, Joan.
Connaughton, Paul.
Connolly, Paudge.
Costello, Joe.
Cowley, Jerry.
Crawford, Seymour.
Crowe, Seán.
Deasy, John.
Deenihan, Jimmy.

Durkan, Bernard J..
Enright, Olwyn.
Gilmore, Eamon.
Gogarty, Paul.
Gormley, John.
Gregory, Tony.
Hayes, Tom.
Healy, Seamus.
Higgins, Joe.
Higgins, Michael D.
Howlin, Brendan.
Kehoe, Paul.
Kenny, Enda.
Lynch, Kathleen.

Níl—continued

McCormack, Pádraic.
McEntee, Shane.
McGinley, Dinny.
McGrath, Paul.
McHugh, Paddy.
McManus, Liz.
Mitchell, Olivia.
Moynihan-Cronin, Breeda.
Murphy, Catherine.
Murphy, Gerard.
Naughten, Denis.
Neville, Dan.
Ó Caoláin, Caoimhghín.

Ó Snodaigh, Aengus.
O'Dowd, Fergus.
O'Keefe, Jim.
O'Shea, Brian.
O'Sullivan, Jan.
Pattison, Seamus.
Penrose, Willie.
Quinn, Ruairí.
Ring, Michael.
Sherlock, Joe.
Shortall, Róisín.
Stagg, Emmet.
Upton, Mary.

Tellers: Tá, Deputies Kitt and Kelleher; Níl, Deputies Kehoe and Stagg.

Amendment declared carried.

Question put: "That the motion, as amended, be agreed to."

The Dáil divided: Tá, 69; Níl, 56.

Tá

Ahern, Michael.
Ahern, Noel.
Andrews, Barry.
Ardagh, Seán.
Blaney, Niall.
Brady, Johnny.
Brady, Martin.
Brennan, Seamus.
Browne, John.
Callanan, Joe.
Callely, Ivor.
Carey, Pat.
Carty, John.
Collins, Michael.
Cooper-Flynn, Beverley.
Coughlan, Mary.
Cowen, Brian.
Cregan, John.
Curran, John.
Dempsey, Noel.
Dennehy, John.
Devins, Jimmy.
Ellis, John.
Fahey, Frank.
Finneran, Michael.
Fitzpatrick, Dermot.
Fleming, Seán.
Gallagher, Pat The Cope.
Glennon, Jim.
Grealish, Noel.
Haughey, Seán.
Hoctor, Máire.
Jacob, Joe.
Keaveney, Cecilia.
Kelleher, Billy.

Kelly, Peter.
Killeen, Tony.
Kirk, Seamus.
Kitt, Tom.
Lenihan, Brian.
Lenihan, Conor.
McEllistrim, Thomas.
Martin, Micheál.
Moloney, John.
Moynihan, Donal.
Moynihan, Michael.
Nolan, M.J.
Ó Cuív, Éamon.
Ó Fearghaíl, Seán.
O'Connor, Charlie.
O'Dea, Willie.
O'Donnell, Liz.
O'Donovan, Denis.
O'Flynn, Noel.
O'Keefe, Batt.
O'Malley, Fiona.
O'Malley, Tim.
Parlon, Tom.
Power, Peter.
Power, Seán.
Roche, Dick.
Sexton, Mae.
Smith, Brendan.
Treacy, Noel.
Wallace, Mary.
Walsh, Joe.
Wilkinson, Ollie.
Woods, Michael.
Wright, G.V.

Níl

Boyle, Dan.
Breen, James.
Breen, Pat.
Broughan, Thomas P.
Bruton, Richard.
Burton, Joan.
Connaughton, Paul.
Connolly, Paudge.
Costello, Joe.
Cowley, Jerry.
Crawford, Seymour.
Crowe, Seán.

Deasy, John.
Deenihan, Jimmy.
Durkan, Bernard J.
Enright, Olwyn.
Gilmore, Eamon.
Gogarty, Paul.
Gormley, John.
Gregory, Tony.
Hayes, Tom.
Healy, Seamus.
Higgins, Joe.
Higgins, Michael D.

Níl—continued

Howlin, Brendan.
Kehoe, Paul.
Kenny, Enda.
Lynch, Kathleen.
McCormack, Pádraic.
McEntee, Shane.
McGinley, Dinny.
McGrath, Paul.
McHugh, Paddy.
McManus, Liz.
Mitchell, Olivia.
Moynihan-Cronin, Breeda.
Murphy, Catherine.
Murphy, Gerard.
Naughten, Denis.
Neville, Dan.

Ó Caoláin, Caoimhghín.
Ó Snodaigh, Aengus.
O'Dowd, Fergus.
O'Keeffe, Jim.
O'Shea, Brian.
O'Sullivan, Jan.
Pattison, Seamus.
Penrose, Willie.
Perry, John.
Quinn, Ruairí.
Ring, Michael.
Sherlock, Joe.
Shortall, Róisín.
Stagg, Emmet.
Twomey, Liam.
Upton, Mary.

Tellers: Tá, Deputies Kitt and Kelleher; Níl, Deputies Kehoe and Stagg.

Question declared carried.

Adjournment Debate.

Accident and Emergency Services.

Mr. Kirk: I am grateful for the opportunity to raise the issue of health care in Louth. The Government has a policy of investment and reform in our health services and that is a policy I endorse. I want to see a world-class health service and I want to see Louth benefit from that service.

While the population of the State has increased by around 16% over the past ten years, the increase in Louth has been in the order of 20%.

When we factor in that much of the environs of Drogheda are in Meath, the population increase is even more notable. The population of that county has increased by almost half since 1996 and this too impacts on health services in Louth.

We need to see a full range of health facilities in Louth County Hospital and in Our Lady of Lourdes Hospital in Drogheda, though I fully acknowledge the progress that has been made since 1997. In Our Lady of Lourdes Hospital, staff numbers have increased by 47%, the number of casualty cases dealt with has risen by 30%, and day cases have increased by 108%. This was made possible with a more than four-fold increase in funding over the period. Since 1997 at Louth County Hospital in Dundalk, staff levels have increased by 44% and day cases have increased by 132%. This was possible due to significant increases in resources. However, there remains a need to expand services in Louth. For example, I would like to see the provision of the new accident and emergency extension in Drogheda being accelerated.

While there have been significant improvements in accident and emergency wards around the country, the accident and emergency service in Drogheda continues to lag behind and there

are frequent complaints about waiting times for people in need of those facilities. I know there are also plans for a new regional hospital in the future but that is some way off. We want to see more progress now in the existing hospitals.

There are great plans to expand primary care in Ardee, Drogheda and Dundalk and I want to see the provision of these services speeded up. There is concern that the Health Service Executive may be inclined to reconfigure services in the years ahead and I want to make it clear that any diminution in health services in Louth will be strongly opposed.

As I said, Louth is an expanding county and must see expanding health services. I hope the Minister can assure me tonight that continued investment and improvement will be at the heart of health policy in Louth.

Minister of State at the Department of Health and Children (Mr. B. Lenihan): I am taking this matter on behalf of my colleague, the Minister for Health and Children, Deputy Harney, and I thank Deputy Kirk for raising it.

The HSE established a steering group and a project group to oversee a programme designed to improve safety and standards for patients in the north east region. The decision was taken having regard to the issues raised in the report prepared for the HSE by Teamwork Management Services, Improving Safety and Achieving Better Standards — An Action Plan for Health Services in the North East.

The Teamwork report made a number of recommendations to improve patient care in the region. The report identifies the need to develop a high quality, responsive emergency and planned service, in line with international standards, by developing appropriate services as close to local populations as possible. This will be supported by a new regional hospital. In keeping with the Teamwork report the HSE intends to establish a regional accident and emergency trauma unit that will ultimately be based at the new regional hospital. The HSE advises that accident and

[Mr. B. Lenihan.]

emergency services are provided at present at Louth County Hospital by non-consultant hospital doctors with a sessional consultant commitment from Our Lady of Lourdes Hospital, Drogheda.

In advance of the development of the new hospital, it is the HSE's intention over the next number of years to develop ambulance and emergency services in the North East. This will include the training of advanced paramedics and advanced nurse practitioners. It will also necessitate improving facilities and services at Drogheda, while urgent care facilities will be developed at Dundalk.

It is intended, when the new regional hospital is established, that Louth County Hospital will retain this urgent care service, providing a service to a very significant proportion of patients from Dundalk. To this end a new computed tomography scanner is being installed in Dundalk next month and will be operational shortly thereafter. Two new modular theatres will open in April and the HSE will continue to invest in Louth County Hospital to provide the best and most appropriate service to the people of the area.

School Completion Programme.

Ms B. Moynihan-Cronin: I appreciate the opportunity to raise this important matter this evening.

The sense of despair I have every time I arrive in this House to raise a delayed school building project is matched only by the despair and frustration of the staff, parents and pupils affected. Tonight I am asking the Minister to explain the unacceptable delays in the provision of a new school to replace Bhreac Chluain National School, Annascaul, County Kerry.

Bhreac Chluain National School has 111 pupils, four classrooms and a dedicated principal and staff. However, the school in which they are expected to teach does not reflect a country with a booming economy and a stated Government commitment to education. Annascaul is a rapidly developing area and the population increase requires an expansion in facilities, particularly those relating to education.

The school in question is over 100 years old and is in serious need of replacement. I want to give some examples of the facilities in which the staff and pupils are expected to operate. There are two resource teachers in the school but they have only one room between them. A prefab to house the second teacher and pupils has been applied for through the Department of Education and Science but the school has heard nothing. The cloakroom, where the children hang their coats, has to be used as an art room as it is the only space for such work. The fire exit at the back of the school is cluttered with coats and bags and the library is out of use as it is being used as a

classroom by a resource teacher. So much for the promotion of libraries and literacy in our schools. The computer space — one could not call it a room — is right outside the toilets and part of the toilets area had to be converted to facilitate the library.

I think I have painted a clear picture for the Minister. The school building project has been on the desk of the Minister for Education and Science since 1998. However, there has not been a whit of progress towards the new school in the intervening years. I want answers to why this is the case.

The sense of exasperation and despair among staff and parents is palpable and they cannot understand why no progress has been made on their new school. They are tired of phoning Tullamore, writing letters to politicians and highlighting their situation in public. All they want to know is when the new school will be delivered. The board of management wants to know where it stands. They do not want another standard Pontius Pilate reply, but rather to know when this project will be prioritised.

Minister of State at the Department of Education and Science (Mr. Haughey): I thank the Deputy for raising this matter as it affords me the opportunity to outline to the House the Government's strategy for capital investment in education projects and the position of the Department of Education and Science regarding the application for a new school for scoil náisiúnta Bhreac Chluain, Annascaul, County Kerry.

Modernising facilities in our 3,200 primary and 750 post-primary schools is not an easy task given the legacy of decades of under-investment in this area and the need to respond to emerging needs in areas of rapid population growth. Nonetheless, since taking office this Government has shown a focused determination to improve the condition of our school buildings and to ensure that appropriate facilities are in place to enable the implementation of a broad and balanced curriculum.

As evidence of this commitment, over €540 million will be available to be spent on schools building and modernisation projects in the coming year, in respect of both primary and post-primary schools throughout the country. Since 1997, a total of €3 billion has been invested in school buildings and this has delivered over 7,800 school building projects. The additional investment of over €540 million will build on these achievements and focus in particular on the provision of school accommodation in areas where the population is growing at a rapid rate. As further evidence of our commitment, the national development plan funding of approximately €4.5 billion will be invested in schools over the coming years.

I am sure one will agree that this record level of investment is a positive testament to the high priority the Government attaches to ensuring that school accommodation is of the highest standard

possible. Furthermore, to reduce red tape and allow projects to move faster, responsibility for smaller projects has been devolved to school level. Standard designs have also been developed for eight and 16 classroom schools to facilitate speedier delivery of projects and save on design fees. The design and build method is also used to expedite delivery where the use of standard designs is not possible. Taken together with the unprecedented level of funding available, these initiatives ensure that building projects are delivered in the fastest timeframe possible.

Turning to the school in question, scoil náisiúnta Bhreac Chluain is a co-educational primary school which had a September 2006 enrolment of 109 pupils. Enrolments at this school have been relatively stable, with a slight increase in recent years from 90 pupils in 2001 to 109 pupils in 2006. The school has submitted an application to the Department of Education and Science for a new school building and the long-term staffing figure on which accommodation needs will be based has been determined and notified to the school authority. It has been agreed that appropriate accommodation should be provided to cater for a long-term projected staffing of one principal, three mainstream assistants and ancillary staff. This implies a four-classroom school with appropriate ancillary accommodation. The school inspector has reported that the existing site is restricted and that the possibility of a new school on a greenfield site should be explored.

Before progressing the project further and to ensure that any capital funding allocated to the provision of a new school building represents optimal use of resources and is appropriate to meet the school's long-term accommodation needs, it will be necessary to consider the possibility of utilising the existing building or site before pursuing a greenfield site for a new build project. The next step is to carry out a technical investigation of the existing building and site to determine their suitability. When this inspection has been completed, the project will be progressed in the context of the schools building and modernisation programme.

I thank the Deputy once again for raising this matter and allowing me to outline the progress made under the schools building and modernisation programme and the position on the application for a new school building for scoil náisiúnta Bhreac Chluain, Annascaul, County Kerry.

Educational Disadvantage.

Dr. Cowley: I am grateful for the opportunity to raise this extremely important matter and I welcome the Minister of State. I am very concerned about what is happening in Mayo, which seems to have been particularly hard hit in respect of the DEIS review. Approximately 25 schools are affected in the county, which is above the national average. I am concerned about how the review was carried out.

No one would begrudge any second level school that is included in the DEIS scheme, but there is now total disbelief that so many second level schools in Mayo, which are experiencing severe deprivation, have been excluded. It is obvious that, on the basis of the criteria used in the evaluation process, the schools that were most successful in retaining their pupils were penalised for their success. I do not believe the Minister, Deputy Hanafin, could possibly understand the crisis she has engineered for so many Mayo schools. The result will be highly divisive for education and will result in larger class sizes in many cases.

There are 16 schools on Achill, all of which are disadvantaged. All are included in the DEIS programme except one. There are 13 national schools and two post-primary schools included, one of which is Scoil Damhnait. Two of the schools are side by side, yet one is excluded. Nevertheless, all the pupils in the island's national schools, which are feeding the two secondary schools, are deprived. There is, therefore, something very strange occurring and the valuation process must be flawed.

A similar situation obtains in Belmullet. There are 22 schools in this region and one, a second-level school, is excluded. I urge the Minister of State to re-examine this matter. Does disadvantage stop just because one goes to a secondary school? It does not. The loss to one particular school is very significant. It will lose a school liaison position, a disadvantaged area post, which is the equivalent of one teacher in hours; and disadvantaged area funding, which can amount to €30,000 or even €600,000 if one considers all the losses involved in respect of the programme. One should bear in mind that the access programme can make a major difference in allowing leaving certificate students to reach third level. If classified as disadvantaged for any project, a school can get 95% support, as opposed to 90% in other circumstances. How can a school being fed by all the national schools, which are deprived and recognised as such by the Department, suddenly be regarded as not deprived?

It is a question of supporting parents without a tradition of education to make their boys and girls realise its value. Designation would imply extra grant aid for the students chosen, and the points total is topped. There are homework groups and home visits. It is a matter of bearing in mind the human face of the schools and of allowing those with no tradition of education to reach third level. It is a matter of keeping them in school and encouraging them to aspire to educational excellence.

The difficulty is that the schools that have excelled are the ones being punished, and this constitutes a very serious issue. The Minister has said no school will lose disadvantaged status funding but this is not the case because there are all sorts of ideas to share liaison officers, etc. There is clearly a major problem. The DEIS

[Dr. Cowley.]

initiative is being rolled out by the Department of Education and Science and it is fundamentally flawed in its attempt to address educational disadvantage. The criteria chosen to identify disadvantage are not weighted to identify intrinsic disadvantage, but instead use student retention and attainment levels as the main indicators. Consequently, the scheme has the potential to reward dysfunctionality in schools and penalise cultures of expectation and success.

There are fundamental questions for the Minister to answer. What will be the position of the schools that are losing out from September 2007? What was the rationale for selecting data that is so seriously outdated, particularly in regard to medical cards? Why choose a set of indicators that are so out of line with international practice? Will all future initiatives targeting educational disadvantage be focused solely on DEIS schools?

A fair review of the excluded schools is necessary and it should use agreed and internationally approved criteria. In the meantime, in order to be eligible for all disadvantage-targeted benefits, all excluded schools should retain their disadvantaged status. The Department should confirm this in writing to the schools affected. The current situation is unacceptable and I urge the Minister of State to examine the matter.

Mr. Haughey: I am pleased to have the opportunity to address the Deputy about these schools. Delivering equality of opportunity in schools, DEIS, the action plan for educational inclusion, provides for a standardised system for identifying levels of disadvantage and a new integrated school support programme, SSP. DEIS will bring together and build upon a number of existing interventions in schools with a concentrated level of disadvantage.

The process of identifying schools for participation in DEIS was managed by the Educational Research Centre, ERC, on behalf of the Department of Education and Science and supported by quality assurance work co-ordinated through the Department's regional offices and the inspectorate. The ERC's overall approach was guided by the definition of educational disadvantage in the Education Act 1998. Section 32(9) of that Act states "the impediments to education arising from social or economic disadvantage which prevent students from deriving appropriate benefit from education in schools".

In the case of second level schools, the Department supplied the ERC with centrally-held data from the post-primary pupils and State Examinations Commission databases. Based on an analysis of this data, the variables used to determine eligibility for inclusion in the school support programme were as follows: medical card data for junior certificate candidates, including junior certificate school programme candidates; junior certificate retention rates by school; junior certificate exam results aggregated to school level,

expressed as an overall performance scale, OPS, score and this was based on each student's performance in the seven subjects in which he or she performed best; and leaving certificate retention rates by school.

The identification process was in line with international best practice and had regard to and employed the existing and most appropriate data sources available. A review mechanism was put in place to address the concerns of schools that did not qualify for inclusion in DEIS but regarded themselves as having a level of disadvantage which was of a scale sufficient to warrant their inclusion in the programme. The review process operated under the direction of an independent person, charged with ensuring that all relevant identification processes and procedures were properly followed in the case of schools applying for a review. The closing date for receipt of review applications was 31 March 2006. The group submitted a report and the review is now concluded. Schools that applied for a review were informed of the outcome in August 2006.

The schools referred to by the Deputy applied for review but were not successful. The Department of Education and Science is considering putting in place separate arrangements to address exceptional situations arising up to the time of the next identification process which will be held in 2009-10. These arrangements will apply to new schools, including those created through amalgamation, opening in 2005-06 or thereafter. The arrangements may also apply to schools located in certain communities that have experienced significant socio-economic decline since the commencement of DEIS. Consideration will be given to such changes at the mid point between the 2005-06 and 2009-10 identification processes, namely, in 2007-08.

Schools which have not qualified for inclusion in the DEIS initiative and which are receiving additional resources, both human and financial, under pre-existing schemes and programmes for addressing disadvantage, are retaining these supports for 2006-07. Nine of the ten schools referred to by the Deputy are among the schools receiving additional resources under pre-existing schemes and programmes and they are retaining these supports for 2006-07. After that, these schools can be assured that they will continue to receive support in line with their level of disadvantage.

Almost €170,000 in financial resources was provided to the schools referred to by the Deputy for the school year 2006-07. These resources should be used for activities to address educational disadvantage among the schools' pupils. School principals will administer the financial resources locally and it is a matter for the individual schools to decide how best to apply the funding in providing activities to address educational disadvantage among their pupils.

Under DEIS the Department recently announced the provision of 80 new posts to add to the 370 posts already in place in order to

extend the home school community liaison service, HSCL, to any of the DEIS schools that do not currently have the service. In addition, all schools will continue to receive HSCL services after 2006-07. HSCL services will continue to be provided to some 650 schools — 370 primary and 282 second level. However, following a full review of HSCL clustering arrangements by the Department later this year, levels of service may be varied in some schools to reflect their levels of disadvantage and size and to facilitate local HSCL co-ordinators working with families of disadvantaged children across both primary and second level.

As a result of the identification process and subsequent review, 68 primary schools and eight second level schools in Mayo have been included in the school support programme under the DEIS initiative and nearly 20% of all schools in the rural strand of the programme are in Mayo.

I thank the Deputy again for raising this matter.

Bridge Collapse.

Mr. Deenihan: I thank the Ceann Comhairle for allowing me to raise this matter.

Last Thursday at 11.30 a.m. Ballinagar Bridge, Lixnaw, County Kerry, snapped in the centre and collapsed when a truck weighing 43 tonnes attempted to cross it. The bridge had a carrying capacity of 12 tonnes which was clearly indicated on two signs on the approach roads. The bridge was used extensively by local commuters between Lixnaw and Ballyduff and during the summer by numerous visitors visiting Rattoo round tower and Rattoo Abbey on the Ballyduff side of the River Brick. A number of farmers with land on both sides of the River Brick are now seriously inconvenienced because of the bridge's collapse. They will have to make a ten-mile round trip to access their lands. This will result in further inconvenience and expense next summer when they are cutting silage. In addition, around 100 bog plot holders will be seriously inconvenienced, most of whom come from the Ballyduff side of the river, and who will now have to transport their turf over a distance of ten miles.

The bridge was built by the Army in 1993 and has been the subject of an ongoing saga for some time. I raised this issue on the Adjournment in July 1993 when I stated:

The saga of Ballinagar Bridge has been going on for some time. In January 1955 a resolution was passed by Kerry County Council that plans be prepared for a new bridge at Ballinagar. On 6 July 1970 a preliminary report was received and the estimated cost of providing a new bridge then was £62,500, which was considered too expensive. In May 1975 Kerry County Council agreed to finalise plans for a new bridge. The consultant engineer was instructed to proceed with the preparation of a full set of documents. On 23 February 1977 the

county secretary was instructed to submit documents to the Department of the Environment for sanction. In February 1978 an estimate of £202,000 was submitted for the all-in cost of a new bridge. On 22 February the Department of the Environment replied to Kerry County Council stating that even though the existing bridge was in an extremely dangerous condition the road was not of sufficient importance to warrant the provision of a new bridge. The suggestion was then made to provide the bailey bridge at the cost of about €32,000. In March 1980 an application was made to the Department for a loan of £190,000, but it was rejected. Kerry County Council threatened to close the bridge in 1992. The bridge was at that stage in extremely poor structural condition. It was erected in four 25 foot spans and was supported by five pairs of tubular steel piles driven into the river bed and filled with concrete. The quality of the concrete in the deck was extremely poor and the steel troughing on which it sits was in very poor condition.

Following that debate on the Adjournment, an allocation was made to provide a bailey bridge. Kerry County Council had about 60 feet of the bailey bridge in stock and had used it for other purposes. The council got the remainder from the Army, which provided the bridge at a cost of about £100,000. There was a limit imposed of 12 tonnes, but over time heavier traffic began to cross the bridge and it was in poor condition. Last week, a 43-tonne truck tried to cross it and it just snapped and collapsed.

I ask the Minister of State to make a special case for this bridge. Two bridges have been provided over the River Feale in recent years, one at the Cashen and the other at Finuge, while a further bridge has been provided going into Abbeyfeale. This is a very important local bridge. The Minister for the Environment, Heritage and Local Government will visit Tralee on Friday. He will be doing many things around the constituency. I call on the Minister of State to ask him to visit the Ballinagar Bridge so that he can see for himself what happened and so that he might recognise the strategic importance of the bridge for the people of Lixnaw, Ballyduff and the greater north Kerry community. As a Deputy from a neighbouring constituency, I appeal to the Minister of State to do everything in his power to ensure the Minister visits Ballinagar next Friday when he visits Kerry.

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

(Mr. B. O'Keefe): I thank the Deputy for raising this issue. County councils and other major local authorities are responsible for managing and maintaining all non-national roads and bridges in their area. Each year, my Department assesses the non-national roads programmes of local authorities and makes substantial grant allocations

[Mr. B. O'Keeffe.]

towards these programmes. Authorities also have to commit an appropriate share of their own resources for this purpose, and the grants we provide supplement these.

The question of special funding for emergency improvements to non-national roads is regularly raised. The standing approach of my Department is that we do not hold back a reserve allocation to deal with such situations. Such an arrangement would mean a reduction across all local authorities in the road grant allocations to them at the beginning of each year. Instead, the allocations made each year to local authorities are inclusive of such risk factors. In determining the annual grants, the overall objective is to resource each local authority appropriately for their ongoing and special needs.

In January, the Minister announced the 2007 grant allocation for non-national roads, which at over €607.5 million is the highest ever. It represents an overall increase of 9%, or almost €50 million, on the 2006 allocation. In 2007, the initial allocation to Kerry County Council is around €22.282 million, an increase of 8% over 2006. While there are no further funds at our disposal from which we could make a special grant allocation to Kerry County Council for the replacement of Ballinagar Bridge, it is open to the council to fund eligible works at this location from its discretionary improvement grant provided by my Department or from its own resources. This year, a discretionary improvement grant allocation of €1.186 million has been made to the council, which is an increase of 3% on the 2006 figure. The selection of works to be funded from this is a matter for the council.

My Department is also prepared to consider any proposal from the council to adjust its 2007 specific improvement grant proposals, originally submitted in September 2006, to include eligible works at this location. Equally, the council may submit an application in respect of works to the bridge for consideration for funding in 2008 under this scheme. Alternatively, if a suitable formal application were submitted, my Department would be prepared to consider giving approval to the council to proceed with works this year on condition that the scheme would be submitted as a priority on the council's 2008 specific improvements grant list of applications.

Apart from non-national roads funding, general purpose grants from the local government fund may also be used by local authorities to meet their ongoing and special expenditure requirements. In this regard, the Minister has made available increased allocations of almost €948 million in general purpose grants to all local authorities in 2007. Kerry County Council has received an allocation of over €27.6 million in 2007, representing an increase of over 8% on its 2006 allocation.

I understand the bridge collapse is currently the subject of court proceedings. Accordingly, any further comment on the circumstances of the collapse of the bridge would be inappropriate. Deputy McEllistram has been in touch with the Minister about this matter, but I will also raise it with the Minister on behalf of Deputy Deenihan before Friday's visit.

The Dáil adjourned at 9.50 p.m. until 10.30 a.m. on Thursday, 8 February 2007.

Written Answers.

The following are questions tabled by Members for written response and the ministerial replies as received on the day from the Departments [unrevised].

Questions Nos. 1 to 21, inclusive, answered orally.

Questions Nos. 22 to 103, inclusive, resubmitted.

Questions Nos. 104 to 110, inclusive, answered orally.

Tax Code.

111. **Mr. Deasy** asked the Minister for Finance if his attention has been drawn to an arrangement whereby stamp duty on a property transaction can be substantially avoided by using a company sale as an alternative vehicle for the transaction; and if he will make a statement on the matter. [4133/07]

Minister for Finance (Mr. Cowen): The transfer of shares in a company attracts a stamp duty of 1%. This stamp duty rate has existed since 1951 at a low rate to encourage commercial activity and is, therefore, not new.

The assets of a company may include land and where that land is sold by the company, stamp duty will arise for the purchaser. Likewise, when a company buys land, it will pay stamp duty.

I am already looking at the operation of stamp duty following a number of allegations that have been made during the last year that there is widespread use by land developers of various mechanisms to avoid stamp duty on land purchases and if I deem it necessary, proposals for change will be introduced by the Government.

National Development Plan.

112. **Mr. Wall** asked the Minister for Finance the person who will be accountable for negotiations on PPPs for the National Development Plan 2007 to 2013; the measures in place to ensure that the State gets value for money in these negotiations; and if he will make a statement on the matter. [3872/07]

Minister for Finance (Mr. Cowen): Public-private partnership arrangements, or PPPs, are a means of procurement for public investment projects and, as such, are subject to the requirements which apply to public capital investment generally. Under my Department's Capital Appraisal and PPP Guidelines, Departments and agencies are responsible for the appraisal and management of their projects, including PPPs.

Value for Money in PPP procurement is considered at a number of stages of the process, including four formal tests at specific stages. The key test compares the best bid against a public sector benchmark or PSB, which represents the relative cost of procuring the project by traditional means against the costs of procuring the project by PPP. The PSB takes account of issues such as risks transferred to the private sector. Other factors, such as faster delivery of infrastructure, or the use of performance-related payments, may be relevant to establishing if a particular option is the best value for money solution overall in a particular project.

Departments and other Sponsoring Agencies must seek the advice of the National Development Finance Agency (NDFA) on the optimum means of financing the cost of public investment projects or groups of PPP projects over €20 million in order to achieve value for money and on all aspects of financing, refinancing and insurance of public investment projects to be undertaken by means of Public Private Partnership.

Negotiations on projects in individual areas will generally be a matter for the Sponsoring Agency concerned. The exception to this is where PPP projects funded by unitary payments from Departments' or Agencies' Votes will be procured by the Centre of Expertise for PPP procurement in the National Development Finance Agency (NDFA). The Centre of Expertise will undertake the procurement after the setting of

[Mr. Cowen.]

project budgets, output specifications and other service requirements.

Tax Code.

113. **Ms Lynch** asked the Minister for Finance the tax incentive measures he plans to introduce to ensure that Ireland meets the EU target of 5.75% biofuels by 2010; and if he will make a statement on the matter. [3880/07]

Minister for Finance (Mr. Cowen): While the promotion of biofuel is primarily a matter for my colleague, the Minister for Communications, Marine and Natural Resources, I am pleased to inform the Deputy that in Finance Act 2006 I provided for significant tax measures to promote biofuels in Ireland.

This scheme, which received the necessary EU State Aid approval, commenced in November 2006 and will:

- provide for excise relief on up to 163 million litres of biofuels per annum;
- cost over €200m over 5 years;
- when fully operational, result in CO₂ savings of over 250,000 tonnes per annum;
- meet a target of 2% transport fuel market penetration by biofuels by 2008;
- help reduce our dependency on conventional fossil fuels, and
- stimulate activity in the agricultural sector.

The level of excise relief available is that which had been proposed by the Minister for Communications, Marine and Natural Resources in advance of Budget 2006. Any extension in the amount of relief which formed part of that Budget announcement is not envisaged at this stage. These fiscal incentives were designed to kickstart the domestic biofuels industry and the evidence suggests that this is happening. The Deputy might wish to note that there are additional non-fiscal measures that can be used to promote Biofuels and reach the targets referred to in the Question. These, however, are outside my remit but are under active consideration by the Minister for Communications, Marine and Natural Resources.

Motor Taxation.

114. **Mr. Gogarty** asked the Minister for Finance if the public consultation process regarding changes in the VRT system for lower emissions vehicles will just involve the gathering of submissions from interested parties; and if his Department will be hosting information meetings for public debate on the matter. [4078/07]

Minister for Finance (Mr. Cowen): The public consultation on options for revising the VRT system to take greater account of CO₂ emissions

was announced on Budget day and I invited interested parties to make submissions to my Department by 1 March 2007. A summary of a number of possible options which are under consideration by my Department was contained in the Budget 2007 documentation and a longer consultation document has also been placed on my Department's website. In addition, an invitation for submissions was advertised in the national daily newspapers on 15 December 2006.

Consequently, from March, we will be examining the submissions made and it is likely that there will be meetings with a number of those who have made submissions, in particular the key stakeholders. This will provide the opportunity to delve further into ideas which may emerge from the written submissions. However, only when we see the extent of written submissions can I be more precise about the nature and form that any further consultation might take.

National Development Plan.

115. **Mr. Neville** asked the Minister for Finance the schedule of presentation of programmes under the National Development Plan. [4164/07]

Minister for Finance (Mr. Cowen): The National Development Plan 2007-2013, which was launched on the 23rd of January last, sets out five investment Priorities: Economic Infrastructure; Enterprise, Science and Innovation; Human Capital; Social Infrastructure; and Social Inclusion. The investment under each of these five Priorities is in turn set out by Programme.

The investment of €54.7 billion under the Economic Infrastructure Priority consists of six Programmes covering Transport; Energy; Environmental Services; Communications and Broadband; Government Infrastructure; and Local Development Contributions.

The investment of €20 billion under the Enterprise, Science and Innovation Priority consists of seven programmes covering: Science, Technology and Innovation; Enterprise Development; Tourism Development; Agriculture and Food; Rural Social and Economic Development; Gaeltacht and Islands Development; and Marine and Coastal Communities.

The investment of €25.8 billion under the Human Capital Priority consists of three Programmes covering: Training and Skills Development; Higher Education; and Schools Modernisation and Development.

The investment of €33.6 billion under the Social Infrastructure Priority consists of four Programmes: Housing; Health Infrastructure; Justice Infrastructure; and Sports, Culture, Heritage and Community Infrastructure.

The Social Inclusion Priority involves the expenditure of €49.6 billion in 8 different programmes. The Priority follows the lifecycle approach adopted under Towards 2016, so investment consists of the following Programmes: the

Children Programme; Working Age — Education Programme; Working Age — Social and Economic Participation Programme; Working Age — Justice Programme; Older People Programme; People with Disabilities Programme; Local and Community Development Programme; and a Horizontal Programme.

The 28 Programmes of the National Development Plan are further sub-divided into some 86 Sub-Programmes. Full details of all Sub-Programmes are set out in Appendix I of the National Development Plan and in a separate Executive Summary document, both of which were circulated to all Members of the Oireachtas.

Tax Code.

116. **Mr. English** asked the Minister for Finance if he has instructed the Revenue Commissioners to conduct an estimate of under claiming of tax reliefs by taxpayers; and the latest estimate which he has of the extent of the problem. [4137/07]

Minister for Finance (Mr. Cowen): I have not asked the Revenue Commissioners to conduct an estimate of the under-claiming of tax reliefs by taxpayers and I have no plans to do so.

Revenue are very active in encouraging taxpayers to claim the correct reliefs and have taken a number of important initiatives in this regard during the last year.

I too announced proposals in the Budget and recently in the Finance Bill to make it easier to claim reliefs.

As to the extent of underclaiming a number of estimates have been given to Oireachtas Committees. It is not clear what a survey would add to current knowledge given the inherent difficulties in establishing what people are not doing. Such resources are better devoted to encouraging taxpayers to claim all of their entitlements and making it as easy as possible for them to do so.

Fiscal Policy.

117. **Mr. McGinley** asked the Minister for Finance if the objectives for tax policy set out in the 2002 Programme for Government remain the priorities; and if he will make a statement on the matter. [4154/07]

Minister for Finance (Mr. Cowen): The answer to the Deputy's question is yes.

The Government's approach to tax policy is set out in the Agreed Programme for Government and in recent Budgets and Finance Bills. In addition the Partnership Agreement, Towards 2016, states that the Government is committed to a taxation policy designed to maintain and strengthen the competitive position of the economy, foster improvements in productive capacity, economic and social development, and equity, while maintaining a sound fiscal stance. These commitments underpinned the tax changes which I announced in the Budget and to which the Fin-

ance Bill, at present before this House, proposes to give legislative expression.

National Development Plan.

118. **Ms B. Moynihan-Cronin** asked the Minister for Finance the person who will be responsible for project appraisal to ensure National Development Plan programme objectives and value for money are achieved as promised in Chapter 12 of the plan; the resources that will be directed towards project appraisal; the reports that will be issued regarding project appraisal; if such reports will be publicly available; the amount of time such reports will be submitted prior to the commencement of a project; and if he will make a statement on the matter. [3874/07]

Minister for Finance (Mr. Cowen): Departments and implementing agencies are responsible for the appraisal of NDP projects and programmes in their own specific areas. It will be their responsibility to ensure that they have the necessary expertise to discharge their functions with regard to the proper and rigorous appraisal of projects and thus secure the best Value for Money.

Within my own Department, the recently established Central Expenditure Evaluation Unit (CEEU) will play an important role in the general oversight of the appraisal and Value for Money practice across the system. A function of the CEEU is to promote best practice in the evaluation and implementation of programme and project expenditure. It will focus in particular on ensuring that Department of Finance frameworks in relation to the appraisal and management of programmes and projects are being implemented. The Unit will carry out spot checks to verify this.

As a general rule, project appraisals including Cost Benefit Analyses (CBAs) are not published. They contain commercially sensitive information, the publication of which could be prejudicial to the State's capacity to get best Value for Money in the procurement of capital projects.

Decentralisation Programme.

119. **Mr. Ring** asked the Minister for Finance the number of the proposed decentralisation moves announced in December 2003, in respect of which no property solutions have yet been identified. [4175/07]

Minister of State at the Department of Finance (Mr. Parlon): The Decentralisation Programme envisages the relocation of some 10,600 civil and public servants to more than 50 locations outside of Dublin.

The Office of Public Works has direct responsibility for the property aspects relating to most of these locations. In the case of a small number of locations e.g. Birr (FAS), Mitchelstown (Bus Eireann), Shannon (Enterprise Ireland) and Wexford (NBA), the responsibility for the acquis-

[Mr. Parlon.]

ition of property solutions rests with the relevant agencies.

Since the announcement of the Programme, the Office of Public Works has been engaged in an extensive exercise with the aim of sourcing a range of property solutions covering all of its locations. The solutions include development sites, purchase or lease of existing buildings as well as purchase or lease of proposed buildings with planning permission.

To date, property acquisition negotiations have been completed or significantly advanced by the Office of Public Works in 37 locations in respect of permanent accommodation solutions. The solutions to date include a combination of OPW owned sites, local authority owned sites and privately owned sites. In a number of cases, it has been decided to lease or purchase buildings.

In the case of 5 locations, Athlone, the Curragh, Navan, Furbo and Sligo, OPW owned sites have been identified and will be used to accommodate decentralised offices.

In the case of another 6 locations, Carlow, Longford, Newcastle West, Killarney, Trim and Thurles, sites have been acquired from the relevant Local Authorities. Privately owned sites have been purchased in Buncrana, Clonakilty, Dungarvan, Knock, Cavan, Claremorris and Tipperary. Buildings have been leased in Loughrea and Carrick on Shannon. In the case of Tullamore, the OPW has completed the purchase of an office block, which was handed over in the first week of July 2006. Contracts have been signed by OPW in respect of 4 locations, Limerick (leased building), Thomastown (site), Edenderry (site) and Roscommon (site).

Contracts have been received in a further 9 locations including Donegal, Portlaoise, Listowel, Carrickmacross, Kilrush, Waterford, Wexford, Enniscorthy and Mullingar.

Terms have been agreed and contracts are awaited in a further 4 locations including Clifden, Youghal, Newbridge and Drogheda.

In parallel with the acquisition of permanent accommodation solutions, the Office of Public Works has been involved in sourcing temporary solutions in 22 locations in order to accommodate advance parties. These temporary solutions will allow the early movement of staff to their desired locations and will also facilitate them regarding their domestic family arrangements.

In a number of locations various proposals are still being evaluated and firm, preferred solutions have yet to be identified. These locations include Dundalk, Fermoy, Kildare, Monaghan, Arklow, Portarlington, Ballinasloe, Mallow, Kanturk, Cork City, Athy, Carrick-on-Shannon and Macroom. The Office of Public Works is actively pursuing the acquisition of suitable solutions in these areas. The expectation is that this exercise will be largely completed before the end of this year.

The progress achieved to date on the property front confirms that the Decentralisation Prog-

ramme is well advanced and on course to achieve the Government's objective.

Motor Taxation.

120. **Dr. Upton** asked the Minister for Finance if he will report on progress in establishing the consultation group announced in Budget 2007 who will look at reforming VRT to penalise those who buy high emissions vehicles; and if he will make a statement on the matter. [3887/07]

Minister for Finance (Mr. Cowen): The public consultation on options for revising the VRT system to take greater account of CO₂ emissions was announced on Budget day and I invited interested parties to make submissions to my Department by 1 March 2007. A summary of a number of possible options which are under consideration by my Department was contained in the Budget 2007 documentation and a longer consultation document has also been placed on my Department's website. In addition, an invitation for submissions was advertised in the national daily newspapers on 15 December 2006.

From March the Excise Policy Section of my Department in conjunction with the Office of the Revenue Commissioners will examine the submissions received and liaise with other relevant Departments and Offices as appropriate. As part of this process it is likely that there will be meetings with a number of those who have made submissions, in particular the key stakeholders. This will provide the opportunity to delve further into ideas which may emerge from the written submissions.

Decentralisation Programme.

121. **Mr. Quinn** asked the Minister for Finance the latest information available from the Central Applications Facility in respect of applications from civil servants and other public servants currently located in Dublin who wish to transfer to new locations outside of Dublin under the Government's decentralisation programme; the way this compares with the Government target of 10,300; if agreement has been reached with all public service unions regarding promotional opportunities for those who chose to move and those who opt to remain where they are; and if he will make a statement on the matter. [3897/07]

192. **Mr. Naughten** asked the Minister for Finance the status of the decentralisation programme; and if he will make a statement on the matter. [4045/07]

Minister for Finance (Mr. Cowen): I propose to take Questions Nos. 121 and 192 together.

A progress report by the Decentralisation Implementation Group (DIG) was submitted to me and published on 4th October last. The Group reported that implementation of the Decentralisation Programme is progressing satisfactorily.

Over ten thousand six hundred civil and public servants have applied to relocate under the Programme. Of these, approximately 5,600 or 53% are currently based in Dublin. The Central Applications Facility remains open and continues to receive applications.

All Departments and Offices have produced implementation plans setting out the detailed arrangements they are putting in place to plan for relocation while also ensuring business continuity and effective delivery of services to customers. The plans are comprehensive and their preparation involved detailed reviews of business processes as well as the logistics of the move. Departments and Offices are taking a prudent approach in relation to assessing the risks involved and the adoption of appropriate measures to manage business risk.

Discussions have concluded on a number of human resource and industrial relations matters and are being progressed on other issues. At the end of December 2006, over 2,400 staff had been assigned to decentralising posts. Some 700 of these are currently in place, in 15 new locations, while the remainder are being trained in advance of decentralisation to a new location, as soon as accommodation becomes available.

It is envisaged that by the end of 2007 public services will be delivered from 33 of the decentralisation towns with approximately 2,000 staff transferred. The precise numbers moving within that time frame will depend on the availability of property as well as timeframes for completion of fit out and installation of necessary ICT (information communications technology) and telecommunication cabling and equipment.

Across the public service, recruitment and promotion practices generally are being managed in a way which facilitates the achievement of the Decentralisation Programme in an efficient manner. Agreement has been reached with the Civil Service unions representing general service staff that all interdepartmental promotions will be made on the basis of the appointee agreeing to move to a post in a decentralising unit, Department or Office. Where an organisation is moving in full, all internal promotions will include a decentralisation condition in the 52 week period prior to the move. Where an organisation is moving in part, 50% of all internal promotions will include a decentralisation condition in the 52 week period prior to the move taking place. These arrangements allow for a proportion of all promotions arising in Civil Service general service posts in the normal course to have a decentralisation condition.

The position in relation to the State Agencies is of course more complex. The Government has always said that this is a voluntary Programme. Any staff member wishing to remain in Dublin will be accommodated with a public service job in Dublin. However, there is a need to balance the business needs of the organisation in furthering its relocation objective with the needs of staff

remaining in Dublin. In these circumstances promotions policy must take account of the reality of Decentralisation. It is my strong view that these issues can only be resolved through dialogue and negotiations.

A facility is being operated through the Public Appointments Service to allow Civil Service general service staff remaining in Dublin to express preferences in relation to the organisations to which they would like to transfer. This will be an ongoing process throughout the transition phase of the Programme. Progress in this priority area is being monitored in co-operation with Departments and the relevant unions, to ensure that they are operating efficiently.

The property programme is well advanced. The OPW conducts a review of the property timeframes for permanent accommodation on an ongoing basis. Based on its experience to date in relation to timeframes for property selection and acquisition, brief and design issues, tendering periods, planning issues and contractual arrangements, it has provided an updated schedule of the likely availability of accommodation.

This schedule allows for the planned movement of up to 6,800 staff in the next three years in line with the timeframes set out in the June 2005 report of the DIG. The delivery time for some locations will be later than originally projected, however, leading to a greater concentration of moves in 2009 rather than in 2008. Matters outside the control of the OPW, which could give rise to delay, will continue to be monitored and mitigating action taken where possible.

There are of course elements of the programme which continue to present challenges. These include the position of professional and technical personnel who wish to remain in Dublin, the State agency sector and ICT areas.

Discussions are ongoing with the unions representing professional and technical staff in the Civil Service on the range of industrial relations issues arising, including promotion arrangements and placing of staff who wish to remain in Dublin.

Having already met with a number of Secretaries General, the Decentralisation Implementation Group is currently meeting with some of the Chief Executives of State Agencies to discuss their Implementation Plans, the planning framework in place, to assess progress to date and to hear about the challenges arising and steps proposed by the agencies to address them.

In relation to ICT issues, a protocol has been prepared by my Department to address the filling of ICT posts and a sub-group of General Council has been established to move the process forward. The Centre for Management and Organisational Development (CMOD) has already concluded a pilot programme of ICT certified training and is currently developing tender proposals to source trainers to provide such certified training for new entrants to the ICT area. These initiatives will assist in ensuring a pipeline of skilled ICT staff in the Civil Service.

[Mr. Cowen.]

The issue of managed data centre services was also addressed by the DIG. The OPW has convened a working group to determine (i) the feasibility of procuring private sector versus State owned accommodation for data centres, including a cost benefit analysis of the options, and (ii) the logistics, costs, financing and staffing implications of State managed/operated data centres. It is expected that this work will be completed later in the Spring.

Tax Code.

122. **Ms C. Murphy** asked the Minister for Finance if his attention has been drawn to the fact that where maintenance is paid by one parent to another on a voluntary basis tax relief cannot be applied for although such relief can be obtained by parents who have been compelled by court order to make maintenance payments; his views on the introduction of tax reliefs similar to those available to married couples, to single or separated and unmarried parents whereby both parents may avail of tax relief on creche and maintenance costs; and if he will make a statement on the matter. [4098/07]

Minister for Finance (Mr. Cowen): Section 1025 of the Taxes Consolidation Act 1997 provides for the taxation treatment of payments made under legally enforceable arrangements by one spouse of a marriage to the other spouse in consideration, or in consequence, of the annulment or dissolution of a marriage or where the couple are separated. Legally enforceable arrangements include court orders, arbitration awards and deeds of separation including foreign orders and arrangements.

Where legally enforceable maintenance arrangements apply, the general position is that:

- the spouse who pays the maintenance is entitled to a tax deduction for payments made for the benefit of the other spouse,
- the maintenance payments are taxed in the hands of the receiving spouse,
- the couple are treated for tax purposes as if unmarried.

In effect the maintenance payment is treated for tax purposes as if it was the income of the recipient and not the payer.

However, a separated couple may (except where a civil annulment has been obtained) jointly elect to be treated for tax purposes as if the separation had not taken place (provided they are both resident in the State and, if divorced, neither have remarried). When such an election is made, then the maintenance payments are ignored for tax purposes. The payer does not receive a tax deduction for them and the receiving spouse is not taxable on them.

In the case of non-legally binding maintenance payments, such payments are not taxable in the

hands of the receiving spouse and the paying spouse cannot claim a tax deduction for them.

Where a relationship other than a married relationship dissolves, the income tax code makes no special provision in respect of the tax treatment of maintenance payments which may be made by one party to the other. There are no plans to change this arrangement which reflects, in part at least, the fact that, in such circumstances, no legal duty of financial support would have existed in the first place between the parties concerned.

I might also inform the Deputy that no special tax relief exists for married parents in respect of childcare, crèche costs or the general maintenance of their children. To the extent that the State supports parents in respect of their children, this is mainly done through the direct expenditure route in the form of Child Benefit payments and the Early Childcare Supplement and no distinction is made in this regard between married and unmarried parents.

123. **Mr. Bruton** asked the Minister for Finance if his attention has been drawn to the escalation of stamp duty costs on young families; and his views on measures to relieve this. [4121/07]

Minister for Finance (Mr. Cowen): The stamp duty code provides assistance in a variety of ways to young families who are entering the property market for the first time. In the case of new houses bought by owner-occupiers, whether first-time buyers or others, there is no stamp duty where the overall size of the property does not exceed 125m². First-time buyers of second-hand residential property are exempt from stamp duty on properties valued at €317,500 or less and varying rates apply on properties of greater value. I would point out that 75% of second-hand properties purchased by first-time buyers nationally in the first half of 2006 were below the stamp duty threshold.

The recent Budget also provided assistance to young families who are first-time buyers, through mortgage interest relief. I doubled the ceiling up to which mortgage interest relief is available for first-time buyers from €4,000/€8,000 per year to €8,000/€16,000 per year single/married. This will give first-time buyers up to an extra €67/€133 per month (approx €800/€1,600 per year) single/married in actual relief on top of the existing relief of €67/€133 per month single/married.

Where young families who already own property are trading up, any stamp duty liability that may occur is generally offset by the increase in the value of their previous property, which is not liable to taxation for owner-occupiers.

Departmental Staff.

124. **Mr. O'Shea** asked the Minister for Finance the number of staff employed in the central evaluation expenditure unit; if there are plans to

increase the number of staff in the unit over the period of the National Development Plan 2007 to 2013; and if he will make a statement on the matter. [3870/07]

Minister for Finance (Mr. Cowen): There are currently five civil servants (including support staff) employed in the Unit. Two more expenditure evaluators are expected to join the Unit in the near future following a recent open recruitment process. In addition, my Department currently has four participants in the Masters Programme in Policy Analysis delivered by the Institute of Public Administration (IPA) in association with the Faculty of Commerce, UCD. Upon completion of the programme, they will be assigned as expenditure evaluators to the Central Expenditure Evaluation Unit, two in mid-2007 and two in mid-2008. The number of staff in the unit over the period of the National Development Plan 2007-2013 will be kept under review to ensure that the unit is adequately resourced to fulfil its duties and functions.

Financial Services.

125. **Mr. Sherlock** asked the Minister for Finance if his attention has been drawn to the findings of the Financial Services Consultative Consumer Panel that €34 billion of savings of Irish people is kept in accounts with little or no interest payments and their recommendation that the Financial Regulator conduct an extensive consumer awareness campaign to advise savers to move money away from little and no interest accounts; and if he will make a statement on the matter. [3879/07]

Minister for Finance (Mr. Cowen): I am aware of the report referred to and I understand that the findings of the report have been taken into account in a number of actions taken by the Financial Regulator.

The Financial Regulator published a Consumer Protection Code in July 2006 which is due to be fully implemented in the coming months.

Under the main principles of the Code regulated financial services firms are obliged to act in the customer's best interests. More specifically, the Code contains provisions that require banks to issue annual statements of transactions on all accounts with a balance in excess of €20, unless otherwise agreed with the consumer in writing. This statement must include, inter alia, details of the interest rates applied to the account during the period covered by the statement. In addition, a credit institution must make available to existing deposit holding consumers details of the different interest rates that are being applied to its other deposit accounts.

I understand that the Financial Regulator has advised the Financial Services Consultative Consumer Panel that it will be highlighting the importance of looking at different deposit and

savings options available from various institutions to tie in with the next phase of its SSIA campaign. The Financial Regulator will also be advising consumers to examine terms and conditions carefully, particularly those concerning the effect of withdrawals, bonus interest and differences between accounts designed for regular savings versus lump sums. This next phase of the campaign will commence in early February.

The Financial Regulator includes information on deposit accounts in its consumer publications. The Regulator's guide, 'Savings and Investments made easy', contains detailed information on savings accounts, including deposit accounts with banks, credit union share accounts and An Post deposit accounts. The guide explains that the higher the interest rate, the more money you earn. It also points to on-line and phone-based accounts, which can often pay higher interest than other savings accounts.

The Financial Regulator also encourages new savers to shop around to find the deposit account that suits them best, both in terms of the interest rate, access to their money and the terms and conditions that apply to the headline interest rate. This is part of the Regulator's general "shop around" message which encourages people to actively seek the product that suits them best.

The objective of these two initiatives is to motivate the consumer to carefully consider the best option for them when placing their money on deposit.

Tax Code.

126. **Ms C. Murphy** asked the Minister for Finance the annual budget allocated to the Revenue Commissioners to facilitate publicity campaigns encouraging tax payers to claim back tax reliefs they may be entitled to; the percentage of the Revenue Commissioners overall budget this makes up; his views on increasing this budget in view of the huge sums of tax relief that go unclaimed each year; and if he will make a statement on the matter. [4097/07]

Minister for Finance (Mr. Cowen): I am advised by the Revenue Commissioners that expenditure on advertising and publicity aimed at informing taxpayers of tax reliefs and entitlements and encouraging them to claim these comes from Revenue's general Advertising and Public Relations budget which in total amounted to €2,169,000 for 2006. Of this amount, €690,813, or approximately 32%, was spent on information and publicity campaigns relating to tax reliefs and credits to which taxpayers may be entitled. A slightly lesser amount, €635,979, or approximately 29%, was spent on information and publicity campaigns relating to tax collection and returns. The balance of this budget is spent on items such as production of Revenue's Annual Report, provision of information stands at national events etc.

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From August to October of last year, Revenue undertook a targeted publicity campaign to make taxpayers more aware of reliefs to which they might be entitled and how claims for these may be made. This campaign involved a wide range of advertising media, including newspapers, radio, bus shelters, the LUAS and the DART. The campaign resulted in a significant increase in the number of people contacting Revenue and claiming entitlements. Publicity of an ongoing nature regarding reliefs is also provided — for instance by making information leaflets on Health and related expenses available in doctors' surgeries and in pharmacies.

The above figures do not include money expended on direct mail and on the website much of which contains information about tax reliefs and also encourages taxpayers to claim these. During 2006 for example Revenue individually informed each of over 2 million PAYE taxpayers of the tax credits and reliefs that are available and encouraged them to utilise the self-service options to claim their entitlements. The total cost of this particular campaign was €1,312,000.

It is clear from the details I have provided that the Revenue Commissioners are very proactive in ensuring that taxpayers are fully informed of their entitlements. Already this year, they have undertaken a publicity campaign to inform PAYE taxpayers of the issue of 2007 Tax Credit Certificates, updated to include the most recent budget changes. I am advised by Revenue that they send an information leaflet with every Tax Credit Certificate issued. This leaflet sets out the range of credits and reliefs available, including medical expenses, rent relief and refuse charges, and how these may be claimed. The Revenue Commissioners are also undertaking a separate publicity campaign at this time to promote PAYE self-service — the Deputy may have already seen or heard the advertisements for the new PAYE on-line service, designed to make it easier for PAYE taxpayers to claim credits or repayments. The budget allocated to these two publicity campaigns alone will exceed €500,000 and amount to over 33% of the indicative advertising budget for 2007.

In addition, Revenue's website provides a wide range of easily accessible information about tax reliefs and credits and how to claim them, with direct links to self-service channels including the new PAYE On-Line service.

I am aware that Revenue monitor and review their advertising expenditure having regard to need, impact and value for money and it is a matter for them to consider the allocation to different business objectives. I have been advised by Revenue that they made a total of 667,957 PAYE repayments last year (some covering several years) and these repayments amounted to €443,368,782.13. This is the factual situation in relation to what has been repaid and, while it is difficult to speculate about what additional sums

might be claimable, the level of publicity and information provided by the Revenue Commissioners is such that those entitled to claim reliefs have — by any reasonable yardstick — ample opportunity to inform themselves of their entitlements and to fully avail of them.

Tax Yield.

127. **Mr. Kenny** asked the Minister for Finance the absolute value of the increase and the percentage increase in total tax raised since 2002; and if he is satisfied with the tax policies underpinning this trend. [4147/07]

Minister for Finance (Mr. Cowen): In 2002, Exchequer tax receipts amounted to €29,294 million. Receipts in 2006 amounted to €45,539 million. This translates into an absolute increase of €16 $\frac{1}{4}$ billion or a percentage increase of 55 $\frac{1}{2}$ per cent since 2002.

A large part of the increases in taxes in recent years came from the Revenue Commissioner's special investigations and also the continued strength of the property market over the period. However, the main reason we are receiving more in tax is the significant growth in the economy over the period. The tax and economic policies being pursued by this Government have put more money into the pockets of taxpayers and they are spending and investing that extra money as they see fit. This extra spending and investment yields extra taxes. I am more than satisfied with the policies that have facilitated this increased economic activity.

Tax Code.

128. **Dr. Twomey** asked the Minister for Finance if he is satisfied with the equity of tax relief provisions for pensions. [4144/07]

Minister for Finance (Mr. Cowen): The State encourages individuals to supplement the social welfare pension arrangements with private pension arrangements by offering tax relief on private pension provision. The tax relief arrangements for private pension provision are longstanding and have helped a significant proportion of the workforce to provide for supplementary pensions thus reducing the pressure on the Exchequer to fund pension needs.

Tax relief is provided at an individual's marginal income tax rate on amounts contributed to pension schemes (subject to limits). The amount of profits and gains generated by the investments held by the pension schemes are tax exempt subject to certain ceilings. Pension benefits payable on retirement are taxable subject to an entitlement to take a tax-free lump-sum cash benefit.

Over half of all people in employment are covered by voluntary private pensions and, while this proportion has not changed hugely in recent years, the absolute numbers covered have been increasing. The National Pension Policy Initiative

target is for a coverage rate of 70% for people in employment aged between 30 and 65. The coverage rate is currently below this level. In the 2006 Budget and Finance Act, I introduced some changes which were designed to encourage older people and those on lower incomes to commence or improve their voluntary pension arrangements. These changes involve:

- A Pension Incentive Tax Credit to encourage SSIA holders on lower incomes to put some or all of the proceeds of their SSIA accounts on maturity into a pension product. For each €3 invested in a pension product, the Exchequer will contribute €1 (to a max. of €2,500) together with a proportion of the exit tax deducted from the SSIA on maturity.
- An increase in the rate of age-based tax relief for pensions contributions to all pension products for contributors aged 55 years or over (i.e. from 30% to 35% of net relevant earnings/remuneration for those aged 55 or over but under 60; and from 30% to 40% of net relevant earnings/remuneration for those aged 60 or over).

At the same time, I introduced other changes the purpose of which was to limit the cost to the Exchequer of tax relief provided to higher income earners. These changes are:

- A cap on the value of a pension fund allowable for tax purposes of €5 million (or, if higher, the value of the fund on 7 December 2005).
- A cap on the maximum value of the tax-free lump sum of €1.25 million which is 25% of the new maximum pension fund amount of €5 million.

In the same Budget I introduced, for the first time ever, a general restriction on the use by high earners of special tax reliefs of one type or another and I delivered what in real terms was described by the ESRI as a “highly progressive” Budget. Tax equity, both in relation to pensions and more generally, was therefore a major feature of that Budget.

Flood Relief.

129. **Mr. Deenihan** asked the Minister for Finance if, in view of serious flooding that has affected the livelihoods of several farming families in the Cashen area of north Kerry, the Office of Public Works will proceed to install further pumps similar to the one that has already been installed and which is proving to be a success; and if he will make a statement on the matter. [4096/07]

Minister of State at the Department of Finance (Mr. Parlon): As I indicated in reply to the Deputy's question on 31st January, the Commissioners of Public Works will carry out works to

the embankments in the River Cashen area this year. They will then monitor the impact on the land affected of this work and of the pump already installed on a trial basis to ensure that the delicate balance between flood alleviation and damage to the lands due to over-drainage is maintained before deciding whether to install further pumps.

While it is agreed that the pump has been effective in alleviating flooding of the land, the report, which recommended the pumping solution also identified the risk of land settlement, which would undermine its long term viability as a possible consequence.

The Commissioners will carry out a review of the experiment, including a survey of the land to determine if there is any evidence of settlement, as well as a review of the costs of installation, operation and maintenance, later this year before deciding whether to install further pumps at this stage.

Decentralisation Programme.

130. **Mr. Rabbitte** asked the Minister for Finance his views on whether an all party review of decentralisation is required in the national interest to conform more closely with the recommendations of the National Spatial Strategy in view of the aims of the National Development Plan 2007 to 2013 and its targeted funding for the nine regional gateways; his views on the potential loss of expertise and corporate knowledge as a result of the Government's decentralisation programme; his further views on whether this measure will gain sufficient applicants to meet decentralisation targets; and if he will make a statement on the matter. [3867/07]

Minister for Finance (Mr. Cowen): First of all I would like to state the Government's full commitment to the Decentralisation Programme and to re-iterate that this Government's policy on the programme is unchanged.

The National Spatial Strategy (NSS), which was launched in 2002, embodies a 20-year spatial framework to achieve more balanced regional development in Ireland. The vision underlying the NSS is a better balance of social, economic, physical development and population growth between regions. The National Development Plan will particularly focus investment around the NSS, especially around the network of the nine Gateways identified in the Strategy. It will also support the concept of an urban-rural partnership by linking the focus on the Gateways with support for other urban centres and rural areas.

As I have previously pointed out in this House, a wide range of factors were taken into account and balanced against each other in selecting the locations for the new decentralised offices. These included the need to achieve a fit with the National Spatial Strategy, the existence of transport links and the locations of existing

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decentralised offices. The decentralisation programme will have significant positive effects in fostering balanced regional development. The impact of decentralised offices will be quite significant in many of the smaller towns in which they will be located and their catchment areas. As clearly stated in the NDP, the decentralisation process is a direct instrument that will strengthen, in particular, the hub, smaller town and rural structure and complement the key and dynamic role to be played by the Gateways.

To date over 10,600 have applied to the Central Applications Facility and despite consistent negative commentary, no political spokesperson has said that any town or county should be dropped from the programme.

In relation to the implications of Decentralisation for delivery of service, the terms of reference for the Decentralisation Implementation Group explicitly included the examination of how Decentralisation might enhance the efficiency and effectiveness of the public service. To this end the Group asked that all organisations participating in the programme should prepare detailed implementation plans including not just risk assessment but also mitigation strategies. A wide range of issues, including the potential loss of expertise and corporate knowledge, are addressed in these plans. The plans were prepared and submitted to the Implementation Group which subsequently reported that the overall quality of the plans was good. Since then those organisations listed as early movers have prepared further updated versions of their implementation plans.

The Implementation Group has met with the Secretaries General of decentralising Departments and is satisfied that the implementation of the programme is being managed in a professional and carefully planned manner. The Group is currently meeting with the Chief Executives of a number of State Agencies to discuss the planning framework in place, to assess progress to date and to hear about the challenges arising and steps proposed to address these challenges.

A progress report by the Decentralisation Implementation Group (DIG) was submitted to me and published on 4th October last. The Group reported that implementation of the Decentralisation Programme is progressing satisfactorily. At the end of December 2006, over 2,400 staff had been assigned to decentralising posts. Some 700 of these are currently in place, in 15 new locations, while the remainder are being trained in advance of decentralisation to a new location, as soon as accommodation becomes available.

It is envisaged that by the end of 2007 public services will be delivered from 33 of the decentralisation towns with approximately 2,000 staff transferred. The precise numbers moving within that time frame will depend on the availability of property as well as timeframes for completion of fit out and installation of necessary ICT

(information communications technology) and telecommunication cabling and equipment.

The property programme is well advanced. The OPW conducts a review of the property timeframes for permanent accommodation on an ongoing basis. Based on its experience to date in relation to timeframes for property selection and acquisition, brief and design issues, tendering periods, planning issues and contractual arrangements, it has provided an updated schedule of the likely availability of accommodation.

This schedule allows for the planned movement of up to 6,800 staff in the next three years in line with the timeframes set out in the June 2005 report of the DIG. The delivery time for some locations will be later than originally projected, however, leading to a greater concentration of moves in 2009 rather than in 2008. Matters outside the control of the OPW, which could give rise to delay, will continue to be monitored and mitigating action taken where possible.

Tax Code.

131. **Mr. Costello** asked the Minister for Finance the latest information in relation to tax incentives for private hospitals developments regarding the number of applications made under the scheme; the number of applications that have been approved; the number of hospital beds to be supplied by the approved applications; the expected cost of the tax foregone on these developments; and if he will make a statement on the matter. [3896/07]

Minister for Finance (Mr. Cowen): I am informed by the Revenue Commissioners that information on the scheme of tax relief for private hospitals was for the first time specified and separately included in personal income tax returns for the tax year 2004, the latest year available, and which were due for filing in October, 2005. Based on the information that has been received and collated to date for the tax year 2004, a total of €4.5 million was included in 37 claims for capital allowances for the construction of private hospitals. This figure would correspond to a maximum Exchequer cost of the order of €1.9 million for these returns in terms of income tax forgone.

The Revenue Commissioners do not have information on the number of hospital beds supplied or to be supplied as part of projects in respect of the expenditure on which tax relief is claimed under the scheme. However, in order for expenditure on a private hospital to qualify for the tax relief, the private hospital would have to provide a minimum of 70 in-patient beds on an overnight basis or 40 beds for day treatment services.

Data for the tax year 2005 is being compiled. It is not yet available for 2006 as the income tax returns for that year are not due for filing until October 2007.

National Development Plan.

132. **Mr. Eamon Ryan** asked the Minister for Finance the reasoning behind the unallocated public private partnership reserve provision of €2.8 billion which features as part of the National Development Plan funding source for PPPs. [4073/07]

Minister for Finance (Mr. Cowen): Since the introduction of the Multi Annual Capital Investment Framework in 2004, it has been the practice to have an unallocated reserve (Exchequer and PPP) over the period. This reserve is necessary to allow for flexibility over the period whereby an unallocated amount is available for allocation in future years in the light of evolving priorities. The seven year capital envelope included in the National Development Plan continues existing practice and, accordingly, provides for a total reserve of some €5 billion over the period of which €2.8 billion is for PPPs.

Pensions Provisions.

133. **Mr. G. Murphy** asked the Minister for Finance his views on the options for pension reform; and if he will make a statement on the matter. [4161/07]

Minister for Finance (Mr. Cowen): As I stated in my reply to question No. 39171/06 on 22 November last, the Government's position on pension reform is reflected in the statement issued in August by my colleague the Minister for Social and Family Affairs when the Report of the Pensions Board on Supplementary Pensions — "Special Savings for Retirement" — was published. This statement recognised the many challenges in relation to pension coverage, while also making it clear that no pension system is worthwhile unless it is sustainable. It also highlighted the need for any examination of pensions policy to recognise the following facts:

- that the number of persons aged 65 is projected to double from a current level of some 464,000, to nearly one million by 2030;
- the public cost of providing for those in this age group will rise from 13% of GNP to over 17%, apart from other pressures or enhancements to social welfare or public services;
- there are over 4 workers contributing to the support of every pensioner at present; this will fall to 2.7 in 20 years time and to less than 1.5 workers per pensioner in 50 years time;
- that people are living longer, healthier lives and this, in itself, must inevitably mean a longer working life is possible and that a higher pension age overall may in time become the norm.

The Government is committed to publishing a Green Paper on Pensions Policy outlining the major policy choices and challenges in this area. Work on the Green Paper, which will take account of the views of the social partners, is being progressed by my colleague the Minister for Social and Family Affairs. The Government is also committed to responding to the consultations arising from the Green Paper within 12 months of the ratification of Towards 2016 by developing a comprehensive framework for addressing the pensions agenda over the long term.

The financial and economic sustainability of our pensions system is extremely important in the context of any future decisions the Government may take in this area. Changing demographic trends over the coming years will present a number of significant interrelated challenges which can only be addressed if the economy remains competitive and improves its long-term growth potential. It will be vital that policy development in this area is underpinned by a comprehensive assessment of the impact on competitiveness and macro-economic performance so that the right mix of policies can be developed for the long-term.

Taxpayers' Advocate.

134. **Dr. Twomey** asked the Minister for Finance if he supports the establishment of a tax advocate with powers to monitor fair treatment of taxpayers. [4136/07]

Minister for Finance (Mr. Cowen): The Deputy's question is related to the calls made on occasion for the establishment of an independent individual or entity whose proposed role would include acting as an advocate for taxpayers who feel unfairly treated by the system. The statutory remit of the Ombudsman already incorporates both of the roles proposed for a taxpayer advocate, namely, acting for taxpayers and investigating actions which are contrary to fair or sound administration.

Since the inception of the Office of the Ombudsman, significant numbers of taxpayers have exercised their right to make complaints to that office. Furthermore, the Ombudsman has carried out a number of special investigations on her own initiative under the Ombudsman Act 1980, such as into the operation of schemes for disabled drivers and the repayment of tax to certain widows. When calls were previously made for the establishment of a taxpayer advocate, the then Ombudsman drew attention to the duplication of role and responsibilities that such a development would involve.

Apart from the statutory role and responsibility of the Ombudsman, other avenues are also open for taxpayers to make their complaints and to seek satisfaction for perceived unfair treatment. They can lodge a customer service complaint about the standard of service received in

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their personal contact with the Revenue Commissioners by telephone, correspondence, fax, e-mail or in person to a Revenue public office. They can request a review by Revenue of any aspect of the way in which their tax affairs have been handled. Such reviews are undertaken by a senior Revenue official who was not involved in the original decision or, at the taxpayer's request, jointly by an external reviewer and a senior official. Taxpayers who are dissatisfied with specific treatments by Revenue can also make an appeal under statutory provisions which grant access to the appeal commissioners. The appeal commissioners are completely independent of the Revenue Commissioners.

The fact that few people are enthusiastic about paying taxes is all the more reason for effective channels of complaint and appeal by taxpayers against poor service or unfairness. However, given the comprehensive and accessible system already in place for complaints or appeals by any taxpayer who feels unfairly treated by the tax system, it is not obvious to me that there is a case for putting in place the additional layer of a tax advocate's office.

National Development Plan.

135. **Ms McManus** asked the Minister for Finance if an inflation impact study was conducted for the National Development Plan 2007 to 2013; if such a study will be published; and if he will make a statement on the matter. [3868/07]

Minister for Finance (Mr. Cowen): The NDP was framed in the context of a full evaluation of the macro-economic situation for the period ahead and based on reasonable projections and parameters for the key economic variables concerned, including the likely evolution of domestic and international scenarios.

Tax Code.

136. **Ms O'Sullivan** asked the Minister for Finance the estimated cost to the Exchequer of the introduction of mortgage interest relief measures introduced in Budget 2007; the projected property related stamp duty receipts for the full year of 2007 [3895/07]

Minister for Finance (Mr. Cowen): The cost of increasing the annual ceiling on the amount of interest that can be allowed on a mortgage for first-time buyers and for non-first-time buyers, as introduced in the recent Budget, was estimated to be €50 million in 2007 and €70 million in a full year.

I have been informed by the Revenue Commissioners that the projected net receipt from stamp duty on property, residential and non-residential, for 2007 is estimated at €3,267m.

Ethics in Public Office.

137. **Mr. P. McGrath** asked the Minister for Finance the circumstances in which a gift to a serving Minister will be deemed to be a conflict of interest under the purposed new amendment to rules governing Ethics in Public Offices. [4155/07]

Minister for Finance (Mr. Cowen): The Deputies will be aware that office holders and members of the Dáil and Seanad may accept a significant gift in only limited circumstances.

The Taoiseach and Tánaiste previously issued statements saying that the Ethics legislation will be amended to require an office holder or member, before accepting a significant gift or loan, to seek the opinion of the Standards in Public Office Commission that acceptance of the gift or loan would not be likely to compromise the discharge of his or her public duties, and to abide by the Commission's opinion.

The details of the proposal are being finalised and the Government will bring forward legislation during the current Dáil session.

Tax Code.

138. **Mr. Perry** asked the Minister for Finance the property based tax reliefs for which no termination date has been set; and if he has requested any reviews of these or other reliefs by the Revenue Commissioners. [4173/07]

Minister for Finance (Mr. Cowen): In Budget 2006, following a major review of various existing tax reliefs involving both internal reviews and the employment of outside consultants I announced the termination, subject to certain transitional provisions, of the following reliefs; the urban renewal, town renewal and rural renewal schemes, and the special reliefs for hotels, holiday cottages, student accommodation, multi-storey car parks, third-level educational buildings, sports injuries clinics, developments associated with park and ride facilities and the general rental refurbishment scheme.

In line with the recommendations of the consultants, I retained the tax reliefs available for private hospitals, convalescent homes, registered nursing homes and childcare facilities. Finance Act 2006 introduced a new scheme of capital allowances for qualifying mental health centres which commenced on 23 January 2007.

In addition to the special property-based tax schemes covered by last year's reviews, Section 268 of the Taxes Consolidation Act 1997 provides for capital allowances for a range of buildings or structures. These are normal business related capital allowances rather than special incentive schemes.

The operation and impact of tax reliefs are monitored and/or subject to review on an ongoing basis as part of the normal work of my Department and the Revenue Commissioners. For

example, I introduced a number of changes to the research and development tax credit scheme in Budget 2007 on foot of an interim review of the operation of the scheme to date. I have also asked for an updated review of the scheme of capital allowances for residential units associated with registered nursing homes which scheme is due to terminate next year. A report of this review has now been received and is being examined. Last year my Department, in conjunction with the Department of Enterprise, Trade and Employment and the Revenue Commissioners, carried out a review of the Business Expansion Scheme (BES) and the associated Seed Capital Scheme (SCS), both of which were due to expire on 31 December 2006. As part of this review, questionnaires were sent to nearly 1400 companies who had used the schemes in the past.

On foot of this review (which will shortly be published in full), I decided in Budget 2007 to renew the BES from 1 January 2007 for a seven year period to 31 December 2013. The BES company limit is being increased from €1 million to €2 million, subject to a maximum of €1.5 million to be raised in a twelve month period. The investor limit is being increased from €31,750 to €150,000.

As the BES and the SCS are State aids, the continuation of the schemes and the proposed changes will require the approval of the European Commission and will be subject to assessment by the Commission under the new “Community Guidelines on State Aid to Promote Risk Capital Investments in Small and Medium-Sized Enterprises” (2006/C 194/02) published in the Official Journal of the European Union in August 2006.

Travel Insurance.

139. **Ms Enright** asked the Minister for Finance if his attention has been drawn to the fact that there is no code of practice to protect consumers in the sale of travel insurance; and if he will ask IFSRA to consider fully this gap. [4140/07]

Minister for Finance (Mr. Cowen): Under the EU Insurance Mediation Directive, travel agents who sell insurance only as part of a holiday package are specifically exempt from financial regulation. These agents are therefore not authorised and regulated as financial services providers by the Financial Regulator and do not come within the scope of the Consumer Protection Codes recently introduced by the Financial Regulator. The Financial Regulator does, however, publish information and advice on travel insurance for the benefit of consumers.

The Package Holidays and Travel Trade Act 1995 covers the holiday package but not the travel insurance that may be sold with it. The Financial Services Ombudsman has powers to deal with complaints which concern the conduct of the underwriting insurance company, in relation to

claims about the actual policies themselves, but not the sales process of travel agents.

Any travel agent selling travel insurance that is not part of a package holiday, must be registered with the Financial Regulator as an insurance intermediary. I understand that such insurance is widely available, whether through travel agents or other providers and I would urge consumers to examine carefully the benefits of this option.

Under the Package Holidays and Travel Trade Act it is the Director of Consumer Affairs who has direct responsibility for enforcing consumer protection provisions dealing with information provided to the consumer before conclusion of a package holiday contract. There is an obligation under section 12(1)(c) of the Act for the travel organiser/retailer to provide the consumer with information on the minimum level of travel insurance cover where such insurance cover is compulsory under the holiday contract. If such insurance is not compulsory under the contract, section 12(4) also provides that the travel organiser will inform the consumer about the optional conclusion of an insurance policy to cover certain risks. Under the Consumer Protection Bill 2007, which was recently published by the Minister for Enterprise, Trade and Employment, it is proposed to transfer the functions of the Director of Consumer Affairs to the new National Consumer Agency.

I understand that the Financial Regulator and the Departments of Transport and Enterprise, Trade and Employment are currently in correspondence regarding the recommendation by the Financial Services Ombudsman in his Annual Report 2005, that a code of practice be adopted to cover how travel insurance is sold by travel agents. As Minister for Finance, I have no statutory function in regulating the activities of travel agents selling insurance as part of a package holiday.

Export Performance.

140. **Mr. McEntee** asked the Minister for Finance his views on the medium term implication of Ireland’s export performance; and if he will make a statement on the matter. [4152/07]

Minister for Finance (Mr. Cowen): Provisional data for the first three quarters of 2006 show that the volume of exports of goods and services increased by 6.1% on an annual basis in that period. This compares with an annual increase of 3.9% for 2005 as a whole.

In the medium term, the outlook for Irish export performance remains broadly positive. Our existing strong export base, particularly in pharmaceuticals, food, medical devices, software and financial services, allied with our pro-business environment and skilled workforce, are factors which provide good grounds to expect a continued solid export performance from the Irish economy over the medium term. However,

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it is important that we remain focused on improving our competitiveness, which has been declining in recent years.

To ensure that our export sector remains strong, the Government is adhering to prudent fiscal and expenditure policies as well as investing in infrastructure, education and skills development.

Exchequer Revenue.

141. **Mr. Crawford** asked the Minister for Finance the proceeds received to date by the Exchequer from the sale of shares in Aer Lingus; and if these funds are to be placed under management by the NTMA. [4176/07]

Minister for Finance (Mr. Cowen): To date the Exchequer has received €240,902,257.20 from the sale of shares in Aer Lingus Group PLC. These funds have been lodged to the Exchequer and will be classified in the Finance Accounts as Capital Receipts.

The Government has retained a 25.4% stake in Aer Lingus Group PLC. At close of business on 5th February 2007 this stake had a value of €382,210,724.10.

Internet Trading.

142. **Mr. Callely** asked the Minister for Finance the mechanism in place by his Department and by the Revenue Commissioners in relation to trading on the internet; the level of taxes or VAT generated by trading on the internet; and if he will make a statement on the matter. [3854/07]

Minister for Finance (Mr. Cowen): I am informed by the Revenue Commissioners that, in general, the amount of VAT and other taxes collected from Internet trading is not separately identifiable as businesses are obliged to calculate and return VAT and other taxes by reference to their entire taxable activities, which includes both traditional forms of business and e-commerce.

The potential risk to VAT revenues from e-commerce lies in the area of non-EU businesses trading with Irish consumers solely by means of the Internet, rather than with Irish businesses that have developed on-line business in conjunction with their existing retail business. In particular, the area of the supply of digitised services, such as music and software, by non-EU suppliers, is particularly difficult.

In so far as goods are concerned, there is no doubt but that the Internet has led to increased sales of goods by businesses outside the EU to private consumers in Ireland. The vast bulk of this business is small goods and involves postal importations. VAT is payable on imports into Ireland from outside the EU. Trade within the EU to private consumers is (with the main exception of new means of transport) generally subject to VAT in the Member State from where the

good is supplied. Revenue has a Customs presence at the four An Post mail depots that receive third country mail. All non-Community mail on arrival at the depots is subject to either an external or internal examination of the goods and documents. Revenue staff raise the relevant charges, customs duty, excise and VAT, which are shown on a charge label affixed to the package and collected by the postal authority on delivery. While Revenue is generally satisfied with its existing procedures in this area, it is an area that is kept under review from both a staffing and procedural viewpoint.

There has also been an increase in the supply of e-services from businesses outside the EU to customers in the EU. An EU Directive in 2003 introduced temporary changes requiring non-EU based businesses to charge VAT on supplies to EU customers and to register for and pay VAT in each Member State where they have customers. To reduce the costs to businesses of complying with the revised rules, an electronic system called the VAT on e-Services System was introduced. Under this Special Scheme a non-EU business providing e-services to customers in the EU may register for the scheme with one EU Member State of their choice and account for VAT electronically in relation to their supplies in all Member States.

The EU Commission has concluded that the Special Scheme has been a success and it has recently been agreed to extend the scheme to 31 December 2008. Some 900 companies are registered under the Special Scheme with 6 of those businesses currently registered in Ireland. Up to September 2006 Revenue had collected some €21.8 million from the non-EU businesses registered in Ireland. Of this, almost €379,000 represents VAT on sales to consumers located in Ireland. In the same period, Ireland has been the recipient of almost €1.7 million in VAT remitted by other Member States in respect of sales to consumers located in Ireland by non-EU traders who have registered with those other Member States under the Scheme.

Revenue's approach to VAT compliance and indeed tax compliance generally is based on risk analysis, taking into account all taxes and duties relevant to the businesses and both the e-commerce and traditional economic activities of the business. This approach generates a much greater knowledge of business activities, more detailed local risk assessment and faster compliance interventions. Also, at both regional and national level, Revenue is undertaking reviews of certain business sectors, the purpose of which is to improve overall tax compliance across those sectors. Overall, Revenue is satisfied with its monitoring of the tax on e-commerce obligations of businesses that are registered in the State.

It should be noted that in the context of e-commerce taxation issues are best resolved through international co-operation. In this regard, Revenue will continue to work with its counter-

parts at EU and OECD level. The tax administrations of all EU Member States recognise the need to be able to detect and identify traders who operate on the Internet. The EU Commission has set up a project group to investigate the tools and techniques available to aid in the detection of traders operating on the Internet. Revenue jointly heads up the Steering Group for this project with its UK and Polish counterparts. Amongst the agreed objectives of the project are the benchmarking of Internet search tools and the production of an e-commerce road map, which will give a step-by-step guide to the identification of e-commerce activity.

Tax Code.

143. **Ms Lynch** asked the Minister for Finance the estimated cost to the Exchequer in 2007 of the 1% cut in the top rate of tax in Budget 2007; the percentage of earners paying tax at the top rate. [3894/07]

Minister for Finance (Mr. Cowen): As outlined in my 2007 Budget speech, the estimated net cost of the 1% cut in the higher rate of tax is €125 million in 2007 and €186 million in a full year. These cost estimates take account of the estimated off-setting savings in the costs of marginal rated tax reliefs arising from the reduction in the rate.

As regards the second part of the Deputy's question, if one looks at the effective tax rates actually paid by taxpayers, there are many who are nominally liable at the higher rate of tax but who effectively pay tax at no more than the standard rate of tax. This is due to their higher rate liability for tax being fully offset by the value of their personal credits, as explained in pages C23 to C28 of the 2007 Budget booklet. It is estimated that, allowing for this effect, an estimated 19.8% of income earners will pay tax at a rate of greater than 20% in 2007. These earners will pay 41% at the margin, but for most of them, their effective income tax bill will be well below 41% because of the operation of their tax credits and standard rate bands.

National Development Plan.

144. **Ms Burton** asked the Minister for Finance if an environmental assessment of the National Development Plan was carried out; if there was a public consultation conducted as part of this environmental assessment; if a report has been prepared on the environmental effects of the plan; if his attention has been drawn to the fact that this is a requirement under European Community Law Directive 2001/42EC and without such a report the plan is illegal; and if he will make a statement on the matter. [3864/07]

Minister for Finance (Mr. Cowen): It was not necessary to carry out a Strategic Environmental Assessment of the National Development Plan

2007-2013. The Plan is primarily a strategic document and indicative financial Plan. It is not unduly prescriptive as regards projects over the period and does not impact on the planning or environmental framework within which consent is given for individual projects. It accordingly does not fall within the framework of the Strategic Environmental Assessment Directive and it was not therefore subject to a formal SEA. I would point out, however, that Environmental Sustainability is a key horizontal objective of the Plan and Chapter 6 of the Plan deals with this issue in some detail, including the positive impact of Plan investment on the environment.

There was a widespread consultation process on the National Development Plan and this included submissions from environmental interests.

Interest Rates.

145. **Mr. Pattison** asked the Minister for Finance his views on the implications for the Irish economy of the expected further increase in interest rates; and if he will make a statement on the matter. [3901/07]

Minister for Finance (Mr. Cowen): Interest rates have been very low in historical terms, and the recent increases would appear to have had an effect mainly on reducing the rate of house price increases. The current higher level of interest rates will tend to lower overall domestic demand in the economy, all other things being equal. The effect of further increases would be to reinforce this effect depending on the state of the economy generally and developments at an international level e.g. the impact of oil price changes on domestic demand. Page E.18 of the Stability Programme Update in Budget 2007 discusses these issues in further detail.

Tax Code.

146. **Mr. O'Dowd** asked the Minister for Finance the basis on which forecasts of capital tax are made by his Department; and the assumptions in respect of the number of taxable transactions and the trend in house prices that underpinned the 2006 estimate. [4167/07]

Minister for Finance (Mr. Cowen): The assumptions underpinning the 2006 capital taxes forecasts were based on economic growth estimates in the Stability Programme Update which was published on Budget day, December 2005. These estimates included GNP, projected changes in the consumer price index and developments in the construction sector.

The methodology for forecasting capital taxes in 2006 firstly required my Department to estimate the outturns for the base year, in this case 2005. These projected outturns were then adjusted to take account of known once-off factors, both negative and positive, likely to

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impact on the yield in 2006. An example was the discontinuance in 2006 of the bank levy, the receipts from which came in under stamp duties. The figures were then refined to take account of the impact of Budget measures. These various steps gave the base upon which the 2006 forecasts were built.

The base was then inflated for projected economic developments in 2006. In the case of capital gains tax and capital acquisitions tax, estimated growth was driven by the forecast change in nominal GNP and in the CPI, respectively. For stamp duties, since the bulk of the yield is from transactions in residential and commercial property, the forecast for 2006 was largely based on estimated volume and price growth in the residential and commercial property sectors.

The capital gains tax estimate represented an increase of 3.8 per cent and the capital acquisitions tax estimate an increase of 4.4 per cent on their respective 2005 outturns. The stamp duty estimate represented a decrease of 1.5 per cent on the 2005 outturn but this largely reflected the non-renewal of the bank levy.

The estimates for all three taxes assumed a lower rate of growth in revenues from these sources in 2006 than the significant increases experienced in 2005. However the property market in 2006 proved more robust than many commentators predicted around the time of the 2006 Budget and this was a contributory factor in the yields from these sources outperforming their respective targets.

Pension Provisions.

147. **Mr. Timmins** asked the Minister for Finance if he sees merit in modifying the requirement in approved pension schemes of taking out an annuity in view of the poor value in such annuities. [4131/07]

Minister for Finance (Mr. Cowen): The position is that prior to the passing of the Finance Act, 1999, any person going on pension under a defined contribution scheme or a retirement annuity contract was required to purchase an annuity with any remaining pension fund moneys, following the drawdown of the appropriate tax-free lump sum.

The Finance Act, 1999 introduced changes which gave a significant degree of flexibility and personal choice to certain categories of individual in relation to the drawing down of benefits from their pension plans. These choices include the options to purchase an annuity, receive the balance of the fund in cash (subject to tax, as appropriate) or to invest in an Approved Retirement Fund (ARF) or Approved Minimum Retirement Fund (AMRF), depending on the circumstances. Proprietary directors, self-employed individuals and certain employees/directors in non-pensionable employment represent the cat-

egories of individual who can exercise these options in relation to their pension plans.

While these flexible options for drawing down pension benefits are not available to members of employers' defined contribution schemes (who are outside of the categories of individual described above) in respect of benefits derived from standard contributions to the schemes, the flexible options do apply as regards any Additional Voluntary Contributions (AVCs) made by such members either to their main schemes or to separate AVC schemes. The flexible options also apply to Personal Retirement Savings Accounts (PRSAs) introduced in the Finance Act, 2002 to create an alternative pension product which is flexible, portable and user-friendly.

The question of making changes, as suggested by the Deputy, to the existing arrangements for the broad membership of approved occupational pension schemes, generally, is a complex matter and needs to be considered as part of the wider issue of pension and retirement provision in Ireland. In this regard, the Government is committed to the publication this year of a Green Paper on Pensions Policy. The Green Paper, into which my Department (among others) will have an input, will outline the major policy choices and challenges facing us in the pensions area and important issues such as those raised in the question are best left for consideration in that context.

Personal Indebtedness.

148. **Mr. Wall** asked the Minister for Finance if he is satisfied that the Financial Regulator is doing enough to protect consumers in relation to credit card debt in view of the high interest charges; and if he will make a statement on the matter. [3889/07]

163. **Mr. S. Ryan** asked the Minister for Finance his views on the rapid increase in credit card debt in the past three years from €1.6 billion to €2.6 billion or by 56% even though the number of credit cards in circulation has only increased by 10%; and if he will make a statement on the matter. [3888/07]

Minister for Finance (Mr. Cowen): I propose to take Questions Nos. 148 and 163 together.

The Financial Regulator spends significant time and resources informing consumers about the potential risks of credit cards. Publications including credit card cost surveys are available to help consumers choose the card that suits their needs. However, guidance from the Financial Regulator recommends that consumers take on the right type of credit for the right purpose; credit cards are not suitable for long-term debt as the rates are far higher than other forms of credit. The Financial Regulator also issues information to help people who have problems with credit

card debt. This information is available through its publications, help-line and website.

All credit card providers must comply with the Regulator's Consumer Protection Code, which states that financial services providers must act in the customers' best interests and only provide financial products that are suitable for the consumer. In addition, there are some specific rules with regard to interest rates and credit cards limits. When a credit institution is changing its interest rates, it must state the effective date of the new rate. It must also update the interest rate details on its information services as soon as the change comes into effect. With regard to credit card limits, they cannot be increased unless requested by the consumer.

The Deputy may wish to note that credit card debt represents less than 2% of personal sector credit, and less than 1% of overall private sector credit (PSC) and is one of the slowest growing components of PSC. Credit card data refers to debt outstanding on all credit cards at end-month and includes balances that may be paid in full at the payment due date. The increase in the number of cards issued and the amount of debt outstanding is in line with a general trend of increased market penetration in the EU and a move towards electronic retail payment methods.

Business Expansion Scheme.

149. **Mr. Eamon Ryan** asked the Minister for Finance his views on whether a 35% response rate in the recent business expansion scheme survey is sufficient a quantity to base BES reform decisions on. [4072/07]

Minister for Finance (Mr. Cowen): During Summer 2006 the Department of Finance carried out a survey of the 1,391 companies that had availed of the Business Expansion Scheme since 1997. The aim of the survey was to identify the types of companies that generally avail of the scheme and to determine the nature and extent of the benefits of the scheme to companies that have availed of it in the past. Of the 1,391 companies surveyed, 491 (35% of those to whom the survey was sent) responded. This is a very good response rate for a survey of this nature. The survey clearly indicates that the BES has been good for manufacturing, good for jobs and good for investment in small firms throughout the country.

Of course, my decision to extend the Business Expansion Scheme and the associated Seed Capital Scheme was not solely based on this survey. A thorough review of the scheme was carried out by my Department in conjunction with the Department of Enterprise, Trade & Employment and the Revenue Commissioners. The results of this review will be published shortly. This review took account of the findings of the Report of the Small Business Forum, Small Business is Big Business, the Survey of SME Finance/Equity

carried out by Forfás, and the PWC Report Strategic Advisory Services — Enterprise Ireland Seed and Venture Capital Funds Programme 2006, as well as a range of submissions from interested parties.

In addition, the extension of the scheme was considered by the Tax Strategy Group in the context of Budget 2007.

On the basis of all of this I concluded that there was a strong case for extending the schemes given the clear market failure in providing equity capital for small firms in their start up and early development phase, the evidence of how vital the schemes have been in the past for such firms and the continuing needs in this regard, the potential return to the economy from indigenous Irish companies, and the clear support for continuation from a large number of representative and other bodies in the public and private sector.

Tax Yield.

150. **Mr. Boyle** asked the Minister for Finance if he is confident in mechanisms used to make Exchequer return projections which form an important basis of spending allocations in view of the inaccuracy by millions of the end of year Exchequer projections made at the time of the budget compared to the eventual returns. [4069/07]

Minister for Finance (Mr. Cowen): I assume that the Deputy, in using the phrase "inaccuracy by millions" is referring to the difference, in recent years, between actual tax revenues and the Budget day forecasts.

There have been valid reasons for the extent of these differences in recent years, including the stronger than expected pace of economic growth and once-off factors such as the yield from Revenue special investigations. However, the most significant reason for the difference between tax forecasts and actual outturns in recent years is the very strong growth in capital taxes reflecting, amongst other things, the exceptional growth in the property market.

It is always difficult to make accurate tax forecasts. The underestimate of taxes since 1975 is nearly 5% on average, with the highest underestimates arising in 1976 and 1988. My Department keeps its approach to tax forecasting under review on an ongoing basis. For this reason, a Group chaired by a Senior Economist from the Central Bank, currently on secondment to my Department has been established to conduct a review of the tax forecasting methodology. The Group currently comprises other experts from my Department, the ESRI, the Revenue Commissioners and the Central Bank. It is due to report in June 2007.

In terms of the tax forecasts forming an important basis of spending allocations and in order to dispel any fears of deliberate under-projecting of taxes as a means of putting downward

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pressure on expenditure, I would like to point out that in the period since 2002, voted expenditure has grown by an average of nearly 8% per year and furthermore in each of the years 2002 to 2006, voted departmental expenditure recorded savings on the original Budget allocation. This indicates that expenditure allocations have been more than adequate in meeting Department's spending requirements.

Licensed Moneylenders Regulation.

151. **Ms Shortall** asked the Minister for Finance when the proposed changes to the regulation of money lenders will be introduced by the Financial Services Regulatory Authority; the powers the authority will have to deal with moneylenders that do not comply with the new regulations; and if he will make a statement on the matter. [3884/07]

Minister for Finance (Mr. Cowen): Currently licensed moneylenders are covered by a range of provisions under the Consumer Credit Act 1995 which include the following:

- An annual application process;
- Requirements relating to the content of moneylending agreements and repayment books which include information relating to the Annual Percentage Rate (APR), cost of credit and collection charges;
- Requirements regarding matters that arise during the currency of the agreements e.g. certain collection times, ban on top up loans, prohibition on charges for expenses on loans by moneylenders, prohibition on selling goods while making an advancement to consumers, on increased charges for credit on default etc.; and
- Requirements regarding matters arising on default and termination, e.g. the consumer is entitled to a reduction in cost of credit if they redeem their loan early.

Licensed moneylenders are also subject to an Interim Code of Practice, which sets out a number of general principles that must be complied with such as acting fairly, with due skill and care, with appropriate resources and making adequate disclosure of all relevant information.

The Financial Regulator recently conducted a review of the licensed moneylending industry in the Republic of Ireland. The purpose of the review was to gain a greater understanding of the industry and to determine whether it is appropriate, necessary and reasonable to change current regulatory policies. It is intended that this review will be published in the near future.

Tax Code.

152. **Mr. Rabbitte** asked the Minister for Finance his views on reports by the Institute of Tax-

ation that PAYE workers could be owed up to €1 billion in unclaimed tax relief and that about 40% of PAYE workers are unaware of their tax relief entitlements; if there are proposals to conduct an information campaign regarding claiming tax relief of the same size as the advertisement campaign conducted every year regarding making tax returns; and if he will make a statement on the matter. [3878/07]

Minister for Finance (Mr. Cowen): I assume that the Deputy is referring in his question to certain statements made by officers of the Irish Taxation Institute before the Joint Committee on Finance and the Public Service on 17 January 2007: for example, during the course of those proceedings an officer of the ITI said that "we could be talking about a figure of up to €1 billion in unclaimed expenses".

I am not aware of the data or analysis upon which this estimate of €1 billion was based, or the claim that 40% of PAYE taxpayers are unaware of their tax relief entitlements. They appear to be largely a matter of conjecture.

The reality is that the vast majority of PAYE workers receive their full entitlements each year. These entitlements are, in the first instance, reflected in the Tax Credit Certificates issued to all employees at the beginning of each year. These certificates reflect the most up-to-date information Revenue has on an individual and they are accompanied by a leaflet giving details of the credits/reliefs to which taxpayers may be entitled. Taxpayers are encouraged to contact Revenue, or to make a self-service claim, if there are any omissions or errors on the certificate.

Where circumstances change in the middle of the tax year, for example, a marriage or a change of job, the employee will normally contact Revenue and arrange for a new tax credit certificate to issue. Many PAYE taxpayers wait until after the end of the tax year to claim due reliefs (for example medical expenses relief) or request balancing statements. The increasing volume of year-end claims in recent years indicates a growing awareness among PAYE taxpayers as to their entitlements.

From time to time Revenue runs public information campaigns in relation to both entitlements and the easiest ways to make a claim. For example, in 2006 the Revenue Chairman wrote to every person on the PAYE tax record telling them about the new on-line and other self-service options for employees. During August and September Revenue launched a nationwide campaign to encourage take-up of health-type reliefs, the bin charge credit and rent relief. The response to this campaign was encouraging and I am advised that Revenue will be running something similar again in 2007.

I should also mention in this connection that, as announced in the Budget, starting in 2007 credit institutions will be allowed to operate DIRT-free accounts for the over 65's and incapacitated per-

sons; and all age-related credits and credit for trade union subscriptions will be given as far as possible automatically. Revenue are also looking at making arrangements so that the non reimbursed amounts paid on prescribed drugs under the drugs refund scheme can be automatically refunded at the person's marginal rate of tax. And for 2008, the plan is to move to giving automatic repayments in respect of certain hospital and other medical expenses. Other automatic relief options (such as in respect of nursing home payments) are also being explored.

153. **Mr. Broughan** asked the Minister for Finance if there are proposals to speed up the process for appealing tax bills after reports that it can take up to six years for an appeal to be processed; and if he will make a statement on the matter. [3886/07]

Minister for Finance (Mr. Cowen): The Deputy will be aware that a taxpayer who is dissatisfied with a decision or assessment of the Revenue Commissioners has a right under tax law to appeal the decision or assessment to the Appeal Commissioners. This must be done within a limited period, which in the case of income tax, for instance, is 30 days. The Appeal Commissioners are appointed by the Minister for Finance under section 850 of the Taxes Consolidation Act 1997 and are independent of the Office of the Revenue Commissioners.

The responsibility for the management of tax appeals is shared between the Revenue Commissioners and the Appeals Commissioners. The full appeal process has a number of stages. I am informed by the Revenue Commissioners that Revenue practice is that cases that have been appealed are sent on to an appeal hearing only after every reasonable effort has been made to settle the case by negotiation without conceding any important point of principle. More important appeal cases are overseen by an Appeals Committee within Revenue to ensure a certain quality and standard in the cases taken and to ensure a consistent approach to the selection of cases for the higher courts.

I am further informed by the Revenue Commissioners that the length of time taken to process an appeal case in Revenue and bring it to the Appeal Commissioners is determined by the nature of the case rather than any general delays in dealing with the case in Revenue. Finalising a case for submission to the Appeal Commissioners is not just a matter for Revenue as the taxpayer is also centrally involved, both in providing information and in agreeing the grounds for appeal. There is also the point that in many cases, estimated assessments are raised and appealed while an audit is ongoing, usually in the absence of progress on the audit or where a fundamental difference appears that is unlikely to be resolved by agreement. The raising of an assessment may prompt further negotiations or submissions of

outstanding material. By their nature such cases are difficult and take time to bring to a stage where they are ready for submission to the Appeal Commissioners. The taxpayer can at any stage appeal directly to the Appeal Commissioners if he or she feels that there is an undue delay within the Revenue Commissioners. Complaints in relation to delays are very rare.

The Deputy may be aware that the management of tax appeals was examined by the C&AG and included in his 2006 report. In a random sample of cases it was found that the time taken between receipt of the appeal in the Revenue Commissioners and referral to the Appeal Commissioners generally varied from less than 1 month to 27 months. In one case, the time taken was 79 months but this case was held up pending the outcome of other cases. I am informed by the Revenue Commissioners that cases under appeal are closely monitored to ensure that there is no undue delay in finalising such cases.

Where a taxpayer remains dissatisfied following a decision of the Appeal Commissioners he or she may request a complete rehearing of the case in the Circuit Court. With the exception of cases involving capital acquisition tax and excise duty, this option is not open to Revenue. A point of law arising from a decision of the Appeal Commissioners may be referred to the High Court or the Supreme Court, if necessary, by way of case stated at the request of either party to an appeal.

154. **Mr. Howlin** asked the Minister for Finance the position in relation to the clawback provisions in respect of stamp duty; the number of occasions the clawback has been exercised; the number of properties in relation to same; the amount of stamp duty involved; the reason for the clawback being applied; if the Financial Regulator has issued guidelines to financial institutions regarding advising buyers of this potential clawback; and if he will make a statement on the matter. [3866/07]

Minister for Finance (Mr. Cowen): I am informed by the Revenue Commissioners that between 4 April 2006 and 1 February 2007 there were 537 instances where various stamp duty reliefs which had been granted were clawed back. The total yield from the clawbacks amounted to €4,262,466. Generally each clawback referred to only one property. The clawbacks were in respect of 5 reliefs as follows:

Farm Consolidation, Section 81B Stamp Duties Consolidation Act (SDCA) 1999: 1 case — yield €1,050. The relief is given to full time farmers who exchange land in order to consolidate their farms. The relief is clawed back if the land or part of the land is disposed of within 5 years from the date of execution of the deed of transfer. The relief is in the form of zero rate of stamp duty where the lands exchanged are of equal value.

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Young Trained Farmer, Section 81 SDCA 1999: 12 cases — yield €64,696. The relief is given to persons who at the date of execution of the deed have attained certain agricultural and educational standards or who subsequently attain such standards. This relief was clawed back as the lands or part of the lands the subject of the relief were disposed of within 5 years from the date of execution of the instrument without the proceeds from the disposal being used in acquiring other lands within a period of one year of the date of the disposal. The relief is in the form of a zero rate of stamp duty.

New dwelling house/apartment with floor area certificate, Section 91 SDCA 1999: 350 cases — yield €2,928,349. This relief is granted where the property has a floor area of less than 125 square metres, is occupied by the purchaser or by some person in right of the purchaser and is clawed back if the purchaser is in receipt of rent from the dwelling house/apartment other than rent received under the rent-a-room scheme within 5 years of the date of execution of deed. The relief is in the form of a zero rate of stamp duty.

New dwelling house/apartment with no floor area certificate, Section 92 SDCA 1999: 57 cases — yield €476,788. The relief is granted where the property has a floor area of greater than 125 square metres, is occupied by the purchaser or by some person in right of the purchaser and is clawed back if the purchaser is in receipt of any rent from the dwelling house/apartment other than rent received under the rent-a-room scheme within 5 years of the date of execution of the deed. The relief is applied by charging duty only on the value of the site or one quarter of the total value of the site plus building agreement, less VAT, whichever figure is the greater or on one quarter of the total consideration, less VAT where a completed house is being purchased.

First-time purchaser, Section 92B SDCA 1999: 117 cases — Yield €791,583. This relief is granted where the purchaser or purchasers at the date of execution of the deed had not individually or jointly with any other person, or persons, previously purchased another dwelling house or apartment or part of another dwelling house or apartment. The relief is granted to owner occupiers or where the property is occupied by some person in right of the purchaser and is clawed back if the purchaser is in receipt of any rent from the dwelling house/apartment other than rent under the rent-a-room scheme within 5 years of the date of execution of the deed.

I am not aware that the Financial Regulator has issued guidelines in this matter but this would be primarily an issue for the solicitors acting for the individuals concerned, who I would expect, would advise their clients of the appropriate legal requirements and exposures in this context.

155. **Mr. M. Higgins** asked the Minister for Finance the number of stud farms or operations

which completed returns in relations to earnings and so on in respect of stallions; the final number of returns made in this respect; the average, the highest, and the lowest income and profit for tax purposes reported; and if he will make a statement on the matter. [3891/07]

Minister for Finance (Mr. Cowen): The relevant information available is based on returns by individuals and companies of tax exempt income arising from stallion stud fees for the tax year 2004.

I am advised by the Revenue Commissioners that the number of such returns was 129 with the average exempt income reported at €222,119 and the lowest at €245. There were 8 returns of stallion stud fees in excess of €1 million. Data is available only on gross, not net, income in the returns. Such income will now be subject to tax from 31 July 2008 and stallion income was included in the horizontal measure in Finance Act 2006 on minimum tax rates.

Proposed Legislation.

156. **Mr. Coveney** asked the Minister for Finance his plans to amend the Credit Union Act and regulations which have hampered their development. [4129/07]

Minister for Finance (Mr. Cowen): The Credit Union Act, 1997 provides the legal framework for the regulation of credit unions. The Act was designed to provide the credit union movement with a regulatory structure that reflects and promotes the particular ethos and philosophy of the credit union movement, its strong tradition of volunteer service and the core objective of providing opportunities for saving and lending for members of credit unions.

The approach to regulation embodied in the Credit Union, 1997 Act has served the credit union movement well by providing clarity and certainty to individual credit unions, their Directors and members. It has helped support the continued stability of the credit union movement and safeguard the members' savings during a period of rapid growth. As Minister for Finance, my role is to ensure that the legal framework for credit unions continues to be appropriate for the effective operation and supervision of credit unions. In this context, there have been a number of developments over the last 12 months.

Earlier this week I published the Report of the Review Group on longer-term lending limits as provided for by section 35 of the Credit Union Act 1997. The Report recommends that Section 35 lending limits should be increased for loans over five years from 20% to 40% and over ten years from 10% to 15%, for those credit unions approved by the Registrar of Credit Unions as having the necessary controls and safeguards in place and satisfying financial criteria in relation to arrears and reserves. The legislative changes

necessary to implement the report will be introduced in the coming months.

I have also introduced regulations to increase the amount of money that members can deposit with a credit union, as well as increasing the limits that a person can hold between deposits and shares. In addition, I have increased the limits in relation to nomination of property in a credit union and provision for small payments on death. Furthermore, following consultations with the representative bodies of credit unions and drawing on the advice of the Credit Union Advisory Committee — the statutory expert advisory body on credit union matters — in October of last year the Registrar of Credit Unions issued guidelines on a revised investment framework for prudent and responsible investment by credit unions.

As the Deputy may be aware the case for modernising the regulatory framework for credit unions has been raised by both the Registrar of Credit Unions and the representative bodies for credit unions. It is important that there is a clear shared understanding on how a new regulatory framework would operate, before moving to develop specific proposals. In this context, I wrote to the Chair of the Financial Regulator last year recommending that the Financial Regulator engages with the credit union movement, in the first instance, to identify common ground in relation to a set of principles that could guide the development of an updated regulatory framework for credit unions. The Chair of the Financial Regulator has indicated the Authority's willingness to move forward on this basis, and I understand that the Registrar of Credit Unions has arranged consultations with the Irish League of Credit Unions and the Credit Union Development Association on this issue.

Finally, it should be noted that the Registrar of Credit Unions at my request is actively examining proposals for reform of the Irish League of Credit Unions Savings Protection Scheme for credit unions. My Department understands that a schedule of meetings and a work programme has been agreed with a view to concluding this process at an early date.

Decentralisation Programme.

157. **Mr. Gormley** asked the Minister for Finance the specific circumstances under which surplus civil servants unwilling to move to new locations under the decentralisation programme will be subsequently rehired. [4076/07]

167. **Mr. Stagg** asked the Minister for Finance the latest estimate of the number of civil or public servants, who do not wish to relocate, who will be surplus to requirements as a result of their jobs being transferred to other locations under the Government's decentralisation programme; the jobs that will be provided for these personnel; and if he will make a statement on the matter. [3898/07]

Minister for Finance (Mr. Cowen): I propose to take Questions Nos. 157 and 167 together.

From the outset both the Government and I have made it clear that participation in the decentralisation programme is voluntary. Across the public service, recruitment and promotion practices generally are being managed in a way which facilitates the achievement of the Decentralisation Programme in an efficient manner and in that context agreement has been reached with the Civil Service unions representing general service staff that an assignment will not be made to a decentralising post until alternative arrangements have been identified for an existing post holder who does not wish to decentralise with it.

Because of the nature of the programme it is not possible at this stage to estimate the precise number of public servants who do not wish to relocate as individual circumstances are open to change and therefore figures can fluctuate. The picture will become clearer over the coming period as staff are assigned to decentralising organisations.

The primary mechanism for placing Civil Servants who are in posts which are due to decentralise but wish to remain in Dublin is by way of bilateral transfer. As staff who have applied to decentralise continue to be transferred into decentralising organisations, the posts they vacate become available to those wishing to remain in Dublin.

Further arrangements have been initiated for general service grades. The objective of these arrangements is to provide to the Public Appointments Service details of staff who wish to remain in Dublin at each grade level so that a proportion of vacancies arising in Dublin based posts may be filled by those staff. It is intended that the arrangements will continue over the full transition phase of the Programme.

My department is monitoring these arrangements in co-operation with Departments and the relevant unions to ensure that they are operating efficiently and that there is a close alignment between the assignment of staff to decentralising posts and the readiness of Departments to release staff at particular grade levels.

Discussions are ongoing with the unions representing professional & technical staff in the Civil Service on this issue. The position in relation to the State Agencies is of course more complex and further complicated by the absence of any tradition of or agreement on inter-changeability between Public Service organisations and between the Public Service and the Civil Service. Little progress has been made to date in advancing agreement between management and trade unions on the issues involved. It is my strong view that they can only be resolved through dialogue and negotiations and my Department is pursuing directly with ICTU proposals for getting central discussions underway on the full range of industrial relations issues relating to the decentralisation of State agencies.

National Development Plan.

158. **Mr. Penrose** asked the Minister for Finance the penalties and actions that will be taken should a progress report on an National Development Plan 2007 to 2013 project submitted to a management committee of a Department or agency indicate that the project is not complying with the value for money framework, is not achieving targets and is running over cost; and if he will make a statement on the matter. [3876/07]

Minister for Finance (Mr. Cowen): Chapter 12 of the NDP 2007-2013 sets out a strong Value for Money framework for expenditure under the Plan. This includes the requirement for progress reports on projects to the management of implementing Departments and Agencies. It will be a matter in the first instance for these bodies to take whatever action is necessary if the circumstances outlined in the Deputy's Question pertain. In this regard, my Department's Capital Appraisal Guidelines sets out guidance as to the steps to be taken at appraisal and implementation stage if and when the circumstances outlined in the Question arise.

More generally, Departments and Agencies are required to carry out spot checks on compliance with the Value for Money framework and submit the findings to my Department. These Reports will be examined by the recently established Central Expenditure Evaluation Unit of my Department. This Unit may also carry out checks on its own initiative. My Department, in consultation with implementing Departments and subject as appropriate to Ministerial and Government approval, will consider what action if any might be warranted on foot of this scrutiny process.

Exchequer Revenue.

159. **Mr. Allen** asked the Minister for Finance his views on the heavy reliance of the Exchequer on revenue from the housing sector; and if he will make a statement on the matter. [4124/07]

Minister for Finance (Mr. Cowen): Activity in the housing sector impacts primarily on VAT, Stamp duty and Capital gains tax. Housing market activity also impacts on Income tax and PRSI receipts and Corporation tax from construction sector company profits.

While revenues from housing market activity such as Stamp duty and Capital gains tax have made an increasing contribution to the Exchequer in recent years, we are not overly reliant on receipts from these sources. For example, taken together the Stamp duty and Capital Gains tax tax-heads are forecast to contribute just under 15 per cent of total targeted tax revenues in 2007 and it is worth noting that a significant proportion of receipts from these tax-heads come from sources other than residential property.

In contrast the 4 main tax-heads — VAT, Income tax, Corporation tax and Excise are forecast to account for 84 per cent of tax receipts this year, even allowing for the lower than usual corporation tax forecast which is due to the cash-flow reduction arising from the ending of the transitional payment arrangements.

Care has been taken not to plan the public finances around an assumption that receipts from Stamp duty and Capital gains tax will continue to grow in future years as they have in the recent past. This is a prudent and sensible approach to take and it has been endorsed by the IMF and other commentators.

Fiscal Policy.

160. **Mr. P. Breen** asked the Minister for Finance if he has assessed the implication of the Central Bank's Financial Stability Report for Government policy; and if he will make a statement on the matter. [4126/07]

204. **Mr. Ferris** asked the Minister for Finance his views on the fact that according to the Central Bank, in its Financial Stability Report 2006, personal indebtedness has reached record levels; and if he will make a statement on the matter. [4052/07]

Minister for Finance (Mr. Cowen): I propose to take Questions Nos. 160 and 204 together.

I welcome the publication by the Central Bank of its Financial Stability Report 2006 which reflects the Bank's mandate to contribute to the stability of the financial system in Ireland. I note the Report's main conclusion that Ireland's financial system continues to be in a good state of health. The Bank's central expectation, based on an assessment of the risks facing borrowers, the financial position of the banking sector as well as the results of recent stress testing of the system, is that the current shock-absorption capacity of the banking system leaves it well placed to withstand possible pressures.

The Bank's Report identifies vulnerabilities facing the financial system, including those arising from credit growth and house price inflation. As the Deputy will be aware, within the implementation of the overall legislative framework, private sector credit growth and debt levels are, in the first instance, a matter for the Central Bank and Financial Services Authority of Ireland. While the strong increase in borrowing is a sign of a healthy economy and a positive economic outlook on the part of borrowers, I fully support the vigilance of the Central Bank and the Financial Regulator on the issue of personal credit and mortgage debt and in reminding both borrowers and lenders of the need for responsible behaviour. Recent indicators point to continued moderation in house price inflation in line with increased housing supply and higher ECB interest rates. The consensus among commen-

tators is for this trend to continue, resulting in a gradual cooling and soft landing for property prices in Ireland. The Central Bank's report shares the view that this is the most likely outcome.

The Government, for its part, will continue to contribute to economic and financial stability by pursuing a prudent fiscal policy. In terms of the general economic implications of the rise in house prices and the associated increase in indebtedness in recent years highlighted in the Report, both borrowers and lenders need to be aware that interest rates are currently still low by historic standards. The Central Bank has highlighted the need for borrowers and lenders to factor into their financial decision-making the prospective impact of potential changes in the future economic and financial environment, including the impact of higher interest rates.

Moreover, the Report makes the point that a shock to the economy which affected employment and earnings growth could affect the ability of borrowers to service their debt. As Ireland is a small and very open economy, and hence vulnerable to changes in the global environment, this highlights the need to retain and indeed improve our international cost competitiveness. It also illustrates the need for responsible budgetary policy in order to provide room for manoeuvre in the event of any sharp slowdown in economic growth.

As far as safeguarding the interests of the individual borrower is concerned, the role of Government is to provide an appropriate legislative framework for the regulation of the financial sector — one that is both comprehensive and robust. With the establishment of the Financial Regulator and the Financial Services Ombudsman, such a framework is now in place. Under the Financial Regulator's Consumer Protection Codes, mortgage lending institutions are obliged to act in their customers' best interests. The Financial Regulator has launched a number of specific initiatives to inform consumers in making the best choice of mortgage product for their needs. There are also specific legal obligations under the Consumer Credit Act regarding the information that must be provided to borrowers about their housing loans. The Financial Regulator earlier in the year introduced a technical prudential measure requiring financial institutions to put more capital aside for certain categories of loans. This reinforces the message consistently conveyed to lending institutions by the Financial Regulator that mortgage lending policies and practices should be prudent and responsible. My overall view is that the Report, with its main conclusion and its assessment of risks, makes a valuable contribution to the assessment and maintenance of financial stability in our economy.

National Development Plan.

161. **Mr. Cuffe** asked the Minister for Finance

if consideration has been given to the prioritisation of projects in the National Development Plan in the event of a change in economic conditions; and the way that would affect interdependencies between programmes and projects. [4075/07]

Minister for Finance (Mr. Cowen): The level of investment set out in the National Development Plan 2007-2013 has been formulated using realistic macroeconomic projections and on the basis of a prudent approach to budgetary policy. This approach should not add to inflationary pressures and should leave flexibility for budgetary manoeuvre in the event of an economic slowdown. In this scenario, further consideration of public expenditure priorities, including those covered by the NDP, may be required. I would, however, stress that the Government is committed to both the aggregate and sectoral composition of investment under the Plan and is confident that, through good management of the economy, it will deliver the necessary resources to fund the investment.

Tax Code.

162. **Mr. Howlin** asked the Minister for Finance the impact of individualisation on a married couple with one earner, a married couple with 2 earners and a separated couple where both are earning; the difference in allowance and credits for each of the years since the introduction of individualisation; and if he will make a statement on the matter. [3900/07]

Minister for Finance (Mr. Cowen): There is a difference in tax liability which arises from the different standard rate bands which apply to single individuals, married one-earner couples and married two-earner couples. For 2007, the maximum potential difference between a married one-earner couple and a married two-earner couple is €5,250 (€25,000 @ 21%).

To the extent that a difference in tax liability arises between a married one-earner couple and a married two-earner couple from the different bands which apply, it must be borne in mind that there are costs associated with earning an income, such as travel and childcare costs. Such costs are likely to be greater if two persons rather than one person work outside the home to earn the same gross income.

Married couples may still benefit from double personal tax credits. The married tax credit has the same value for couples whether they are one-earner or two-earner. The employee (PAYE) credit is only available to employees and not to others so it is not doubled up in the case of married one-earner couples. However, this has always been the position since the credit was introduced as an allowance in 1979. It should also be noted, however, that married one-earner couples, one of whom cares for a dependent per-

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son, e.g. a child of the couple, may benefit from entitlement to the home carer tax credit, currently €770 per annum, which is not available to married two-earner couples where the second earner has income in excess of €6,620 per annum.

In relation to separated spouses, such persons may receive different tax treatment depending on the nature of their post-separation arrangements. Where legally enforceable maintenance arrangements apply, the general position is that:

- the spouse who pays the maintenance is entitled to a tax deduction for payments made for the benefit of the other spouse,
- the maintenance payments are taxed in the hands of the receiving spouse,
- the couple are treated for tax purposes as if unmarried.

In effect the maintenance payment is treated for tax purposes as if it was the income of the recipient and not the payer. However, a separated couple may (except where a civil annulment has been obtained) jointly elect to be treated for tax purposes as if the separation had not taken place (provided they are both resident in the State and, if divorced, neither have remarried). When such an election is made, then the maintenance payments are ignored for tax purposes. The payer does not receive a tax deduction for them and the receiving spouse is not taxable on them.

In the case of non-legally binding maintenance payments, such payments are not taxable in the hands of the receiving spouse and the paying spouse cannot claim a tax deduction for them. Accordingly, separated spouses may be treated for tax purposes as single persons or may continue to be treated as married in certain circumstances. Thus, individualised tax bands may or may not have relevance to a couple who have separated. Where they do have an impact, such impact is the same as would have applied before the separation occurred.

Question No. 163 answered with Question No. 148.

Exchequer Revenue.

164. **Ms B. Moynihan-Cronin** asked the Minister for Finance if he will comment on the Exchequer return for the first month of 2007. [3893/07]

Minister for Finance (Mr. Cowen): As the Deputy may be aware, the monthly Exchequer Returns are available on my Department's website, as are my Department's tax receipts, expenditure and debt service profiles for 2007.

The results for the first month of 2007 confirm the continuing sound position of public finances. The Exchequer Balance to end-January showed a surplus of €1,691 million compared to a surplus of €1,302 million for the same period last year

and a budgeted deficit of €546 million for 2007 as a whole.

Exchequer tax receipts to end-January are, at €4,745 million, €55 million or 1.2% above profile. They are up 12.2% on the same period last year. This compares with a Budget day target of an increase of 7.8% for 2007 as a whole. The main excesses over profile were corporation tax (€54 m), VAT (€44 m), stamp duties (€34 m) and capital taxes (€24 m) but these have been balanced by income tax receipts which are €166 million below profile.

Overall issues for net voted expenditure for January 2007 were 1.9% or €67 million above the profiles, which were published last week. Net voted capital expenditure at end January was €10 million higher and net voted current expenditure was €57 million higher. This was mainly due to a significant payment of €41 million from the International Co-operation Vote which was made in January but profiled for February.

Capital Projects.

165. **Mr. S. Ryan** asked the Minister for Finance the size a project must be to qualify as a major project worthy of a project manager; the civil service level of salary that will be provided for project managers of major projects; the number of the planned projects that are estimated to be of the required size and will require the appointment of a project manager; and if he will make a statement on the matter. [3875/07]

Minister for Finance (Mr. Cowen): My Department's Capital Appraisal Guidelines of February 2005, as amended by Circular Letter of 25 January 2006 on Value for Money, provide for an individual to be appointed as project manager for each capital project. The guidelines specify that a senior official should be appointed as project manager for capital projects above €30 million, including at management committee level, where appropriate, but do not specify a particular salary level or grade.

It is a matter for each project implementing Department or Agency to determine who should be appointed project manager in each individual case in the light of the foregoing requirements having regard to the scale, complexity and cost of each project. The choice of project manager by the Department or Agency will determine the grade and salary which will apply.

It is not possible for my Department to estimate the number of projects likely to be in excess of the threshold of €30 million. This will depend on the project level composition of the capital programmes of the many Departments and Agencies affected by the requirement.

Banking Sector Regulation.

166. **Mr. Crowe** asked the Minister for Finance his views on legislating for the right to a bank account, as has been done in other States,

enabling people without a bank account to open an account at a financial institution of their choice. [4053/07]

Minister for Finance (Mr. Cowen): The banking industry has proposed the development of a universal bank account which would provide basic access to the Irish payments system enabling citizens to make and receive payments electronically — whether in the form of salary, benefit or welfare. The Deputy may wish to note that there are a number of issues to be considered in progressing such a proposal such as the fees to be associated, who would have right of access to such an account and also the actual need for such a product.

Additionally, at the National Payments Conference in December 2006, hosted jointly by the Department of the Taoiseach and the Irish Payments Services Organisation, data was presented which suggested that this is a less widespread issue than has been thought hitherto. More detailed study is therefore necessary in advance of the formulation of any policy initiative in this area.

It must also be remembered that the credit union movement has been a key provider of savings and loans since its inception and has a particular role to play in supporting savings by persons on low incomes. There are currently 427 credit unions registered with the Financial Regulator with around 2.5 million members and assets of around €13 billion. Since 1995 credit unions have grown significantly with an increase in savings from €2 billion to around €13 billion.

My responsibility as Minister for Finance is to bring forward proposals for a legislative framework for the regulation of the financial services sector from a prudential, systemic and consumer protection perspective. In general the operational responsibility for implementation of that framework lies with the Financial Regulator. As far as I am aware the legislative and regulatory framework provides no obstacle to access. There are 7,000 or so financial services providers authorised by the Financial Regulator and the range and scope of the services they provide is primarily a commercial decision in which neither the Financial Regulator nor I have any operational role.

As part of its consumer mandate the Financial Regulator has taken a number of specific initiatives to help consumers in the framework of the Financial Regulator's "It's Your Money" campaign. These have involved publishing consumer guides and cost surveys on credit and other financial products, and fact sheets, including a fact sheet entitled "How to Open a Bank or Building Society Account" all of which are intended to assist consumers in making the most appropriate financial decisions. The Financial Regulator has commissioned independent research into this matter with a view to further possible initiatives or policy proposals to address any problems identified. This research includes the report entitled

'Financial Exclusion in Ireland — An Exploratory Study and Policy Review' which was launched by the Financial Regulator on 11 December 2006. The Financial Regulator has also included in its Consumer Protection Code a requirement that any measures adopted in relation to identification of customers should not deny a person access to financial services solely on the grounds that they do not possess certain specified identification documentation.

Question No. 167 answered with Question No. 157.

Tax Code.

168. **Mr. Hayes** asked the Minister for Finance if he has studied proposals for tax reform to ease the operation of charities; and his views on proposals for VAT compensation, threshold for donation relief and duty relief on banking cards. [4141/07]

Minister for Finance (Mr. Cowen): On the issue of the threshold for donations relief, amending the scheme to increase the tax relief available could significantly increase the current cost of the scheme to the Exchequer. The relief is already very generous. There is no upper limit on the amount which can be donated generally and relief is granted at the donor's marginal rate of income tax. Donations can be cumulative, so that, for example, a donation of just €5 per week over the course of a year would qualify. The donations scheme was one of the tax reliefs examined as part of last year's overall review of tax reliefs and exemptions. The review concluded that the €250 minimum threshold is serving its purpose and should be retained at its current level, subject to ongoing review. I agree with that conclusion.

In relation to VAT compensation for charities and non-profit organisations, the position is that charities and non-profit groups engaged in non-commercial activity are exempt from VAT under the EU VAT Directive, with which Irish VAT law must comply. This means they do not charge VAT on the services they provide 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.

I understand that the Irish Charities Tax Reform Group (ICTRG) accepts that charities cannot be granted VAT refunds through the tax system. However, they are seeking the introduction of a grant or subsidy in lieu of the VAT charities pay on their business inputs and estimate that this would cost the Exchequer €18 million per annum. In this regard, the 140 bodies represented by the ICTRG already acknowledge that they receive €8.6 million in funding either directly or indirectly from the Exchequer.

The Revenue Commissioners have advised that there are approximately 7,000 charities registered

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with them. It is therefore likely that the introduction of a scheme along the lines proposed by the ICTRG would cost the Exchequer significantly more than the €18 million they have estimated. The introduction of a grant in lieu of VAT paid by registered charities would undoubtedly lead to other exempt bodies such as schools, hospitals and sporting organisations, many of which are already registered as charities, seeking to benefit from such a system. These are in most cases already receiving considerable Exchequer funding.

Finally, with regard to duty relief on banking cards, I assume the Deputy is referring to the proposal to introduce a donation scheme in relation to the stamp duty paid on such cards. I have no plans to introduce a scheme along the lines proposed. In line with normal practice, stamp duty revenues are applied by the Exchequer for the common good, as determined by the Oireachtas. Earmarking particular taxes reduces the discretion of Government and the Oireachtas in determining the priority areas in which public money should be spent.

Performance Indicators.

169. **Mr. Noonan** asked the Minister for Finance if any Department failed the end of 2005 deadline for the development of performance indicators set out in his Department's recent report on a new system of business planning and performance measurement; and if all Departments have now done so. [4165/07]

Minister for Finance (Mr. Cowen): As I indicated in my reply to PQ 33214/06 of 18th October last and PQ 39176/06 of 22nd November last, I presume that the Deputy is referring to my Department's Report of the Pilot Project on Resource Allocation, Business Planning and Performance Measurement of August, 2005. The conclusions and recommendations of this report informed Government thinking on reform of the Estimates and Budget process signalled in Budget 2005 and announced in Budget 2006. The report's recommendations, including those in relation to the development of performance indicators, were subsumed by the Government's reforms announced by me in Budget 2006.

As part of the reforms Ministers are required to present an annual output statement in tandem with their Estimates commencing in 2007 to assist the Select Committees with their consideration of the Estimates. The annual output statements for 2007 will set out performance output targets by programme area linked to the high level goals in Departments' strategy statements and, for 2008 onwards, will set out actual outturns against the previous year's output targets and new targets for the year under consideration. I understand from all Departments that their first Annual Output

Statements will be available for consideration in tandem with their 2007 Revised Estimates.

Special Savings Incentive Scheme.

170. **Mr. Sherlock** asked the Minister for Finance the amount paid out to date on mature SSIA accounts with a monthly breakdown since payments began; the estimated payments for the next 12 months; and if he will make a statement on the matter. [3899/07]

Minister for Finance (Mr. Cowen): I am informed by the Revenue Commissioners that the information requested of amounts paid out to date with a monthly breakdown on mature SSIA accounts is not available at the moment. Financial Institutions will, as part of their normal annual return provide some data but it will be later this year before Revenue's analysis of that data is available.

The Deputy will be aware that the SSIA scheme will come to an end in May 2007 and it is estimated that the pay out to SSIA account holders maturing in the next three months will be in the region of €9 billion. The payout will include original investment and top up, after deduction of maturity tax. The estimated payout for the scheme as a whole is likely to be in the region of €15 billion.

Departmental Expenditure.

171. **Mr. Stagg** asked the Minister for Finance the evaluations of public spending programmes which his Department has undertaken during the past 12 months; and if he will make a statement on the matter. [3902/07]

Minister for Finance (Mr. Cowen): As regards formal evaluations provided for from my Department's vote, my Department has, in the last 12 months, completed and published three reviews under the Value for Money (VFM) and Policy Review Initiative. These were reviews of the Grants-in-Aid to the Economic and Social Research Council (ESRI) and the Institute of Public Administration, and of the Information Society Fund. In the last 12 months work has also commenced on VFM reviews of the Grant-in-Aid to Ordnance Survey Ireland, of the civil service child-care initiative and of procurement management reform.

In the preparation of the National Development Plan 2007-2013 my Department commissioned an ex-ante evaluation of the investment priorities for the National Development Plan; this was published by the ESRI in October of 2006. Finally, the National Development Plan/Community Support Framework (NDP/CSF) evaluation unit of my Department has recently completed and published progress reports on NDP/CSF January 2000-December 2006.

National Development Plan.

172. **Dr. Cowley** asked the Minister for Finance the breakdown of the persons responsible for the €3.75 billion underspend in the Border Midland Western region; and if he will make a statement on the matter. [3954/07]

236. **Dr. Cowley** asked the Minister for Finance if on the basis of information available to him from monitoring committee reports, including their assessments of continuing spend under the current National Development Plan, he expects that by the end of the programme period in six weeks time, the original forecasts for Exchequer and EU spending in the Border Midlands Western region will have been realised in full in view of the fact that there remains a €3.75 billion under spend with €500 million for roads under spend whilst planned motorways and dual carriageways planned by 2010 makes no mention of

the N5/N26, N4, N2/N14 and N3 and only the 20 percent EU co-funded projects can be financed beyond 2006; and if he will make a statement on the matter. [41167/06]

Minister for Finance (Mr. Cowen): I propose to take Questions Nos. 172 and 236 together.

Investments under the National Development Plan/Community Support Framework (NDP/CSF) 2000-2006 are delivered through seven Operational Programmes (OPs) which are directly managed and implemented by Government Departments, the Regional Assemblies and other Agencies as set out in the table below. My main concern is to ensure that the available funds are allocated in a manner that meets the Government's objectives and secures full draw-down of Ireland's entitlement of Structural Funds. In that light I am anxious to ensure that both regions secure the EU and Exchequer funding available to them under the NDP/CSF.

Operational Programme	Managing Authority
Economic and Social Infrastructure OP	Department of Transport
Employment and Human Resources OP	Department of Enterprise, Trade and Employment
Productive Sector OP	Department of Enterprise, Trade and Employment
S&E Regional OP	Southern & Eastern Regional Assembly
BMW Regional OP	Border, Midland & Western Regional Assembly
Peace OP	Special EU Programmes Body
Technical Assistance OP	Department of Finance

Each Operational Programme has a Monitoring Committee which monitors financial and physical output targets and in turn reports to the NDP/CSF Monitoring Committee which is chaired by my Department. This Committee plays an active role in the monitoring of the NDP/CSF and meets at least twice yearly to review progress being made towards achieving objectives and targets. The Committee is made up of a wide partnership of interests, including implementing Departments, the social partners, sectoral interests, and members of local authorities representing the Regional Assemblies.

The House will be aware of the general state of play in relation to expenditure in the BMW region from previous debates and questions on this issue. The figures reported at the recent NDP/CSF Monitoring Committee meeting in December 2006 indicate that some €11.7 billion of Exchequer and EU expenditure has been incurred by the end of June 2006. The original Exchequer and EU forecast for the BMW region for the lifetime of the Plan is €14.5 billion. Accordingly, this is a healthy implementation rate in view of the slow start up in some areas at the very beginning, the relatively disappointing response in certain demand led schemes and the fact that Exchequer spending in relation to Structural Fund Measures for the 2000-2006 period will

in fact continue up to 2008 in accordance with EU Regulations.

Based on the most recent information available to me from Monitoring Committee reports including their assessments of continuing spend under the current NDP, I expect that by the end of the programme period in 2008, the forecast for Exchequer and EU spending in the BMW region will be in the region of €14 billion.

Originally profiled Exchequer and EU funds for the BMW region under the National Roads Priority of the Economic and Social Infrastructure Operational Programme is €1.8 billion for the lifetime of the Programme. Expenditure reported to end June 2006 stands at €1.5 billion with a further €300 million estimated to be incurred by the end of the Programme in 2008 bringing expenditure broadly in line with the forecasts. Overall responsibility for the planning and implementation of national roads projects is a matter for the National Roads Authority and the relevant Local Authority.

Tax Yield.

173. **Ms Shortall** asked the Minister for Finance the percentage of GNP that the total annual tax revenue was equivalent to for each year from 2002 to date in 2007, broken down into each taxation category; the estimated corresponding figures for the year 2007 broken down into each tax-

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ation category; and if he will make a statement on the matter. [3882/07]

Minister for Finance (Mr. Cowen): The table below provides the details requested by the

	VAT	Income Tax	Corporation Tax	Excise Duty	Big 4 Total	Customs	Stamp Duty	CGT	CAT	Overall Total
	% of GNP	% of GNP	% of GNP	% of GNP	% of GNP	% of GNP	% of GNP	% of GNP	% of GNP	% of GNP
2002	8.4	8.5	4.5	4.2	25.6	0.1	1.1	0.6	0.1	27.6
2003	8.3	7.8	4.4	3.9	24.4	0.1	1.4	1.2	0.2	27.4
2004	8.6	8.6	4.3	4.0	25.4	0.1	1.7	1.2	0.2	28.6
2005	8.9	8.3	4.0	3.8	25.1	0.2	2.0	1.4	0.2	28.9
2006 (e)	9.0	8.3	4.5	3.8	25.6	0.2	2.5	2.1	0.2	30.6
2007 (e)	9.2	8.4	4.1	3.8	25.5	0.2	2.4	2.1	0.2	30.4

Figures may not add due to rounding of constituent items.
(e) = estimate.

The main reason for the significant growth in the total tax burden over the period is the increasing percentage of GNP accounted for by stamp duty and capital gains tax, due mainly to the strength of the property market in recent years.

National Development Plan.

174. **Mr. Cuffe** asked the Minister for Finance if there will be individual timeframes published for the implementation of the various components of the National Development Plan. [4074/07]

Minister for Finance (Mr. Cowen): The text of the Plan already contains specific targets including, completion of the Inter-Urban Motorways by 2010, a range of specific outputs in public transport in line with the Transport 21 timetable, completion of the 2nd terminal at Dublin Airport, commitment to meeting the housing needs of 140,000 households, increasing annual tourist numbers to 10m by 2012 and for renewable energy. In addition, Chapter 3 of the Plan sets out specific interventions by Gateway area to be undertaken over the period of the Plan.

More generally, financial and physical progress under the Plan will be monitored by reference to a reporting template which will be prepared by my Department. I anticipate that this template will encompass some additional timelines for Plan investment implementation in addition to those included in the Plan as published. A Central NDP Monitoring Committee will also be established and there will be an Annual Report to the Oireachtas on Plan progress.

Tax Code.

175. **Ms O. Mitchell** asked the Minister for Finance the Government's view on the potential for taxation to play a role in promoting energy efficiency and emission reductions. [4160/07]

Deputy. The 2007 figures are calculated by using the Budget 2007 tax revenue and GNP estimates. There are no GNP figures for 2007 available at this time. The 2006 GNP figure, upon which the 2006 figures are based, is an estimated outturn.

Minister for Finance (Mr. Cowen): I have stated previously that taxation can play a part in attaining environment objectives which includes promoting energy efficiency and reducing emissions. Essentially this approach uses the tax system to provide incentives for certain behaviour. Such incentives include capital allowances for corporate investment in renewable energy projects which have been available since 1998, and the significant Biofuels excise relief scheme which I provided for in Finance Act 2006.

This latter Scheme will:

- provide for excise relief on up to 163 million litres of biofuels per annum;
- cost over €200m over 5 years;
- result in CO₂ savings of over 250,000 tonnes per annum;
- meet a target of 2% transport fuel market penetration by biofuels by 2008;
- help reduce our dependency on conventional fossil fuels; and
- stimulate activity in the agricultural sector.

As a complementary measure, I provided in Finance Act 2006 for a new 50% VRT relief to promote new flexible fuel vehicles (cars designed to operate on biofuels) for an initial period of 2 years, and also extended the existing VRT relief for hybrid cars by a further year to end 2007. I also announced in this year's Budget the introduction of a VRT relief of 50% for electric cars — cars which can be propelled by a rechargeable battery — on a pilot one year basis with effect from 1 January, 2007.

In addition I announced in the Budget the commencement of a public consultation process on adjusting VRT to take account of CO₂ emissions of vehicles. A similar exercise is under way in the area of motor tax. Any changes will have effect from a target date of 1 January 2008.

176. **Ms McManus** asked the Minister for Finance his views on the fact that families who have to avail of agency nurses are liable to pay VAT on these services; and if he will make a statement on the matter. [41462/06]

Minister for Finance (Mr. Cowen): I should explain that the supply of a nursing service by a qualified nurse comes within the remit of the First Schedule of the VAT Act 1972. This means they do not charge VAT on the services they provide and cannot recover VAT incurred on goods and services on their inputs. In order to qualify for exemption the person must be supplying “professional services of a medical nature in the course or furtherance of business”. However, under EU VAT rules the supply of agency staff, for whatever reason, is fully chargeable to VAT at the standard rate of 21% as a service supplied by an employment agency.

Garda Stations.

177. **Mr. Deenihan** asked the Minister for Finance if the sketch scheme has been completed by the Office of Public Works for the Garda area headquarters in Castleisland; when the project will proceed to planning permission; and if he will make a statement on the matter. [42052/06]

Minister of State at the Department of Finance (Mr. Parlon): A sketch scheme for the new Garda Area Headquarters was recently sent to the Department of Justice, Equality and Law Reform and the Garda Authorities. On receipt of approval of the sketch scheme a Part 9 planning process will be initiated.

Airport Customs Controls.

178. **Mr. Gilmore** asked the Minister for Finance if he will report on the progress of the review of the Revenue Commissioners of customs and immigration controls at private airports; when a report will be published; and if he will make a statement on the matter. [3885/07]

Minister for Finance (Mr. Cowen): As the Deputy is aware, following a seizure of heroin in Belgium and the related arrest of three Irish nationals last year, the Revenue Commissioners initiated a review of Customs Controls at Licensed Aerodromes. I am informed by the Revenue Commissioners that their review has now been completed. The review examined the controls, the conditions of approval and the risks, from a Customs point of view, attached to the operation of the aerodromes.

It is important to note by way of context that the operating environment for Customs has been shaped to significant degree by the introduction of the Internal Market and the related principles of freedom of movement within the European Union. Of specific relevance are the abolition of routine and systematic Customs checks on goods

and passengers moving within any part of the EU and the elimination of Customs controls on the baggage of intra-community passengers other than anti-smuggling checks. In this context, Revenue’s approach has of necessity been to balance the freedom of movement principle in regard to people and goods with the need to control smuggling and enforce prohibitions and restrictions.

The Revenue Commissioners have informed me that the key conclusions of the review team are as follows:

- The risk based approach being adopted is a sound one, indeed the only appropriate one in the circumstances;
- Intelligence and related risk-rating rely on timely information and need to be reviewed regularly;
- Ireland’s approach is in line with the methodology adopted by other EU administrations in similar circumstances;
- The increase in the volume of international air traffic requires a corresponding increase in Revenue activity.

The Revenue Commissioners have also informed me that drawing on the conclusions, they have agreed on recommendations. They have drawn up a wide ranging Implementation Plan covering diverse areas including visits to aerodromes, risk rating, the issue of approvals, guidance for staff, training and deepening of co-operation with other agencies. The Revenue regions are giving the control of smaller aerodromes specific attention in their business plans for 2007.

The Revenue Commissioners assure me that having regard to the context set out above, they are satisfied that their risk based approach remains valid and that, with the implementation of the review recommendations, their operations will be on a par with, and may even exceed, those of many other EU Member States. I am also assured that the Revenue Commissioners continue their strong commitment to playing their part in combating smuggling criminal activity without unduly impeding international travellers or international trade. It will be appreciated that the Revenue Commissioners do not intend publishing the Report of the Review Group, as to do so would, for operational reasons, be counter-productive.

National Development Plan.

179. **Mr. Penrose** asked the Minister for Finance the carbon costings for each of the proposals of the National Development Plan 2007; and if he will make a statement on the matter. [3865/07]

Minister for Finance (Mr. Cowen): There is no requirement in place in relation to carbon costing individual investment proposals contained in the National Development Plan or elsewhere. I am

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informed by the Department of the Environment, Heritage and Local Government that the impact on greenhouse gas emissions of the policies and measures on which investment proposals contained in the National Development Plan are based will be calculated through regular revisions to Ireland's greenhouse gas emissions projections, which, from 2007, will be undertaken on a biennial basis by the Environmental Protection Agency. These projections will include assessments of the impact of relevant policies and measures which have been adopted by the Government or are already under implementation.

The latest projections of greenhouse gas emissions were completed in March 2006 and were prepared for the Government by external consultants, ICF Consulting and Byrne O Cleirigh. They are available to download from the website of the Department of the Environment, Heritage and local Government at www.envron.ie. The National Development Plan takes account of Ireland's commitment to limit emissions of greenhouse gases under the Kyoto Protocol through, inter alia, the proposed quadrupling of investment in public transport and investment in sustainable energy.

Financial Services Regulation.

180. **Mr. Durkan** asked the Minister for Finance if he is satisfied that technology and procedures available to the banking and financial services sectors are adequate to identify and deter money laundering or theft by electronic means; if his attention has been drawn to national and international concerns in this regard; if he has issued instructions or received reports on the issue; and if he will make a statement on the matter. [4094/07]

Minister for Finance (Mr. Cowen): Irish legislation on money laundering is set out in the Criminal Justice Act, 1994, as amended. Primary responsibility for legislation in this area rests with the Minister for Justice, Equality and Law Reform. This legislation and relevant regulations made by the Minister for Justice, Equality and Law Reform implemented the EU Money Laundering Directives of 1991 and 2001 in Ireland. The procedures for the prevention of money laundering in the financial system primarily involve the requirement on financial institutions (and other designated bodies) to identify their customers, to have adequate anti-money laundering procedures in place, including staff training, to keep records and to report suspicions of a money laundering offence to the Garda Síochána and to the Revenue Commissioners.

The Financial Regulator requires all institutions which it supervises to comply with the anti-money laundering legislation and relevant sectoral guidance notes, and to have in place the

necessary procedures and controls to ensure such compliance. The adequacy of such systems is reviewed by the Financial Regulator in the course of its ongoing supervision of institutions and requirements for improvement are advised to institutions as necessary. Furthermore, in accordance with its legal obligation under Section 57(2) of the Criminal Justice Act, 1994, the Financial Regulator is obliged to make reports to the Garda Síochána and the Revenue Commissioners where in the course of its supervision it suspects that an institution has breached the relevant money laundering provisions of the Criminal Justice Act, 1994.

The Garda Síochána and the Revenue Commissioners regularly receive reports from financial institutions and other designated bodies where they suspect that a money laundering offence is being or has been committed. All such reports are investigated and progressed as appropriate by the relevant authorities.

The Financial Action Task Force on Money Laundering (FATF), the international standard setting body in this area published a report in 2006 on Ireland's systems to combat money laundering and terrorist funding. Ireland is one of a number of countries evaluated to date in the FATF Third Round of Mutual Evaluations. Its overall ratings are comparable to those obtained by the other countries evaluated.

The revised FATF Money Laundering recommendations of 2003 — the standard against which Ireland's compliance was assessed — have been embodied in the 3rd EU Money Laundering Directive which came into force in December 2005 with a transposition deadline of December 2007.

Ireland opted to be evaluated early in the 3rd Round of Mutual Evaluations because this would be of considerable assistance in planning the transposition of the 3rd EU Money Laundering Directive into Irish Law. Many of the FATF recommendations on which Ireland is currently assessed as either partially compliant or non-compliant will be addressed in the transposition into Irish Law of the 3rd EU Money Laundering Directive. These include additional measures in relation to customer due diligence, measures relating to the identification of foreign politically exposed persons, the strengthening of the sanctions for breaches of money laundering rules and the regulation of non-financial entities.

On publication of the FATF report my colleague the Minister for Justice Equality and Law Reform and I jointly undertook to examine the Report's recommendations thoroughly and gave a commitment to further strengthen Ireland's anti-money laundering mechanisms. The process of reviewing and updating the Irish legal framework to meet both our domestic needs and international obligations is under way. As regards theft by electronic means I understand that there are regular contacts between the Garda Síochána

and the Banking and Financial Sectors regarding the security of their systems.

National Development Plan.

181. **Dr. Upton** asked the Minister for Finance if his attention has been drawn to the criticism by the ESRI of the National Development Plan 2007 to 2013 that the plan is doomed to repeat the failings of its predecessor and their warning that the construction industry cannot handle the scale of planned development over the next seven years; and if he will make a statement on the matter. [3869/07]

191. **Mr. M. Higgins** asked the Minister for Finance the specific measures he is taking to ensure that cost overruns experienced on previous National Development Plans, for example on the construction of the LUAS and the Port Tunnel, will not be repeated in the NDP 2007 to 2013; and if he will make a statement on the matter. [3871/07]

Minister for Finance (Mr. Cowen): I propose to take Questions Nos. 181 and 191 together.

The level of capital investment included in the National Development Plan and its sectoral mix was decided by the Government on the basis of its assessment of investment needs. This assessment was particularly informed by the infrastructural deficits which Ireland faces and projections that the population could be in excess of 5m by 2021.

The Government is confident that the construction industry has the capacity to deliver the planned level of investment in a stable price environment. The reality is that the capacity of the industry has expanded greatly in recent years resulting in moderately increasing tender prices notwithstanding continued high levels of activity. In addition, the key implementing agencies such as the RPA and the NRA have also had major resource enhancements in recent years in order to equip them to better manage the major projects they are responsible for under the NDP.

As regards measures to prevent cost overruns, I would refer the Deputy to Chapter 12 of the Plan which sets out a robust Value for Money framework in relation to Plan expenditure. The key elements are:

- All projects will be subject to project appraisal to ensure that NDP programme objectives and Value for Money are being achieved;
- All capital projects over €30 million will require a full cost benefit analysis in line with the Department of Finance guidelines of February 2005;
- An individual will be appointed as project manager to manage and monitor progress on all such major projects;

- Progress on capital programmes and projects will be reported regularly to the Management Advisory Committees of all Departments and Boards of all implementing agencies concerned with the programmes and projects;
- Departments and Agencies will carry out annual spot checks to ensure compliance with the Value for Money requirements under their capital sanctions and Department of Finance Capital Appraisal Guidelines and report the findings of such spot checks annually to the Department of Finance;
- NDP programme evaluations and Value for Money and Policy Reviews will be published and submitted to the relevant Select Committees of the Oireachtas;
- As provided for under the Budget and Estimates Reform proposals set out in Budget 2006, all Ministers will submit an Annual Output Statement with their Annual Estimates to the relevant Oireachtas Committee. This will detail target outputs for the Estimates and the following year's Statement will set out achievements against the target; and
- Reforms to public procurement to promote cost certainty, Value for Money and cost effective delivery of projects.

I am confident that this framework will provide for efficient delivery of NDP programmes and projects.

Financial Services Regulation.

182. **Mr. G. Mitchell** asked the Minister for Finance if he is satisfied that as interest rates rise, the financial institutions are not taking the opportunity to increase their margins. [4158/07]

Minister for Finance (Mr. Cowen): I have no statutory function in setting the interest rates offered by credit institutions — they are based on commercial criteria in the light of market conditions. Since 1992, the Irish banking market has been open to competition from credit institutions authorised in any EU/EEA Member State. Hence, new entrants to the market from abroad are competing with domestic banks for business in, for example, the market for personal deposits.

The September 2005 Competition Authority report on banking focused on two markets — personal current accounts and SME lending. It suggested measures aimed at promoting more active competition, but found no evidence of deliberate anti-competitive actions by banks. The Authority recommended action to make switching of accounts easier, and this is now in place.

The Financial Integration Monitor, published by the European Commission to assess major trends in the pan-European market, indicates that

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the cross border competition inherent in the single market has contributed to convergence in interest rates, which is particularly evident in relation to the highly competitive mortgage market in Ireland.

My function as the Minister for Finance is to provide an appropriate and robust legislative framework for regulation of the financial services sector. I am satisfied that, since the establishment of the Financial Regulator and the Financial Services Ombudsman, with a particular focus on the consumer, we have such a framework in place.

The Financial Regulator has drawn attention to the need for consumers to choose the right type of loan for their needs. The Consumer Credit Act 1995 obliges credit providers to include specific information on the cost of all credit agreements. Furthermore, the Financial Regulator's Consumer Protection Code requires that financial service providers, in all their dealings with customers, act fairly and honestly in the best interests of customers and make full disclosure of all relevant material information, including all charges.

European Bank for Reconstruction and Development.

183. **Mr. Sargent** asked the Minister for Finance the nomination procedures that were applied when recently filling Ireland's membership position on the European Bank for Reconstruction and Development. [4071/07]

Minister for Finance (Mr. Cowen): The nomination procedures applied were those required in the appointment of Directors of the European Bank for Reconstruction and Development. The Directors of the Bank are nominated by the Governors representing the member countries in a particular constituency. As the Deputy will be aware, Ireland is a member of a constituency with Denmark, Lithuania and FYR Macedonia.

The Bank makes the appointment following a vote by the Governors of the constituency. In my capacity as Governor for Ireland I nominated Ms Anne Counihan as Director and when the present Danish occupant of this post resigns, the relevant Governors will vote on Ms Counihan's appointment.

Financial Services Regulation.

184. **Ms O'Sullivan** asked the Minister for Finance if his Department will be monitoring the implementation of the Consumer Protection Code published by the Financial Regulator when it comes into force in 2007, which will prohibit practices such as automatic and unsolicited increases in the credit limit; and if he will make a statement on the matter. [3890/07]

Minister for Finance (Mr. Cowen): My Department is responsible for the policy and legislative framework promoting the effective regulation of the financial services sector with a strong focus on the consumer. The Financial Regulator is responsible for monitoring and enforcing adherence to the Consumer Protection Code by financial service providers in accordance with its statutory functions and its Strategic Plan 2007-2009. The legislation establishing the Financial Regulator provides for a system of administrative sanctions which would apply to any regulated entity found to be in breach of its obligations under the Code.

National Development Plan.

185. **Ms Burton** asked the Minister for Finance the projected tax revenues for the period of the National Development Plan 2007, indicating where the revenue required each year for the Plan will be sourced; and if he will make a statement on the matter. [3863/07]

Minister for Finance (Mr. Cowen): The tax revenue projections for the years 2007 to 2009 are the Budget 2007 projections which are detailed in the table below.

Tax Revenue	2007	2008	2009
	€m	€m	€m
Customs	285	305	320
Excise Duties	6,069	6,555	6,870
Capital Gains Tax	3,345	3,605	3,855
Capital Acquisitions Tax	375	405	430
Stamp Duty	3,925	4,125	4,300
Income Tax	13,555	14,060	15,095
Corporation Tax	6,650	7,220	7,680
VAT	14,870	16,360	17,715
Levies	1	—	—
Total	49,075	52,635	56,265

For the years 2010 to 2013, my Department took the standard view when making longer term projections that overall tax revenue would grow broadly in line with economic growth over the period. Expenditure on the National Development Plan is based on a prudent budgetary policy, fully consistent with the EU Stability and Growth Pact, that does not add to inflationary pressures within the economy.

Tax Collection.

186. **Mr. Costello** asked the Minister for Finance if his attention has been drawn to the fact that €71 million was wrongly deducted from 1,100 companies by the Revenue Commissioners; the systems in place to ensure other taxpayers are not subject to double debiting; and if he will make a statement on the matter. [3877/07]

Minister for Finance (Mr. Cowen): I am advised by the Revenue Commissioners that the excess deductions were due to human error. Revised procedural and communication arrangements have been put in place by Revenue to prevent such a recurrence. I am further advised by Revenue that all the amounts deducted in error have been repaid. Customers who incurred the excess deductions have been invited to supply Revenue with details of any charges or penalties suffered as a result of the excess deductions so that Revenue can make good those costs and deal with the matter of interest on the excess deductions.

Tax Code.

187. **Mr. Naughten** asked the Minister for Finance his views on the tax implications of the sugar compensation package for farmers; and if he will make a statement on the matter. [4046/07]

Minister for Finance (Mr. Cowen): There are three significant financial elements of the sugar compensation package, as far as farmers, as sugar beet growers, are concerned. The first is an amount of €123 million, payable over the next seven years via the single payment scheme, as compensation for the drop in the support price of beet. The second element of the compensation package is the restructuring aid. In July 2006 the Government decided that a sum of €40m restructuring aid be reserved for beet growers. This decision has been challenged by the Irish sugar processor by way of Judicial Review proceedings in the High Court. The third element is the diversification aid worth almost €44m, which will be drawn down in the framework of the National Restructuring Programme.

I am advised by the Revenue Commissioners that they are of the view that payments under the first two elements of the package in relation to the support price compensation and the restructuring aid to growers will be taxable as income. I am further advised that the Revenue Commissioners await some clarifications to enable them to finalise a view about the tax implications of the third element of the package, the diversification aid. The National Restructuring Programme on this element of the package was recently submitted to the EU Commission for consideration.

188. **Mr. Ferris** asked the Minister for Finance if he will introduce increased restrictions on the use of specified tax reliefs by high income persons; and if he will make a statement on the matter. [4051/07]

Minister for Finance (Mr. Cowen): In Budget 2006 I announced the introduction of a limit, with effect from 1 January 2007, on the use of tax reliefs, including certain exemptions, by some high-income individuals. Section 17 of Finance Act 2006 gave effect to this announcement. This

measure was designed to address the issue of a small number of individuals with high incomes who, up to now, mainly by means of the cumulative use of various tax incentive reliefs, have been able to reduce their income tax liability to a very low level or to zero. Such individuals are no longer able to do so. This provision will ensure that such individuals who use tax incentive schemes will have an effective rate of income tax for each year of not less than about 20 per cent on the income sheltered by such schemes.

The method used to increase the tax rates at which these high income individuals pay tax effectively addresses the equity concerns raised over the past number of years while, at the same time, ensuring that the intended incentive effects of tax schemes will continue to be delivered.

Broadly, the reliefs restricted are those reliefs that have primarily been used by high income individuals to significantly reduce their tax liability. These are—

- the various sectoral and area based property tax incentives,
- certain exemptions including artistic income and patent royalties,
- the reliefs for donations, and
- certain investment incentive reliefs such as the BES, film relief and interest relief for investment in companies and partnerships.

The normal items claimed by taxpayers such as medical expenses, trade union subscriptions, the personal tax credits and exemptions such as that for child benefit are not restricted. In addition, normal business expenses and deductions for capital allowances on plant and machinery, genuine business related trading losses and genuine losses from a rental business have not been restricted.

I do not intend to introduce any further restrictions on the use of specified tax reliefs at this time. I would point out, however, that I am introducing technical amendments to the restriction in Finance Bill 2007 which will help to ensure that the measure will work as intended. Included in these are provisions to enable the Revenue Commissioners to seek whatever information may be necessary from individuals affected by the restriction, so as to ensure that Revenue are in a position to monitor and assess the impact of the restriction in terms of numbers affected, the additional tax paid and the nature of the reliefs restricted.

National Development Plan.

189. **Mr. Connaughton** asked the Minister for Finance the latest returns he has received in respect of progress in the expenditure profile and the profile in delivery of planned outputs from the various subprogrammes within the National Development Plan 2000-2006; and if he will pub-

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lish a review of the performance of that plan.
[4127/07]

Minister for Finance (Mr. Cowen): The most recent information on the implementation of the NDP/CSF 2000-2006 was reported to the NDP/CSF Monitoring Committee at its December 2006 meeting and relates to the period January 2000 to end June 2006. The data reported indicates that some €48.3 billion has been spent on the Plan at the end of June 2006. This represents 85% of original profile for the life of the Plan — for which expenditure can continue up to 2008 in line with EU regulations. The Exchequer & EU contribution to the plan for the same period amounts to €41.8 billion which represents 94% of original profiled Exchequer and EU expenditure for the lifetime of the Plan. This indicates that all demands for expenditure are being met. The final Exchequer and EU expenditure is expected to be ahead of the original profile generally, covering a lower than expected take-up from the private sector.

The NDP/CSF 2000-2006 is implemented through seven Operational Programmes. Performance indicators at programme and priority level are included in the Operational Programme documents and at measure (and sub-measure) level in the programme complement documents. The NDP/CSF Monitoring Committee set up by my Department to monitor progress in implementation of the Plan, examines physical and financial progress at programme and priority level with reference to these indicators. The Committee's most recent progress reports indicate that physical implementation is progressing well with some priorities exceeding their end programme targets already.

In addition to the ongoing monitoring, a mid term evaluation of the NDP/CSF was carried out by the ESRI in 2003. A key finding in this report was that NDP/CSF expenditure over the period 2000-2002 had raised the level of GNP by over 7% above what it would otherwise have been in 2002. The report states that in the long run the level of GNP will be around 3% higher than it would otherwise have been. This represented a real rate of return on NDP/CSF investment of around 14% at that time.

Mid-term evaluations of the individual Operational Programmes were also carried out in 2003 which provides analysis of progress under the programmes and of developments in the external environment. In addition, an update evaluation of the CSF was completed in December 2005 which provides a synthesis of overall CSF progress in both financial and physical terms to end 2004. This evaluation found that “at the level of individual Operational Programmes, tangible results are . . . evident on the ground. In areas such as training, provision of child care places and road investment, the intended outputs are being deliv-

ered and these involve increased or improved services and other benefits to users”.

My Department has also recently published a progress review entitled NDP/CSF 2000-2006 — Review which highlights some of the key features of the investment under the Plan to date. This review and the evaluations referred to above are available on the NDP website www.ndp.ie, under Publications.

Personal Indebtedness.

190. **Mr. Crowe** asked the Minister for Finance his views on the fact that, according to findings of the EU Survey on Income and Living Conditions (EU-SILC) 2005 published by the Central Statistics Office in November 2006, almost 40% of persons in lone parent households in 2005 reported having debt problems, along with 15.3% of persons in other households with children and 10.2% of households with two adults and one to three children; and if he will make a statement on the matter. [4054/07]

Minister for Finance (Mr. Cowen): The issues that give rise to debt problems for people in these household categories include the cost and availability of credit for people on low incomes, the barriers they face in accessing mainstream and affordable forms of credit and the challenges low income households encounter in managing their finances, in addition to factors such as changes in employment status or earning capacity.

At the outset, it is important to emphasise the important role of the credit union movement in providing affordable loans to persons on low incomes. There are currently 427 credit unions registered with the Financial Regulator with around 2.5 million members and assets of around €13 billion. Research carried out by the Irish League of Credit Unions highlights the work of the movement in supporting members with indebtedness problems.

With regard to regulatory arrangements, the Financial Regulator's Consumer Protection Code obliges regulated financial services providers to act in the customer's best interests and only provide financial products that are suitable for their consumer. The Financial Regulator also makes available a wide range of consumer information on financial services.

The Deputy may wish to note that the Money Advice and Budgeting Service (MABS) was set up to help people in managing their money with a view to regaining control of their finances including how to avoid falling into difficulties in relation to debts. MABS provides an extensive range of money advice, personal budget and community education services where necessary and liaises with financial institutions on behalf of its clients on a nationwide basis.

The Government has also taken a number of significant measures in the areas of social welfare and taxation to raise the disposable income of

low-income households, which reduces the risk of these households experiencing difficulties with debt.

Budget 2007 contained a €1.4 billion social welfare package, which includes substantial social welfare benefit increases for many of the categories of people referred to in the question. For example, the maximum rate of the One Parent Family Payment increased by over 12%. Since 2002, the maximum personal rate of the One Parent Family Payment has increased by 56%, which is well ahead of the increase in overall consumer prices and average earnings over the same period. Other social welfare benefits are also payable such as child benefit and, subject to income and other eligibility conditions, the Back to School Clothing and Footwear Allowance payment and Family Income Supplement. More generally, the aggregate of social inclusion spending across all Government programmes is estimated to be about €26.9 billion in 2007, an increase of €2.8 billion on the 2006 position.

The Finance Bill 2007 also confirms measures announced on Budget day including increases in the personal and PAYE credits to ensure that those on the minimum wage will stay out of the tax net in 2007 and increases in the standard rate bands to ensure that those earning the average industrial wage will not face a liability for the higher rate of tax in 2007.

Question No. 191 answered with Question No. 181.

Question No. 192 answered with Question No. 121.

Tax Code.

193. **Aengus Ó Snodaigh** asked the Minister for Finance his views on whether the reduction in the entitlement to retrospective claims for PAYE credits and refunds from ten years to four years as provided for in the Finance Act 2003 was ill judged and has resulted in real loss for substantial numbers of ordinary taxpayers. [4080/07]

Minister for Finance (Mr. Cowen): The reduction in the time period to which the questions refer was part of a package of measures introduced in 2003 to deal with the following matters: There was no general statutory right to repayment of overpaid tax — and in some circumstances overpayments were not refundable. Interest on repayments was paid in very limited circumstances and was not paid in respect of PAYE overpayments. In the absence of a statutory right to repayment, the courts were developing, on a case-by-case basis, a common law right, without any time limitation.

The scheme that was introduced was not ill-judged. It was devised after careful and detailed consideration and was designed to achieve the necessary balance between establishing a fair and

uniform system for taxpayers, including parity of treatment between PAYE and self-employed taxpayers, while, at the same time, providing necessary protection for the Exchequer from exposure to claims going back many years. Four years is a reasonable period for taxpayers to sort out their tax affairs and in the great majority of cases does not present any difficulty for taxpayers claiming repayments and should not result in any losses to taxpayers who take responsibility in the matter.

Personal Indebtedness.

194. **Aengus Ó Snodaigh** asked the Minister for Finance his views on whether helping persons on low incomes to save is an important measure to help prevent such families falling into debt; and if he will make a statement on the matter. [4055/07]

Minister for Finance (Mr. Cowen): The issues surrounding savings and borrowings for people on low incomes are not uniform as they can vary from person to person and over the lifetime of the individual. Persons on low incomes can encounter obstacles in accessing financial services from mainstream financial services providers. The cost and availability of credit for people on low incomes and the barriers they face in accessing mainstream and affordable forms of credit can add to the challenges individuals on low incomes encounter in managing their finances. Building up savings, where possible, can mitigate these difficulties both by reducing the need to borrow and by establishing a relationship with a mainstream credit provider.

The credit union movement has been a key provider of savings and loans since its inception and has a particular role to play in supporting savings by persons on low incomes. There are currently 427 credit unions registered with the Financial Regulator with around 2.5 million members and assets of around EUR13 billion. Since 1995 credit unions have grown significantly with an increase in savings from €2 billion to around €13 billion.

The banking industry has proposed the development of a universal bank account which would provide basic access to the Irish payments system enabling citizens to make and receive payments electronically and assisting those on lower incomes to build up savings. However, there are a number of issues to be considered in progressing such a proposal such as the fees to be associated, who would have right of access to such an account and also the actual need for such a product, particularly in the light of the reduction or elimination of bank charges on many standard accounts in recent years and the increased competition in the banking sector.

The Financial Regulator commissioned the Combat Poverty Agency to conduct research on the nature and the extent of financial exclusion in Ireland and the barriers faced by people on low

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incomes in accessing a wide range of financial services. The report entitled 'Financial Exclusion in Ireland — An Exploratory Study and Policy Review' was launched by the Financial Regulator on 11 December 2006. The Report recommended that a Steering Committee be established to examine the next steps in the analysis of this and other proposals in the report. The Financial Regulator and my Department, together with other interested parties, are currently considering how these recommendations can be progressed.

Economic Competitiveness.

195. **Mr. Gormley** asked the Minister for Finance the action he will take to address the Central Bank renewed warnings regarding the economy's declining competitiveness and call for the Government to tackle the high cost of living and rising inflation as published in its first quarterly bulletin of 2007. [4077/07]

Minister for Finance (Mr. Cowen): Inflation, as measured by the average annual change in the Consumer Price Index (CPI), was 4.0 per cent for the year 2006 as a whole. A large proportion of the rise in the annual inflation rate in 2006 was due to external factors, primarily rises in interest rates by the ECB.

Maintaining a moderate rate of inflation remains a key priority of economic policy because of its importance in restoring competitiveness. The Government is focusing on areas it can control and taking positive actions to contain inflation by implementing responsible fiscal policies. For example, we have not increased excise duties for the last three years, apart from tobacco excise, which was done for sound health policy reasons. We are promoting greater price competition through various measures. We are also investing in public infrastructure, as evidenced by the recently announced National Development Plan, which will enhance our ability to produce more goods and services and, by improving the economy's efficiency, keep inflation down. In addition, we recognise that services sector inflation is a cause for concern and this highlights the need for more competition in the economy as well as for pay and profit restraint in all sectors in order to keep our cost base down. We must ensure that the wage increases granted under the Social Partnership agreement, Towards 2016, are reflected in productivity gains.

Special Savings Incentive Scheme.

196. **Mr. Stanton** asked the Minister for Finance the take up rate on SSIA holders, who are taxed at 20%, of the PRSA incentive; the number of SSIA holders eligible for this scheme; the number who have availed of it; and if he will make a statement on the matter. [43276/06]

Minister for Finance (Mr. Cowen): I am advised by the Revenue Commissioners that, based upon the latest information available, 5,413 individuals have invested SSIA funds into approved pensions under the Pensions Incentive Tax Credits scheme up to end December 2006. Two-thirds of all SSIA's will mature in the early months of 2007.

In order to avail of the incentive, the following criteria must be met:

- One must be an SSIA holder;
- The SSIA holder's gross income (i.e. before all deductions) in the tax year before the year in which the SSIA matures does not exceed €50,000; and
- The SSIA funds are invested within 3 months of the maturity of the SSIA.

In addition, and in accordance with my statement of 29 September 2006, SSIA funds invested in pension based products should remain there for at least 12 months in order to retain the tax credit. This requirement is being provided for in legislation in this year's Finance Bill.

I am also informed by the Revenue Commissioners that there is no precise information available on the number of SSIA holders who are eligible for the scheme so that it would not be feasible to provide a reliable estimate of the "take-up" rate of the scheme.

197. **Mr. J. O'Keeffe** asked the Minister for Finance the expected rise in income tax receipts in 2007 as a result of termination of SSIA accounts; and if these moneys are being allocated to particular purposes. [4170/07]

Minister for Finance (Mr. Cowen): In making the Budget income tax forecast for 2007, my Department estimated that there would be a gain to income tax in 2007 of approximately €600 million over 2006 arising from the discontinuance of the tax credit contribution to SSIA's and also the exit tax yield from maturing SSIA's.

It should be noted that in 2007 the gain arising from the ending of the SSIA scheme will be broadly offset by the cash-flow loss from the ending of the transitional arrangements for the movement of the payment date for corporation tax from a prior to a current year basis which was introduced in Budget 2002.

Economic Competitiveness.

198. **Mr. Gogarty** asked the Minister for Finance his views on the recent Central Bank warning that despite the interest rate rises the demand for credit here remains strong and that Ireland's private sector credit to GDP ratio is now the highest in the euro zone area. [4079/07]

Minister for Finance (Mr. Cowen): The relatively high level of private sector debt must be

seen in the context of a sharp decline in public sector indebtedness in recent years. Moreover, a large part of the increase in private sector indebtedness reflects the accumulation of housing assets on the part of households.

However, as I have pointed out before, both borrowers and lenders need to be aware that interest rates are still low by historical standards. Moreover, a shock to the economy which affected employment and earnings growth could affect the ability of borrowers to service their debt. As Ireland is a small and very open economy, and hence vulnerable to changes in the global environment, this highlights the need to retain and indeed improve our international cost competitiveness.

I fully support the vigilance of the Central Bank and the Financial Regulator on the issue of private sector credit and in reminding borrowers and lenders of the need for responsible behaviour. The Government, for its part, will continue

to contribute to economic and financial stability by pursuing a prudent fiscal policy.

Tax Yield.

199. **Mr. Gilmore** asked the Minister for Finance the expected distribution of income earners for income tax payments for 2006 broken down in number and percentage terms into the categories of exempt, marginal relief, standard rate and higher rate; the comparative figures for each year from 1998 to date in 2007; and if he will make a statement on the matter. [3883/07]

Minister for Finance (Mr. Cowen): The information requested by the Deputy in a format which presents the data in terms of the effective tax rates actually paid by taxpayers is set out in the table below. This is the same format as used for the presentation of pre-Budget 2007 and post-Budget 2007 distributions of earners in the 2007 Budget booklet.

Tax Year	Exempt ⁽¹⁾	Paying at 20% or less ⁽²⁾	Paying at greater than 20%	Total
2002	632,700 33.56%	907,400 48.14%	344,900 18.30%	1,885,000
2003	649,300 33.69%	894,300 46.40%	383,600 19.91%	1,927,200
2004*	677,100 33.97%	878,200 44.06%	437,900 21.97%	1,993,200
2005*	732,400 35.11%	895,700 42.94%	458,000 21.95%	2,086,100
2006*	776,100 35.92%	937,700 43.40%	446,700 20.68%	2,160,500
2007*#	845,900 38.19%	930,600 42.02%	438,200 19.79%	2,214,700

Notes

(1) Standard rate liability fully covered by tax credits or Age Exemption limits.

(2) Higher rate tax liability fully covered by tax credits and includes those who face a gross liability for tax at the marginal relief rate of taxation.

* Provisional and likely to be revised.

Assuming the enactment of the changes announced in the 2007 Budget.

Figures in the table are rounded to the nearest hundred and any apparent discrepancies in totals are due to this.

Information for the tax years 1998/1999 to 2001 cannot be provided in the above format because the tax forecasting model operated by the Revenue Commissioners only retains data for the tax year 2002 and subsequent years. However, information for the each of the years 1999/2000 to 2001 presented in a format which shows the distribution of income earners by reference to gross liability to tax before the application of credits or tax allowances at the standard rate was provided by me in a previous reply to a Parliamentary Question on 27 September 2006 (Dáil debates, Volume 624, No. 1, Column 529). That reply also provided a distributional breakdown for the tax year 1998/1999. However, care should be taken in comparing the 1998/1999 data with that of the three subsequent years. For the latter years, the basic personal credits (formerly personal allowances) and employee credit (formerly PAYE allowance) are deducted after tax is calculated rather than before the tax calculation as was the case in 1998/1999.

The figures for the years 2002 and 2003 are based on incomes data derived from income tax

returns held on Revenue records and have been grossed-up to an overall expected level to adjust for incompleteness in the numbers of returns on record at the time the data was extracted for analytical purposes.

For the years 2004 to-date, the figures are estimates from the Revenue tax forecasting model using actual data for the year 2003 adjusted as necessary for income and employment growth for the years in question. It should be noted that a married couple who has elected or has been deemed to have elected for joint assessment is counted as one tax unit.

Greenhouse Gas Emissions.

200. **Mr. O'Shea** asked the Minister for Finance the tax incentive measures he proposes to ensure that Ireland meets the target set down by the European Commission in January 2007 for a 30% reduction in emissions over 1990 levels over the next 13 years; and if he will make a statement on the matter. [3881/07]

Minister for Finance (Mr. Cowen): The targets referred to by the Deputy featured in a recent

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communication from the European Commission. They have yet to be agreed by Member States and these discussions will be dealt with by my colleague the Minister for Environment, Heritage and Local Government. I have stated before that, in conjunction with other policy measures, taxation can play a part in achieving environmental objectives.

Tax measures considered necessary towards meeting a new emissions target when agreed, will be considered in that context. In this regard, I am pleased to inform the Deputy that in Finance Act 2006 I provided for significant tax measures to promote biofuels in Ireland. This scheme, which received the necessary EU State Aid approval, commenced in November 2006 and will:

- provide for excise relief on up to 163 million litres of biofuels per annum;
- cost over €200m over 5 years;
- when fully operational, result in CO₂ savings of over 250,000 tonnes per annum;
- meet a target of 2% transport fuel market penetration by biofuels by 2008;
- help reduce our dependency on conventional fossil fuels, and
- stimulate activity in the agricultural sector.

In addition, I announced on Budget day the commencement of a Public Consultation on Options for revising the VRT system to take greater account of CO₂ emissions. I invited interested parties to make submissions to my Department by 1 March 2007. A summary of a number of possible Options which are under consideration by my Department was contained in the Budget 2007 documentation and a longer consultation document has also been placed on my Department's website. In addition, an invitation for submissions was advertised in the national daily newspapers on 15 December 2006. A similar consultation is under way on motor tax, which is under the remit of my colleague, the Minister for Environment, Heritage and Local Government. The intention is that from a target date of January 2008, cars with lower emissions will be rewarded with lower VRT and motor tax while increased taxes would be in place for higher emission cars. Currently, there are VRT reliefs in place for hybrid cars, flexible fuel vehicles and electric cars. My Department will also examine, in the context of the preparations for Budget 2008, the case for disallowing (totally or in part) capital allowances and leasing expenses for high CO₂ emission vehicles. Consultations will take place with the motor industry and the business sector as part of any review.

Anti-Poverty Strategy.

201. **Caoimhghín Ó Caoláin** asked the Minister for Finance if he will introduce a savings scheme

for low income households, on a pilot basis for two years, in the form suggested by the Society of St Vincent de Paul, the Money Advice and Budgeting Service and the Combat Poverty Agency; and if he will make a statement on the matter. [4048/07]

Minister for Finance (Mr. Cowen): The proposal is to develop a pilot savings scheme for low-income households, similar to the SSIA scheme which is now in its final months. While the proposal has a number of socially progressive features, I am not convinced that a further SSIA type scheme is the appropriate way forward. Raising the income levels of those affected by more jobs, higher wages or better social welfare support may be more productive. That is what this Government's policies are achieving.

National Development Plan.

202. **Mr. Broughan** asked the Minister for Finance the person who will be accountable and personally responsible for the spending of €184 billion on the National Development Plan 2007 to 2013 over the next seven years; and if he will make a statement on the matter. [3873/07]

Minister for Finance (Mr. Cowen): I refer the Deputy to Chapter 13 of the Plan which deals with the monitoring, management and implementation arrangements for the NDP 2007-2013. In general, implementation of NDP investment at programme and project level will be the responsibility of the relevant Government Department and Agency. Project selection and implementation will be subject to compliance with guidance set down in relation to capital appraisal and management, procurement etc. as referred to in Chapter 12 of the Plan. Project selection will also be required to take full account of the horizontal objectives of Regional Development, Environmental Sustainability, the All-Island dimension and development of the Rural Economy. This model builds on the good practice now in place whereby capital projects are generally being effectively rolled out. In relation to Exchequer funded expenditure, the normal annual accountability process under Public Financial Procedures, involving Estimates consideration by the Dáil and scrutiny by the Comptroller and Auditor General and the Public Accounts Committee, will apply.

The establishment of a single accountable person or entity for all Plan expenditure is not seen as a practical or effective proposition in these circumstances. In my view it would only add a further supervisory layer to a process which requires speedy and effective delivery by the various implementing agencies.

I do accept that there should be robust central monitoring of Plan progress. This will be the responsibility, within the above framework, of the Sectoral Policy Division in my Department. In addition, a Central Monitoring Committee will be

established to monitor implementation of the Plan. The Committee will be chaired by my Department. A special Unit within the Sectoral Policy Division of the Department will provide the Secretariat to the Monitoring Committee as well as coordinating ongoing oversight of NDP monitoring and implementation. Enhanced accountability will be delivered through the submission to the Oireachtas of a dedicated Annual Report on Plan progress.

Decentralisation Programme.

203. **Mr. Boyle** asked the Minister for Finance if he will elaborate on the nature and need for four PPP projects worth €100 to €250 million being pursued by the Office of Public Works under the Government's decentralisation programme. [4068/07]

Minister of State at the Department of Finance (Mr. Parlon): The buildings being provided under the Government's Decentralisation Programme using the Public Private Partnership model are required to accommodate staff of the Department of Enterprise, Trade & Employment in Carlow, the Department of Agriculture in Portlaoise, the Department of Education & Science in Mullingar and the Department of Social & Family Affairs in Drogheda. The method of procurement will be Design, Build, Finance and Maintain.

The buildings in Carlow, Portlaoise and Mullingar are being treated as a single project and Expressions of Interest have already been received from a number of potential developers and are currently being evaluated by the Office of Public Works in conjunction with the National Development Finance Agency. Tenders for this project will be invited at the earliest possible date.

The Drogheda project is at an early stage of the procurement process and discussions on sites acquisition are continuing between the OPW and Drogheda Borough Council. Finalisation of the brief of accommodation requirements is also being pursued with the Department of Social & Family Affairs.

In relation to the Carlow, Portlaoise and Mullingar buildings, the following provides an overview of the nature of the project. The Carlow Decentralised Building involves the provision of office buildings(s), comprising approximately 7,250 square metres, to accommodate approximately 300 staff of the Department of Enterprise, Trade & Employment.

The Portlaoise Decentralised Building involves the provision of office building(s), comprising approximately 20,000 square metres, as a Headquarters for the Department of Agriculture & Food to accommodate approximately 850 staff. A central storage facility of approximately 2,000 square metres is also being provided.

The Mullingar Decentralised Building involves the provision of office building(s), comprising approximately 8,240 square metres, to accommodate approximately 320 staff of the Department of Education & Science.

Question No. 204 answered with Question No. 160.

Tax Collection.

205. **Mr. G. Murphy** asked the Minister for Finance the tax implications for farmers who do not receive their single farm payment in the year of their application; and if he will make a statement on the matter. [3557/07]

Minister for Finance (Mr. Cowen): I have been advised by the Revenue Commissioners that for taxation purposes single farm payments can be accounted for on either a receipts basis or an annual basis. In cases where farmers make tax returns on a receipts basis the single farm payment is recognised as a receipt pertaining to the date the cheque issues from the Department of Agriculture and Food and is therefore liable to income tax in the tax year during which the payment issued. Where farmers make returns on an annual basis, the single farm payment is recognised by Revenue as a receipt accrued over the year in respect of which the payment was made. The Revenue Commissioners accept farmers treating income received in respect of single farm payments on either the receipt basis or the annual basis provided that this treatment is carried out on a consistent basis and that the election for one or other of the methods of making returns was made either from the date of commencement of farming or the year 2005.

Refugee Status.

206. **Mr. Crowe** asked the Tánaiste and Minister for Justice, Equality and Law Reform if he will examine the case of a person (details supplied) in Dublin 7; and if he will assist in this situation. [4252/07]

Tánaiste and Minister for Justice, Equality and Law Reform (Mr. McDowell): The person in question was granted permission to enter and remain in the State on 15 May 2001 on the basis of being a family member of a recognised refugee. The person concerned was issued with a travel document pursuant to Section 18 (6) of the Refugee Act identifying the person as a family member of a refugee. It is a matter for the French authorities to decide on what is appropriate to satisfy their criteria for entering their State. However, if the person in question contacts my department with details of his difficulties, this matter can be further investigated.

Residency Permits.

207. **Mr. Boyle** asked the Tánaiste and Minister for Justice, Equality and Law Reform if a decision is forthcoming regarding the family reunification application made by a person (details supplied). [4219/07]

Tánaiste and Minister for Justice, Equality and Law Reform (Mr. McDowell): I am informed by the Immigration Division of my Department that the person in question made a Family Reunification application in April 2005. The application was forwarded to the Refugee Applications Commissioner for investigation as required under Section 18 of the Refugee Act 1996. This investigation is completed and the Commissioner has forwarded a report to my Department.

During the course of processing this application, questions arose in relation to the authenticity of documentation submitted. Documentation was forwarded to the Garda Technical Bureau for further investigation. The report of these investigations was received by the Family Reunification section on the 5th February 2007. This report will be considered by my Department and a decision will issue in due course.

Crime Levels.

208. **Aengus Ó Snodaigh** asked the Tánaiste and Minister for Justice, Equality and Law Reform the number of stabbing incidents in each of the prisons here for each year for the past 5 years; the number of legal proceedings taken in terms of assaults with a deadly weapon, grievous bodily harm and attempted murder in relation to such incidences in the past five years; the number of investigations into these matters ongoing at present; and if he will make a statement on the matter. [4220/07]

Tánaiste and Minister for Justice, Equality and Law Reform (Mr. McDowell): In the time available, it is not possible to provide the information requested by the Deputy. I will furnish the information to the Deputy as soon as possible.

Irish Prison Service.

209. **Aengus Ó Snodaigh** asked the Tánaiste and Minister for Justice, Equality and Law Reform if he has had an indication from the Prison Service as to the steps taken to isolate persons involved in stabbings from other prisoners, to ensure that others are not attacked; if governors are made aware of the past violent history in prison of prisoners who are transferred due to such incidents; and if he will make a statement on the matter. [4221/07]

210. **Aengus Ó Snodaigh** asked the Tánaiste and Minister for Justice, Equality and Law Reform if he has had talks with the Prisons Service in relation to the high incident of stab-

blings in the prisons here; the action proposed to protect prisoners from other prisoners intent on stabbing or causing bodily harm; and if he will make a statement on the matter. [4222/07]

Tánaiste and Minister for Justice, Equality and Law Reform (Mr. McDowell): I propose to take Questions Nos. 209 and 210 together.

I am advised by the Irish Prison Service (IPS) that the Service is fully conscious of its responsibility to provide safe and secure custody for all persons committed to its care.

On committal, all prisoners are interviewed by the Governor and based on the information available, a decision is then made as to where a particular prisoner will be accommodated. This information could consist of previous knowledge of the prisoner, type of offence, information provided by the prisoner, intelligence reports from the Gardaí, prisoner's family/friends or general prison information. Subject to normal operating constraints, prisoners will as far as possible be accommodated in an area of the prison considered suitable to their safe custody or transferred to another institution where their safety needs can be best provided for.

In all cases where physical violence by stabbing or other means is inflicted on another, the perpetrator, if identified, is immediately separated from the general population. This is to safeguard the general population, to protect the perpetrator from the risk of retaliation by fellow prisoners and to allow any resultant tension within the prison to dissipate. Each case is fully investigated by the Governor and the Gardaí as appropriate. The Governor will instigate a disciplinary hearing and details of the breach of discipline and punishment will be recorded on the Prison Service IT system. The bringing of criminal charges is a matter for the Gardaí in consultation with the Office of the Director of Public Prosecutions.

In the event that prisoners continue to be at risk from a particular individual, it is open to a prison governor to request permission from the Operations Directorate of the IPS to have that individual transferred to another prison. Generally the governors of both prisons will discuss the issue prior to a formal request being made to the IPS. Upon being satisfied that sufficient grounds for transferring the individual exist, the IPS will authorise the transfer.

The separation of prisoners for their own protection or the protection of others is a feature of all prison systems worldwide. The Irish Prison Service is continuously reviewing its own procedures and is in contact with other prison services throughout Europe to establish best practice in its endeavour to ensure the safety of staff and prisoners at all times.

I have conveyed to the Director of the Irish Prisons Services in a series of meetings the necessity to give every precaution against incidents of the type referred to by the Deputy.

Asylum Applications.

211. **Ms O'Sullivan** asked the Tánaiste and Minister for Justice, Equality and Law Reform when a decision will be made on an application for leave to remain here on humanitarian grounds from a person (details supplied) in County Limerick; and if he will make a statement on the matter. [4224/07]

Tánaiste and Minister for Justice, Equality and Law Reform (Mr. McDowell): The person concerned arrived in the State on 4 September, 2002 and applied for asylum. His application was refused following consideration of his case by the Office of the Refugee Applications Commissioner and, on appeal, by the Refugee Appeals Tribunal.

Subsequently, in accordance with Section 3 of the Immigration Act, 1999, as amended, he was informed by letter dated 6 July, 2004, that the Minister proposed to make a deportation order in respect of him. He was given the options, to be exercised within 15 working days, of making representations to the Minister setting out the reasons why he should be allowed to remain temporarily in the State; leaving the State before an order is made or consenting to the making of a deportation order. Representations were received on behalf of the person concerned. His case was considered under Section 3 of the Immigration Act 1999, as amended and Section 5 of the Refugee Act 1996, as amended (Prohibition of Refoulement), including all representations received on his behalf, and a deportation order was made in respect of him on 26 August, 2004.

A number of further representations were received on behalf of the person concerned, and his case was re-considered under Section 3 of the Immigration Act 1999, as amended and Section 5 of the Refugee Act 1996, as amended (Prohibition of Refoulement). On 14 December, 2005, I affirmed the deportation order made in respect of the person concerned.

Further representations have again been received on behalf of the person concerned, and his case file is being re-considered. This person's case file, including all representations submitted, will be considered under Section 3(6) of the Immigration Act, 1999, as amended, and Section 5 of the Refugee Act, 1996 (Prohibition of Refoulement). I expect the file to be passed to me for decision in due course.

Asylum Applications.

212. **Mr. Howlin** asked the Tánaiste and Minister for Justice, Equality and Law Reform if, in relation to the notice published by his Department in the national newspapers on 31 January 2007 (details supplied) the relevant terms applicable to the scheme have been at any stage within his Department amalgamated into one comprehensive document; if he has available to himself

or has published such a document, which states comprehensively all the relevant terms applicable to the scheme; if not, the reason for same; if so, the reason he has not published it; the further reason applicants under the scheme are directed to three different documents in their efforts to find out the applicable terms; if those three documents are in fact comprehensive of the applicable terms; and if he will make a statement on the matter. [4225/07]

Tánaiste and Minister for Justice, Equality and Law Reform (Mr. McDowell): The notice published in the national newspapers by my Department on 31 January 2007, was addressed to the non-national parents of Irish children born in the State prior to 1 January 2005, who were granted permission to remain for up to two years under the IBC/05 Scheme. The notice was intended to alert those who wish to apply for renewal of that permission of the need to do so. In addition, the notice offered guidance to potential renewal applicants of the general terms of the renewal scheme.

The information leaflet, which accompanies the application form, comprehensively sets out the terms applicable to the scheme and incorporates guidelines to assist applicants in making their application.

Garda Operations.

213. **Mr. Kenny** asked the Tánaiste and Minister for Justice, Equality and Law Reform if it is the responsibility of the Gardaí to detect foreign registered cars which fail to re-register after 12 months here; the number of offenders detected for this offence in 2005 and 2006; the penalties which apply for this offence; and if he will make a statement on the matter. [4230/07]

Tánaiste and Minister for Justice, Equality and Law Reform (Mr. McDowell): Under Department of Finance legislation the registration of vehicles is the responsibility of the Revenue Commissioners.

I am informed by the Garda authorities that where a member of An Garda Síochána suspects that a vehicle has not been registered as required under the legislation the vehicle may be detained by the member until enquiries or investigations are carried out. I am further informed that An Garda Síochána detained under the provisions of the finance legislation and seized under the provisions of road traffic legislation 1,404 non-Irish registered vehicles in 2006 and 741 non-Irish registered vehicles in 2005. Statistics are not compiled in such a way as to distinguish between such vehicles seized under the provisions of finance legislation and road traffic legislation.

I am advised by the Revenue Commissioners that their officers, who are based at numerous locations in the State, carry out regular and ongoing checks to identify and deal with breaches

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of vehicle registration tax regulations in connection with the use of foreign registered vehicles in the State. They also periodically carry out co-ordinated national enforcement campaigns under finance legislation to detect infringements of the law in this area.

Stardust Tragedy.

214. **Mr. F. McGrath** asked the Tánaiste and Minister for Justice, Equality and Law Reform the reason the evidence on the Stardust fire was not handed over to the Stardust Relatives Group; if he will respond to their letter of 16 November 2006; and the position in relation to the case. [4244/07]

Tánaiste and Minister for Justice, Equality and Law Reform (Mr. McDowell): The solicitor for the Victims Committee was advised on 16 December, 2006 that an external and independent examination of their submission is to be carried out by an eminent legal person. It will be open to the Committee to set out the arguments contained in their letter of 16 November to that person. The arrangements for this examination are the subject of ongoing communication with the Committee's solicitor and any further information or evidence required by the Committee, should it in fact exist, can be raised in that context.

National Development Plan.

215. **Mr. Wall** asked the Tánaiste and Minister for Justice, Equality and Law Reform the completed projects within Kildare that were proposed under the last National Development Plan by his Department; the number under construction; the number that have rolled over to the new NDP; the other new proposals that are planned for Kildare under the new NDP; and if he will make a statement on the matter. [4294/07]

Tánaiste and Minister for Justice, Equality and Law Reform (Mr. McDowell): I can inform the Deputy that a grant of €165,000 was awarded to St. John Of God Services in Kildare to assist mentally disadvantaged women integrate into society. The grant was paid over a three year period 2002-2005. The project was awarded funding under the Equality for Women Measure of the 2000-2006 National Development Plan. The measure is an initiative designed to tackle attitudinal, cultural and structural barriers to women's equal participation in society. I can also inform the Deputy that future calls for proposals will issue on a national basis over the lifetime of the new NDP in relation to the National Women's Strategy and Gender Equality Initiatives.

I am sure the Deputy will appreciate that County Kildare has benefitted from the many

national initiatives carried out under the last NDP and will do so again under the new NDP.

Citizenship Applications.

216. **Mr. Kehoe** asked the Tánaiste and Minister for Justice, Equality and Law Reform if assistance will be given to expedite the citizenship application for a person (details supplied) in County Wexford taking into account their circumstances; and if he will make a statement on the matter. [4300/07]

Tánaiste and Minister for Justice, Equality and Law Reform (Mr. McDowell): An application for a certificate of naturalisation from the person referred to in the Deputy's question was received in the citizenship section of my Department on 29 September 2006.

Applications are generally dealt with in chronological order and this practise is not deviated from except in exceptional circumstances. However, due to the circumstances outlined by the Deputy, I understand that a submission will shortly be made to my Office for a decision on whether this case might be expedited. I will inform the Deputy and the person in question once I have reached a decision on the application.

Estate Management Companies.

217. **Ms C. Murphy** asked the Tánaiste and Minister for Justice, Equality and Law Reform his views on a two pronged approach to legislating for management companies in order that issues beyond dispute such as unfair share allocations, unreasonable charges, limiting such companies to multi-unit developments and accountability to apartment owners are dealt with immediately and that other topics included in the Law Reform Commission Consultation Report, the National Consumer Agency Report and the Director of Corporate Enforcement Report not covered in the above form part of future legislation; and if he will make a statement on the matter. [4301/07]

Tánaiste and Minister for Justice, Equality and Law Reform (Mr. McDowell): Issues relating to multi-unit developments and the operation of property management companies were discussed at a Conference organised by my Department and the Law Reform Commission on 25 January. The Conference provided an opportunity for relevant statutory bodies and other stakeholders, including members of the public, to discuss the policy issues identified in the Law Reform Commission's Report on Multi-Unit Developments and to consider possible solutions to the difficulties that have been identified in that Report.

Addressing the difficulties in this area will require action across a number of policy areas, including the planning and development code, company law, consumer protection law and the

development of regulatory structures. In recognition of the wide range of policy areas involved, and the cross-cutting nature of many of the issues, the Government has approved the establishment of a high-level, interdepartmental committee, comprising representatives of relevant Departments and Offices, to assist in the development of a coherent legislative response to these issues. A key task of this committee will be to identify the key legislative and administrative actions to be taken and to determine a timescale for implementation as soon as possible.

In the meantime, several initiatives are under way. For example, the Minister for the Environment, Heritage and Local Government has advised city and county managers that planning authorities should under no circumstances require the establishment of a management company in 'traditional' housing estates. More recently, he has published draft guidelines for planning authorities on sustainable urban housing, including new design standards for apartments. The primary purpose of these new guidelines is to ensure that the design and layout of new apartments will provide suitable and comfortable accommodation for a broad range of household types and sizes, including families with children, over the medium to long term.

The National Consumer Agency has produced a very valuable booklet entitled 'Putting Consumers First' which contains information and guidance for those who have bought an apartment or house in a multi-unit complex, or are considering doing so, and the Agency is currently engaged in a major publicity campaign. In addition, the Director of Corporate Enforcement has launched a draft consultation paper on the governance of property management companies which provides essential information for the members and directors of management companies and is seeking submissions from interested parties.

Pending the development of required legislative reforms, improved awareness of their rights, and a better understanding of the corresponding duties and responsibilities of developers and builders, will, I believe, enable the owners of apartments and houses in multi-unit complexes to assert their rights as company members, become involved in the management of their company and combat abuses.

Citizenship Applications.

218. **Mr. Ring** asked the Tánaiste and Minister for Justice, Equality and Law Reform if a person (details supplied) in County Mayo has applied for citizenship here. [4349/07]

Tánaiste and Minister for Justice, Equality and Law Reform (Mr. McDowell): I am advised by officials in the Citizenship section of my Department that there is no record of an application for a certificate of naturalisation from the person referred to by the Deputy.

Garda Strength.

219. **Aengus Ó Snodaigh** asked the Tánaiste and Minister for Justice, Equality and Law Reform the Garda strength per district in Dublin and their rank and assigned duties on January 15 2007; and the number of civilians working in Garda stations in Dublin and other Garda departments on the same date. [4350/07]

Tánaiste and Minister for Justice, Equality and Law Reform (Mr. McDowell): I have been informed by the Garda authorities, who are responsible for the detailed allocation of resources, including personnel, that the personnel strength (all ranks) of An Garda Síochána increased to a record 13,000 following the attestation of 299 new members on Thursday, 16 November, 2006. This compares with a total strength of 10,702 (all ranks) as at 30 June, 1997 and represents an increase of 2,298 (or 21.5%) in the personnel strength of the Force during that period. The combined strength (all ranks), of both attested Gardaí and recruits in training as at the 31 December 2006 was 14,068. Furthermore, I should say that in December, 2006 as part of a package of anti-crime measures, the Government approved the continuation of the existing Garda recruitment programme to achieve a total Garda strength of 15,000. The accelerated intake of 275 new recruits per quarter into the Garda College will continue until this target is met. The Garda Budget now stands at €1.4 billion, an 11% increase on 2006 and a 96% increase since 1997 in real terms.

I have also been informed by the Garda Authorities that the personnel strength, by rank, of each operational Garda District within the Dublin Metropolitan Region as at the 15th January, 2007 is set out in the table, below:

District	Chief Superintendent	Superintendent	Inspector	Sergeant	Gardaí
Pearse Street	1	2	7	34	300
Kevin Street	0	1	5	30	177
Donnybrook	0	0	4	19	156
Crumlin	1	2	3	26	140
Tallaght	0	1	4	30	215
Rathmines	0	1	4	24	145

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District	Chief Superintendent	Superintendent	Inspector	Sergeant	Gardaí
Santry	1	2	6	41	197
Coolock	0	0	4	26	181
Raheny	0	1	5	23	153
Blanchardstown	1	2	7	42	279
Lucan	0	1	4	24	157
Clondalkin	0	1	3	26	174
Store Street	1	2	6	34	237
Fitzgibbon Street	0	1	5	23	180
Bridewell	0	1	6	29	133
Dún Laoghaire	1	2	5	27	160
Bray	0	1	5	27	172
Blackrock	0	1	4	24	161

The number of civilian staff working in Garda Stations in the Dublin Metropolitan Region as at the 15th January, 2007 was 198. The number of civilian staff in other Garda Offices in the Dublin Metropolitan Region as at the 15th January, 2007 was 281.

The Government has approved the further recruitment of 300 civilian staff to release Gardaí from administrative functions and free them up for operational policing duties. The accelerated recruitment campaign currently being carried out by the Public Appointments Service, on behalf of the Garda Commissioner, is to provide 50 new Clerical Officers for Dublin stations and offices every week until the process is complete.

Registration of Title.

220. **Mr. Perry** asked the Tánaiste and Minister for Justice, Equality and Law Reform the progress made on a land registry application for release of deeds for a person (details supplied) in County Leitrim; if it will be expedited; and if he will make a statement on the matter. [4387/07]

Tánaiste and Minister for Justice, Equality and Law Reform (Mr. McDowell): As the Deputy will be aware, under the provisions of the Registration of Deeds and Title Act 2006, the Property Registration Authority was established as and from 4 November, 2006. The Property Registration Authority replaces the Registrar of Deeds and Titles as the registering authority in relation to property registration in Ireland and, subject to the above Act, is independent in the performance of its functions. In order to be of assistance I forwarded the Deputy's query to the Authority for its attention and direct reply. I understand that a reply has already issued.

I would also like to refer the Deputy to my letter of 26 May, 2006 to members of the Oireachtas regarding a new service for T.D.s and Senators concerning the current status of applications of this type. As outlined in my letter, the service was introduced, inter alia, to provide a

speedier and more cost effective alternative to submitting Parliamentary Questions.

Garda Deployment.

221. **Mr. Durkan** asked the Tánaiste and Minister for Justice, Equality and Law Reform with regard to the proposed new Garda Station at Leixlip, County Kildare the number of senior Garda officers expected to be located there; if the station will be used as a divisional command centre; and if he will make a statement on the matter [4392/07]

Tánaiste and Minister for Justice, Equality and Law Reform (Mr. McDowell): I have been informed by the Garda authorities, who are responsible for the detailed allocation of resources, including personnel, that the personnel strength (all ranks) of An Garda Síochána increased to a record 13,000 following the attestation of 299 new members on Thursday, 16 November, 2006. This compares with a total strength of 10,702 (all ranks) as at 30 June, 1997 and represents an increase of 2,298 (or 21.5%) in the personnel strength of the Force during that period. The combined strength (all ranks), of both attested Gardaí and recruits in training as at the 31 December 2006 was 14,068. Furthermore, I should say that in December, 2006 as part of a package of anti-crime measures, the Government approved the continuation of the existing Garda recruitment programme to achieve a total Garda strength of 15,000. The accelerated intake of 275 new recruits per quarter into the Garda College will continue until this target is met. The Garda Budget now stands at €1.4 billion, an 11% increase on 2006 and a 96% increase since 1997 in real terms.

Leixlip Garda Station forms part of the DMR West Garda Division and I have been further informed by the Garda authorities that there are no plans to change the Divisional Headquarters at present.

I have also been informed by the Garda authorities that the current strength of Leixlip Garda Station is 3 Sergeants and 22 Gardaí.

The allocation of Garda resources will be kept under review and when additional personnel next become available the needs of Leixlip Garda Station and the DMR West Garda Division will be fully considered within the overall context of the needs of Garda Divisions throughout the country.

Residency Permits.

222. **Mr. Durkan** asked the Tánaiste and Minister for Justice, Equality and Law Reform the current or expected outcome of family reunification or residency application in the case of a person (details supplied) in County Kildare; and if he will make a statement on the matter. [4409/07]

Tánaiste and Minister for Justice, Equality and Law Reform (Mr. McDowell): I wish to advise the Deputy that the person in question was granted permission to remain in the State on 10 August 2005 for two years under the revised arrangements for non national parents of Irish children born prior to 1 January 2005 commonly referred to as the IBC/05 scheme.

Advertisements inviting applications for renewal of permission to remain granted under the IBC/05 scheme were placed in National Newspapers on 31 January, 2007. In the case of the person in question whose renewal does not fall due until August 2007 the application for renewal must be submitted one month in advance of the date on which the current permission to remain in the State expires. Applications will be processed in order of the date permission to remain expire. The person in question is already resident in this State and there is no record of an application for family reunification under the name supplied by the Deputy.

Prison Building Programme.

223. **Ms Burton** asked the Tánaiste and Minister for Justice, Equality and Law Reform the amount spent since 26 January 2004 on the site at Thornton Hall including expenditure on surveys, tree planting, archaeology and so on; and if he will make a statement on the matter. [4414/07]

224. **Ms Burton** asked the Tánaiste and Minister for Justice, Equality and Law Reform the number of contracts for work that have been signed for work to be done at the Thornton site; the number of these projects that have not been completed; the cost of the contracts that have not been completed; and if he will make a statement on the matter. [4415/07]

Tánaiste and Minister for Justice, Equality and Law Reform (Mr. McDowell): I propose to take Questions Nos. 223 and 224 together.

A total of nine contracts have been put in place for the work on Thornton Hall site. Six of these are complete and three are ongoing. These are the landscape planting contract, the team of consultants appointed to oversee all of the planning of the preliminary works and the site security services. A total of €2.7m has been expended to date on works at or related to the Thornton Hall site including surveys, tree planting, archaeology, etc.

The Deputy will be aware that in addition to the above, work on the selection of a consortium to finance, design, build and maintain a new prison facility at Thornton is at an advanced stage. As is the case in all major infrastructural projects, comprehensive geological/ archaeological surveys were conducted at the site. I am glad to inform the Deputy that, in accordance with assurances I have previously given the House, there are no recorded national monuments on the site. In addition, the comprehensive survey undertaken did not reveal any archaeological impediment to the proposed development.

Garda Deployment.

225. **Ms Burton** asked the Tánaiste and Minister for Justice, Equality and Law Reform the number of Gardaí allocated to the Dublin west district; the breakdown by rank and area of activity; the number of community Gardaí and the areas to which they are assigned; the number in each area; the equivalent numbers for May 2005; his proposals to appoint additional Gardaí to the area in view of the huge developments taking place in the area and the consequent significant growth in population; and if he will make a statement on the matter. [4416/07]

Tánaiste and Minister for Justice, Equality and Law Reform (Mr. McDowell): I have been informed by the Garda authorities, who are responsible for the detailed allocation of resources, including personnel, that the personnel strength (all ranks) of An Garda Síochána increased to a record 13,000 following the attestation of 299 new members on Thursday, 16 November, 2006. This compares with a total strength of 10,702 (all ranks) as at 30 June, 1997 and represents an increase of 2,298 (or 21.5%) in the personnel strength of the Force during that period. The combined strength (all ranks) of both attested Gardaí and recruits in training as at the 31 December 2006 was 14,068. Furthermore, I should say that in December, 2006 as part of a package of anti-crime measures, the Government approved the continuation of the existing Garda recruitment programme to achieve a total Garda strength of 15,000. The accelerated intake of 275 new recruits per quarter into the Garda College will continue until this target is met. The Garda

[Mr. McDowell.]

Budget now stands at €1.4 billion, an 11% increase on 2006 and a 96% increase since 1997 in real terms.

I am further informed by the Garda authorities that the personnel strength of the DMR West

Garda Division on 31 May 2005 and on 6 February 2007 was as set out in the table hereunder:

Station	Rank	31/05/2005	06/02/2007
Blanchardstown	Chief Superintendent	1	1
	Superintendent	2	2
	Inspector	5	5
	Sergeant	23	24
	Garda	136	143
Cabra	Inspector	1	1
	Sergeant	11	10
	Garda	50	57
Finglas	Inspector	1	1
	Sergeant	9	8
	Garda	72	78
Lucan	Superintendent	1	1
	Inspector	4	3
	Sergeant	9	6
	Garda	56	59
Leixlip	Sergeant	3	3
	Garda	23	22
Ronanstown	Inspector	1	1
	Sergeant	14	15
	Garda	72	75
Ballyfermot	Inspector	1	1
	Sergeant	11	14
	Garda	64	75
Clondalkin	Superintendent	1	1
	Inspector	2	2
	Sergeant	11	10
	Garda	69	78
Rathcoole	Inspector	1	0
	Sergeant	2	2
	Garda	23	21
Total		679	719

The personnel strength (all ranks) of the DMR West Garda Division as at 31 December 1997 and as at 6 February 2007 was 513 and 719 respectively. This represents an increase of 209 (or 40.2%) in the number of Gardaí allocated to the Division since that date.

I am further informed that the Division's resources are further augmented by a number of Garda National Units such as the Garda National Drugs Unit, the Garda National Immigration Bureau (GNIB), the Criminal Assets Bureau (CAB) and other specialised units, all of which have had increased resources.

The Garda authorities state that the number of Community Gardaí in the DMR West Division on 31 May 2005 and on 6 February 2007 was as set out hereunder:

Community Gardaí	31/05/2005	06/02/2007
Blanchardstown	18	20
Cabra	4	7
Finglas	12	10
Lucan	7	7
Leixlip	4	3
Ronanstown	12	10
Ballyfermot	10	9
Clondalkin	11	11
Rathcoole	1	1
Total	79	78

The Deputy should appreciate that, as with any large organisation, on any given day, personnel strengths of individual stations may fluctuate due, for example, to promotions, retirements and transfers.

Under the Garda Síochána Act 2005 it is the responsibility of the Garda Commissioner to allocate personnel to and within Divisions on a priority basis in accordance with the requirements of different areas. In this regard, I am informed by Garda management that personnel allocations are determined by a number of factors including demographics, crime trends and other operational policing needs. Garda management state that such allocations are continually monitored and reviewed along with overall policing arrangements and operational strategy. This ensures that optimum use is made of Garda resources and that the best possible service is provided to the public.

The allocation of Garda resources will be kept under review and when additional personnel next become available the needs of the DMR West Garda Division will be fully considered within the overall context of the needs of Garda Divisions throughout the country.

Crime Levels.

226. **Ms Burton** asked the Tánaiste and Minister for Justice, Equality and Law Reform his proposals to deal with the number of unsolved murders, gangland killings and other serious crimes committed in recent years in the Dublin 15 area which remain unsolved; his views on whether confidence in the criminal justice system is eroded by failure to apprehend people who commit serious criminal acts; and if he will make a statement on the matter. [4417/07]

Tánaiste and Minister for Justice, Equality and Law Reform (Mr. McDowell): I assure the Deputy that I consider murder to be the most heinous of crimes. The significant resources which are being made available to An Garda Síochána are being brought to bear in a focused and methodical way on bringing the persons involved in these crimes to account. An Garda Síochána's policing plans continue to target crime, including organised crime, in our community.

All killings, regardless of the circumstances involved, are the subject of rigorous investigation by An Garda Síochána. While the term "gangland murders" tends to be widely used in the media in referring to the nature of certain unlawful killings and speculation in this respect is understandable, this does not correspond to the manner in which An Garda Síochána classifies crime or particular offences. Caution is necessary in ascribing particular motives to any particular incident as, potentially, this might jeopardise the procedures which need to be followed for the proper investigation and prosecution of offences.

Operation Anvil is central to the strategy of the Garda Síochána in combating serious crime and in particular murder. The Operation, which commenced in the Dublin Metropolitan Region in May, 2005 and was subsequently extended nationwide at my request, has proved to be very successful in disrupting the criminal activities of a number of key criminal gangs. It has resulted in a number of high-profile arrests and the acquisition of intelligence on the movements of criminals. Notable improvements have been achieved in the recorded number of incidents of crime being targeted by the Operation. In particular, I am pleased to note the increase of 34% in detections of possession of firearms in the fourth quarter of 2006 which I believe has contributed to the reduction of 3.4% in discharges of firearms. I believe that Operation Anvil has also contributed to the increase in that quarter of detections of offences of possession of drugs for sale or supply which is closely associated with many murders using firearms.

I am informed by the Garda authorities that almost 600 people have been arrested in connection with serious criminal activities in the Dublin Metropolitan Region West Division since the commencement of Operation Anvil. In addition there have been in excess of 6,000 Garda searches, 9,500 Garda checkpoints, and 2,000 cars seized in the Division.

The personnel strength of the Organised Crime Unit at the National Bureau of Criminal Investigation has been augmented to address the problem of gangland activity. Enforcement by the Unit has resulted in a number of arrests, seizure of firearms, substantial quantities of drugs been seized and the disruption of criminal activities.

Recent events, particularly the deaths of wholly innocent members of the public caught up in internecine gangland conflict, have made it tragically clear that what has been achieved already must be built on so that we can protect our society from the dangers in our midst. A Government can have no greater priority than the safety of its people and it is against that background that we have taken a series of decisions which involve a comprehensive programme of measures to ensure that the full resources of the State are brought to bear as never before against the activities of those who have showed a callous disregard for the rule of law.

On 19 December last, the Government agreed my proposals for an unprecedented package of measures which includes:

- A further increase of 1,000 in the strength of An Garda Síochána to bring the total to 15,000 over the next three years;
- A proportionate increase in the targeted strength of the Garda Reserve from 900 to 1500;

[Mr. McDowell.]

- Sanction for 300 additional civilian administrative support posts for An Garda Síochána;
- The recruitment of the seven senior civilian posts recommended in the recent reports from the Garda Síochána Inspectorate and Senator Maurice Hayes;
- An increase in the retirement age for Gardaí, Sergeants and Inspectors from 57 to 60;
- Increased staffing for the Forensic Science Laboratory, the office of the Director of Public Prosecutions and the Courts Service; and
- No limit on funds available for the Witness Protection Programme.

I will also be shortly be putting further legislative proposals to Government. I have been informed by the Garda authorities that the personnel strength of Blanchardstown Garda station, which covers the Dublin 15 area, as at 31 December, 1997 and 31 January, 2007 was 89 and 176 respectively. This represents an increase of 87 (or 97.75%) in the number of personnel allocated. Divisional resources are further augmented by a number of Garda National Units such as the Garda National Drugs Unit, the Garda National Immigration Bureau (GNIB), the Criminal Assets Bureau (CAB) and other specialised units, all of which have been allocated increased resources.

227. **Ms Burton** asked the Tánaiste and Minister for Justice, Equality and Law Reform the figures for serious crimes such as homicide broken down by category, fraud, burglary and sexual offences for the Dublin west district; the same figures for the Dublin 15 area; the percentage of cases for all these categories in both the Dublin west district and in the Dublin 15 area for which proceedings were initiated and convictions were recorded; and if he will make a statement on the matter. [4418/07]

Tánaiste and Minister for Justice, Equality and Law Reform (Mr. McDowell): Headline crime statistics for the Garda Division of Dublin West are contained in the relevant Garda Annual Reports, copies of which are available in the Oireachtas Library. I am informed by the Garda authorities that crime statistics are compiled on the basis of Garda operational areas and do not correspond to postal districts.

Following the submission to me in 2004 of a report and recommendations by an expert group on crime statistics, I decided that the compilation and publication of crime statistics should be taken over by the Central Statistics Office, as the national statistical agency, from the Garda Síochána. The Garda Síochána Act, 2005 consequently

makes provision for this and the CSO has established a dedicated unit for this purpose. Following the setting up of the necessary technical systems and auditing of the data from which the statistics are compiled, I am pleased to note that the CSO is now compiling and publishing criminal statistics and has published provisional headline crime statistics for the third and fourth quarters of 2006. In addition, it has compiled and published a series of quarterly and annual statistics for the period starting with the first quarter of 2003. I understand that the CSO are examining how the crime statistics published might be expanded and made more comprehensive.

I have requested the CSO to provide the Deputy directly with the information sought by her.

Garda Strength.

228. **Ms Burton** asked the Tánaiste and Minister for Justice, Equality and Law Reform the strength in each of the Garda divisions, with a breakdown of the numbers in each division by area and by full time and part-time; and if he will make a statement on the matter. [4419/07]

Tánaiste and Minister for Justice, Equality and Law Reform (Mr. McDowell): I have requested the information sought by the Deputy from the Garda authorities. I will be in contact with the Deputy when this information is to hand.

Domestic Violence.

229. **Aengus Ó Snodaigh** asked the Tánaiste and Minister for Justice, Equality and Law Reform when his Department will make a decision on the future of the National Domestic Violence Intervention Agency including its funding and extension; and if he will confirm that this decision will be made within the next three months. [4425/07]

Tánaiste and Minister for Justice, Equality and Law Reform (Mr. McDowell): I would refer the Deputy to my reply to Parliamentary Question No. 211 of 6 February 2007. I have nothing further to add to that response.

Garda Equipment.

230. **Mr. Coveney** asked the Minister for Finance if the Government will sign a contract with a consortium including a company (details supplied) for the provision of a tetra digital radio system for An Garda Síochána; the value of the contract; the parties involved; and when the contract is expected to be signed. [4194/07]

Tánaiste and Minister for Justice, Equality and Law Reform (Mr. McDowell): An InterAgency Group chaired by my Department has conducted an EU Procurement competition for the provision of national digital radio services to the non-

commercial public sector. Following a detailed evaluation of the proposals received, my Department announced Tetra Ireland as the preferred bidder. Tetra Ireland is a consortium comprising eircom, Sigma Wireless and Motorola. Tetra Ireland must now undertake a Service Performance Evaluation at its own risk and cost to prove its capability to deliver the service solution it proposed. It is envisaged that this evaluation should be completed in approximately 6 months. Any award of contract is dependent on Tetra Ireland concluding both this evaluation and contract discussions to the satisfaction of the InterAgency Group and my Department.

Any contract arising from these exercises will not have a particular value. Rather, it will establish a drawdown facility that will be available to all non-commercial public bodies to use at their discretion. The costs to individual public bodies will be directly related to their level of take-up and the usage they make of the radio services.

Tax Code.

231. **Mr. Callely** asked the Minister for Finance the determinations made by the Revenue Commissioners under Section 482 of the Taxes Consolidation Act 1997 over the past 10 years; and if he will make a statement on the matter. [3855/07]

233. **Mr. Callely** asked the Minister for Finance the level of claims by owner or occupiers of stately homes in private ownership which avail of tax concessions on the basis that the building is intrinsically of significant scientific, historical, architectural or aesthetic interest and where reasonable access is afforded to the public; the stately homes that qualified for such tax concessions over the past five years; and if he will make a statement on the matter. [4186/07]

Minister for Finance (Mr. Cowen): I propose to take Questions Nos. 231 and 233 together.

Section 482 provides relief for expenditure incurred on the repair, maintenance and restoration of a building or garden which is determined by the Minister for the Environment and Local Government to be intrinsically of significant scientific, historical, architectural or aesthetic interest and in respect of which the Revenue Commissioners have given a determination that reasonable access is afforded to the public or that the building is a guest house approved by Fáilte Ireland and open for at least 6 months in any calendar year.

I am advised by the Revenue Commissioners that in the past ten years 144 determinations were made under Section 482 Taxes Consolidation Act, 1997. I am further informed by the Revenue Commissioners that 2003 is the most recent year for which figures on the cost of the scheme to the Exchequer are available. In that year claims under the scheme resulted in a cost of €2.1 mil-

lion. In the five years from 1999-2000 to 2003 it is estimated that claims under the scheme amounted in total to a cost of €12.8 million.

The latest list of properties which have benefited under the scheme is available on the Revenue Commissioners' website at www.revenue.ie under the heading "Publications". The list is no. 23 on the "List of bodies and organisations that qualify for relief". Lists for earlier years are available in booklet form only and arrangements are being made to have copies sent to the Deputy.

232. **Mr. Callely** asked the Minister for Finance the progress made with taxation levels here over the past ten years; the progress being made in the area of corporation tax; the benefits that have resulted; and if he will make a statement on the matter. [4185/07]

Minister for Finance (Mr. Cowen): The Deputy will be aware of the commitment contained in the Government Programme to keep down personal and business taxes in order to strengthen and maintain the competitive position of the Irish economy. When this Government came to office in 1997, the rates of business and personal taxes were still high compared with today's rates. The standard corporation tax rate was 36% and income tax rates were 26% and 48%, respectively. Over the last eight years, corporation tax has been reduced to a standard 12.5% and the income tax rates reduced to 20% and 41%, respectively.

A lower direct tax regime combined with reducing the public debt burden is more conducive to social and economic progress than policies which would give rise to high taxation and high levels of public spending. In this regard, Ireland offers one of the most enterprise-led corporate tax environments in the world. The 12½% corporation tax rate continues to support the necessary stable enterprise environment which the Government have sought to develop over the last number of years. This has been one of the main elements in the attraction and development of top quality investment in Ireland.

Since this Government came to office in 1997, the system of personal tax allowances has been replaced with a more equitable system of personal tax credits, the value of the basic personal tax credits has increased significantly, the higher and standard rates of tax have been reduced from 48% to 41% in the case of the higher rate and from 26% to 20% in the case of the standard rate and the standard rate band has been widened considerably for all categories of taxpayer (single, married one-earner and married two-earner). The single and married two-earner bands have increased by over 170% in the period while the married one-earner band has increased by 71%.

Arising from these structural changes to the income tax system, the position is that: average tax rates have fallen for all categories of taxpayer

[Mr. Cowen.]

since 1997; for 2007, the single employee earning the minimum wage will pay no tax on his or her earnings (in addition, as a result of changes in the PRSI system, the person has no liability for PRSI so that he or she keeps 100% of his or her earnings); the person earning the average industrial wage in 2007 will not face a liability for higher rate tax; 80% of income earners will pay no more than 20% tax on their incomes in 2007; in international terms, for the single worker on average earnings, the latest OECD data relating to the year 2005 indicate that Ireland has the lowest tax wedge in the EU. This has been the case in each of the six years 2000 to 2005. We also have one of the lowest tax wedges in the entire OECD; for a married one-earner couple with two children on average earnings, Ireland has the lowest tax wedge in the entire OECD. In addition, when cash transfers from the State are taken into account, such couples face a negative burden in Ireland because they receive more in the cash transfers than they pay out in tax and social security contributions. Ireland is the only OECD country where this is the case.

I am in no doubt that the low direct tax policies pursued by the Government over the last 10 years have been remarkably successful in developing enterprise and jobs and in encouraging labour market participation.

Question No. 233 answered with Question No. 231.

234. **Mr. Gormley** asked the Minister for Finance the reason tax breaks for private hospitals represents good value for money and if he will make a statement on the matter; and if he will make a statement on the matter. [41446/06]

Minister for Finance (Mr. Cowen): I believe so. The scheme of capital allowances for the construction of private hospitals was reviewed by Indecon Economic Consultants as part of the overall review of property tax incentives in 2005. Indecon consulted widely in the course of their review, including consultations with the Department of Health and Children and the Health Service Executive. The report was published on 6 February 2006 and is available on my Department's website. Among the findings of the review, it is stated that "While it is too early to provide detailed estimates of the impact of the scheme on the supply and on the costs of hospital beds, Indecon believes the scheme has the potential to address supply shortages in the sector and to reduce costs."

What we need are more hospital facilities. If we can fund these at 41% of the cost, this is clearly better than funding them directly at 100%.

Motor Taxation.

235. **Mr. Kenny** asked the Minister for Finance

if his attention has been drawn to the measures used by the Revenue Commissioners to detect foreign registered cars present here who fail to re-register after 12 months; the number of estimated vehicles which fall into this category; the number detected for this offence in 2005 and 2006; and if he will make a statement on the matter. [4229/07]

Minister for Finance (Mr. Cowen): I am advised by the Revenue Commissioners that their officers, who are based at numerous locations around the country, carry out regular and ongoing checks to identify and deal with breaches of Vehicle Registration Tax Regulations as regards the use of foreign registered vehicles in the State. Revenue also periodically carry out co-ordinated national enforcement campaigns to detect infringements of the law in this area.

Details of enforcement activity focused on foreign registered vehicles for the years 2005 and 2006 are set out below. The significant increase in the number of vehicles challenged during 2006 reflects the efforts being made to tackle abuse in this area

Year	Vehicles challenged	Written warnings	Seizures	Convictions
2005	11,876	2,783	910	23
2006	14,531	3,795	981	8

The Revenue Commissioners also inform me that while the law, in certain circumstances, provides for exemption from the registration requirement for foreign registered vehicles brought temporarily into the State, there is no requirement for such vehicles to be presented to the Revenue Commissioners to avail of the relief. Therefore, the details of such vehicles are not normally captured or held in the vehicle registration system and data on the number of persons availing of the temporary exemption at any particular point in time, or who have availed of it prior to registration, is not available.

Question No. 236 answered with Question No. 172.

Decentralisation Programme.

237. **Mr. Wall** asked the Minister for Finance the position regarding the purchase of a site for the transfer of his Department to County Kildare as part of the decentralisation programme; if a site has been chosen; if the price of the site has changed since purchase negotiations started; and if he will make a statement on the matter. [4233/07]

Minister of State at the Department of Finance (Mr. Parlon): The Commissioners of Public Works are currently assessing a number of possibilities for a permanent accommodation solution in Kildare town for the Department of Finance

and the Revenue Commissioners. The evaluation process has still to be completed. When the preferred option has been decided, negotiations for acquisition will commence.

National Development Plan.

238. **Mr. Rabbitte** asked the Minister for Finance the role his Department will play in supervising delivery of the overall National Development Plan launched on 23 January 2007; and if he will make a statement on the matter. [2249/07]

239. **Mr. Rabbitte** asked the Minister for Finance the areas of the new National Development Plan for which his Department has direct responsibility; and if he will make a statement on the matter. [2248/07]

241. **Caoimhghín Ó Caoláin** asked the Minister for Finance the role he played in formulating the National Development Plan; their role in implementing the plan; and if he will make a statement on the matter. [2101/07]

Minister for Finance (Mr. Cowen): I propose to take Questions Nos. 238, 239 and 241 together.

My Department was responsible, under the general direction of Government, for coordinating the preparation and drafting of the Plan. This included commissioning an *ex ante* evaluation of the investment priorities from the Economic and Social Research Institute. My Department also conducted a widespread consultation process that ensured that the social partners, regional bodies and other interest groups were given an opportunity to make submissions on their Plan priorities. As part of this consultation process, my Department held two separate consultation seminars, one in Dublin and one in Tullamore last year.

Overall coordination of monitoring and implementation of the Plan will be the responsibility of Sectoral Policy Division of my Department. In general, implementation of specific Plan investment at programme and project level will, in the first instance, be the responsibility of the relevant Government Departments and Agencies.

I will be establishing a Central Monitoring Committee to monitor the implementation of the Plan. The Committee, which will be chaired by my Department, will have representatives from: Government Departments and public bodies involved in the implementation of the Plan; the Regional Assemblies and Regional Authorities; the four pillars of Social Partnership; and appropriate representation from a relevant Government Department or an appropriate statutory body for both equal opportunity and environmental interests.

My Department will also coordinate the drafting of a focussed Plan reporting template that will be aimed at monitoring progress on Plan financial and physical outputs and outcomes and on pro-

gress on the horizontal themes of Regional Development, All-Island dimension and Environmental Sustainability. Reporting and monitoring of VFM for Plan investment will also be included. It is hoped to finalise this reporting and monitoring framework as early as possible this year.

My Department will also produce an annual report on implementation of the Plan that will be submitted to the Government and subsequently laid before the Houses of the Oireachtas where it shall be subject to debate. The first such report will be produced in 2008 in respect of 2007.

Departmental Properties.

240. **Ms Burton** asked the Minister for Finance if a planning application has been submitted to convert the Department of Justice, Equality and Law Reform building on Main Street, Blanchardstown for use as a driving test centre; the expected timeline for the renovation of the building; and if he will make a statement on the matter. [4241/07]

Minister of State at the Department of Finance (Mr. Parlon): Final preparations are under way on the submission of a planning application to the Local Authority. The expected timeline for the renovation of the building will be subject to grant of planning permission.

Question No. 241 answered with Question No. 238.

Pension Provisions.

242. **Mr. Timmins** asked the Minister for Finance the position in relation to a person (details supplied) in County Wicklow; if the person can contribute to their pension; and if he will make a statement on the matter. [4248/07]

Minister for Finance (Mr. Cowen): I am advised by the Revenue Commissioners that the taxpayer concerned is now aged over 75 and is thus precluded, in accordance with tax legislation, from making a tax allowable PRSA contribution.

A tax credit certificate will be issuing to the taxpayer within the next number of days. Should he have any specific queries in regard to the other aspects of his tax affairs he should contact his local tax office in the Wicklow District.

Tax Code.

243. **Ms C. Murphy** asked the Minister for Finance if he will introduce measures to provide single parents with similar tax relief arrangements to those enjoyed by married couples in order to ensure that where both parents contribute to the upbringing of a child but are not married they may each still avail of much needed tax reliefs; and if he will make a statement on the matter. [4251/07]

Minister for Finance (Mr. Cowen): The position is that a lone parent, whether single, separated, divorced or widowed, may claim the one parent family tax credit if they have qualifying dependant children, and if they are not cohabiting with another person as man and wife.

The personal relief for lone parents was introduced as a tax allowance in 1979 in recognition of the circumstances where additional costs involved in child rearing in a one parent situation compared to where both parents are present.

The one parent family tax credit combined with the basic personal tax credit gives a lone parent the same value in tax relief as the married personal tax credit. In addition, entitlement to the one parent family tax credit means that the lone parent will also be entitled to the lone parent standard rate band which for 2007 will be €38,000 (€4,000 greater than the standard band for a single person).

The one parent family tax credit may also be claimed by each parent in cases where parents live separately and where the child or children resided with each parent for part of the year. The Revenue Commissioners deem this requirement to be met if the child is so resident at least one night during the year.

I am generally satisfied with the current tax treatment of lone parents.

However, as indicated above, the credit may not be claimed by either party in a cohabiting couple as this would undermine the key purpose of the relief which is to assist lone parents raising children on their own.

In relation to couples who cohabit, generally speaking the tax system treats the members of such couples as separate and unconnected individuals. Each partner is a separate entity for tax purposes and credits and bands and reliefs cannot be transferred from one partner to the other. There are no special favourable tax arrangements for cohabiting couples with dependent children.

The Working Group Examining the Treatment of Married, Cohabiting and One-Parent Families under the Tax and Social Welfare Codes, which reported in August 1999, was sympathetic, in principle, to changes in the tax legislation to address the issues raised relating to cohabiting couples and reported that the options that it set out should be considered further. However, it acknowledged in relation to the tax treatment of cohabiting couples that a key issue is whether tax law should proceed ahead of changes in the general law.

There are a number of recent reports which will help to inform the Government's deliberations in this general area including:

- the Tenth Progress Report of the Oireachtas All-Party Committee on the Constitution entitled 'The Family' which was published in early 2006;

- the Options Paper presented to the Minister for Justice, Equality and Law Reform in November 2006 by the Working Group on Domestic Partnership; and
- the Report of the Law Reform Commission on the rights and duties of cohabitants which was published in December 2006.

I previously put on the record of the House that I would view as problematic and unwise a situation where changes in the tax code relating to the treatment of couples would set a headline in advance of developments in other relevant areas of public policy, for example, in the area of legal recognition of relationships other than married relationships. I am still of that view.

National Development Plan.

244. **Mr. Wall** asked the Minister for Finance the completed projects within Kildare that were proposed under the last national development plan by his Department; the number under construction; the number that have rolled over to the new NDP; the other new proposals that are planned for Kildare under the new NDP; and if he will make a statement on the matter. [4292/07]

Minister for Finance (Mr. Cowen): My Department does not maintain data on the status of individual projects or investments under the NDP as this is a matter for individual Departments and Agencies who are responsible for project funding and project implementation. However, the NDP information website (www.ndp.ie) provides information on certain projects categorised on a county basis and the Deputy may wish to refer to that website for information on projects in County Kildare.

With regard to the new NDP (2007-2013) the compilation of county level project details will continue at the above mentioned website. As the Deputy will appreciate it is not possible to indicate at this point in time all projects that will be completed in any county over the period to 2013. I anticipate, however, that County Kildare will benefit from the substantial investment being made across the 5 Priorities, 28 Programmes and 86 Sub-Programmes that comprise the NDP investment of €184bn. As one example, I would point out that the Dublin Gateway, whose development challenges and requirements are specifically dealt with in the Regional Development Chapter of the NDP, embraces not only the City and County of Dublin but parts of the surrounding counties of Meath, Wicklow and Kildare. County Kildare will, therefore, directly benefit from much of the investment associated with the Dublin Gateway, particularly in the transport area, for example investment in suburban rail, such as the Kildare line.

Departmental Properties.

245. **Ms C. Murphy** asked the Minister for Finance if the sale to the State of Batty Langley Lodge has concluded; if not, the stage it is at; when it is planned to open the gates on the lodge; if there is a development programme for the lodge; and if he will make a statement on the matter. [4303/07]

Minister of State at the Department of Finance (Mr. Parlon): The sale of the Betty Langley Lodge to the State has concluded. A development programme for the Castletown Estate is currently being drawn up and will include the Gates and the Lodge.

Tax Code.

246. **Mr. Crawford** asked the Minister for Finance his views on treating partners (details supplied) in County Monaghan who are looking after their children in the same way for tax purposes as they are for social welfare; but they are not considered as a connection to their spouse for tax purposes; if he will justify the situation; and if he will make a statement on the matter. [4367/07]

Minister for Finance (Mr. Cowen): The position is that there are no special income tax reliefs for unmarried couples living together. In this context, tax law follows the general law relating to marriage. Generally speaking, the basis for the current taxation of married couples derives from the Supreme Court decision in *Murphy vs the Attorney General* (1980) which held that it was contrary to the Constitution for a married couple to pay more tax than two single people living together. The tax treatment of unmarried couples who cohabit was unaffected by the *Murphy* Judgement. Each partner is taxed as a single person and each is entitled to the tax credits and standard rate band appropriate to single persons. There are no special tax arrangements for cohabiting couples with dependent children.

The treatment of married and cohabiting couples under the social welfare code is primarily a matter for the Minister for Social and Family Affairs. However, I should point out to the Deputy that in the *Hyland* case in 1989 the Supreme Court held that it was unconstitutional for the relevant social welfare provisions to treat a married couple living together less favourably than an (unmarried) cohabiting couple. Broadly speaking, this judgement has been put into effect by treating cohabiting couples in the same way as married couples for social welfare purposes.

The Working Group Examining the Treatment of Married, Cohabiting and One-Parent Families under the Tax and Social Welfare Codes, which reported in August 1999, was sympathetic, in principle, to changes in the tax legislation to address the issues raised relating to cohabiting couples and reported that the options that it set

out should be considered further. However, it acknowledged in relation to the tax treatment of cohabiting couples that a key issue is whether tax law should proceed ahead of changes to general law.

There are a number of recent reports which will help to inform the Government's deliberations in this general area including:

- the Tenth Progress Report of the Oireachtas All-Party Committee on the Constitution entitled 'The Family' which was published in early 2006;
- the Options Paper presented to the Minister for Justice, Equality and Law Reform in November 2006 by the Working Group on Domestic Partnership; and
- the Report of the Law Reform Commission on the rights and duties of cohabitants which was published in December 2006.

I previously put on the record of the House that I would view as problematic and unwise a situation where changes in the tax code relating to the treatment of couples would set a headline in advance of developments in other relevant areas of public policy, for example, in the area of legal recognition of relationships other than married relationships. I am still of that view.

Garda Stations.

247. **Mr. Durkan** asked the Minister for Finance if a tender has been awarded or a contractor appointed in the matter of the provision of the proposed new Garda Station at Leixlip, County Kildare; the full extent of the accommodation to be provided there; when it is expected that the works will be completed and the station becomes fully operational having particular regard to the fact that it is more than ten years since the initial approval of the project; and if he will make a statement on the matter. [4391/07]

Minister of State at the Department of Finance (Mr. Parlon): A contract has been placed for the construction of the new Garda station for Leixlip, Co. Kildare which comprises 1,145 square metres of accommodation for An Garda Síochána. The contract period is eighteen months and construction is expected to be completed in Autumn 2008.

Decentralisation Programme.

248. **Mr. Durkan** asked the Minister for Finance the projected costs associated with decentralisation; the initial projection in this regard when the scheme was first announced; the number of persons to date relocated under the scheme as a percentage of the original projection; and if he will make a statement on the matter. [4393/07]

Minister for Finance (Mr. Cowen): When the Government's Decentralisation Programme was first announced, it was stated that the overall

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objective would be to ensure that property being acquired at a regional level is matched as closely as possible, both in time and in cost terms, by the disposal of property currently held in the Dublin region, whether held on lease or otherwise. In November 2004 the Decentralisation Implementation Group prepared a report on the procurement methodology and financial assessment of the property aspects of the programme, including a financial model, based on a property finance study carried out by the Office of Public Works. While the prevailing property market conditions in each area will have a bearing on cost, this model indicates that the break even position in relation to property will be reached in about 20 years.

Initial costings of the Decentralisation Programme estimated a gross cost of approximately €900m in respect of procuring sites and office accommodation for the Programme. This financial model for the Programme also includes estimates of receipts from sales of State owned property in Dublin which will be surplus to requirements post-decentralisation. The financial model is currently being updated by OPW. While individual aspects of the underlying assumptions may have changed, current indications are that the property elements of the Programme will be achievable within the original €900m gross estimate.

In terms of actual outlay to date, the total amount committed in principle by the OPW on site acquisition costs, excluding VAT, is approximately €53.6 million. Expenditure to date is approximately €38.4 million.

A study was commissioned by the Decentralisation Implementation Group (DIG) which provides a model for identifying non-property costs and savings that arise both during the relocation phase and in the context of a post-decentralised civil service. Decentralising organisations have been asked to use this model to make periodic reports identifying non-property costs incurred and savings made both since the programme was announced and in its implementation in the future. Expenditure to June 2006 is reported at €3.3 million. Expenditure to end December 2006 is currently being collated by Departments and will be made available to the Deputy as soon as this process is completed.

At the end of December 2006, over 2,400 staff had been assigned to decentralising posts, which represents just over 22% of the total originally announced in Budget 2003. Some 700 of these are currently in place, in 15 new locations, while the remainder are being trained in advance of decentralisation to a new location, as soon as accommodation becomes available.

It is envisaged that by the end of 2007 public services will be delivered from 33 of the decentralisation towns with approximately 2,000 staff transferred. The OPW conducts a review of the

property timeframes for permanent accommodation on an ongoing basis. Based on its experience to date in relation to timeframes for property selection and acquisition, brief and design issues, tendering periods, planning issues and contractual arrangements, it has provided an updated schedule of the likely availability of accommodation.

This schedule allows for the planned movement of up to 6,800 staff in the next three years in line with the timeframes set out in the June 2005 report of the DIG. The delivery time for some locations will be later than originally projected, however, leading to a greater concentration of moves in 2009 rather than in 2008. Matters outside the control of the OPW, which could give rise to delay, will continue to be monitored and mitigating action taken where possible.

I am satisfied that good progress continues to be made on this ambitious programme and I look forward to seeing the fruits of this as the programme continues to be rolled out over the next few years.

Price Inflation.

249. **Mr. Durkan** asked the Minister for Finance if he is in a position to identify, isolate and deal with the issue of inflation not reflected in the CPI; and if he will make a statement on the matter. [4394/07]

Minister for Finance (Mr. Cowen): The Director General of the Central Statistics Office 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.

Maintaining a moderate rate of inflation remains a key priority of economic policy because of its importance in restoring competitiveness.

Disabled Drivers.

250. **Mr. Durkan** asked the Minister for Finance when it is expected to implement the recommendations of the inter-Departmental group dealing with the Disabled Drivers Disabled Passengers Tax Concession 1994 Regulations; and if he will make a statement on the matter. [4395/07]

Minister for Finance (Mr. Cowen): A special Interdepartmental Review Group reviewed the operation of the Disabled Drivers Scheme. The terms of reference of the Group were to examine the operation of the existing scheme, including the difficulties experienced by the various groups

and individuals involved with it, and to consider the feasibility of alternative schemes, with a view to assisting the Minister for Finance in determining the future direction of the scheme.

The Group's Report, published on my Department's website in July 2004, sets out in detail the genesis and development of the scheme. It examines the current benefits, the qualifying medical criteria, the Exchequer costs, relationship with other schemes and similar schemes in other countries. The Report also makes a number of recommendations, both immediate and long-term, referring respectively to the operation of the appeals process and options for the future development of the scheme.

In respect of the long-term recommendations, including the qualifying disability criteria, given the scale and scope of the scheme, further changes can only be made after careful consideration. For this reason, the Government decided that the Minister for Finance would consider the recommendations contained in the Report of the Interdepartmental Review Group in the context of the annual budgetary process having regard to the existing and prospective cost of the scheme. This consideration is undertaken on a regular basis.

Drainage Schemes.

251. **Mr. Durkan** asked the Minister for Finance the discussions that have taken place between his Department and Kildare County Council with reference to cleaning and drainage of the Slate River, Allenwood, Naas, County Kildare; and if he will make a statement on the matter. [4396/07]

Minister of State at the Department of Finance (Mr. Parlon): The Slate River forms part of the Rathangan Drainage District and maintenance of this river is therefore a matter for the Local Authority. The Office of Public Works carried out drainage works on the River Slate in 2003, as agents for Kildare County Council, and there are no proposals to carry out further works.

Flood Relief.

252. **Mr. Durkan** asked the Minister for Finance if his Department have to date completed their discussions and proposals in relation to the alleviation of flooding at Mill Lane, Leixlip, County Kildare; and if he will make a statement on the matter. [4397/07]

Minister of State at the Department of Finance (Mr. Parlon): The Commissioners of Public Works are engaged in continuing discussions with Kildare County Council in relation to flood relief proposals for Mill Lane, Leixlip, Co. Kildare. It is envisaged that subject to agreement by all affected parties and adherence to a tight timeframe, construction will commence on flood

alleviation measures for the Mill Lane area in early Summer 2007.

253. **Mr. Durkan** asked the Minister for Finance the extent of discussions which have taken place between his Department and the various local authorities throughout the country with a view to achieving an acceptable drainage plan for the alleviation of flooding; and if he will make a statement on the matter. [4398/07]

Minister of State at the Department of Finance (Mr. Parlon): As lead agency for implementing the national flood policy the Office of Public Works works closely with Local Authorities, who are the State's front-line responders to flooding incidents. Local Authorities and the OPW are represented on a number of inter-agency committees guiding implementation of the policy. Their officials also sit on various project-specific steering groups established by OPW, including those involved with implementing flood relief schemes and drawing up catchment flood risk assessment and management plans.

I announced on 18th January, 2007 that the Commissioners of Public Works would work with Local Authorities to try to identify solutions to localised flooding incidents. Discussions are ongoing between OPW and various Local Authorities in this regard.

Greenhouse Gas Emissions.

254. **Mr. Durkan** asked the Minister for Finance if he has had discussions with the motor industry with a view to the utilisation of modern technology to achieve reduced emissions; his proposals to incentivise in this area; and if he will make a statement on the matter. [4399/07]

Minister for Finance (Mr. Cowen): I have not had any specific discussions with the motor industry on the utilisation of modern technology to reduce emissions. Cars are not manufactured in Ireland and consequently our capacity to influence matters is primarily focussed on supporting, at European level, proposals aimed at targeting lower emission standards for cars sold or manufactured in the EU. In any event, proposals concerning emissions from the transport sector are matters for my colleagues, the Minister for Transport and the Minister for Environment, Heritage and Local Government.

However, the Deputy will be aware that I announced on Budget day the commencement of a public consultation on options for revising the VRT system to take greater account of CO₂ emissions. If under that consultation, ideas emerge with respect to greater utilisation of modern technology to reduce emissions, they will be examined fully.

255. **Mr. Durkan** asked the Minister for Finance his plans or proposals to reduce emissions

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from motor engines; and if he will make a statement on the matter. [4400/07]

Minister for Finance (Mr. Cowen): I announced on Budget day the commencement of a Public Consultation on Options for revising the VRT system to take greater account of CO₂ emissions. I invited interested parties to make submissions to my Department by 1 March 2007. A summary of a number of possible Options which are under consideration by my Department was contained in the Budget 2007 documentation and a longer consultation document has also been placed on my Department's website. In addition, an invitation for submissions was advertised in the national daily newspapers on 15 December 2006. A similar consultation is under way on motor tax, which is under the remit of my colleague, the Minister for Environment and Local Government. The intention is that from a target date of January 2008, cars with lower emissions will be rewarded with lower VRT and motor tax while increased taxes would be in place for higher emission cars. In so doing we hope to incentivise consumer behaviour which would be less harmful to the environment.

Another way of reducing emissions is to incentivise the purchase of alternative motor fuels. In this regard, I am pleased to inform the Deputy that in Finance Act 2006 I provided for significant tax measures to promote biofuels in Ireland.

This scheme, which received the necessary EU State Aid approval, commenced in November 2006 and will:

- provide for excise relief on up to 163 million litres of biofuels per annum;
- cost over €200m over 5 years;
- when fully operational, result in CO₂ savings of over 250,000 tonnes per annum;
- meet a target of 2% transport fuel market penetration by biofuels by 2008;
- help reduce our dependency on conventional fossil fuels, and
- stimulate activity in the agricultural sector.

Tax Code.

256. **Mr. Durkan** asked the Minister for Finance if he will increase the amount of pure plant oil or ethanol which might benefit from excise relief with a view to greater encouragement of the production bio-fuels; and if he will make a statement on the matter. [4401/07]

Minister for Finance (Mr. Cowen): While the promotion of biofuels, including pure plant oil and bioethanol, is primarily a matter for my colleague, the Minister for Communications, Marine and Natural Resources, I am pleased to inform the Deputy that in Finance Act 2006 I provided

for significant tax measures to promote biofuels in Ireland.

This scheme, which received the necessary EU State Aid approval, commenced in November 2006 and will:

- provide for excise relief on up to 163 million litres of biofuels per annum;
- cost over €200m over 5 years;
- when fully operational, result in CO₂ savings of over 250,000 tonnes per annum;
- meet a target of 2% transport fuel market penetration by biofuels by 2008;
- help reduce our dependency on conventional fossil fuels, and
- stimulate activity in the agricultural sector.

The level of excise relief available — and the breakdown of the relief between each of the alternate fuels — is that which had been proposed by the Minister for Communications, Marine and Natural Resources in advance of Budget 2006. It is regarded as a level which is sufficient to match Ireland's output potential in relation to renewable energy crops for motor fuels over the period of the scheme. Consequently, any extension in the amount of relief which formed part of that Budget announcement is not envisaged at this stage. The Deputy will, of course, be aware that there are non-fiscal measures that can be used to promote Biofuels, including pure plant oil and bioethanol. These are, however, outside my remit but are under consideration by the Minister for Communications, Marine and Natural Resources.

Price Inflation.

257. **Mr. Durkan** asked the Minister for Finance his proposals to combat inflation; and if he will make a statement on the matter. [4404/07]

Minister for Finance (Mr. Cowen): Inflation, as measured by the average annual change in the Consumer Price Index (CPI), was 4.0 per cent for the year 2006 as a whole. A large proportion of the rise in the annual inflation rate in 2006 was due to external factors, primarily rises in interest rates by the ECB.

Maintaining a moderate rate of inflation remains a key priority of economic policy because of its importance in restoring competitiveness. The Government is focusing on areas it can control and taking positive actions to contain inflation by implementing responsible fiscal policies. For example, we have not increased excise duties for the last three years, apart from tobacco excise, which was done for sound health policy reasons. We are promoting greater price competition through various measures. We are also investing in public infrastructure, as evidenced by the recently announced National Development Plan, which will enhance our ability to produce more goods and services and, by improving the

economy's efficiency, keep inflation down. In addition, we recognise that services sector inflation is a cause for concern and this highlights the need for more competition in the economy as well as for pay and profit restraint in all sectors in order to keep our cost base down. We must ensure that the wage increases granted under the Social Partnership agreement, Towards 2016, are reflected in productivity gains.

Tax Code.

258. **Mr. Cregan** asked the Minister for Finance the types of taxes imposed on the sale of electric or battery assisted bicycles; his plans to reduce these taxes, in view of the environmental benefits of same; and if he will make a statement on the matter. [4675/07]

Minister for Finance (Mr. Cowen): Electric bikes are subject to VAT at the standard rate of 21%, with only very minimal VRT charges applying usually less than €20.

In relation to the rate of VAT applicable to bicycles (electric or otherwise), the position is that the VAT rating of goods and services is subject to the requirements of EU VAT law with which Irish VAT law must comply. Bicycles are subject to the standard VAT rate which in Ireland is 21%. The one exception to this is bikes (Trikes) for the disabled which are zero rated. However, it is no longer possible to extend the zero rate to new goods or services. Furthermore, it would not be possible to reduce the VAT rate applicable to bicycles without reducing the rate for all goods and services subject to the standard VAT rate.

Land Transfers.

259. **Mr. Kehoe** asked the Minister for Health and Children when the transfer of lands will go through for a person (details supplied) in County Wexford; and if she will make a statement on the matter. [4206/07]

Minister for Health and Children (Ms Harney): The Health Service Executive has responsibility for its estate management, including the matter referred to in the Deputy's question. My Department has requested the Parliamentary Affairs Division of the Executive to arrange to have the matter investigated and to have a reply issued directly to the Deputy.

Mental Health Services.

260. **Ms B. Moynihan-Cronin** asked the Minister for Health and Children the progress made with regard to waiting times in view of the fact that the end of January 2007 marks the 1st anniversary of A Vision of Change; the number of children's inpatient facilities available; and if she will make a statement on the matter. [4207/07]

Minister of State at the Department of Health and Children (Mr. T. O'Malley): The Report of the Expert Group on Mental Health Policy, entitled "A Vision for Change", was launched in January 2006. It provides a framework for action to develop a modern, high-quality mental health service over the next 7 to 10 years. It recommends the provision of two child and adolescent community multidisciplinary mental health teams per 100,000 of the population.

In 2006, a sum of €26.2 million was allocated for the development of mental health services in line with "A Vision for Change". A further sum of €25 million has been allocated in 2007 to continue this development. A significant amount of this year's funding — €7.95 million — is for the development of child and adolescent psychiatric services. This funding will bring about significant improvements in community, hospital-based and early intervention services and provide for the development of new child and adolescent mental health teams.

Operational responsibility for the management and delivery of health and personal social services was assigned to the Health Service Executive under the Health Act 2004. The Executive is, therefore, the appropriate body to consider the particular matters raised by the Deputy. My Department has requested the Parliamentary Affairs Division of the Executive to arrange to have the matters investigated and to have a reply issued directly to the Deputy.

Services for People with Disabilities.

261. **Ms Harkin** asked the Minister for Health and Children if there is flexibility in the age criteria with regard to the motorised transport grant; and if she will make a statement on the matter. [4218/07]

Minister of State at the Department of Health and Children (Mr. T. O'Malley): The Department of Health and Children Motorised Transport Grant circular of July 2002 states that "a Health Board may pay a grant towards the purchase of a car and/or adaptations to a car being purchased by a person with a severe disability who is 17 years or older and up to 65 years of age, where such a car is essential for him/her to obtain or retain employment. Self-employed persons who satisfy the criteria of eligibility may also be considered (subject to above age limits)." My Department has no immediate plans to amend these eligibility criteria.

However, in February 2006 a Government decision was made to implement the Core Functions of the Health Service Report. The Government decision stated that "income support and maintenance schemes together with associated resources should be transferred to the Department of Social and Family Affairs". It further stated that a Working Group, consisting of Department of Health and Children and Depart-

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ment of Social and Family Affairs should be established to proceed with the implementation.

The Department of Health and Children has therefore established the Inter Departmental Implementation Group — Non Supplementary Welfare Allowance payments and Services — to progress the Government decision in regard to income support and maintenance schemes. It has been decided that Domiciliary Care Allowance, Mobility Allowance, Blind Welfare Allowance and Infectious Diseases maintenance Allowance will transfer to the Department of Social and Family Affairs. Motorised Transport Grant will be retained by the Department of Health and Children and its future will be examined in the context of mainstream transport policy. In this regard the issue of ages limits currently applicable will be considered.

Hospital Services.

262. **Mr. F. McGrath** asked the Minister for Health and Children if she will ensure that all children with special needs who are receiving hospital treatment are given a little extra space and assistance; the provisions that have been made for these children in the new Children's Hospital as they will require more space and attention; and if not, if she will plan for same. [4245/07]

Minister for Health and Children (Ms Harney):

The next stage of the process in developing the new National Paediatric Hospital involves the preparation of a high-level framework brief for the new hospital. The brief is being developed for the Joint Transition Group by Rawlinson Kelly & Whittlestone Ltd (RKW), an established UK-based health care planning company. RKW will be advising on a range of issues which will help to inform the design of the new hospital. They will be advising, for example, on the preferred model of care, on the core services to be delivered at the new hospital, and on the additional range of services to be provided outside of the main hospital. RKW have also been requested to advise, as a priority, on the range of services which should be provided outside of the main hospital through the urgent/ambulatory care service, taking account of international best practice in the planning of children's hospital services. The framework brief will also inform decisions in relation to the size and type of accommodation to be provided at the new hospital, for both patients and their parents or guardians.

RKW will be consulting widely in the course of its work, and the input of stakeholders will be of benefit in ensuring the delivery of our shared objective of providing a world-class hospital for the children of this country, including those children who have special needs.

Maternity Protection Rights.

263. **Mr. Eamon Ryan** asked the Minister for Health and Children if her Department will support an extension in the breast feeding break provisions for working mothers as provided for under the Maternity Protection Amendment Act 2004 to cater for breast feeding working mothers with children up to two years of age. [4246/07]

Minister of State at the Department of Health and Children (Mr. S. Power):

The Department of Health and Children recommends that mothers breastfeed their children until they are 2 years of age or older. This recommendation is based on a vast scientific literature demonstrating the substantial health, social and economic importance of breastfeeding. The advantages of breastfeeding include lower infant and young child morbidity and mortality from diarrhoea, other infectious diseases as well as chronic illnesses like asthma, eczema, diabetes, obesity and heart disease later in life. Increasingly research is demonstrating that the health and nutritional advantages of breastfeeding can be maximised in the short, medium and long term by extending its duration into the second year of life and beyond. To make the best practice recommendation for breastfeeding duration more achievable my Department supports an extension to the provision of breastfeeding breaks during the working day for breastfeeding employees.

The current situation is that paid maternity leave lasts for 18 weeks. Within the provisions of the Maternity Protection Amendment Act 2004 mothers, on return to paid employment, are allowed lactation breaks of 1 hour per day for a further 8 weeks maximum. This means that nursing mothers who are in paid employment are enabled to breastfeed their children until each child is 26 weeks old.

However, given that the forthcoming maternity leave provisions provide for 26 weeks paid maternity leave, the provisions of the Maternity Protection Amendment Act 2004 will effectively become obsolete. My Department favours the lactation break facility being extended to mothers beyond the 26 week period.

Any amendment to the Maternity Protection Amendment Act 2004 is a matter for the Tánaiste and Minister for Justice, Equality and Law Reform and I will be writing to him shortly on this issue.

264. **Mr. Eamon Ryan** asked the Minister for Health and Children the funding in place to support the strategic action plan for breast feeding; and the timetable and allocations for each aspect of the plan. [4247/07]

Minister of State at the Department of Health and Children (Mr. S. Power):

Funding for all health services has been provided as part of the Executive's overall vote for health and personal

social services in 2007. The allocation of resources in the case raised by the Deputy is a matter for the executive to be determined within the overall priorities for particular services set out by me in the Budget. Accordingly, my Department has requested the Parliamentary Affairs Division of the Executive to arrange to have the matter investigated and to have a reply issued directly to the Deputy.

General Medical Services Scheme.

265. **Mr. Connaughton** asked the Minister for Health and Children the reason persons over 70 years of age in receipt of medical cards have to pay their family doctor to sign the necessary forms to obtain a driving licence; and if she will make a statement on the matter. [4271/07]

Minister for Health and Children (Ms Harney):

In making arrangements for the provision of publicly funded GP services, under the General Medical Services (GMS) Scheme, an agreement was negotiated between the Department of Health and Children and the GP representative body, the Irish Medical Organisation (IMO). The provisions of this agreement took the form of the current GMS GP Capitation Contract. This contract is a treatment based contract and gives effect to the statutory requirement to provide free GP medical and surgical services to eligible people which includes people aged 70 and over who are automatically entitled to a medical card. The contract stipulates that the fees paid to GMS GPs are not made in respect of certain certificates which may be required for example “under the Social Welfare Acts or for the purposes of insurance or assurance policies or for the issue of driving licences”. As these non-treatment type services are outside of the GMS GP contract it is a matter between the GP and the person seeking the particular services to agree a fee.

While certificates for driving licence applications are provided by medical practitioners they are not a medical treatment service and are not considered a core aspect of public health service provision.

Hospitals Building Programme.

266. **Mr. Wall** asked the Minister for Health and Children the completed projects within Kildare that were proposed under the last National Development Plan by her Department; the number under construction; the number that have rolled over to the new NDP; the other new proposals that are planned for Kildare under the new NDP; and if she will make a statement on the matter. [4293/07]

Minister for Health and Children (Ms Harney):

The HSE has responsibility for the planning and management of capital projects in the health sector, including the NDP developments referred to

in the Deputy’s question. My Department has requested the Parliamentary Affairs Division of the Executive to arrange to have the matter investigated and to have a reply issued directly to the Deputy.

Pension Provisions.

267. **Ms Harkin** asked the Minister for Health and Children if there is flexibility with regard to retirement age within the Health Service Executive for people who were employed before 1 April 2004 (details supplied); and if she will make a statement on the matter. [4299/07]

Minister for Health and Children (Ms Harney):

The Public Service Superannuation (Miscellaneous Provisions) Act 2004 removed the compulsory retirement age for new entrant public servants from 1 April 2004.

Under the Act, a new entrant is a person who takes up employment as a public servant on or after 1 April 2004. Or, a person who was serving in a public service body prior to 31 March 2004 and left such an office for a period greater than 26 weeks.

An employee of the Health Service Executive whose service commenced prior to 1 April 2004 has a minimum pension age of 60 and a maximum retirement age of 65. Should such an employee cease service with the HSE and regain employment with a break of more than 26 weeks they would be deemed to be a new entrant and therefore no maximum retirement age would apply to them under the terms of the 2004 Act.

There are no plans to extend the retirement age for existing employees.

Health Services.

268. **Mr. J. Breen** asked the Minister for Health and Children if she will provide funding for a dementia unit for the Clarecastle Day Care Centre; and if she will make a statement on the matter. [4383/07]

Minister for Health and Children (Ms Harney):

Operational responsibility for the management and delivery of health and personal social services was assigned to the Health Service Executive under the Health Act 2004 and funding for all health services has been provided as part of its overall vote. Therefore, the Executive is the appropriate body to consider the particular case raised by the Deputy. My Department has requested the Parliamentary Affairs Division of the Executive to arrange to have the matter investigated and to have a reply issued directly to the Deputy.

Hospital Staff.

269. **Mr. Stagg** asked the Minister for Health and Children if she will extend the SKILL programme into private hospitals such as the Bon Sec-

[Mr. Stagg.]

ours Hospital; and if she will make a statement on the matter. [4384/07]

Minister for Health and Children (Ms Harney):

Over 120,000 people work full-time or part-time in our public health services. In recent years, the Government's ongoing high level of investment in health has achieved and maintained significant increases in the number of doctors, nurses and other healthcare professionals employed in the public health services. The Government has also invested heavily in the education and training of such personnel in order to secure a good supply of graduates to provide for the healthcare needs of the population into the future.

Subject to overall parameters set by Government, the Health Service Executive has the responsibility for determining the composition of its staffing complement. In that regard, it is a matter for the Executive to manage and deploy its human resources to best meet the requirements of the Actual Service Plan for the delivery of health and personal social services to the public. The Executive is the appropriate body to consider the matter raised by the Deputy. My Department has requested the Parliamentary Affairs Division of the Executive to arrange to have the matter investigated and to have a reply issued to the Deputy.

Family Support Services.

270. **Aengus Ó Snodaigh** asked the Minister for Health and Children when a decision will be made on the way the €4.5 million allocated to addressing domestic violence in the Budget 2007 will be spent; and the breakdown covering the amount the various organisations and services will receive for 2007. [4424/07]

Minister for Health and Children (Ms Harney):

The Deputy's question relates to the funding, management and delivery of health and personal social services, which are the responsibility of the Health Service Executive under the Health Act 2004. Accordingly, my Department has requested the Parliamentary Affairs Division of the Executive to arrange to have this matter investigated and to have a reply issued directly to the Deputy.

Harbours and Piers.

271. **Mr. J. Breen** asked the Minister for Communications, Marine and Natural Resources if he will provide funding for the development of Doonbeg Pier, County Clare; and if he will make a statement on the matter. [4190/07]

Minister of State at the Department of Communications, Marine and Natural Resources (Mr. Browne):

Doonbeg Pier is owned by Clare County Council and responsibility for its repair and maintenance rests with the local authority in the first instance. In 2005 the Department, on

behalf of the County Council, undertook a study to examine and report on hydrodynamic conditions at Doonbeg Pier and the effect of various pier and breakwater development options and to outline the estimated costs associated with the various options. The study is now complete and is being examined by the Department's Western Engineering Division at present. A report outlining the best way forward for the development of Doonbeg Pier will be available by end February 2007. In advance of this report being completed the Department intends to meet with Clare County Council and the local pier users as a possible phasing of the various options would have to be considered.

We have recently received a proposal for funding in 2007 from Clare County Council for works at Doonbeg to include a new slipway and dredging adjacent to the pier. This request will be considered under the 2007 Fisheries and Coastal Infrastructure Programme taking into account Exchequer funding and overall national priorities.

Fisheries Protection.

272. **Ms O'Sullivan** asked the Minister for Communications, Marine and Natural Resources the position of people who have consistently held a licence for drift-net salmon fishing and who would generally be invited to renew their licence in December; if they will be offered a licence for 2007; if not, the arrangements made to compensate them for the loss of their livelihood; and if he will make a statement on the matter. [4211/07]

Minister of State at the Department of Communications, Marine and Natural Resources (Mr. Browne):

It is my intention that the Control of Fishing for Salmon Order will shortly be modified in such a way that applications for licences will only be invited for fishery districts where rivers are identified as having surplus stock in 2007 and only for those methods that do not impact indiscriminately on stocks of fish that are below their conservation limit. This effectively rules out the issue of drift net licences at sea and some draft net licences.

As the Deputy is aware, the primary motivation in alignment of the future management of the wild salmon fishery with the scientific advice and the introduction of the appropriate regulations to cease mixed stock fishing, is the conservation of the wild salmon species. It is vital to afford every protection to the remaining salmon stocks and to clearly prioritise conservation over catch. In future, the wild salmon fishery will be managed on the basis of individual river stocks. Harvesting of salmon will be restricted to rivers which have been identified as meeting their conservation limit in compliance with the Habitats Directive.

While there is no legal obligation on the State to provide compensation in a situation where it is

imposing management measures that are fundamentally in the public good, the hardship scheme agreed by Government provides a measure of relief to each individual in line with the level of hardship likely to be experienced on foot of loss of this seasonal fishery.

Details of the hardship fund are being finalised at present and will be widely advertised in the national press in the near future.

273. **Mr. Ferris** asked the Minister for Communications, Marine and Natural Resources the situation regarding the carrying over of herring quota from week to week in the north west fishing area. [4212/07]

274. **Mr. Ferris** asked the Minister for Communications, Marine and Natural Resources the reason it is not possible to carry over herring catch from week to week in the Celtic Sea in order to meet quota; and his views on allowing same for safety reasons. [4213/07]

Minister of State at the Department of Communications, Marine and Natural Resources (Mr. Browne): I propose to take Questions Nos. 273 and 274 together.

The management arrangements in place for the Celtic Sea and North West Herring fisheries have been developed in consultation with industry representatives and differ in the length of the fishing periods allowed. The Celtic Sea fishery involves single week fishing periods, while the North West fishery involves 6-weekly fishing periods.

In the case of both fisheries, vessels wishing to participate notify their interest in advance and are allocated catch limits for the 1 week or 6 week fishing period involved. Any quantity not caught within that fishing period remains part of the national quota and is allocated in subsequent fishing periods to vessels participating.

If bad weather prevents a vessel going to sea to catch its allocated catch limit, the vessel is free to book into the fishery for subsequent fishing periods, until the fishery closes.

These are the management arrangements developed with the industry. If the industry proposes to me that alternative arrangements be employed, I will be happy to consider them.

Harbours and Piers.

275. **Cecilia Keaveney** asked the Minister for Communications, Marine and Natural Resources when it is envisaged that work will commence on a project (details supplied) in County Donegal; and if he will make a statement on the matter. [4256/07]

Minister of State at the Department of Communications, Marine and Natural Resources (Mr. Browne): The harbour at Greencastle is owned by Donegal County Council and responsi-

bility for its maintenance and development rests with the local authority in the first instance.

The first phase of the development at Greencastle involves the construction of a rock breakwater. Initially this involves the carrying out of mitigation works on a number of local properties (as required by An Bord Pleanála) prior to commencement of the project. The initial phase also involves some enabling works including some infilling on the foreshore to construct a haul road to the breakwater, boundary wall construction, coastal footpath formation and associated works. Once these works have been completed the breakwater itself can be constructed.

This proposal was approved under the Fishery Harbour Development Programme in 2006. Projects approved under the programme are funded on the basis of a 75% grant aid from the Department with a 25% contribution from the Local Authority. Donegal County Council advised the Department they were not in a position to co-fund this project at the normal rate.

Discussions have been ongoing between the Minister for Community, Rural and Gaeltacht Affairs, Donegal County Council and myself with a view to progressing the project on an agreed basis. These discussions are almost finalised and I am hopeful the first Phase of this project involving the development of the 290m breakwater will commence shortly.

National Development Plan.

276. **Mr. Wall** asked the Minister for Communications, Marine and Natural Resources the completed projects within Kildare that were proposed under the last National Development Plan by his Department; the number under construction; the number that have rolled over to the new NDP; the other new proposals that are planned for Kildare under the new NDP; and if he will make a statement on the matter. [4286/07]

Minister for Communications, Marine and Natural Resources (Mr. N. Dempsey): Under the 2000-2006 National Development Plan (NDP) investment in Co. Kildare via my Department saw the completion the ESBT (Electricity Supply Board Telecom) backhaul fibre which crosses south Kildare. In addition two group broadband scheme projects in Co. Kildare are currently being rolled out by their respective service providers. Ten Phase 2 Metropolitan Area Networks (MANs) benefiting Clane, Kilcock, Kildare, Maynooth, Monasterevin, Newbridge, Rathanagan, Athy, Prosperous and Kilcullen are likely to be rolled over to the new NDP. Designs are currently being progressed and construction is expected to commence this year, with completion targeted for early 2008. Further phases of the MANs are being considered under the new NDP and it is expected that Co Kildare will, subject to

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the necessary requirements, benefit from that investment.

The National Broadband Scheme (NBS) has been announced and it will address the issue of the estimated last 10%-15% of the country which, in the absence of public investment and support, might never have access to broadband. All reasonable requests for broadband from houses and premises in rural areas, including rural Kildare are expected to be met under the NBS. Sustainable Energy Ireland, operating under the aegis of my Department have overseen a number of projects in Co. Kildare focussing on energy efficiency and I have attached as an appendix the details of those projects.

The significant investment proposed in the National Development Plan 2007-2013 is

Energy Efficiency Projects Funded by the NDP in County Kildare

Programme	Organisation	Description	Status
Bioheat Alternative Heat	Byrne Woodcraft Ltd	Wood fired Hot Water Boiler — 500kW	In Progress
	Karl Matuschka	85kW Boiler	In Progress
Design Study Support Scheme	Kildare County Council	Feasibility Study on new Civic Offices	Completed 2003
	Department of Defence	Energy Study for school of Physical Culture	Completed 2003
Model Solutions Investment Support Scheme	Kildare County Council	Kildare County Council New Headquarters	Completed 2005
CHP Feasibility Study	Clongowes Wood College	Energy Cost Review	Completed 2006
House of Tomorrow RD&D Programme	Kildare County Council	Castlefen Housing Development Phase IV, Sallins, Co. Kildare — 79 units	In progress
	Easton Mews Ltd	Easton Mews, Leixlip, Co Kildare 27 houses	In progress
Renewable Energy RD&D Programme	Balcas Ltd	Manufacture of wood pellets with biomass CHP	Completed 2003
Industry RD&D Programme	Intel Ireland Ltd	Energy Agreement	Completed 2006

Energy Resources.

277. **Mr. Eamon Ryan** asked the Minister for Communications, Marine and Natural Resources if there are plans to introduce grants for the installation of renewable energy systems in the industrial sector. [4304/07]

Minister for Communications, Marine and Natural Resources (Mr. N. Dempsey): On 7 June 2006 I launched the Bioheat Programme which is a grant aid scheme for commercial renewable heat technologies. The scheme allows companies and small businesses to obtain grants for the installation of wood chip and wood pellet boilers in large buildings and commercial premises. Grant aid of up to 30% of overall costs is being made available depending on the overall size of the project. The scheme is being rolled out over a five year period and will potentially support the conversion to renewable energy in up to 600

installations depending on overall project sizes. A sum of €22m was originally made available for this scheme to 2010 and in Budget 2007 a further €4m was added to the programme, which is now being expanded to include solar and other renewable technologies, and to allow community and voluntary groups to avail of the grants.

On 3 August 2006 I launched an €11m grants package for Combined Heat and Power (CHP) to encourage industry and commercial users to generate their own electricity and heat. CHP units simultaneously generate heat and electricity in a single process on site. By combining these processes CHP saves around 25% of the energy that would have been required to produce electricity in a conventional power station and heat in separate heat-only boilers. The scheme is providing grant support to assist the deployment of small-scale fossil fired CHP (up to 1MWe) and biomass CHP systems.

Telecommunications Services.

278. **Mr. Durkan** asked the Minister for Communications, Marine and Natural Resources the degree to which the local exchange in County Kilkenny has been broadband enabled; and if he will make a statement on the matter. [4406/07]

Minister for Communications, Marine and Natural Resources (Mr. N. Dempsey): I have no statutory function in relation to this matter. In the first instance it is an operational issue for the service provider concerned. Responsibility for the regulation of electronic communication service providers rests with the independent regulator, the Commission for Communications Regulation (ComReg), in accordance with the requirements of the Communications Regulation Act 2002 and regulations made under the EU Regulatory Framework for Electronic Communications.

279. **Mr. Durkan** asked the Minister for Communications, Marine and Natural Resources further to Parliamentary Question No. 340 of 12 December 2006 and the reply thereto, if he will provide a comprehensive reply to the part regarding his numerous statements in the recent past that he is urgently progressing measures to ensure the availability of broadband to the remaining 10 to 15% of people who can not receive broadband; the position in this regard; his proposals to progress matters in early date; and if he will make a statement on the matter. [4407/07]

Minister for Communications, Marine and Natural Resources (Mr. N. Dempsey): The provision of telecommunications services, including broadband, is a matter in the first instance for the private sector companies operating in a fully liberalised market, regulated by the independent Commission for Communications Regulation (ComReg).

My priority remains that there will be broadband coverage across the entire country. I am aware, despite Government and private investment in broadband, that there are areas of the country where the private sector is unable to justify the commercial provision of broadband connectivity. Accordingly, I recently announced a new scheme which will aim to provide a broadband service to these areas. This Scheme, which will supersede the Group Broadband Scheme, will, when it is fully rolled out, ensure that all reasonable requests for broadband from houses and premises in rural areas are met. A Steering Group comprising officials from my Department and ComReg is currently considering all elements of the proposed scheme and work on the design of an appropriate tender will commence in the coming weeks. This scheme will be confined to areas of the country that are not yet served by any broadband service provider, currently thought to be 10-15% of the population.

Responsible Investment.

280. **Mr. F. McGrath** asked the Minister for Foreign Affairs his views regarding Irish public investments in companies that continue to fund and support the Sudanese Government which continues to prosecute crimes against the innocent civilian populace in Darfur. [4243/07]

Minister for Foreign Affairs (Mr. D. Ahern): My Department has been approached by the Sudan Divestment Campaign Ireland, which is urging that the National Pensions Reserve Fund (NPRF) should immediately divest from five international companies, whose investments in Sudan the Campaign asserts provide revenue to the Khartoum Government and, in the Campaign's view, thereby contribute to human rights violations.

While responsibility for the NPRF is a matter for my colleague, the Minister for Finance, I understand that the Fund is a founder signatory to the Principles for Responsible Investment launched by former UN Secretary General Annan in New York in April 2006. The aim of the Principles is to integrate consideration of environmental, social and governance issues into investment decision-making and ownership practices and, thereby, improve long-term returns. The Principles reflect the fiduciary duty of investors to their stakeholders as their first responsibility and do not call for screening or avoiding stocks. Instead, they promote a policy of engagement with companies where shareholders regard themselves as long-term owners of companies and raise concerns directly with company management. It is considered that engagement is likely to be more effective than screening in the vast majority of cases where issues arise that relate to particular aspects of a company's behaviour.

The Fund is committed to a process of change that will enable it to implement the Principles and take account of ethical questions in its investment decisions. The actions it is currently taking include the development and implementation of a comprehensive proxy voting policy; development of an engagement capacity with invested companies on environmental, social and governance issues; and refinement of its investment management selection process to include specific consideration of these Principles. Also, noting the issues raised by the Campaign, the Fund has decided to explore opportunities to support and collaborate in initiatives in this area by other signatories to the Principles, in advance of establishing its own engagement capacity.

My colleague Minister of State Conor Lenihan T.D., met with the Sudan Divestment Campaign — Ireland on 9 November 2006 to discuss their concerns. He subsequently met with the National Pension Reserve Fund Commission on 14 December 2006. They said that the Commission had considered the issue of exclusion or screening

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out of particular stocks or sectors but that any such action would, most likely, not be consistent with its statutory investment mandate, as set out in the National Pensions Reserve Fund Act, of seeking the optimal total financial return subject to prudent risk management.

The National Pension Reserve Fund Commission clearly believes that the issues raised by the Sudan Divestment Campaign Ireland are serious and is giving them due attention. As indicated above, the Fund is making considerable efforts to ensure greater scrutiny and oversight when it comes to these important issues.

Airport Security.

281. **Mr. Gormley** asked the Minister for Foreign Affairs further to Parliamentary Question No. 37 of 7 December 2006, if there is information in his Department regarding the boarding and searching of Warsaw Pact planes landing here during the 1960s and, in particular, during the Cuban Missile Crisis in 1962, as reported (details supplied); if these searches did take place, the basis on which they were carried out; and if he will make a statement on the matter. [4368/07]

Minister for Foreign Affairs (Mr. D. Ahern): There is no information in my Department on the matter raised by the Deputy; files from this period have been transferred to the National Archives, where they are available for public viewing.

Passport Applications.

282. **Mr. Blaney** asked the Minister for Foreign Affairs if he will urge the PSNI to provide Irish passport applications in PSNI stations in line with current practice in the twenty six counties; and if he will make a statement on the matter. [4372/07]

Minister for Foreign Affairs (Mr. D. Ahern): Irish passport application forms are currently available at over 70 Post Offices in the North. In addition, many elected public officials also provide them at their constituency offices. It is the policy of the Government to ensure the widest availability of application forms to all sections of the community in Northern Ireland. The Passport Office is reviewing the situation and, in that context, the Deputy's helpful suggestion will be considered.

Sports Capital Programme.

283. **Mr. O'Connor** asked the Minister for Arts, Sport and Tourism his views on providing special assistance and funding to a club (details supplied) in Dublin 24; and if he will make a statement on the matter. [4237/07]

Minister for Arts, Sport and Tourism (Mr. O'Donoghue): The sports capital programme, which is administered by my Department, allocates funding to sporting and community organisations at local, regional and national level throughout the country. The programme is advertised on an annual basis. Applications for funding under the 2007 programme were invited through advertisements in the Press on October 15th and 16th last. The closing date for receipt of applications was November 24th 2006. All applications received before the deadline, including one from the organisation in question, are currently being evaluated against the programme's assessment criteria, which are outlined in the guidelines, terms and conditions of the programme. I intend to announce the grant allocations for the programme as soon as possible after the assessment process has been completed.

EU Funding.

284. **Mr. F. McGrath** asked the Minister for Arts, Sport and Tourism if he will support a campsite (details supplied); and if he will work with the other relevant Departments on this matter. [4262/07]

Minister for Arts, Sport and Tourism (Mr. O'Donoghue): I am aware of the project in question, which is the proposed establishment of a permanent national scouting jamboree centre, whose most recent estimated cost was €10.7 million. The promoters of the project have been informed that the funding available to me is in respect of capital expenditure on arts, sport and tourism projects and that I have no source of funding available to me to assist this project which is primarily a centre for the scouting movement. The issue of funding for this project was debated as an adjournment item in the House on February 28th of 2006 during which I advised the organisers of the project to seek alternative sources of funding, most notably the EU-funded PEACE II and PEACE III cross-border programmes, on which the special EU programmes body in Belfast can provide further information.

National Development Plan.

285. **Mr. Wall** asked the Minister for Arts, Sport and Tourism the completed projects within Kildare that were proposed under the last National Development Plan by his Department; the number under construction; the number that have rolled over to the new NDP; the other new proposals that are planned for Kildare under the new NDP; and if he will make a statement on the matter. [4285/07]

Minister for Arts, Sport and Tourism (Mr. O'Donoghue): Under the last National Development Plan, 2000-2006, the Irish Film Board provided €500,000 to "Becoming Jane", a feature

film which was shot in Kildare in 2006. The new National Development Plan, covering the period 2007 to 2013, will provide funding through a range of programmes and initiatives in the Arts, Sports and Tourism areas under many of which it will be open to projects in Kildare to make application. General details on the funding available from my Department, and the bodies operating under its aegis, and the range of projects and programmes to be supported are set out in a number of press releases issued on the announcement of the new NDP which can be accessed on my Department's website *www.arts-sport-tourism.gov.ie*. These include the provision of €70 million for the horse and greyhound racing industries which will enable Horse Racing Ireland and Bord na gCon to undertake the further development of a network of facilities for both industries. Horse Racing Ireland's capital development plans for the coming years under its Capital Development Programme include a major redevelopment of the Curragh racecourse in Kildare.

EU Directives.

286. **Ms Harkin** asked the Minister for Enterprise, Trade and Employment if the Unfair Commercial Practices Directive has been transposed into Irish Law; and if not, the timeline for the transposition of this directive; and if he will make a statement on the matter. [4297/07]

Minister for Enterprise, Trade and Employment (Mr. Martin): Member States are obliged to transpose the Unfair Commercial Practices Directive into national law by 12 June 2007 and to have the provisions of the Directive in force by 12 December 2007. The Consumer Protection Bill, which was introduced in the Seanad yesterday, contains, amongst other things, specific provisions to transpose the Directive into Irish law. I am confident that Ireland will meet the deadline for transposing this important Directive and that the enactment of the Consumer Protection Bill will ensure that Irish consumers will enjoy the significant protections from unfair commercial practices afforded by the Directive.

National Development Plan.

287. **Mr. Wall** asked the Minister for Enterprise, Trade and Employment the completed projects within Kildare that were proposed under the last National Development Plan by his Department; the number under construction; the number that have rolled over to the new NDP; the other new proposals that are planned for Kildare under the new NDP; and if he will make a statement on the matter. [4290/07]

Minister for Enterprise, Trade and Employment (Mr. Martin): The Employment and Human Resources Development Operational Programme 2000-2006 is comprised of both NDP funded and

ESF co-funded projects/measures targeted at a regional level, not at county level. Monitoring and reporting of activity both physical and financial is done at regional level, that is, at Border, Midlands and Western and Southern and Eastern Regional levels. Therefore, little data is available on projects at the county level itself through this Programme. The same applies in the case of the Productive Sector Operational Programme, which is also managed by my Department. Under the Micro-Enterprise Measure of the Southern and Eastern Regional Operational Programme 2000-2006 funding to the level of €3.6 million was provided to Kildare County Enterprise Board. This funding was committed to promoting and supporting micro-business start-up and expansion projects, to training and mentoring programmes to assist the development of micro-businesses and to the promotion of entrepreneurship generally throughout the County. Details of specific outputs achieved from this expenditure are available in each of the annual reports published by Kildare CEB from 2000 onwards, copies of which have been submitted to the Houses of the Oireachtas. In so far as the recently launched NDP 2007-2013, Transforming Ireland — A Better Quality of Life for All, is concerned the priorities, programmes and sub-programmes have also been set at national level. While my Department is responsible for driving the delivery of a range of activities under the Enterprise, Science and Innovation and the Investment in Human Capital Priorities, in conjunction with the Agencies coming under our remit, we have not proposed specific “projects” targeting individual counties. Naturally, the Agencies promoting the individual Sub-Programmes under the new NDP will tailor their delivery to meet the individual needs of each county.

Labour Inspectorate.

288. **Mr. Kehoe** asked the Minister for Enterprise, Trade and Employment if he plans to treble the number of labour inspectors policing HR compliance in 2007; and if he will make a statement on the matter. [4390/07]

Minister of State at the Department of Enterprise, Trade and Employment (Mr. Killeen): The Social Partnership Agreement, Towards 2016, provides, among other matters, that the number of Labour Inspectors will be progressively increased from 31 at present to 90 by the end of 2007 as part of the initiative to increase the staffing resources of the Employment Rights Bodies generally. It is expected that assignments to the additional positions will be made from the second quarter of 2007. The necessary arrangements and selection processes to meet this objective are being progressed at present.

Social Welfare Benefits.

289. **Mr. Crawford** asked the Minister for Social and Family Affairs the reason a person (details supplied) in County Monaghan receives a lower social welfare payment when their spouse's income goes up and if he will make a statement on the matter. [4367/07]

Minister for Social and Family Affairs (Mr. Brennan): The position is that there are no special income tax reliefs for unmarried couples living together. In this context, tax law follows the general law relating to marriage. Generally speaking, the basis for the current taxation of married couples derives from the Supreme Court decision in *Murphy v. the Attorney General* (1980) which held that it was contrary to the Constitution for a married couple to pay more tax than two single people living together. The tax treatment of unmarried couples who cohabit was unaffected by the *Murphy* judgement. Each partner is taxed as a single person and each is entitled to the tax credits and standard rate band appropriate to single persons. There are no special tax arrangements for cohabiting couples with dependent children. The treatment of married and cohabiting couples under the social welfare code is primarily a matter for the Minister for Social and Family Affairs. However, I should point out to the Deputy that in the *Hyland* case in 1989 the Supreme Court held that it was unconstitutional for the relevant social welfare provisions to treat a married couple living together less favourably than an unmarried cohabiting couple. Broadly speaking, this judgment has been put into effect by treating cohabiting couples in the same way as married couples for social welfare purposes.

The Working Group Examining the Treatment of Married, Cohabiting and One-Parent Families under the Tax and Social Welfare Codes, which reported in August 1999, was sympathetic, in principle, to changes in the tax legislation to address the issues raised relating to cohabiting couples and reported that the options that it set out should be considered further. However, it acknowledged in relation to the tax treatment of cohabiting couples that a key issue is whether tax law should proceed ahead of changes to general law. A number of recent reports will help to inform the Government's deliberations in this general area including the Tenth Progress Report of the Oireachtas All-Party Committee on the Constitution entitled 'The Family' which was published in early 2006; the Options Paper presented to the Minister for Justice, Equality and Law Reform in November 2006 by the Working Group on Domestic Partnership; and the Report of the Law Reform Commission on the rights and duties of cohabitants which was published in December 2006. I previously put on the record of the House that I would view as problematic and unwise a situation where changes in the tax code relating to the treatment of couples

would set a headline in advance of developments in other relevant areas of public policy, for example, in the area of legal recognition of relationships other than married relationships. I am still of that view.

Social Welfare Allowances.

290. **Ms O'Sullivan** asked the Minister for Social and Family Affairs if he will restore the back to education allowance to post-graduate students in order to remove the financial barrier which prevents BTEA students from progressing in the education system; and if he will make a statement on the matter. [4227/07]

Minister for Social and Family Affairs (Mr. Brennan): The back to education allowance is a second chance education opportunities scheme designed to encourage and facilitate people on certain social welfare payments to improve their skills and qualifications and, therefore, their prospects of returning to the work force. The post-graduate option of the back to education allowance is payable to persons who wish to pursue a postgraduate course of study that leads to a Higher Diploma (H-Dip) qualification or to persons in pursuit of a Graduate Diploma in Education (Primary Teaching). The objective of the scheme is to assist those most marginalised and most distant from the labour market to acquire the necessary education to improve their chances of becoming independent of the social welfare system. It is recognised that primary degree qualifications impact positively on the employment prospects of those who hold such credentials. The scheme targets assistance for the maximum numbers in greatest need and at present there are no plans to extend the BTEA scheme to persons pursuing other types of postgraduate courses at this time.

Pension Provisions.

291. **Ms Shortall** asked the Minister for Social and Family Affairs the way a person who switches from a qualified adult payment on their spouse's pension to a carers allowance in their own right, will be affected by the changes in September 2007, that is the introduction of a half-rate carers allowance; if carers in this situation will be allowed to switch back to the qualified adult payment and receive the half-rate carers payment; and the provision being made to equalise the overall payment to carers irrespective of the primary payment they receive. [4235/07]

294. **Mr. O'Shea** asked the Minister for Social and Family Affairs the proposals he has to backdate the half rate carers allowance to be introduced for pensioners in September 2007; and if he will make a statement on the matter. [4385/07]

Minister for Social and Family Affairs (Mr. Brennan): I propose to take Questions Nos. 291 and 294 together.

The primary objective of the social welfare system is to provide income support and as a general rule only one weekly social welfare payment is payable to an individual. Persons qualifying for two social welfare payments receive the higher payment to which they are entitled. I am aware that this has been a cause of particular concern to people in receipt of a social welfare payment when they become carers. For that reason I was very pleased to introduce fundamental structural reforms in this area in Budget 2007. Under these new arrangements people in receipt of certain social welfare payments other than carer's allowance or benefit who are providing someone with full time care and attention will be able to retain their main payment and receive another payment, depending on their means, the maximum of which will be equivalent to a half rate carer's allowance. Details as to how this arrangement will operate, including the treatment of qualified adults, are currently being finalised and will be set out in legislation shortly. There are also significant administrative and IT issues which must be addressed before such a reform can be implemented. As a result, September 2007 has been chosen as the implementation date.

With regard to the level of support available to carers I have continued to increase the rates of carer's allowance and benefit as well as the level of the respite care grant. Most recently, in Budget 2007 I increased the rates of carer's allowance to €200 per week for those aged under 66 and to €218 per week for those aged over 66. In addition, from June 2005, the annual respite care grant was extended to all carers who are providing full time care to a person who needs such care regardless of their income. Those persons in receipt of other social welfare payments, excluding jobseeker's assistance and benefit, are entitled to this payment subject to certain conditions, such as providing full time care to a person who needs such care regardless of their income. Those persons in receipt of other social welfare payments, excluding jobseeker's assistance and benefit, are entitled to this payment subject to meeting the full time care condition. From June 2007 the level of the grant will increase by €300 from €1,200 to €1,500 per year in respect of each person being cared for. Towards 2016 commits the Government to continuing to review the scope for further development of the carer's allowance, carer's benefit and the respite care grant. I am committed to working for, and with, carers to deliver increased benefits, supports, and services for them and their families. The improvements for carers which I announced in Budget 2007 are further evidence of this commitment.

National Development Plan.

292. **Mr. Wall** asked the Minister for Social and

Family Affairs the completed projects within Kildare that were proposed under the last National Development Plan by his Department; the number under construction; the number that have rolled over to the new NDP; the other new proposals that are planned for Kildare under the new NDP; and if he will make a statement on the matter. [4295/07]

Minister for Social and Family Affairs (Mr. Brennan): The Family Services Project (FSP) provides funding to programmes run by third parties to assist welfare recipients and members of their families improve their personal and family circumstances through training, educational and development courses. The programmes are generally of a short duration and take place over a number of weeks. A total of 17 Family Services Projects have been funded in Co. Kildare over the lifetime of the NDP 2000-2006. The FSP is administered by Facilitators who are based in my Department's Local Offices. There is 1 Facilitator for Co Kildare located in Newbridge. Examples of activities funded under the FSP include parenting projects for very young lone parents, support programmes for families of disabled persons and family support for travellers. The needs of welfare recipients and members of their families in an area are identified by local community and voluntary agencies who liaise with my Facilitators and submit applications for funding. Funding for programmes of this nature which provide assistance to welfare customers and their families will continue under the Social Inclusion Priority of the NDP 2007-2013. Family Resource Centres are funded by the Family Support Agency under the Family and Community Services Resource Centre Programme. The emphasis in the projects is on the involvement of local communities in developing approaches to tackle the problems they face and on creating successful partnerships between the voluntary and statutory agencies in the areas concerned. There are 2 Family Resource Centres in Co Kildare that have received funding under the last NDP and FRCs will continue to receive funding under the NDP 2007-2013.

Social Welfare Benefits.

293. **Ms Shortall** asked the Minister for Social and Family Affairs the continuing justification of the benefit and privilege rule for persons under 25 years who are genuinely seeking work; and if he will make a statement on the matter. [4365/07]

Minister for Social and Family Affairs (Mr. Brennan): For jobseeker's allowance (JA) purposes, the assessment of means for non-householders resident in the parental home has always taken into account the yearly value of any benefit and privilege enjoyed by him or her by virtue of residing with a parent or step-parent. In practice,

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this is taken to mean the value of free board and lodging to a claimant and such value is ascribed having regard to the level of parental income. The Commission on Social Welfare examined the then operation of the benefit and privilege arrangements and recommended the abolition of the concept of benefit and privilege for those aged 25 years and over. In Budgets 2003 to 2006 inclusive, the assessment of benefit and privilege for JA purposes was progressively abolished for persons in excess of certain ages. In Budget 2006, I was pleased to abolish the assessment of benefit and privilege in all cases where the UA claimant is aged 25 or over, thereby bringing the Commission's recommendation into full effect. The Commission also recommended that the assessment of benefit and privilege be retained for those aged between 18 and 25 years of age, subject to unemployed persons being entitled to a standard minimum payment of JA. In making this recommendation, the Commission was of the view that the recommended minimum payment would give such persons a limited degree of financial independence from parents but would take into account the fact that they reside in the family home and do not face the costs of maintaining an independent home. Currently, in the case of JA claimants aged under 25, the maximum assessment is restricted to 17% of parental income. A minimum of €40 is payable where the claimant qualifies for any amount of JA. Any further change to the current arrangements would have to be considered in a Budgetary context.

Question No. 294 answered with Question No. 291.

295. **Mr. Durkan** asked the Minister for Social and Family Affairs if supplementary welfare payment will be offered to a person (details supplied) in County Kildare; and if he will make a statement on the matter. [4405/07]

Minister for Social and Family Affairs (Mr. Brennan): The supplementary welfare allowance (SWA) scheme is administered on behalf of my Department by the community welfare division of the Health Service Executive. The Community Welfare Officer (CWO) of the Executive has advised that it has received an incomplete application on 1st February 2007 for SWA from the person concerned. The CWO contacted the person concerned on 6th February to arrange a meeting for later in the week to determine his entitlements based on his personal circumstances.

Social Welfare Appeals.

296. **Mr. Stanton** asked the Minister for Social and Family Affairs the number of appeals received and processed respectively by the social welfare appeals office in 2006, with a breakdown of the number and average timescale for pro-

cessing of same; the number of appeals which were decided in favour of the appellant; and if he will make a statement on the matter. [4412/07]

297. **Mr. Stanton** asked the Minister for Social and Family Affairs the number of appeals awaiting decision for each of the various schemes operated by his Department; the number of appeals which are to be decided by oral hearing; the average times and longest time it takes to process an appeal for each scheme of his Department whether decided by normal decision or by oral hearing; and if he will make a statement on the matter. [4413/07]

Minister for Social and Family Affairs (Mr. Brennan): I propose to take Questions Nos. 296 and 297 together.

Appeals statistics requested by the Deputy in respect of 2006 are currently being processed for inclusion in the annual report of the Chief Appeals Officer which will be published shortly. There were 5,851 appeals awaiting decision on 5 February 2007 of which 1,698 were awaiting an oral hearing. A breakdown of those cases by scheme type is set out in Table A.

Details of the average length of time taken to deal with appeals will be included in the annual report for 2006 which is being compiled. It is not expected it will vary much from the experience in 2005 when it took 20 weeks on average to process all appeals i.e. those decided summarily and by way of an oral hearing. A breakdown of those cases by scheme type is set out in Table B.

If allowance was made for the 25% most protracted cases, the average fell to 13 weeks. Oral hearings are granted at the discretion of the Appeals Officer usually in circumstances where there is a conflict in evidence presented by both parties or where an oral hearing is requested by the appellant in order to present his or her case. Given the logistics involved in organising oral hearings, the average length of time is increased by 8 weeks where an oral hearing is involved.

The processing time for appeals covers all phases of the appeal process including the submission by my Department of its comments on the grounds for the appeal, further examination by the Department's Medical Assessors in certain sickness related cases and the holding of oral hearings which are currently afforded in two out of three cases determined by Appeals Officers. Circumstances may arise, normally outside of the control of the Social Welfare Appeals Office, which have the effect of unduly prolonging the time taken to process appeals. For example, delays can occur where the appellant submits new information or evidence, often at an advanced stage in the proceedings. In some cases adjournments may be sought by the Appellant or his/her representative.

The social welfare appeals system is a quasi-judicial one and the procedures in place for

determining appeals are designed to ensure that each case receives full and satisfactory consideration. While improving processing times remains a major objective of the Social Welfare Appeals Office, it is necessary at all times to ensure that progress in this regard is achieved in a manner which is not in conflict with the demands of justice and the requirement that every appeal be fully investigated and examined on all its merits.

Table A: Number of Appeals on hand at 05 February 2007

Scheme Type	Appeals on Hand
Adoptive benefit	1
Blind Pension	5
Carers Allowance	370
Carers Benefit	8
Child Benefit	95
Disability Allowance	1,276
Disability Benefit	1,029
Deserted Wives Allowance	5
Deserted Wives Benefit	10
Employers PRSI Exemption	1
Farm Assist	36
Bereavement Grant	11
Family Income Supplement	33
Homemakers	1
Incapacity Pension(s)	279
Lone Parents	11
Liable Relative	1
Maternity Benefit	7
Old Age Contributory Pension	94
Old Age Non-Contributory Pension	197
Occupational Injury Benefit	35
Disablement Benefit	219
Occupational Injury Medical	14
Orphans Contributory Pension	4
One Parent Family Payment	456
Orphans Non-Contributory Pension	4
Pre-Retirement Allowance	5
Unemployment Assistance (Means)	358
Rent Allowance	1
Respite Care Grant	169
Retirement Pension	25
SCOPE (Insurability of Employment)	80
Supplementary Welfare Allowance	51
Treatment Benefit	7
Unemployment Assistance	624
Unemployment Payments Overpayments	41
Unemployment Benefit	262
Unemployability Supplement	5
Widows Contributory Pension	11
Widows Non-Contributory Pension	10
Total	5,851

Table B: Average Processing Time of Appeals disposed of in 2005

Scheme Type	Number of Weeks
Adoptive Benefit	23.8
Blind Pension	26.0
Carers Allowance	21.2
Carers Benefit	29.8
Child Benefit	18.4
Disability Allowance	21.6
Disability Benefit	24.0
Deserted Wives Allowance	33.1
Deserted Wives Benefit	22.8
Farm Assist	22.0
Bereavement Grant	19.8
Family Income Supplement	17.9
I invalidity Pension	24.9
Lone Parents	33.6
Liable Relative	71.5
Maternity Benefit	19.9
Old Age Contributory Pension	46.1
Old Age Non-Contributory Pension	22.7
Occupational Injury Benefit	26.2
Disablement Benefit	27.6
Occupational Injury Medical	34.7
Orphans Contributory Pension	16.5
One Parent Family Payment	31.3
Orphans Non-Contributory Pension	33.3
Pre-Retirement Allowance	19.3
Unemployment Assistance (Means)	18.9
Respite Care Grant	10.0
Retirement Pension	24.4
SCOPE (Insurability of Employment)	34.1
Supplementary Welfare Allowance	12.2
Treatment Benefit	10.6
Unemployment Assistance	10.6
Unemployment Payments Overpayments	22.7
Unemployment Benefit	12.6
Unemployability Supplement	23.4
Widows Contributory Pension	39.1
Widows Non-Contributory Pension	28.1
Widowed Parent Grant	62.8
Average Time to Process All Appeals	20.2

Public Transport.

298. **Ms O. Mitchell** asked the Minister for Transport the reason for the delay in granting an extension licence to Dublin Bus for the 161 route allowing for a new terminus in Dundrum. [4242/07]

Minister for Transport (Mr. Cullen): I can confirm that my Department received a notification from Dublin Bus on 30th May, 2006, in respect of

[Mr. Cullen.]

an extension to the existing Route 161 service. On receipt of the notification, Dublin Bus was informed that the Department was giving consideration to prior applications from a private bus operator for licences for bus services that incorporated operations on the same route as that proposed for the extension to their 161 service. Dublin Bus was informed on 26th October, 2006 that the licences had issued and the notification would be examined taking into consideration the licensed services in question.

Where a notification for a new service or an alteration to an existing service is received from Dublin Bus or Bus Éireann and that proposal is deemed to be in competition with an existing licensed service, the Department will apply section 25 of the Road Transport Act, 1958 to the consideration of that notification. Where that section is applied, the consent of the Minister for Transport is required before the new or altered service can be introduced.

Dublin Bus has been kept informed of developments in relation to the newly licensed services and further consultation with the Company is planned so that a final determination can be made in respect of their submission.

299. **Ms O. Mitchell** asked the Minister for Transport if his attention has been drawn to whether all Dublin Bus buses servicing hospitals in the Dublin region are wheelchair accessible; if not, if he will ensure that this is the case; and if he will make a statement on the matter. [4250/07]

Minister for Transport (Mr. Cullen): This is an operational matter for Dublin Bus. However, I understand from Dublin Bus that it is the company's policy since 2000 to purchase only wheelchair accessible vehicles. Currently 58% of the fleet is accessible and Dublin Bus plans to have all of the fleet wheelchair accessible by 2012. I also understand from Dublin Bus that all of Dublin's major public hospitals are served by at least one route on which all of its vehicles are fully accessible.

300. **Mr. English** asked the Minister for Transport if there were recent irregularities or recent changes to a Bus Éireann timetable (details supplied) or route changes whereby the timetabled buses do not arrive at Balbriggan to pick up passengers Drogheda bound; and if he will make a statement on the matter. [4258/07]

Minister for Transport (Mr. Cullen): The provision of public bus services by Bus Éireann on specific routes is a day-to-day operational matter for the Company. However, the initiation or alteration of a bus service by Bus Éireann is subject to compliance with the necessary regulatory requirement of giving advance notice to my Department and to compliance with the provisions of section 25 of the Transport Act 1958

concerning competition with licensed private operators.

All services on the 101 route between Dublin and Drogheda approved by my Department are scheduled to stop at Balbriggan (Bank of Ireland). My Department has not received any recent notification from Bus Éireann to alter the 101 service.

National Development Plan.

301. **Mr. Wall** asked the Minister for Transport the completed projects within Kildare that were proposed under the last national development plan by his Department; the number under construction; the number that have rolled over to the new NDP; the other new proposals that are planned for Kildare under the new NDP; and if he will make a statement on the matter. [4296/07]

Minister for Transport (Mr. Cullen): The National Development Plan (NDP) 2000 to 2006 concentrated on the provision of significant upgrading on the major interurban routes throughout the country. I understand from the NRA that three of these routes run through County Kildare, namely the M/N4 (Dublin to Galway), the N7 (Dublin to Limerick) and the N9 (Dublin to Waterford). Substantial works were completed on all of these routes during the period 2000 to 2006.

The projects completed within Kildare during the period of the NDP 2000 to 2006 were as follows:

- M/N4 Enfield Relief Road in 2002
- Celbridge Interchange in 2003
- Kilcock/Enfield/Kinnegad in 2005
- M/N7 Kildare Bypass in 2003
- Monasterevin Bypass in 2004
- Kingswood Interchange in 2005
- Naas Road Upgrade in 2006
- N9 Carlow bypass began construction in 2006 and is due for completion in 2008

Further works to increase the capacity of the M/N4 between Leixlip and its junction with the M50 are planned under the new National Development Plan. This work is expected to commence in 2007 and take two years to complete. The N9 from Kilcullen to Carlow is due to commence in 2008 and be completed in 2010.

Rail

There has been major investment in the two railway lines — Connolly to Maynooth (the Maynooth line) and Heuston to Kildare (the Kildare line) — serving Kildare under the NDP (2000-2006). Major projects completed include the doubling of track between Maynooth and Clonsilla including resignalling of the line,

upgrading of stations and crossings and the provision of additional rolling stock at a cost of over €65 million. Upgrading of rolling stock and stations on the Kildare line and the redevelopment of the Heuston station were also undertaken at a cost of €106.8 million.

The position regarding further upgrade works is that preparatory and enabling works for the Kildare Route Project are underway. It is planned to place construction contracts in April 2007 and to have construction work completed and services operational in early 2010. My Department has allocated €45.4m to Iarnród Éireann to fund work on the project this year. Planning and design work is also underway in relation to the electrification of the Maynooth line.

Rail Services.

302. **Ms Burton** asked the Minister for Transport when it is proposed that the first rail services to the Docklands station will commence; the arrangements being made to provide for link services to Connolly Station, Dublin city centre, and the south business district; if his attention has been drawn to the long distances between the new station and Connolly, the Luas link and crossing by foot to the south city business district, to which 60% of commuters using the Clonsilla line wish to go; and if he will make a statement on the matter. [4420/07]

Minister for Transport (Mr. Cullen): I understand from Iarnród Éireann that the new station at Docklands will open on 12 March 2007 and that services will commence to the station on that day. I am also advised by Iarnród Éireann that a bus shuttle service between the city centre, Connolly station, and the new Docklands station will be operated by Dublin Bus and integrated with Iarnród Éireann's services pending construction of the LUAS extension to Docklands.

The station will be conveniently accessed from the LUAS stop on the proposed LUAS extension from Connolly Station. I understand that the distance from the new station to the LUAS stop will be approximately 350 metres, a similar distance to that between Connolly DART platforms and Connolly LUAS stop. The station will be approximately 800 metres from the new pedestrian footbridge across the Liffey, and approximately 400 metres from the proposed new Macken Street road bridge.

303. **Ms Burton** asked the Minister for Transport his proposals to provide Iarnród Éireann with double decker trains as are available in many European countries, particularly with a view to increasing service capacity on the Clonsilla railway line where the trains are crowded and the service is inadequate for the size of the population; and if he will make a statement on the matter. [4421/07]

Minister for Transport (Mr. Cullen): Decisions in relation to the specification of rolling stock are matters for Iarnród Éireann.

Public Transport.

304. **Ms Burton** asked the Minister for Transport the level of funding provided for bus corridors in 2006, particularly for those serving Dublin 15 and the Blanchardstown area; the information available to his Department on the way in which this is spent; the amount and percentage of such funding drawn down in each of the past five years; the information available to his Department on the number of bus lane kilometres in Fingal; the information available to his Department on the different quality bus corridors and the number of pinch points for buses on each route; the percentage of each route where a bus lane exists; if he has satisfied himself with the level of QBC provision in Fingal; the legislative measures he proposes to speed up bus priority measures; and if he will make a statement on the matter. [4422/07]

Minister for Transport (Mr. Cullen): Some €34m was made available in 2006 for bus corridors in the GDA, of which €21,907,874 was spent.

The table below details the provision of spending to bus schemes within the Dublin 15 area, during 2006.

	Allocated in 2006	Actual 2006
Blanchardstown QBC N3 Inbound	200,000	43,806
Blanchardstown Road North & South	3,845,727	9,999
Huntstown bus gate	200,000	0
Snugborough	2,189,614	2,239,728
Swords QBC	227,000	500,000
	6,662,362	2,793,533

The DTO Executive reports to the Department, as funds are claimed by agencies, regarding the allocations to bus schemes and the draw-down on these funds.

The amount and percentage of such funding drawn down in each of the past five years is as follows:-

Year	Spending on bus priority	Percentage of total Traffic Management Grants
	€m	%
2006	21.908	79
2005	29.543	84
2004	27.542	79
2003	14.719	37
2002	15.065	53

[Mr. Cullen.]

Information on bus lane kilometres relates to bus corridors serving the Fingal area rather than those within particular local authority boundaries, as this determines the effectiveness of the measures in question.

The following bus lanes service the Fingal area:

- Finglas QBC (6 KM);
- Swords QBC covers (21.6 KM);
- Blanchardstown QBC (18.4 KM);
- Malahide QBC covers (7.5 KM); and
- Ballymun Road scheme (2.7KM).

On the issue of pinch points, the annual monitoring exercise undertaken by the DTO shows where bus priority infrastructure continues to require an improvement in performance in terms of protecting bus operations from the effects of traffic con-

gestion. The results of these monitoring exercises are used by the DTO to inform the development of the bus priority scheme programme. I am informed by the DTO that a significant portion of the Quality Bus Network Office's 2007 programme addresses urgent needs such as pinchpoints. The Deputy may care to examine the 2003, 2004 and 2005 QBC Monitoring reports which are available on the DTO website at <http://www.dto.ie/web2006/qbcmon.htm>. The 2006 report will be published shortly.

Given the presence of overlaps and discontinuities, the provision of QBCs is recorded in terms of kilometres treated rather than percentages of route. There are approximately 170 kilometres of treated QBCs (as designated in the DTI Final Report) and non QBCs in the GDA. Details are set out in the attached tables. The development and implementation of bus priority measures is a matter for the relevant local authorities. I have no proposals for specific legislative measures in respect of bus priority measures.

Quality Bus Corridors

	12 QBCs	KMs	By Date	Estimated Length Of Actual Bus-Priority Provision In Each Quality Bus Corridor	
				Inbound	Outbound
1	<i>Lucan QBC</i> Lucan QBC N4 — July 1996 Lucan QBC Extension N4 (St. Johns Road) — Q1 2004 Lucan QBC Extension N4 (Lucan Bypass) — Q1 2004	12.1 2.5 2.4	July 1996 Q1 — 2004 Q1 — 2004		
	Total	17.0		11.0	8.0
2	<i>Malahide QBC</i> Malahide QBC — December 1998	7.5	December 1998		
	Total	7.5		6.0	6.0
3	<i>Stillorgan QBC</i> Stillorgan QBC (N11) — August 1999 Stillorgan QBC Extension (Foxrock to Bray) — Q4 2004	12.9 10.7	August 1999 Q4 — 2004		
	Total	23.6		13.0	13.0
4	<i>Finglas QBC</i> Finglas QBC — July 2000	6.0	July 2000		
	Total	6.0		4.0	2.0
5	<i>North Clondalkin QBC</i> North Clondalkin QBC — February 2001	12.1	February 2001		
	Total	12.1		3.0	2.5

	12 QBCs	KMs	By Date	Estimated Length Of Actual Bus-Priority Provision In Each Quality Bus Corridor	
				Inbound	Outbound
6	<i>Rathfarnham QBC</i> Rathfarnham QBC — March 2001	7.1	Mar-01		
	Rathfarnham QBC (Ballyboden Road) — Q3 2004	1.3	Q3 — 2004		
	Total	8.4		6.0	2.0
7	<i>Tallaght QBC</i> Tallaght QBC — April 2001	12.2	April 2001		
	Total	12.2		5.0	2.0
8	<i>Blanchardstown QBC</i> Blanchardstown QBC — September 2001	16.4	September 2001		
	Dunshaughlin N3 Bus scheme	2.0	December 2006	1 (estimate)	1 estimate
	Total	18.4		6.3	3.0
9	<i>Swords QBC</i> Swords QBC — (Whitehall Road) — November 2001	2.9	November 2001		
	Swords QBC — (Whitehall — City) — April 2001	11.7	April 2001		
	Swords QBC — (Swords Village to Cloghran)	7.0	Q4 — 2005		
	Total	21.6		11.0	8.0
10	<i>South Clondalkin QBC</i> South Clondalkin QBC — Q4 2005	7.2	Q4 — 2005		
	Total	7.2		5.0	4.0
11	<i>Orbital QBC</i> Orbital QBC — Q4 2005	6.4	Q4 — 2005		
	Total	6.4		3.0	3.0
12	Ballymun Road	2.7			
	Total	2.7		2.4	1.7
	Total	143.1		75.7	55.2

	Additional Bus Priority Measures	Km's
1	Naas Road All Phases — (Kingswood Interchange to Monastery Road)	3.1
2	Outer Ring Road (Q1 2005)	3.3
3	N32	2.5
4	Clontarf Road	1.5
5	Laurel Lodge	0.5
6	Howth Road	5.9
7	Merrion Road Corridor	4.3
8	Pearse Street	1.7
9	Kilmacud Road Bus Scheme	0.5
10	Snugborough	3.4
11	Waterloo Road	0.5
	Total	27.2

National Development Plan.

305. **Mr. Wall** asked the Minister for Community, Rural and Gaeltacht Affairs the completed projects within Kildare that were proposed under the last National Development Plan by his Department; the number under construction; the number that have rolled over to the new NDP; the other new proposals that are planned for Kildare under the new NDP; and if he will make a statement on the matter. [4287/07]

Minister for Community, Rural and Gaeltacht Affairs (Éamon Ó Cuív): The Deputy will be aware that the National Development Plan (NDP) 2000-2006 constituted a programme setting out the Government's broad strategic response to the State's economic and social development needs for the seven-year period in question, and that it did not set out specific project commitments.

My Department was involved in four Operational Programmes under the NDP 2000-2006, as follows:

- the Productive Sector Operational Programme;
- the Employment and Human Resources Development Operational Programme;
- the Border, Midland and Western Regional Operational Programme; and
- the Southern & Eastern Regional Operational Programme.

Assistance was provided under these Programmes across a range of measures in relation to:

- the Gaeltacht, in terms of finance for industry, building construction, sectoral training, road improvements and harbour improvements;
- urban and village renewal;
- inland waterways development;
- rural development, in the context of the Area Based Rural Development Initiative, the Rural Development Fund, Farm Relief Services and the Western Development Fund;
- the development of disadvantaged communities through the Community Development Programme;
- the promotion of local action plans to promote social inclusion under the Local Development Social Inclusion Programme; and
- the National Drugs Strategy.

While my Department had no direct responsibility for any major infrastructural investments or projects in Co. Kildare under the NDP 2000-2006, funding was made available to local groups/ projects in the county during the period of the Plan

under a number of programmes operated in the Southern & Eastern Region, including:

- the Area Based Rural Development Programme, which provided funding of €1,277,600 to Kildare European LEADER Teo;
- the Community Development Programme, which provided funding of €1.041m to three groups in Co. Kildare: The Bridge CDP (€0.254m), Athy CDP (€0.679m), and North West Kildare CDP (€0.108m);
- the Local Development and Social Inclusion Programme, which provided funding of €6446,947 to two groups in Co. Kildare: Action South Kildare (€3946,440) and OAK Partnership (€2,500,507); and
- the Inland Waterways Sub-Measure, under which Waterways Ireland funded a range of projects in Co Kildare along the Grand Canal, Royal Canal and Barrow Navigation, including Bank Protection and Dredging along amounting to some 10,500m of waterway; installation of 680m of Moorings and Jetties; and restoration of the Athy Barge 'Aiséirí'.

The Deputy, will appreciate that, due to the diverse nature of these programmes, it would not be possible, in the time available, to provide details in respect of all of the individual projects assisted under the NDP 2000-2006. If the Deputy has specific queries in relation to any particular case, however, I will be happy to arrange for relevant information to be provided to him.

With regard to the new National Development Programme 2007-2013, my Department's involvement covers a variety of programmes within the following priority areas:

- Enterprise, Science and Innovation;
- Social Infrastructure; and
- Social Inclusion.

In the Southern and Eastern Region, it is anticipated that a range of programmes will operate in sectors such as Rural Development; Rural Recreation; Community Development; Local Development; Volunteering; Inland Waterways and the Drugs Strategy. It is likely that funding will continue for many of the programmes and groups assisted under the previous Plan, but the Deputy will appreciate that it would be premature to seek to be more definitive at this time.

With regard to projects rolled over from the last NDP, I understand from Waterways Ireland that the Monasterevin Lifting Bridge on the Grand Canal Barrow Line and completion of Ardreich Jetty on the Barrow Navigation are the only projects in Co Kildare that they propose to have rolled over into the new NDP.

Post Office Network.

306. **Mr. Wall** asked the Minister for Community, Rural and Gaeltacht Affairs the investigations he has carried out in regard to the closure of rural and urban post offices; the effect these closures are having on the counties; if he has had consultations with the Minister for Communications, Marine and Natural Resources in regard to such community based problems; and the plans he has in regard to resolving the matter. [4379/07]

Minister for Community, Rural and Gaeltacht Affairs (Éamon Ó Cuív): The Government is committed to a viable and sustainable post office network providing a range of services to meet customer needs as set out in the Programme for Government. The network is geared towards customer demand in both urban and rural locations and must be adaptable to changing circumstances and trends but the core objective of the Government continues to be the retention of access to post office services in as many locations as possible.

The Deputy will appreciate, however, that I have no statutory responsibility for postal services and have not, therefore, assessed the effects, if any, of the closure of post offices. The question of the commercial viability of post offices is a matter for my colleague, Noel Dempsey, T.D., Minister for Communications, Marine and Natural Resources.

Milk Quota.

307. **Mr. Aylward** asked the Minister for Agriculture and Food the progress to date on the application for additional milk quota under the milk exchange scheme by a person (details supplied) in County Kilkenny. [4187/07]

Minister for Agriculture and Food (Mary Coughlan): For reasons of administrative efficiency, the Milk Quota Trading Scheme was managed centrally by my Department. However, the Scheme was operated at co-operative level and the results have been issued to each co-op, who will contact their suppliers directly with the outcome of their applications.

308. **Mr. Aylward** asked the Minister for Agriculture and Food the progress to date on the application for additional milk quota under the milk exchange scheme by a person (details supplied) in County Kilkenny. [4188/07]

Minister for Agriculture and Food (Mary Coughlan): For reasons of administrative efficiency, the Milk Quota Trading Scheme was managed centrally by my Department. However, the Scheme was operated at co-operative level and the results have been issued to each co-op, who will contact their suppliers directly with the outcome of their applications.

309. **Mr. Aylward** asked the Minister for Agriculture and Food if she will examine the case of a person (details supplied) in County Kilkenny whose lease on milk quota has expired; and if she will approve the extension of this lease in view of the fact that the quota is leased from close family members. [4189/07]

Minister for Agriculture and Food (Mary Coughlan): In the circumstances outlined the extension of the family lease is a matter for both parties to the lease to arrange. The Milk Quota Regulations provide for the renewal of leases within a period of 6 months of expiry of the lease.

EU Legislation.

310. **Ms O. Mitchell** asked the Minister for Agriculture and Food the number of prosecutions taken against farmers here in each of the past ten years for violations of EU legislation; and if she will make a statement on the matter. [4259/07]

Minister for Agriculture and Food (Mary Coughlan): The information requested is not readily available and will be forwarded to the Deputy as soon as possible.

Forestry Industry.

311. **Mr. Eamon Ryan** asked the Minister for Agriculture and Food the projected felling in the Dublin and Wicklow mountains over the next five years; and the allowances made within felling plans for areas of high recreational and amenity usage. [4260/07]

Minister for Agriculture and Food (Mary Coughlan): The following are the projected clear-felling figures in hectares for the area in question for the period 2007-2011 inclusive:

Year	Hectares
2007	730.4
2008	639.9
2009	488.7
2010	830.6
2011	100.0

Coillte has a general policy of allowing open access to its forests and the recreational opportunities that result are among the many non-timber benefits that Irish forests offer. These forests have a natural cycle which incorporates planting, thinning, felling and replanting and throughout this process public access is, as far as possible, maintained.

In the consultation process undertaken in the formulation of felling plans high importance is attributed to the recreational and amenity value of the forest. Before the licensing of any felling site the relevant local authority, who have a particular role where amenity is concerned, is con-

[Mary Coughlan.]

sulted in relation to the proposed felling and replanting proposals for the site. If deemed necessary, on environmental grounds, further consultations may also be undertaken with other relevant bodies such as the National Parks and Wildlife Service and Fisheries Boards.

The conditions of all felling licences require that the felling and replanting proposals must be carried out in accordance with the Forest Service Code of Best Practice and must also comply with the Forest Service Code of Best Forest Practice and must comply with the Forest Service guidelines relating to Landscape, Forest Harvesting and the Environment and the Irish National Forest Standard.

312. **Mr. Eamon Ryan** asked the Minister for Agriculture and Food if she has plans to amend the remit of Coillte to include the provision and management of recreational woodland areas; and if not, the measures she will take for the regulation of same. [4261/07]

Minister for Agriculture and Food (Mary Coughlan): I do not currently have plans to amend the remit of Coillte as set out in its Memorandum of Association in relation to the provision and management of recreational woodland areas. Coillte has a role in the provision of recreational facilities and has produced a revised and updated policy on recreation, 'Recreation Policy-Healthy Forests, Healthy Nation', which I launched in October 2005.

Rural Environment Protection Scheme.

313. **Mr. Connaughton** asked the Minister for Agriculture and Food when she proposes to introduce REP scheme four; and if she will make a statement on the matter. [4268/07]

Minister for Agriculture and Food (Mary Coughlan): REPS 4 will form part of the new Rural Development Programme for the period from 2007 to 2013. The Programme was sent to the European Commission in late December, 2006 and has to go through its approval process. I cannot be definite as to how long this process will take but I continue to pursue early approval. My officials are in ongoing contact about it with their counterparts in the Commission services.

National Development Plan.

314. **Mr. Wall** asked the Minister for Agriculture and Food the completed projects within Kildare that were proposed under the last national development plan by her Department; the number under construction; the number that have rolled over to the new NDP; the other new proposals that are planned for Kildare under the new NDP; and if she will make a statement on the matter. [4284/07]

Minister for Agriculture and Food (Mary Coughlan): The measures relevant to my Department in the 2000-2006 National Development Plan did not provide for or relate to individual projects. Instead, they comprised support schemes for the agri-food sector and related research. The table below sets out payments under the various schemes in County Kildare during the period.

Scheme	Amount
	€m
Compensatory Allowances	6.302
REPS	17.597
Early Retirement	1.515
Forestry	4.266
Food	1.415
Farm Waste Management	0.589
Installation Aid	0.549
Dairy Hygiene Scheme	0.190
Alternative Enterprises	0.045
Livestock Breeding equine	2.676
Organic Farming	0.031
Grain Storage	0.268
Potatoes	0.004
Horticulture	0.960
Animal Carcase Disposal	0.051
Total	36.458

In addition to the above payments, support provided under the National Development Plan for general measures such as agri-food research and cattle breeding infrastructures also benefited of the agri-food sector in County Wexford. The new NDP 2007-2013 has a variety of measures addressing the needs of the agri-food sector. Participation has not been pre-determined on a location basis and will depend on compliance with the relevant eligibility conditions.

Forestry Regulations.

315. **Ms O. Mitchell** asked the Minister for Agriculture and Food if she will speed up the making of by-laws to cover forestry areas in view of the fact that motorbike and quads and other unsuitable activities are destroying many areas and interfering with other users and local residents; and if she will make a statement on the matter. [4342/07]

Minister for Agriculture and Food (Mary Coughlan): I am aware that Coillte are encountering problems with unauthorised activities in a number of their forests. Arising from these problems, Coillte have, in accordance with Section 37 of the Forestry Act, 1988, requested me to make bye-laws governing this activity. Draft bye-laws have been prepared and are currently being considered by Coillte.

Bovine Disease Controls.

316. **Mr. J. Breen** asked the Minister for Agriculture and Food if she will extend the age from 30 to 36 months for BSE testing; and if she will make a statement on the matter. [4389/07]

Minister for Agriculture and Food (Mary Coughlan): The requirement that all bovine animals over 30 months of age, slaughtered for human consumption, must be tested for BSE is provided for in Regulation (EC) No. 999/2001 of the European Parliament and of the Council, laying down rules for the prevention, control and eradication of certain transmissible spongiform encephalopathies (The TSE Regulation). Accordingly I do not have the discretion to raise this age threshold as I would wish to do in view of the major progress achieved here in relation to BSE.

I have been making repeated efforts to have the age thresholds for the various categories of animals changed, based on the results of surveillance carried out here. Under the recently amended TSE regulation there is provision for a revision to Member States monitoring programmes (including changes to the age at which healthy slaughtered animals for human consumption must be tested for BSE) on the basis of applications by Member States in response to their improved BSE situation. Such applications will have to be assessed according to criteria for evaluating the improvement of the epidemiological situation that has yet to be laid down. The matter is currently under discussion at TSE working group level in Brussels and will take some time to finalise.

Any request for such changes would require to be approved by the European Commission and the other Member States within the framework of the Standing Committee on Animal Health and the Food Chain. I will, of course continue to press for a change in the age threshold at every opportunity.

School Staffing.

317. **Mr. J. Breen** asked the Minister for Education and Science if she will sanction the appointment of six special needs assistants to a school (details supplied) in County Clare as a priority. [4191/07]

Minister for Education and Science (Ms Hanafin): As the Deputy is aware, the National Council for Special Education (NCSE), through the local special educational needs organisers (SENO), is responsible for processing applications from schools for special needs supports, including special needs assistant support. The SENOs also convey decisions on the applications directly to schools. My officials have been advised by the NCSE that the matter has been referred to the local SENO for attention. I understand

that the SENO will make direct contact with the school authorities to discuss the matter.

School Accommodation.

318. **Cecilia Keaveney** asked the Minister for Education and Science the position in relation to a school building (details supplied) in County Donegal; and if she will make a statement on the matter. [4192/07]

Minister for Education and Science (Ms Hanafin): An application for an extension has been received from the school to which the Deputy refers. An assessment of the long term projected staffing, on which the schools accommodation needs are based is currently underway in the Department. This assessment will take into account factors such as current and projected enrolment, demographic trends and housing developments. Once this assessment is complete, the building project required to meet the schools long term accommodation needs will be considered in the context of the School Building and Modernisation Programme. The school has also submitted an application for funding under the Permanent Accommodation Scheme 2007. All applications received under this scheme are under consideration and the list of successful applicants will be published shortly.

Education Schemes.

319. **Mr. Naughten** asked the Minister for Education and Science the education related schemes for primary schools and teachers, run on a pilot basis or otherwise, which are funded by her Department and are not available on a nationwide basis but confined to specific geographical locations; the local authority area in each case within which schools and teachers are eligible to participate in that particular scheme; and if she will make a statement on the matter. [4214/07]

Minister for Education and Science (Ms Hanafin): My Department funds a number of initiatives under various programmes and schemes, on a pilot basis and otherwise, that may be confined to particular geographical locations. If the Deputy has specific initiatives in mind I will endeavour to provide more detailed information.

School Accommodation.

320. **Mr. O'Dowd** asked the Minister for Education and Science the position regarding the need for an extension to a school (details supplied) in County Louth; and if she will make a statement on the matter. [4215/07]

Minister for Education and Science (Ms Hanafin): I can confirm to the Deputy that the Department is in receipt of an application for major capital funding from the management authority of the school to which he refers. This

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application is currently being assessed and contact will be made directly with the school authority when this assessment has been completed. Progress on the proposed works will be considered in the context of the School Building and Modernisation Programme from 2007 onwards.

Physical Education Facilities.

321. **Mr. O'Connor** asked the Minister for Education and Science if she will confirm that funding and plans are in place to open to the public the facilities at the new physical education hall at a centre (details supplied) in Dublin 24; if she will furnish details of same; and if she will make a statement on the matter. [4238/07]

Minister for Education and Science (Ms Hanafin): The Department of Education and Science has provided funding in excess of €34m for the construction of nine dual use halls with enhanced facilities attached to post-primary schools. Eight of these halls are in Dublin and one is in Cork.

An allocation of funding amounting to €2.5 million was approved by the Government under the Educational Disadvantage strand of the Dormant Accounts Fund 2006 to establish the community use element of these sports halls.

Two proposals were submitted to this Department with a view to drawing down part of this funding to facilitate community use of five of halls. One of which was a proposal from County Dublin VEC that it will manage and operate three of the halls attached to schools in the South County Dublin area, on behalf of the Department of Education and Science, which includes Firhouse Community College.

Government agreement was given on Tuesday 23rd January to the drawdown of Dormant Accounts funding for both of these proposals amounting to €1.75 million or €350,000 per sports hall.

The Department has informed County Dublin VEC of this decision and given approval for appropriate staffing of the halls to facilitate their use by the community.

Schools Building Projects.

322. **Mr. O'Connor** asked the Minister for Education and Science the progress made in respect of the building programme at a school (details supplied) in Dublin 6W; the schedule being followed; and if she will make a statement on the matter. [4239/07]

Minister for Education and Science (Ms Hanafin): The building project referred to by the Deputy is at an early stage of architectural planning. The school was listed in my announcement of 30 January 2007 as a project to progress to tender and construction.

A meeting has been arranged for 27 February 2007 with the School and the Design Team in order to evaluate the Stage 3 submission (developed sketch scheme). In this regard, the Board of Management has given an undertaking to have the submission in my Department one week before the meeting. It is envisaged that unless there are very exceptional circumstances involved, the meeting will be sufficient to authorise the project to progress to tender and construction.

Teachers' Remuneration.

323. **Mr. Noonan** asked the Minister for Education and Science if the financial control section of her Department has compiled the contribution record of a person (details supplied) in County Limerick in order that the Department of Social and Family Affairs can forecast their pension; if her attention has been drawn to the fact that their contribution record contains two classes of contributions modified and full rate contributions for the years from 1990 to 2004 and is causing some difficulty; and if she will make a statement on the matter. [4240/07]

Minister for Education and Science (Ms Hanafin): The matter referred to by the Deputy is being investigated. I will arrange for a full reply to be forwarded to him as soon as possible.

School Accommodation.

324. **Cecilia Keaveney** asked the Minister for Education and Science when the balance of accommodation agreed at the beginning of the process for a school (details supplied) in County Donegal will be progressed; and if she will make a statement on the matter. [4253/07]

Minister for Education and Science (Ms Hanafin): An application for an extension has been received from the school to which the Deputy refers. An assessment of projected enrolments, demographic trends and housing developments in the area, is currently underway in the Department and this will assist in determining the long term projected enrolment for the school on which the school's long term accommodation needs will be based. When the longterm projected enrolment has been finalised and agreed with the school authorities the Department will draw up schedules of accommodation for the project which will be considered in the context of the School Building and Modernisation Programme.

325. **Cecilia Keaveney** asked the Minister for Education and Science the plans to improve accommodation at a school (details supplied) in County Donegal; and if she will make a statement on the matter. [4254/07]

Minister for Education and Science (Ms Hanafin): An upward trend in enrolment in

recent years at the school referred to by the Deputy has necessitated a review by the Department of demographic trends, housing developments and enrolment trends in the area in order to ensure that any capital funding provided will deliver accommodation appropriate to the school's need into the future. Upon completion of this re-assessment a decision will be conveyed to the school on how best to provide for the school's long term accommodation needs.

326. **Cecilia Keaveney** asked the Minister for Education and Science the plans to improve accommodation at a school (details supplied) in County Donegal; and if she will make a statement on the matter. [4255/07]

Minister for Education and Science (Ms Hanafin): Changes in the enrolment trends in recent years at the school referred to by the Deputy has necessitated a review by the Department of demographic trends, housing developments and enrolment trends in the area in order to ensure that any capital funding provided will deliver accommodation appropriate to the school's need into the future. Upon completion of this re-assessment a decision will be conveyed to the school on how best to provide for the school's long term accommodation needs.

Schools Building Projects.

327. **Mr. English** asked the Minister for Education and Science if her attention has been drawn to the fact that Kells Town Council has made additional lands available for educational development adjacent to the current schools in Kells, County Meath; if consideration has been given to the proposed new school buildings for a school (details supplied) to be provided at this new site in order to keep the current secondary schools adjacent to one another; and if she will make a statement on the matter. [4257/07]

Minister for Education and Science (Ms Hanafin): The building project for the school to which the Deputy refers is one of 23 new post-primary schools being built under the Department's Public Private Partnership Programme.

The site for the project is being acquired by the Department under the terms of the Residential Institutions Redress Act, 2002. In this regard, the Department has accepted, in principle, a site in Kells which was offered under the terms of the property aspect of the Indemnity Agreement between the State and 18 Religious Congregations.

Documentation in relation to the transfer of ownership is currently with the Chief State Solicitors Office. In the event that the Department is ultimately unable to acquire the site in question, it will look at other options.

328. **Mr. Wall** asked the Minister for Education and Science the completed projects within Kildare that were proposed under the last National Development Plan by her Department; the number under construction; the number that have rolled over to the new NDP; the other new proposals that are planned for Kildare under the new NDP; and if she will make a statement on the matter. [4289/07]

Minister for Education and Science (Ms Hanafin): The National Development Plan 2000-2006 identified the need for major investment in educational infrastructure in new and refurbished buildings, new equipment and information technology to make education more relevant to the needs of a modern economy. The plan did not identify individual building projects to be addressed either on a local or county basis. It was a matter for my Department to prioritise projects objectively and ensure that funding was appropriately allocated in line with priority assessments. If the Deputy has specific projects in mind my Department can provide the relevant information.

As the Deputy will be aware, the local area development plan for the N4/M4 corridor, is the framework document for the Department's long-term educational strategy at both primary and post-primary level for the area concerned, including part of Kildare. The recommendations in the plan are being actioned in the context of the School Building and Modernisation Programme subject to the published prioritisation criteria for large scale building projects.

In general, my Department accelerated the school building programme with record levels of investment and the streamlining of delivery systems during the period of the last NDP. The Government is delivering on its commitment to provide modern facilities in schools and has progressively increased funding in recent years with an aggregate total of well over €2.6 billion invested in the period from 2000 to 2006 in upgrading existing school infrastructure and providing new school accommodation at both first and second-level.

This is the largest investment programme in the history of the State. It has delivered over 7,800 projects including 1300 in 2006 alone. In addition the investment covered site purchases; the annual minor works grant to all primary schools, dust/asbestos and radon remediation programmes, science and technology initiatives, contingency works and grants for the purchase of furniture and equipment including improving equipment needed for new technologies and ICT.

To put it in context in terms of pupil numbers, if we take new primary schools recently completed, under construction or approved to progress to construction, we are delivering over 15,000 new permanent pupil places, almost 70% of these in the Leinster area. This figure relates

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to new schools only and does not include an additional 8,750 school places being delivered under the permanent accommodation scheme.

Innovations in the delivery of school buildings such as Generic Repeat Designs and the use of the Design and Build model ensure that new school buildings are delivered in the fastest time-frame possible. In recent years, my Department has also adopted a policy of devolving much greater authority to local school management boards to manage and deliver smaller building projects, thereby freeing my Department to concentrate on the larger scale projects.

My Department has never underestimated the scale of the task and the level of capital funding and other resources required to rectify decades of under investment in school infrastructure. However, the Government is delivering on its commitment to provide modern facilities in schools and will provide a further €4.8 billion for educational infrastructure over the period of the new National Development Plan 2007-2013.

Educational Disadvantage.

329. **Mr. Ring** asked the Minister for Education and Science when did the DEIS commence; when were schools first identified for inclusion in this programme; and the length of time this scheme will operate for. [4343/07]

Minister for Education and Science (Ms Hanafin): DEIS (Delivering Equality of Opportunity in Schools), the action plan for educational inclusion, which was launched on 30th May 2005, will be implemented on a phased basis over 5 years — starting during the school year 2005/2006. It aims to ensure that the educational needs of children and young people from pre-school to completion of upper second-level education (3 to 18 years) from disadvantaged communities are prioritised and effectively addressed. It will involve an additional annual investment of some €40 million on full implementation and the provision of some 300 additional posts across the education system.

The action plan provides for a standardised system for identifying levels of disadvantage and a new integrated School Support Programme (SSP). DEIS will bring together and build upon a number of existing interventions in schools with a concentrated level of disadvantage.

In the primary sector, the identification process was based on a survey carried out by the Educational Research Centre (ERC) in May 2005, from which a response rate of more than 97% was achieved.

In the case of second-level schools, the Department supplied the ERC with centrally-held data from the Post-Primary Pupils and State Examinations Commission databases.

As a result of the identification and review process, 873 schools have been included under the

DEIS action plan. These comprise 670 primary schools and 203 second-level schools. Roll out of support measures to schools under the action plan commenced in 2006.

Schools which have not qualified for inclusion in DEIS and which are receiving additional resources under pre-existing schemes for addressing disadvantage, will continue to receive support in line with their level of disadvantage.

330. **Mr. Ring** asked the Minister for Education and Science if a school (details supplied) in County Mayo applied for either the disadvantaged scheme which was in place or for inclusion in the DEIS. [4344/07]

332. **Mr. Ring** asked the Minister for Education and Science the eight separate schemes for disadvantaged primary schools which were put in place over the years; if a school (details supplied) in County Mayo ever participated in or applied for any of those schemes; and if so, the details of the participation. [4346/07]

333. **Mr. Ring** asked the Minister for Education and Science if a school (details supplied) in the primary sector in County Mayo participated in the survey carried out by the Educational Research Centre in May 2005; and if she will make a statement on the matter. [4347/07]

Minister for Education and Science (Ms Hanafin): I propose to take Questions Nos. 330, 332 and 333 together.

DEIS (Delivering Equality of Opportunity in Schools), the action plan for educational inclusion, provides for a standardised system for identifying levels of disadvantage and a new integrated School Support Programme (SSP).

DEIS brings together and build upon the following pre-existing interventions in schools with a concentrated level of disadvantage:

- Giving Children an Even Break (GCEB)
- Breaking the Cycle (BTC)
- Early Start
- Support Teacher Project
- Disadvantaged Areas Scheme (DAS)
- Home/School/Community Liaison Scheme (HSCL)
- School Completion Programme (SCP)
- Free Books Grant Scheme

The process of identifying schools for participation in DEIS was managed by the Educational Research Centre (ERC) on behalf of my Department and supported by quality assurance work co-ordinated through the Department's regional offices and the Inspectorate. In the primary sector, the identification process was based on a survey carried out by the ERC in May 2005, from

which a response rate of more than 97% was achieved.

The school to which the Deputy refers participated in the survey but was not identified for inclusion in DEIS. A review mechanism was also put in place to address the concerns of schools that did not qualify for inclusion in DEIS but regarded themselves as having a level of disadvantage which was of a scale sufficient to warrant their inclusion in the programme. The review process operated under the direction of an independent person, charged with ensuring that all relevant identification processes and procedures were properly followed in the case of schools applying for a review.

The closing date for receipt of review applications was 31 March, 2006. The Group submitted a report and the review is now concluded. Schools who applied for a review were informed of the outcome in August, 2006. The school to which the Deputy refers did not apply for review.

Schools which have not qualified for inclusion in DEIS and which are receiving additional resources under pre-existing schemes for addressing disadvantage, can be assured that they will continue to receive support in line with their level of disadvantage. The school referred to by the Deputy received funding under GCEB and retains that level of funding in the current school year.

331. **Mr. Ring** asked the Minister for Education and Science when was the classification of disadvantaged status for schools first introduced; and the length of time it has been operational. [4345/07]

Minister for Education and Science (Ms Hanafin): The Disadvantaged Areas Scheme commenced in 1984. The scheme is being integrated into the new action plan for educational inclusion, DEIS (Delivering Equality of Opportunity in Schools) which I launched last year.

DEIS provides for a standardised system for identifying levels of disadvantage and a new integrated School Support Programme and will bring together, and build upon, a number of existing interventions in schools with a concentrated level of disadvantage.

Questions Nos. 332 and 333 answered with Question No. 330.

334. **Mr. Ring** asked the Minister for Education and Science the primary schools in County Mayo that did not participate in the survey carried out by the Educational Research Centre in May 2005; and if she will make a statement on the matter. [4348/07]

Minister for Education and Science (Ms Hanafin): The process of identifying schools for participation in DEIS was managed by the Educational Research Centre (ERC) on behalf of my

Department and supported by quality assurance work co-ordinated through the Department's regional offices and the Inspectorate. In the primary sector, the identification process was based on a survey carried out by the ERC in May 2005, from which a response rate of more than 97% was achieved.

In Mayo, 170 primary schools returned their survey to the ERC from a total of 179 primary schools within the county in the school year 2004/2005. As a result of the identification process and subsequent review, 68 primary schools in Mayo have been included in the School Support Programme and nearly 20% of all schools in the rural strand of the programme are in Mayo.

Site Acquisitions.

335. **Mr. Gogarty** asked the Minister for Education and Science the reason it has taken so long to identify a site for a new building for a school (details supplied) in County Dublin. [4352/07]

336. **Mr. Gogarty** asked the Minister for Education and Science the discussions that have taken place with landowners and South Dublin County Council regarding the provision of a site for a school (details supplied) in County Dublin. [4353/07]

337. **Mr. Gogarty** asked the Minister for Education and Science her views on requesting the council to initiate compulsory purchase order proceedings on suitable land in the Saggart area to provide space for the long awaited new building for a school (details supplied) in County Dublin; and if she will make a statement on the matter. [4354/07]

Minister for Education and Science (Ms Hanafin): I propose to take Questions Nos. 335, to 337, inclusive, together.

The Department has acknowledged the need to relocate the existing primary school referred to by the Deputy to a greenfield site. The acquisition of a site for this development is being actively pursued with South Dublin County Council and the relevant landowners. When this matter has been finalised, progress on the proposed project can be considered under the School Building and Modernisation Programme.

338. **Mr. Gogarty** asked the Minister for Education and Science if, notwithstanding the proposal for housing at a site (details supplied) in County Dublin, she will request South Dublin County Council to initiate compulsory purchase order proceedings at the site known as the Bull's Field to provide a new school building for a school (details supplied) in County Dublin; and if she will make a statement on the matter. [4355/07]

339. **Mr. Gogarty** asked the Minister for Education and Science if her Department has been approached by a company (details supplied) with reference to the package of proposals including the selling of a school site as part of planning permission for 1,600 houses in County Dublin; if a proposed price for the land as part of this package has been put on the table in any way shape or form; if this price would be more costly than the price paid by means of a compulsory purchase order at agricultural prices; and if she will make a statement on the matter. [4356/07]

Minister for Education and Science (Ms Hanafin): I propose to take Questions Nos. 338 and 339 together.

The Property Management Section of the Office of Public Works, which acts on behalf of the Department in relation to site acquisitions generally, has been asked to source a site for the school to which the Deputy refers. A number of site options have emerged and the Department is awaiting a report from the OPW which will identify a preferred site option. In the circumstances, the issue of a compulsory purchase does not arise in relation to this matter at this time.

The Department has no knowledge of the other development proposals referred to by the Deputy. Normally, however, a local authority will ask the Department if it is willing to release a school site reservation before it takes any decision to re-zone the land. In addition, a development of the size in question is likely to be the subject of an area development plan and the local authority is obliged by Statute to forward such plans to the Department for comment in the context of educational requirements for the area.

Schools Building Projects.

340. **Mr. Gogarty** asked the Minister for Education and Science if she will withdraw support for plans to locate a school (details supplied) at a site in Deansrath in view of the strong and logical reservations expressed by parents living in the Clondalkin village area; if her Department will renew efforts to locate a suitable site in the village area; and if she will make a statement on the matter. [4357/07]

341. **Mr. Gogarty** asked the Minister for Education and Science if her attention has been drawn to the strong reason for keeping a school (details supplied) in Clondalkin village; and if all of these issues have been or will be considered by her Department in terms of deciding whether or not to push forward with plans to locate a new school site at Deansrath. [4358/07]

Minister for Education and Science (Ms Hanafin): I propose to take Questions Nos. 340 and 341 together.

The Department has acknowledged the need for a site for a permanent building for the school

to which the Deputy refers. The site on which the school is currently located is not available, however, a 0.93 acre site adjacent to the school was offered by the owner. This is even smaller than the current school site and is not adequate to provide a modern purpose built 16 classroom school with the full range of ancillary accommodation which all new schools enjoy. Circa 2.5 acres is the minimum amount of land required.

Enormous difficulties were encountered in trying to acquire a site in what is a built up urban area. In fact, no suitable site at all emerged under the acquisition process. In the circumstances the Department had to consider other options and was fortunate that the County of Dublin Vocational Education Committee not alone had land that could be developed but was willing to make this land available.

There are any number of schools up and down the country that start in one location and are permanently located in another. It also has to be remembered that unlike other primary schools, Gaelscoileanna do not have catchment areas and are not, therefore, confined to being accommodated in specific locations although the Department will always try to re-locate schools as close to an original location if this is possible. It is not realistic, however, in a large urban area to expect this to be easily achieved. School communities themselves are usually aware of local land issues so re-locations are rarely if ever a problem particularly when what is on offer is a multi million Euro investment to ensure that the children concerned have a comfortable high quality learning environment.

342. **Mr. Gogarty** asked the Minister for Education and Science her plans put in place since the Newcastle and Rathcoole/Saggart Local Area Plans were adopted; the additional population increase identified over the next five years; the additional primary and second level school place provision that has been earmarked; and if she will make a statement on the matter. [4359/07]

Minister for Education and Science (Ms Hanafin): It is the Department's intention to construct a new 24 classroom primary school to cater for the long terms needs of the Newcastle area. The acquisition of a site for this purpose is being actively pursued.

In Rathcoole the Department plans to increase post primary capacity to 1,000 pupil places.

In Saggart, the Department has acknowledged the need to re-locate the existing school to a Greenfield site so it can be expanded to a 16 classroom facility. The acquisition of a site for this development is also being actively pursued.

All of these projects command a Band 1 priority rating under the published prioritisation for large scale building works and they will be progressed as soon as possible under the school Building and Modernisation Programme.

Educational Infrastructure.

343. **Mr. Gogarty** asked the Minister for Education and Science the contacts that have taken place between her Department and a company (details supplied) in relation to development led plans to construct up to 6,000 new homes in Newcastle; if there are contingency plans in place should such a plan be passed by members of South Dublin County Council in the next 12 months; and if she will make a statement on the matter. [4360/07]

Minister for Education and Science (Ms Hanafin): The Department has not been contacted by the company to which the Deputy refers.

A development of the size in question is likely to be the subject of an Area Development Plan and the local authority is obliged by Statute to forward such plans to the Department for comment in the context of educational requirements for the area.

Higher Education Grants.

344. **Mr. Wall** asked the Minister for Education and Science the reasons an Irish citizen resident in the common travel area of the EU does not qualify for grants for courses under the remit of her Department if the person is resident in the common travel area but not in Ireland on 1 October of the proceeding year of the application; and if she will make a statement on the matter. [4380/07]

Minister for Education and Science (Ms Hanafin): The position is that under the Higher Education Grants Scheme, which is administered by the Local Authorities on behalf of the Department, generally speaking, students who are entering approved courses for the first time are eligible for grants (maintenance and tuition fees) where they satisfy the relevant conditions as to age, residence, means, nationality and previous academic attainment. An approved course for the purpose of the Higher Education Grants Scheme means a full-time undergraduate course of not less than two years duration and a full time post-graduate course of not less than one years duration pursued in an approved third level institution.

The condition relating to residency requires, in the case of a candidate under 23, the candidate's parents or guardians to have been resident in the administrative area of a Local Authority from 1st October of the previous year. In the case of an 'Independent Mature Candidate' the candidate himself/herself must have been resident in the administrative area of a Local Authority from 1st October of the previous year. The Local Authorities have discretion to waive this requirement in exceptional circumstances.

Under the Nationality clause of the Scheme all E.U nationals, including Irish Nationals, are eligible to be considered.

However, candidates who are E.U. nationals and who do not satisfy the residency requirement are eligible to apply for a means-tested fees only grant in respect of approved courses in the Republic of Ireland, provided they have been ordinarily resident, for a purpose other than wholly or mainly to receive full-time education, in an E.U. Member State from 1 October, of previous year. Such candidates shall apply to the Local Authority in which the college they propose to attend is situated.

Apart from the funding provided through the student maintenance grant schemes, the Department also provides funding to the approved third level institutions to operate a Student Assistant Fund to assist students in a compassionate and sensitive manner who may otherwise have to leave college due to financial hardship. Information on the fund is available from the Student Access Officer at the college being attended.

Schools Refurbishment.

345. **Mr. Wall** asked the Minister for Education and Science the reason schools seeking to apply for funding from dormant accounts have to initially spend much needed funding in preparing their application, that is architects fees and so on, that is not refundable if their application is not successful for summer works scheme allocations (details supplied); and if she will make a statement on the matter. [4381/07]

Minister for Education and Science (Ms Hanafin): A Consultant's report is necessary for the Schemes to which the Deputy refers:

- For a professional diagnosis of the full nature and extent of the proposed project.
- To verify the absolute necessity of the project.
- To provide a range of cost effective solutions.
- To enable the prioritisation of projects on the basis of professional objective information.

Furthermore, the Consultant used must be suitably qualified for the job for which he or she is being retained and have adequate Professional Indemnity Insurance so that a school can have come back in the event of any difficulty arising on foot of technical advice given.

Fees are not refundable for unsuccessful applicants under the Summer Works Scheme (SWS) because, in the governing Circular Letter the Department makes it clear that, commensurate with the level of funding available, only demonstrably necessary projects which command the highest priority rating will be approved to proceed. It is also made clear that any reasonable

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fees incurred are included in the overall allocation for successful applicants only. Under the Scheme, schools are asked to self assess their own projects and satisfy themselves that they are willing to proceed knowing that they will have to meet the Consultant's costs if their application is not successful.

The school to which the Deputy refers was unsuccessful under the SWS because it was involved in amalgamation discussions. As a matter of policy, the Department will not incur heavy expenditure on a building if there is any question of it being vacated.

Adult Education.

346. **Mr. O'Shea** asked the Minister for Education and Science if she will grant the additional funding which City of Waterford VEC have applied for in order that their adult education programme can be resumed in the Autumn; and if she will make a statement on the matter. [4382/07]

Minister for Education and Science (Ms Hanafin): I would refer to my reply to Question 3962 of 6 February 2007.

My Department provides annual grants to VECs for the Further and Adult Education programmes they offer. The grants relate to the calendar year. The scope of any programme is governed by the budget provided.

The City of Waterford VEC has applied to the Department to offset a deficit on its Community Education Programme, which is the subject of the question, against an underspend on its Adult Literacy Programme for 2006. Approval of this arrangement has been conveyed to the VEC. It will have the effect of clearing the 2006 deficit. VECs will shortly be informed of their 2007 budgets and will be reminded that expenditure on their programmes must remain within budget.

Defence Forces Reserve.

347. **Mr. Gilmore** asked the Minister for Defence his plans to give the Reserve Defence Force access to a C and A scheme; and if he will make a statement on the matter. [4266/07]

Minister for Defence (Mr. O'Dea): Defence Force Regulations S.7 and its enabling legislation the Defence Amendment Act, 1990 provide for representative structures for members of the Defence Forces including the Army and Naval Reserves. The question of a Conciliation and Arbitration Scheme for the ranks represented by the Reserve Defence Representative Association (RDFRA) has been raised by representatives of the association in the past. I am conscious that RDFRA presents substantial issues on behalf of members. However, I do not feel that a C&A scheme is warranted. The PDF C&A scheme

addresses issues affecting the livelihood of members of the PDF. The Reserve Defence Force (RDF) is a voluntary organization and members are not dependant on it for their livelihood. Members of the RDF automatically accrue the benefits of improvements in pay and conditions made to their PDF colleagues.

There are three (3) Conciliation and Arbitration Schemes in the country covering Teachers, Civil Servants and the Permanent Defence Force. Each covers an organisation with very large numbers of permanent employees.

Under existing arrangements, RDFRA has open access to both the Department and the Military Authorities. A number of meetings take place each year between the Association and officials of the Department and separately between the Association and the Military Authorities. The frequency of this interaction has increased in recent times reflecting the modernisation agenda that is being progressed. My Department has recently initiated a joint forum where RDFRA, the Military and officials from the Department meet to collectively discuss and progress areas of concern to members of the RDFRA. Any issues within the scope of representation (as set out in the C&A Scheme for RACO and PDFORRA), which the Association wishes to raise, are dealt with at these fora.

Significant progress is being made in the modernisation of the Reserve. The Reserve Defence Force Review Implementation Plan, which was formally launched in 2004, is progressing well. There is great credit due to both the members of the Reserve and their Representative Association for their contribution to this progress. Much work remains and ongoing dialogue between the Department and RDFRA is essential to the successful completion of the modernisation agenda. I remain sensitive to the concerns of RDFRA but am satisfied that there are processes in place to ensure that any issues that arise can be discussed and progressed. I will of course keep this situation under review to ensure that the good progress made to date continues into the future.

National Development Plan.

348. **Mr. Wall** asked the Minister for Defence the completed projects within Kildare that were proposed under the last National Development Plan by his Department; the number under construction; the number that have rolled over to the new NDP; the other new proposals that are planned for Kildare under the new NDP; and if he will make a statement on the matter. [4288/07]

Minister for Defence (Mr. O'Dea): No funds were made available to my Department under the previous or new National Development Plan.

Social and Affordable Housing.

349. **Mr. Morgan** asked the Minister for the Environment, Heritage and Local Government when the text of the Social Housing (Miscellaneous Provisions) Bill 2006 will be finalised; and the date on which the Bill will be published by his Department. [4216/07]

Minister of State at the Department of the Environment, Heritage and Local Government (Mr. N. Ahern): The Government have approved the drafting of the Social Housing (Miscellaneous Provisions) Bill 2006. The drafting of the Bill is being advanced as quickly as possible and it is expected that it will be published by early summer this year.

350. **Mr. Noonan** asked the Minister for the Environment, Heritage and Local Government if he will confirm that a local authority may not approve an applicant for affordable housing unless their home loan has been arranged with one of three financial institutions approved by his Department (details supplied); his views on whether this practice is unfair and anti-competitive; and if he will make a statement on the matter. [4263/07]

Minister of State at the Department of the Environment, Heritage and Local Government (Mr. N. Ahern): Following detailed discussions between my Department and a number of the main financial institutions, Bank of Ireland Mortgage Bank, the Educational Building Society and IIB Homeloans Ltd have introduced mortgage finance products for persons wishing to access affordable housing. The introduction of these products followed the finalisation of agreements between the institutions concerned and my Department in relation to certain issues, particularly the ranking of the various charges, including the claw-back charge, on affordable homes financed by private mortgages.

My Department has sought to encourage interest in providing mortgages for affordable housing from as many private institutions as possible. While I am pleased that there are now three such providers, I would welcome the entry of further private mortgage lenders into the market. My Department is committed to working proactively with prospective entrants to finalise the agreement that must be entered into with each provider of affordable housing mortgages.

I should point out also that, in certain circumstances, eligible affordable purchasers may seek to finance their affordable home purchase by way of loan finance from their local authority.

Turbary Rights.

351. **Mr. Connaughton** asked the Minister for the Environment, Heritage and Local Government the reason a plot of bog offered for sale under the new cessation of turf cutting scheme on

behalf of a person (details supplied) in County Galway has not been purchased; and if he will make a statement on the matter. [4269/07]

Minister for the Environment, Heritage and Local Government (Mr. Roche): The person involved was offering a specific type of turbary right which had originally been purchased from the Land Commission. It transpired that it was not possible to transfer this type of turbary right to the State, but only to extinguish the right. The complex issues involved in cases of this kind have now been resolved and they are being moved forward.

Natural Heritage Areas.

352. **Mr. Connaughton** asked the Minister for the Environment, Heritage and Local Government when an application by a person (details supplied) in County Galway to have land reclassified from its current special area of conservation status will be decided on; and if he will make a statement on the matter. [4270/07]

Minister for the Environment, Heritage and Local Government (Mr. Roche): My Department is considering this application and a decision should issue shortly.

National Development Plan.

353. **Mr. Wall** asked the Minister for the Environment, Heritage and Local Government the completed projects within Kildare that were proposed under the last National Development Plan by his Department; the number under construction; the number that have rolled over to the new NDP; the other new proposals that are planned for Kildare under the new NDP; and if he will make a statement on the matter. [4291/07]

Minister for the Environment, Heritage and Local Government (Mr. Roche): The information requested is being compiled and will be forwarded to the Deputy as soon as possible.

EU Directives.

354. **Ms Harkin** asked the Minister for the Environment, Heritage and Local Government when Directive 2003/4/EC will be transposed into law; and if he will make a statement on the matter. [4298/07]

Minister for the Environment, Heritage and Local Government (Mr. Roche): Ireland signed the Aarhus Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters on 25 June 1998. Progress towards ratification of the Convention is closely aligned with work at EU level. To date, the European Union has adopted two directives as part of the ratification process for the Convention. These deal with

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public access to environmental information (2003/4/EC) and public participation in certain environmental decision-making procedures (2003/35/EC). Ratification of the Convention will take place after these Directives have been transposed into Irish Law.

I intend to make regulations transposing Directive 2003/4/EC on access to information on the environment in the near future. Work is continuing on the transposition of Directive 2003/35/EC regarding public participation in respect of the drawing up of certain plans and programmes relating to the environment. When the above work is completed, the instrument of ratification of the Aarhus Convention will be laid before the Dáil in accordance with the requirements of the Constitution.

Anti-Social Behaviour.

355. **Ms C. Murphy** asked the Minister for the Environment, Heritage and Local Government if each local authority has adopted a strategy to deal with anti-social behaviour; if personnel are assigned specifically to tasks identified in such strategies; if so, the number and in which authorities; his views on a multi-agency approach to serious anti-social behaviour problems in council estates; if funding has been allocated by his Department for same; and if he will make a statement on the matter. [4302/07]

Minister of State at the Department of the Environment, Heritage and Local Government (Mr. N. Ahern): Local authorities are responsible under the Housing Acts for the management and maintenance of their housing stock and the management of their estates, including taking appropriate measures in relation to anti-social behaviour. Authorities have extensive powers under the Housing (Miscellaneous Provisions) Act 1997 to deal with the problem of anti-social behaviour. In fulfilment of commitments in the Housing Policy statement — Building Sustainable Communities, I am reviewing the provisions of this Act with a view to strengthening their powers and I hope to bring forward legislative proposals in this regard as soon as possible this year.

Primary responsibility for dealing with law and order issues rests with the Garda Síochána and in this regard, the powers of the Gardaí in dealing

with anti social behaviour were enhanced under the provisions of the Criminal Justice Act 2006. The Garda Síochána Act 2005 further supports these efforts and provides for the establishment of joint policing committees — representative of local authorities, the Gardaí, other public bodies and community interests — whose statutory function includes reviewing the level and patterns of anti-social behaviour and advising on measures to tackle such behaviour. Clearly, the issue of anti social behaviour is best addressed by a co-ordinated response from all relevant agencies and I am fully supportive of such an approach.

Guidelines prepared by the former Housing Unit, now the Centre for Housing Research, were issued to all local authorities to assist them in developing their approaches to combating anti-social behaviour within their housing estates. The allocation of staff and funding to deal with anti-social behaviour issues in the context of the overall management of their housing stock is a matter for the local authority concerned. Local authorities have been assisted in this regard through an 8% increase in 2007 over 2006 in the level of general purpose grants allocated from the Local Government Fund.

Planning Issues.

356. **Ms Shortall** asked the Minister for the Environment, Heritage and Local Government further to his reply to Parliamentary Question No. 1870 of 31 January 2007, if his attention has been drawn to the difficulties experienced by local authorities in regulating heavily pot-holed and poorly maintained shop fronts and landings at long established shops where the footpaths are not in public ownership; the powers he proposes to extend to local authorities to allow them to deal with the safety and other issues that arise for the public at such shops; and if he will make a statement on the matter. [4408/07]

Minister for the Environment, Heritage and Local Government (Mr. Roche): I am satisfied that local authorities have sufficient powers at their disposal, including under planning and roads legislation, to deal with issues of the kind mentioned in the Question. Solutions to particular problems of this kind will also be appropriately addressed at local level. Further specific regulation of such issues is not envisaged at present.